

APPENDIX TO ITEM 3 OF THE AGENDA

ORKLA ASA – NOTE 5 REMUNERATION AND CONTRACTUAL ARRANGEMENTS

Remuneration of the Group Executive Board

The Board of Directors decides the terms and conditions of the President and CEO and makes decisions on fundamental issues relating to the Group's compensation and benefits policy and compensation arrangements for other employees. The Board of Directors has a special Compensation Committee that prepares matters relating to compensation for decision by the Board. The Committee consists of three Board members, one of whom is elected by the employees, and was chaired by the Deputy Chair of the Board in 2015. The administration prepares matters for the Compensation Committee and the Board.

The Group Executive Board participated in the Group's annual bonus system and long-term incentive programme in 2015.

Salaries and remuneration to the Group Executive Board, and accrued bonuses are presented below. The table also shows accruals and the balance in the bonus bank as at 31 December 2015, based on the Orkla share price as at 31 December 2015 (NOK 70.10).

Amounts in 1,000 NOK	Fixed salary	Accrued bonus 2015	Benefits in kind 2015	Pension costs	Accrued long-term incentive programme in 2015	Balance bonus bank
Peter A. Ruzicka	5 807	4 065	233	1 984	4 065	6 146
Karl Otto Tveter	2 856	1 244	242	708	1 244	3 778
Jens Bjørn Staff	2 813	1 104	228	719	1 104	1 654
Johan Clarin (salary in SEK)	2 795	1 337	277	725	1 337	3 687
Atle Vidar Nagel-Johansen	3 500	2 032	251	963	2 032	4 996
Ann-Beth Freuchen (from 1 July 2015)	2 700	733 ¹	102 ¹	284 ¹	1 656	3 541
Stig Ebert Nilssen	2 982	745	213	767	745	3 080
Pål Eikeland	2 800	1 560	226	691	1 560	5 775
Terje Andersen	2 842	1 651	236	889	1 651	4 548

¹Earned in her position as Executive Vice President.

The Group Executive Board participates in the Group's general employee share purchase programme. No guarantees have been provided for members of the Group Executive Board.

The shareholdings of members of the Group Executive Board are presented on page 151 in the Annual Report. The retirement age of the President and CEO is 62, and the period of notice is six months, with a period of pay of 12 months after termination of employment. From the age of 62 until he reaches the age of 67, he will be paid 60% of his salary upon retirement.

The other members of the Group Executive Board have a period of notice of six months, and their retirement age is 65. From the age of 65 until they reach the age of 67, Orkla will pay them 66% of their salary upon retirement, after which their pension will be paid from Orkla's pension plan. Terje Andersen may retire at the age of 62 with the same benefits. Terje Andersen and Karl Otto Tveter have personal loans on which a regulated interest rate is charged. The balance as at 31 December 2015 was NOK 550,848 for Mr Andersen and NOK 100,072 for Mr Tveter. No other members of the Group Executive Board have personal loans.

Options awarded to the Group Executive Board as of 31 December 2015

	Number	Award date (dd/mm/yyyy)	Strike price	1st exercise/ exercise date (dd/mm/yyyy)	Last exercise (dd/mm/yyyy)
Karl Otto Tveter	50 000	10.05.2010	36.38	10.05.2013	10.05.2016
	50 000	09.05.2011	42.53	09.05.2014	09.05.2017
	-50 000	22.05.2009	39.86	13.02.2015	Exercised at 59.27
Atle Vidar Nagel-Johansen	70 000	09.05.2011	42.53	09.05.2014	09.05.2017
	-60 000	10.05.2010	38.88	25.02.2015	Exercised at 60.66
Ann-Beth Freuchen	40 000	09.05.2011	42.53	09.05.2014	09.05.2017
	-40 000	10.05.2010	36.38	30.10.2015	Exercised at 71.71
Stig Ebert Nilssen	50 000	10.05.2010	36.38	10.05.2013	10.05.2016
	50 000	09.05.2011	42.53	09.05.2014	09.05.2017

The Board of Directors' statement of guidelines for the remuneration of the executive management

Pursuant to section 6-16a of the Public Limited Liability Companies Act, the Board of Directors must draw up a special statement of guidelines for the pay and other remuneration of senior executives. Furthermore, under section 5-6 (3) of the same Act, an advisory vote must be held at the General Meeting on the Board of Directors' guidelines for the remuneration of the executive management for the coming financial year (see (ii) below). Insofar as the guidelines concern share-related incentive programmes, these must also be approved by the General Meeting (see (iii)).

(i) Pay and other remuneration of the executive management

Information regarding pay and other remuneration of the executive management for the previous financial year has been provided on page 134 in the Annual Report.

(ii) Guidelines for pay and other remuneration of the executive management

With regard to guidelines for pay and other remuneration of the executive management in the coming financial year, the Board of Directors will submit the following guidelines to the General Meeting in 2016 for an advisory vote:

The purpose of Orkla's terms and conditions policy is to attract personnel with the competence that the Group requires, to further develop and retain employees with key expertise, and to promote a long-term perspective and continuous improvement with a view to achieving Orkla's business goals. The general approach adopted in Orkla's policy has been to pay fixed salaries and pensions based on the market median, while offering a variable element which is linked to results, share price performance etc. (short- and long-term incentives) and which should be better than the median. Compensation may consist of the following elements:

a) Fixed elements

Orkla uses internationally recognised job assessment systems to find the "right" level for the job and the fixed salary. Jobs are assessed in relation to their local market (country) and a pay range of the median +/- 20% is applied. The employee's responsibilities, results and performance determine where he or she is placed on the salary scale.

Orkla has a defined contribution pension plan in Norway. The contribution rates are 5% for salaries between 1G and 7.1G and 23.1% for salaries over 7.1G (as from 1 May 2015 1G is NOK 90,068). For members of the Group Executive Board as at 1 September 2014, the rate for salaries over 12G is 27%. Employees who have entered into an early retirement agreement entitling them to retire before the age of 67 receive a pension (unfunded) that is equivalent to 60 per cent of their annual pay. Other members of the Group Executive Board than the President and CEO have 66%, all subject to a minimum of 30 qualifying years. In addition to the above, the Group provides benefits such as a company car and company telephone and other limited benefits in kind.

(b) Variable elements – annual bonus

Orkla has an annual bonus programme. Under this programme, a "good performance", which is specifically defined for the various elements, can result in an annual bonus of 30% of an employee's fixed pay, while the maximum bonus is 100% of the employee's annual pay. Approximately 170 senior executives and key personnel participate in this bonus programme. The bonus programme targets for 2016 will consist of organic growth, EVA performance, capital use and individual components. The primary goal is profit growth.

(iii) Special comments on share-based incentive programmes

Orkla has a cash-based long-term incentive programme. An amount based on the result of the annual bonus programme will be deposited in a bonus bank. The bonus is normally awarded in May of each year. The balance will be adjusted according to the performance of the Orkla share until it is paid out. The adjustment is based on the share price recorded on the day after the Annual General Meeting, adjusted for dividends in the period. 50% of the entitlement will be paid out after two years and the rest after three years, provided that the employee has not given notice of resignation at the time of payment. The annual amount paid out from the long-term incentive programme must not exceed one year's pay at the time of payment. Any excess amount will be added to the bank deposit to be paid out the following year.

(iv) Senior executive pay policy in previous financial years

The guidelines for the pay and remuneration of senior executives described in (ii), which were considered at the Annual General Meeting in 2015, also served as guidelines for the determination of senior executive remuneration in 2015.

(v) Changes in contractual arrangements

Christer Åberg resigned from his position as Orkla EVP & CEO of Orkla Confectionery & Snacks on 30 June 2015, and was succeeded by Ann-Beth Freuchen, who came from the position of CEO of Orkla Confectionery & Snacks Norge.

Discounted shares for employees

For several years the Group has had a programme that gives employees the opportunity to buy a limited number of shares at a discount of 30% on the market price of the share. Shares may be purchased for five different amounts: NOK 28,000, 20,000, 12,000, 4,000 and 1,000 (amounts after discount). In 2015 this programme was available to around 13,800 employees in 23 countries. Shares were purchased by 2,013 employees (1,662 in 2014). Costs related to the share purchase programme in 2015 amounted to approximately NOK 22 million (NOK 18 million in 2014).

The Board of Directors recommends to the General Meeting that the employee share purchase programme be continued on the same conditions as in 2015.

Remuneration of the Board of Directors and Board members' shareholdings

As from 17 April 2015, the Board of Directors is remunerated at the following rates:

Board Chair	NOK	680,000	per year
Board Deputy Chair	NOK	530,000	per year
Board member	NOK	400,000	per year
Observer	NOK	152,000	per year
Deputy member	NOK	26,000	per meeting

Compensation Committee

Committee Chair	NOK	131,000	per year
Member	NOK	98,000	per year

Audit Committee

Committee Chair	NOK	164,000	per year
Member	NOK	109,000	per year

In addition, shareholder-elected Board members residing outside Norway receive an additional NOK 16,000 per meeting attended.

Payments actually received by members of the Board of Directors are as follows:

Amounts in NOK	Director's fee incl. committee work	Number of shares ¹
<i>Shareholder-elected Board members</i>		
Stein Erik Hagen	770 333	249 142 000
Grace Reksten Skaugen	654 660	3 000
Jo Lunder (until 16 April 2015)	146 000	0
Ingrid Jonasson Blank	536 666	1 750
Lisbeth Valthier	428 666	3 000
Nils K. Sette	559 000	18 000
Lars Dahlgren	428 666	2 000
<i>Employee-elected Board members</i>		
Terje Utstrand	See table below	5 240
Janne Halvorsen	See table below	0
Sverre Josvanger	See table below	18 053
Åke Ligardh	See table below	3 611

¹Total share ownership including related parties.

Amounts in 1,000 NOK	Fixed salary	Director's fees	Benefits in kind	Pension costs
<i>Employee-elected Board members</i>				
Terje Utstrand	548	494	76	23
Janne Halvorsen	409	397	14	16
Sverre Josvanger	495	505	131	20
Åke Ligardh (salary in SEK)	373	397	0	16

No loans have been granted to or guarantees provided for members of the Board of Directors.

Remuneration of the Nomination Committee

The Chair of the Nomination Committee receives remuneration of NOK 7,500 per meeting, while the other members receive NOK 5,500.

Fees to Group external auditor

Amounts in NOK million (excl. VAT)	2015	2014
<i>Parent company</i>		
Statutory audit	2.7	2.8
Other attest services	0.0	0.1
Tax consultancy services	2.5	3.2
Other non-audit services	2.8	2.8
<i>Group</i>		
Statutory audit	24	23
Other attest services	0	0
Tax consultancy services	4	6
Other non-audit services	5	4
Total fees to EY	33	33
Statutory audit fee to other auditors	2	2

APPENDIX TO ITEM 4 OF THE AGENDA

On the whole, Orkla acts in accordance with the guidelines laid down in the Norwegian Code of Practice for Corporate Governance (hereinafter called the Code of Practice).

Under applicable rules and recommendations, any deviation from the Code of Practice must be justified and an explanation of the way the company has acted differently must be provided.

Orkla has reported two minor deviations from the Code of Practice:

Under section 6 of the Code of Practice, the entire Board of Directors should be present at general meetings

Members of Orkla's Board of Directors are present at general meetings, but normally the entire Board has not attended for various reasons, such as illness or a clash of activities. Furthermore, the matters that have been considered at Orkla's general meetings in recent years have not been of such a nature that the attendance of all of the Board members has been deemed necessary. Moreover, the Board Chair, the President and CEO and other senior executives are present at general meetings and will be able to answer any questions that may be raised.

Under section 14 of the Code of Practice, the Board of Directors should have drawn up guiding principles for how it will act in the event of a take-over bid.

It has not been deemed expedient to draw up explicit guiding principles for the Board's action in the event of a take-over bid. However, the Board of Directors endorses the statements in the Code of Practice regarding take-overs, and will act accordingly in the event that a take-over bid is made.

Further information will be provided at the general meeting concerning the Code of Practice and the way in which the Board of Directors and the Group deal with issues relating to corporate governance.

APPENDIX TO ITEM 6 OF THE AGENDA

An authorisation for the Board of Directors to acquire Orkla shares has been granted regularly ever since this was made possible by law in 1998.

Buying back the company's shares for cancellation is one of several possible means by which the company can transfer assets to shareholders. In addition, the company has a certain need for treasury shares to be able to fulfil its obligations under current incentive programmes adopted at various general meetings as well as employee share purchase programmes.

Whether and to what extent share buybacks should be made under the authorisation will be contingent on a case-by-case assessment of factors such as the capital situation and share price.

It is proposed that the Board of Directors again be authorised this year to acquire shares in Orkla ASA with a nominal value of up to NOK 125,000,000 divided between a maximum of 100,000,000 shares. The Group's total holding of treasury shares may never exceed 10% of shares outstanding at any given time.

It is proposed that this authorisation shall apply for one year, in accordance with the Norwegian Code of Practice for Corporate Governance.

As in previous years, the proposal stipulates that any shares which the company might acquire under this authorisation may only be used for one of the two following purposes:

- cancellation, in which case a proposal regarding cancellation will be submitted to the General Meeting, or
- used to fulfil the company's obligations under employee incentive programmes as decided by the General Meeting.

Treasury shares are purchased on the stock exchange. The purchase and sale of treasury shares affect only the company's statement of changes in equity and not its income statement.