

# Corporate governance

Orkla's principles for good corporate governance aim to lay the foundation for long-term value creation, to the benefit of our shareholders, employees and society at large. Openness, transparency, accountability and equal treatment underpin confidence in the company, both internally and externally, and constitute key elements in our efforts to foster a sound corporate business culture.

## 1. Statement of policy on corporate governance

Orkla is required to report on corporate governance under section 3–3b of the Norwegian Accounting Act ([www.lovdata.no](http://www.lovdata.no)) and the Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board (NUES) ([www.nues.no](http://www.nues.no)). This statement of policy will be an item of business at Orkla's Annual General Meeting on 13 April 2023. The company's auditor has assessed whether the information provided in this statement with regard to section 3–3b of the Accounting Act is consistent with the information provided in the annual financial statements. The auditor's statement may be found on page 305.

Orkla's Board of Directors actively adheres to good corporate governance standards and will at all times ensure that Orkla complies with the requirements of section 3–3b of the Accounting Act and the Norwegian Code of Practice for Corporate Governance. The topic of good governance is an integral part of the decision-making process in matters dealt with by the Board. Furthermore, the Board assesses and discusses the principles annually, and has also considered this statement at a Board meeting.

In October 2022, the Board decided to establish a new corporate structure. Orkla is to be transformed into an industrial investment company with ownership of more independent portfolio companies. Orkla's new operational model will be effective from 1 March 2023. In connection with the transition to the new model, the Board of Directors will establish updated governance principles with clear requirements and expectations for Orkla companies, and central corporate processes will be adapted to the new model. The following statement of policy is based on the governance principles that applied in 2022.

The statement of policy is structured in the same way as the Code of Practice, covers each point of the Code and describes how Orkla complies with the Code requirements.

## 2. Activities

Orkla's objectives, as defined in its Articles of Association, are as follows:

“The company's activities consist of owning, operating, investing and trading in industry, real estate, commerce and consumer-related activities, services, securities and any other activity connected with the aforementioned activities. The activities are conducted by the company itself or by its subsidiaries, and by investing in or in collaboration with other enterprises, in both cases in Norway and/or abroad.”

In accordance with our objects clause, we operate in several areas. Our core business is brands and consumer-oriented companies, but we also have activities in the energy, real estate and financial investment sectors.

NOK per share paid out

As suggested by the Board of Directors

3.00

Orkla’s core values are “brave”, “trustworthy” and “inspiring”. We aim to outperform and create greater value than our competitors and other comparable companies.

We at Orkla are committed to promoting sustainable social development by operating in compliance with responsible business principles, systematically improving our operations and investing in profitable business projects that can generate positive economic impacts for society.

Orkla’s sustainability strategy covers five main topics: environmental engagement, sustainable sourcing, nutrition and wellness, safe products and care for people and society. These are areas in which Orkla by virtue of its activities has a major impact and a responsibility, and where our efforts will be important for our future growth and profitability. The topics considered to be significant for Orkla, the sustainability goals and our approach to this work are described in greater detail in the chapter on sustainability, which is included in our Annual Report.

Orkla works actively to promote gender balance and diversity. Special guidelines have been established for this work which include requirements relating to gender balance and diversity in recruitment processes. The chapter on sustainability further describes how we work to promote gender balance and diversity, the targets that have been set, the results achieved and how these efforts are monitored.

Orkla’s strategy process is dynamic and covers a period of three years. Every third year, a new three-year plan is adopted that sets our strategic direction and defines goals for Orkla, the business areas and individual

companies. Our goals, strategies and risk profile are evaluated annually. In future, the strategy process will be adapted to the new operational model, and the strategic direction, goals and plans will be developed for each portfolio company.

**3. Equity and dividends**

The Board of Directors ensures that Orkla has a capital structure adapted to its goals, strategy and risk profile, and evaluates this structure annually. As at 31 December 2022, Orkla’s equity totalled NOK 43.2 billion. An ordinary dividend of NOK 3.00 per share was paid out for the 2021 financial year.

Over time, Orkla shareholders shall receive a competitive return on their investment through a combination of dividends and an increase in the value of their shares. We have pursued a consistent shareholder and dividend policy for many years. On our Capital Markets Day in November 2021, the Orkla Management Team announced that the dividend will normally constitute between 50–70% of earnings per share. The Board of Directors has proposed that a dividend of NOK 3 per share be paid out for the 2022 financial year. The dividend will be paid out on 27 April 2023 to shareholders of record on the date of the Annual General Meeting.

Authorisations empowering the Board of Directors to undertake share buybacks are limited to specific purposes and are valid until the next general meeting. The General Meeting is given the opportunity to vote on every purpose covered by the authorisation. At the Annual General Meeting in 2022, the Board of Directors was granted authorisation to buy back up to 100,000,000 Orkla shares so that the company can acquire and hold up to 10% of its share capital. It is a requirement that shares acquired under this authorisation must







be cancelled or used in connection with employee incentive programmes, including Orkla's employee share purchase programme. As at 31 December 2022, Orkla had not purchased any of its own shares under the current authorisation. As at 31 December 2022, Orkla held 4,286,980 treasury shares.

Questions concerning increases in share capital must be submitted to the General Meeting for decision.

#### 4. Equal treatment of shareholders

Orkla has one class of share and each share entitles the holder to one vote. Each share has a nominal value of NOK 1.25. We have provided further information on voting rights at general meetings under point 6, General Meetings.

The company's policy is to not dilute the shareholdings of existing shareholders. In accordance with this policy, we have not carried out any real share capital increases in the company in recent years. Should the Board of Directors wish to propose to the General Meeting that a departure be made from the pre-emptive right of existing shareholders in the event of a capital increase, such a proposal will be justified by the common interests of the company and the shareholders, and the grounds for the proposal will be presented in the notice of the general meeting.

The company's transactions in its own shares are effected on the market at market price, in accordance with good stock exchange practice in Norway. There are otherwise no provisions in Orkla's Articles of Association that regulate the buyback or issue of shares.

#### 5. Freely negotiable shares

All Orkla shares carry equal rights and are freely negotiable. No special limitations on transactions have been laid down in Orkla's Articles of Association. Article 4 of the Articles of Association states that, "the Board of Directors may entirely or partly refuse to approve the transfer of shares if the company pursuant to statute or to regulations laid down pursuant to statute is given the discretionary right to refuse such approval or to apply other restrictions on sales". In this connection, it should be noted that the provisions of the Industrial Licensing Act requiring Board consent for acquisitions of shares representing more than 20% of all shares in the company are applicable, due to Orkla's ownership interests in waterfalls. Transactions in the Orkla share are described in further detail on Orkla's website.

#### 6. General meetings

Orkla seeks to ensure that as many shareholders as possible are able to exercise their rights by participating in general meetings, and that the general meeting is an effective meeting place for shareholders and the Board of Directors.

Orkla holds its Annual General Meeting every year before the end of May. Information on shareholders' right to submit items of business for consideration at the general meeting is posted on our website. Notices of general meetings and related documents are made available on the website no later than 21 days prior to the date of the meeting. The final date for giving notice of attendance is no later than two business days prior to the general meeting (notice of attendance date). The right to attend and vote at the general meeting may only be exercised for shares entered in the shareholder register no later than on the fifth business day prior to the general meeting

(record date). Shareholders are given the opportunity to vote on the election of every single candidate to an office in the Nomination Committee and on the Board of Directors. The auditor and members of the Board of Directors and Nomination Committee are present at general meetings.

Under Norwegian law, only shares that are registered in the name of the shareholder may be voted. Shares registered in a nominee account must be reregistered in the VPS by the record date in order for the shareholder to be entitled to vote the shares. More detailed information regarding this requirement is provided in the notice of the general meeting and on Orkla's website.

Shareholders who are unable to attend the general meeting may vote by proxy. Orkla will appoint the Board Chair or chair of the general meeting to vote for the shareholders, but shareholders are free to choose another proxy. The proxy form is designed in such a way that voting instructions can be given for each item of business that is to be considered. Shareholders who were unable to attend the Annual General Meeting in 2022 could, in addition to voting by proxy, cast a direct advance vote on Orkla's website or through VPS Investor Services. The Board of Directors has decided that shareholders may again cast such direct advance votes in 2023. Both the notice of the general meeting and our website provide further information regarding use of proxies, advance voting and shareholders' right to submit items of business for consideration at general meetings.

Under Article 8, third paragraph, of the Articles of Association, the Board of Directors may decide that documents concerning items of business to be considered at the general meeting are not to be sent to shareholders when

the documents are made available on the company's website. This also applies to documents which by law must be included in or attached to the notice of the general meeting. A shareholder may nonetheless ask to be sent documents pertaining to items of business to be considered at the general meeting. The provision in the Articles of Association departs from the general rule in Chapter 5 of the Public Limited Liability Companies Act which prescribes that the annual financial statements, the report of the Board of Directors, the auditor's report and the Board of Directors' statement of guidelines for the remuneration of the executive management pursuant to section 6-16a must be sent to all shareholders no later than one week prior to the general meeting.

The general meeting is led by an independent chair proposed by the Board of Directors and approved by the General Meeting; this person will normally be the Chair of the Nomination Committee.

Members of the Board of Directors are present at general meetings, but normally not the entire Board has attended. No items of business at general meetings have made this necessary to date. The Board Chair, the President and CEO and the heads of the various business areas are present in order to reply to any questions that may be raised.

## 7. The Nomination Committee

Under the Articles of Association, Orkla has a Nomination Committee that is elected by the General Meeting. The Rules of Procedure for the Nomination Committee have been adopted by the General Meeting and may be found on Orkla's website. The Nomination Committee consists of two to five members, who are elected for a term of up to two years. The General Meeting

elects the Chair and members of the Nomination Committee and determines its remuneration. The Committee is tasked with submitting the following reasoned recommendations:

- Recommendation to the General Meeting:
  - election of shareholder-elected members and deputy members to the company's Board of Directors
  - election of members and the Chair of the Nomination Committee
  - remuneration of the Board of Directors and the Nomination Committee
- Recommendation to the body that elects the Chair of the Board of Directors:
  - election of the Chair of the Board of Directors (for this purpose, the Nomination Committee is supplemented by a representative appointed by the employee representatives on the Board)

The Rules of Procedure for the Nomination Committee contain further guidelines for the preparation and implementation of elections to the Nomination Committee and the Board of Directors, as well as criteria for eligibility, general requirements regarding recommendations, the number of members in the Committee and their term of service, and detailed procedural rules for the work of the Nomination Committee. Information regarding the composition of the Nomination Committee, which members are up for election and how input and proposals may be submitted to the Committee is posted on Orkla's website under "Investor".

The composition of the Nomination Committee is intended to ensure that the interests of all the shareholders are served, and meets the requirement of the Norwegian Code of Practice for Corporate Governance as regards

independence of the company's management and Board of Directors. None of the members of the Nomination Committee sit on the Board of Directors of Orkla ASA. Neither the President and CEO nor other senior executives are members of the Committee. On page 346, information is provided regarding the composition of the Nomination Committee and the number of Orkla ASA shares owned by each Committee member as at 31 December 2022.

#### **8. The Board of Directors, composition and independence**

The General Meeting elects shareholder-elected members to the Board. The composition of the Board of Directors is intended to serve the interests of all the shareholders and meet the company's need for competence, capacity and diversity. The Board's composition satisfies the requirements of the Norwegian Code of Practice for Corporate Governance as regards Board members' independence of the company's management, main shareholders and material business relationships.

One of the Board members is defined as non-independent of the company's main shareholders. All the Board members are defined as independent of the company's management or material business relationships. There are few instances in which Board members are disqualified from considering Board matters. Representatives of the executive management are not members of the company's Board of Directors.

Under Article 5 of Orkla's Articles of Association, the Chair and the other shareholder-elected members of the Board may be elected for a term of up to two years. Over a long period of time, however, a term of one year for shareholder-elected members and deputy members has been applied, on the grounds that an annual assessment of the overall composition of the

Board will ensure greater flexibility. There are no other provisions in the Articles of Association governing the appointment and replacement of Board members.

In 2017, the General Meeting introduced an arrangement whereby part of the fee paid to the shareholder-elected Board members must be used to purchase Orkla shares. The purpose of this arrangement is to strengthen the shared financial interests of shareholders and Board members. More information regarding Board members is provided on page 320.

Under Norwegian law and in accordance with Orkla's current system of corporate democracy, Orkla employees have the right to elect up to four members of the Board of Directors of Orkla ASA. The composition of the company's governing bodies is described on page 342.

#### **9. The work of the Board of Directors**

The tasks of the Board of Directors are laid down in the Rules of Procedure for the Board of Directors, which govern the Board's responsibilities and duties and the administrative procedures of the Board, including which matters are subject to Board consideration and rules for convening and holding meetings. The Board's Rules of Procedure also contain rules regarding the CEO's duty to inform the Board about important matters and to ensure that Board decisions are implemented. There are also provisions intended to ensure that company employees and other parties involved are adequately informed of Board decisions, and that the guidelines for preparing matters for Board consideration are followed. Other instructions to the Board and clarification of its duties, authorisations and responsibilities in respect of the executive management are provided through routine

communication. The Rules of Procedure for the Board of Directors may be found on Orkla's website.

The Rules of Procedure further establish that no Board member may take part in the consideration of or a decision on a matter that is of such importance to himself or herself or to any related party that the member must be considered to have an obvious personal or financial interest in the matter. It is incumbent upon each Board member to consider on an ongoing basis whether there are matters which, from an objective point of view, are liable to undermine the general confidence in that Board member's independence and impartiality, or which could give rise to conflicts of interest in connection with the Board of Directors' consideration of the matter. Such matters must be taken up with the Board Chair. According to the Orkla Code of Conduct, employees must on their own initiative inform their superior if they may need to recuse themselves from dealing with or if they may have a conflict of interest in connection with a matter, and must not take part in considering such matters.

To avoid any detriment to Orkla's reputation, we consider it important to pursue a policy of transparency and caution in connection with investments that could be perceived as an unfortunately close involvement, or close relationship, between the company and a member of the Board, senior executives or parties related thereto. Procedural rules for such transactions have therefore been drawn up in the Rules of Procedure for the Board of Directors. According to the Rules of Procedure, the Board Chair must be informed of such transactions and must decide what further action is to be taken. If the matter concerns the Board Chair, the Chair of the Board's Compensation Committee shall decide what action is to be taken.







Further information on transactions between related parties is provided in Note 36 to the consolidated financial statements. In the event of non-immaterial transactions between the company and a shareholder, a shareholder's parent company, a Board member, senior executives or parties related thereto, the Board of Directors will ensure that a valuation is carried out by an independent third party. The Board will similarly arrange for a valuation by an independent third party in the event of non-immaterial transactions between Orkla companies where there are minority shareholders.

The Board of Directors adopts an annual meeting and activity plan that covers strategic planning, business issues and oversight activities. In 2022, eight meetings were held in accordance with the Board's activity plan, and four extraordinary meetings. In addition, the Board dealt with two items in writing. A total of 91 items were dealt with by the Board. The content of the Board's work is discussed in further detail in the Directors' Report.

Board matters are prepared by the CEO and the Corporate Secretariat in consultation with the Board Chair. The Board of Directors has established two permanent Board Committees, which are described in further detail below. These committees do not make decisions, but supervise the work of the company management on behalf of the Board and prepare matters for Board consideration within their specialised areas. In this preparatory process, the committees have the opportunity to draw on company resources, and to seek advice and recommendations from sources outside the company.

### **The Compensation Committee**

The Compensation Committee is chaired by Liselott Kilaas and its other members are Stein Erik Hagen and Terje Utstrand. The Executive Vice

President for HR is the committee secretary. The composition of the committee meets the requirements of the Norwegian Code of Practice for Corporate Governance as regards independence, and all three committee members are considered to be independent of senior executives. The mandate of the committee is set out in the Rules of Procedure for the Board of Directors and in brief is as follows:

- prepare for consideration matters relating to the salary and terms of employment of the President and CEO to enable the entire Board, once a year, to participate in an evaluation of the President and CEO and in decisions concerning the latter's terms of employment
- prepare for consideration matters of principle relating to levels of pay, bonus systems, pension conditions, employment contracts and the like for senior Orkla executives
- prepare the annual evaluation of the Board of Directors

The committee will otherwise deal with special questions relating to compensation for Orkla employees insofar as the committee finds that these questions concern matters of particular importance for Orkla's competitive position, corporate identity, recruitment ability, etc.

### **The Audit Committee**

The Audit Committee is chaired by Peter Agnefjäll, and the other members are Christina Fagerberg and Sverre Josvanger. The Chief Internal Auditor is the secretary of the Audit Committee. The composition of the committee meets the requirements of the Norwegian Code of Practice for Corporate Governance as regards independence and competence.

The Nomination Committee's recommendation of candidates for election to the Board contains information as to which Board members satisfy the requirements as regards independence and competence to sit on the Audit Committee. The committee's mandate is set out in the Board's Rules of Procedure and in brief is as follows:

- ascertain that internal and external accounting reporting processes are organised appropriately and carried out efficiently, and are of high professional quality
- keep under review the effectiveness and relevance of the work of the internal audit staff and of the company's risk management systems
- monitor and assess the quality of the statutory audit of the portfolio companies and Orkla's financial statements
- help to ensure the independence of the external auditor and ensure compliance with applicable rules and guidelines regarding the provision of additional services by the auditor to Orkla or the portfolio companies
- initiate investigations, if necessary, and propose measures relating to the above-mentioned points
- annually review and, if necessary, update its mandate and submit its recommendations concerning its mandate to the Board of Directors

**Evaluation of the Board of Directors**

Every year, the Board of Directors evaluates its own activities and competence and discusses possible improvements in the organisation and conduct of Board work, both at individual level and as a group, in light of the goals set for the work. The result is made available to the Nomination Committee. At regular intervals, an external partner is used to carry out the Board evaluation.

**10. Risk management and internal control**

A prerequisite for Orkla's system of decentralised responsibility is that the activities in every part of the company meet general financial and non-financial requirements, and are carried out in accordance with Orkla's common norms and values. The executive management of each company is responsible for risk management and internal control in the company with a view to ensuring:

- exploitation of business opportunities
- goal-oriented, safe, high-quality and cost-effective operations
- reliable financial reporting
- compliance with applicable legislation and regulations
- operations in accordance with Orkla's governing documents, including ethical and corporate responsibility standards

Orkla's risk management system is fundamental to our ability to achieve these goals. To ensure ongoing risk monitoring in individual companies, we update the risk picture of each operating company every year, in addition to the risk analysis that is an integral part of the company's decision-making processes.

Orkla's governing documents describe the requirements and expectations for our businesses, and great importance is attached to clarifying the standards that apply, and who is responsible for monitoring compliance with the various standards.

Orkla has a dedicated compliance function. The compliance staff have a special responsibility for ensuring follow-up and compliance in the fields of



personal data protection, anti-corruption and business ethics and sanctions. The compliance staff are also tasked with helping to coordinate and prioritise other compliance-related work in collaboration with compliance officers in the various companies and Orkla’s corporate functions.

**Risk management at Orkla**

Orkla’s risk management lies within the remit of the finance functions and is intended to ensure that all risk of significance for Orkla’s value creation is identified, analysed and effectively dealt with by business areas and specialised staffs. This entails, among other things, continuously monitoring key risk indicators in order, if necessary, to reassess Orkla’s level of risk and associated risk mitigation measures. This also entails ensuring that Orkla’s risk management is in compliance with relevant regulatory requirements and reasonably satisfactory to Orkla’s stakeholders. Designated risk management experts carry out detailed risk assessments in certain specialised fields and are responsible for selected measures to mitigate risk at Orkla level. The Central Finance staff are responsible for Orkla’s risk management model, including:

- presenting Orkla’s consolidated risk profile to the Orkla Management Team, the Board of Directors and the Board’s Audit Committee
- updating instructions and guidelines for risk management and reporting.

The risk management programme is reviewed on a regular basis in the company.

**EHS**

Risk identification is an important tool in preventive environment, health and safety (EHS) work. All companies and businesses report their main EHS risk factors and associated risk mitigation measures twice a year through Orkla’s central risk management model.

**The internal audit function**

The purpose of Orkla’s internal audit function is to help ensure that the Board of Directors receives confirmation of the status of the company’s governance mechanisms, risk management and internal control systems.

The responsibilities of the Internal Audit Department are as follows:

- carry out risk-based, customised, value-creating audit projects, with emphasis on operations
- carry out follow-up audits to ensure that prior recommendations have been implemented
- conduct an audit of all newly acquired companies approximately one year after acquisition
- ensure professional, confidential management and investigation of matters reported through Orkla’s whistleblowing channel
- monitor the external auditor to ensure compliance with the engagement agreement and world-wide agreement
- report annually to the Board of Directors and the Board’s Audit Committee on the overall results of the Internal Audit function’s activities in the last calendar year
- serve as secretariat to the Board of Directors’ Audit Committee
- serve as observer on the Finance and Tax Committees
- quality assure and approve CEO-related costs on behalf of the Board Chair
- provide advisory services to the line organisation when possible, based on an assessment of independence, capacity and competence, and prioritisation of tasks.

## Sustainability

Orkla works systematically to promote sustainability. We refer to our account of these efforts in the chapter on sustainability.

## The financial reporting process

Orkla prepares and presents its financial statements in accordance with current International Financial Reporting Standards (IFRS). Orkla's governing documents contain requirements and procedures for the preparation and presentation of both interim reports and year-end reports. In addition, a set of Orkla accounting standards has been drawn up, in which the company's ten main principles for financial reporting are set out. Financial information is reported through Orkla's common reporting system, Tagetik. Every month, each company reports figures in Tagetik, based on output from its own Enterprise Resource Planning (ERP) system. Tagetik has a general chart of accounts and built-in control systems in the form of data check accounts and check reports designed to ensure that the information is consistent. In the year-end reporting process the reporting is expanded to meet various requirements for supplementary information. Financial data are consolidated and checked at several levels in the business areas.

## 11. Remuneration of the Board of Directors

Information on all remuneration of the Board of Directors is disclosed in the chapter on the salary and other remuneration of senior executives in 2022 for Orkla ASA. The chapter also states that remuneration of the Board of Directors is not linked to Orkla's performance and that no options have been issued to Board members.

## 12. Salary and other remuneration of leading persons

The Board of Directors draws up guidelines for the remuneration of and other compensation for leading persons, which are approved by the General Meeting. These guidelines may be found in a separate document on Orkla's website. The remuneration of senior executives and Orkla's compensation and benefits policy, including the scope and design of bonus and share price-related programmes, are intended to support the company's business strategy, long-term interests and financial capacity. A ceiling has been set on performance-related remuneration. The Board of Directors' annual executive remuneration report is included in this Annual Report and made available to shareholders in a separate document pertaining to this item of business together with the notice of the Annual General Meeting.

## 13. Information and communications

Orkla aims to ensure that its accounting and financial reporting inspires investor confidence. Orkla's accounting procedures are highly transparent, and since 2005 Orkla has prepared and presented its financial statements in accordance with the International Financial Reporting Standards (IFRS). The Board of Directors' Audit Committee monitors company reporting on behalf of the Board. Orkla strives to communicate actively and openly with the market. The annual and quarterly reports contain extensive information on the various aspects of Orkla's activities. Quarterly presentations are webcast directly and are available on Orkla's website, along with the annual and quarterly reports, under "Investor". In 2022, Orkla's Annual General Meeting was also webcast directly and held as a hybrid meeting with the possibility of attending both digitally and in person, and was simultaneously interpreted to English.



Moreover, Orkla holds a Capital Markets Day at regular intervals, most recently on 23 November 2021. On Capital Markets Day, the market is given an in-depth review of Orkla's strategic direction and operational development. The Capital Markets Day presentations are broadcast directly on Orkla's website. All shareholders and other financial market players are treated equally when it comes to access to financial information. Orkla's Investor Relations Department maintains regular contact with company shareholders, potential investors, analysts and other financial market stakeholders, and the Board receives regular information on this activity. The financial calendar for 2023 is available on Orkla's website.

#### 14. Takeovers

The Board of Directors will not seek to hinder or obstruct any takeover bid for the company's operations or shares. In the event of such a bid as discussed in section 14 of the Norwegian Code of Practice for Corporate Governance, the Board of Directors will, in addition to complying with relevant legislation and regulations, seek to comply with the recommendations in the Code of Practice. This includes obtaining a valuation from an independent expert. On the basis of this valuation, the Board will either recommend that shareholders accept the bid or advise them against doing so. There are no other written guidelines for procedures to be followed in the event of a takeover bid. Orkla has not found it appropriate to draw up any explicit basic principles for its conduct in the event of a takeover bid, other than the actions described above. The Board of Directors otherwise concurs with what is stated in the Code of Practice regarding this issue.

#### 15. Auditor

The Board of Directors has determined that the external auditor shall report

regularly to the Board. Every year, the external auditor presents to the Board his assessment of risk, internal control and the quality of financial reporting at Orkla, at the same time presenting his audit plan for the following year. The external auditor also takes part in the Board's discussions on the annual financial statements.

The Board of Directors ensures that relevant matters may be discussed with the external auditor without the presence of the company management. The external auditor and the President and CEO are invited to all meetings of the Board's Audit Committee. For information regarding the work of the internal auditor, we refer to the section above on risk management and internal control. Orkla has established guidelines for the right of the executive management to use the external auditor for services other than auditing. Responsibility for monitoring such use in detail has been delegated to the secretary of the Audit Committee, who is the Chief Internal Auditor.

The secretary of the Audit Committee approves all material assignments in advance and receives an annual summary from the external auditor of services other than auditing that have been provided to Orkla, and comments specifically on these services in his annual report to the Audit Committee and the Board of Directors. Information on the company's use and remuneration of the external auditor is provided in Note 2 to the financial statements of Orkla ASA. The General Meeting is informed about Orkla's overall remuneration of the auditor, broken down in accordance with statutory requirements into remuneration for statutory auditing and remuneration for other services. In connection with the auditor's participation in the Audit Committee and the Board of Directors' consideration of the annual financial statements, the auditor also confirms his independence.