



Rules of procedure for the Board of Directors of Orkla ASA

1. The Board's responsibilities and duties

1.1 General duties

1.1.1 The administration of the company is the Board's responsibility. The administration shall be conducted in a manner that can be justified towards shareholders, employees, creditors, and other third parties. The Board shall ensure that the business is organised in an appropriate manner, including ensuring that the business is run in accordance with the law.

1.1.2 The Board shall draw up plans and budgets for the company's operations.

1.1.3 The Board shall keep itself informed of the company's financial position, and has a duty to ensure that its operations, accounts and asset management are subject to satisfactory controls.

1.1.4 The Board conducts any investigations it deems necessary to be able to carry out its tasks. The Board shall conduct such investigations if one or more Board members require it.

1.1.5 The Board shall supervise the day-to-day management of the company and all other aspects of its operations.

2. The general manager's duty to inform the board about important matters, etc.

2.1 Periodic reports to the Board

2.1.1 The general manager shall brief the Board at least once a month – in a meeting or in writing – on the company's operations, status and profit performance. The Board may at any time require that the general manager give the Board a detailed report on specific matters.

2.1.2 The general manager shall inform the Board when the basis for a prior decision which is of significance to the company's operation has materially changed.

2.2 Follow-up of decisions

2.2.1 The general manager shall ensure that the Board's decisions are implemented. The general manager shall also ensure that the company's employees and other parties involved are adequately informed about the Board's decisions.

2.2.2 The general manager shall ensure that the guidelines for the preparation of Board matters are observed.

3. The Board's proceedings

3.1 Notice of Board meetings

3.1.1 Board meetings are convened by the Board Chair. Board members and the general manager may demand that the Board be convened.



3.1.2 Board meetings shall be convened in an appropriate manner, with the necessary notice. The notice of the meeting shall indicate the agenda for the meeting.

3.2 Holding of Board meetings

3.2.1 The Board shall consider matters at meetings, unless the Board Chair finds that the matter may be submitted in writing or be dealt with in some other satisfactory manner. Annual financial statements and reports shall be considered at meetings.

3.2.2 Board meetings are chaired by the Board Chair. If the Board Chair is absent or disqualified the Board meeting will be chaired by the Chair of the Nomination Committee. If both are absent the Board shall elect a meeting chair.

3.2.3 The Board may make decisions when more than half of the members are present or taking part in the Board's consideration of a matter. However, the Board may not make decisions without all the Board members as far as possible having been given the opportunity to take part in consideration of the matter.

3.2.4 A decision taken by the Board requires that a majority of the Board members taking part in consideration of a matter have voted in favour of it. In the event of a tied vote, the vote cast by the meeting chair will be decisive.

3.3 Board matters

3.3.1 The Board shall deal with matters that require Board consideration by law, are of great significance or of an unusual nature relative to the company's situation.

3.3.2 The Board Chair shall ensure that relevant matters are considered. Board members and the general manager may demand that the Board consider specific matters.

3.3.3 In an individual case the Board may authorise the general manager to make decisions in matters within the remit of the Board.

3.4 Board committees

3.4.1 The Board of Directors will establish special Board committees to the extent that the Board finds this expedient for its proceedings. The responsibility of the Board committees is to prepare matters for consideration, and does not change the duties of the Group Executive Board or the individual Board members.

The Board of Directors has established the following committees:

3.4.2 The Compensation Committee

The main responsibilities of the Compensation Committee are to:

- (i) support the Board in connection with the appointment of the President and CEO,
- (ii) 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 the evaluation of the President and CEO and in decisions concerning the CEO's terms of employment,

- (iii) to review and make recommendations regarding the strategy, profile, principles and framework for the remuneration of Orkla's senior executives, including preparing for consideration matters of principle relating to levels of pay, bonus and incentive systems, pension terms and conditions, employment contracts and the like for senior executives,
- (iv) make recommendations regarding leadership development, management assessments and succession planning,
- (v) consider special issues related to the remuneration of Group employees insofar as the Committee finds that they concern matters of particular importance for the Group's competitive position, image and ability to recruit and retain key employees, etc.

The Compensation Committee shall prepare the following for consideration by the Board of Directors:

- (i) in connection with the contract and terms of employment of the President and CEO:
 - a proposal for a process for appointing a new President and CEO
 - an assessment of a new employment contract or adaptation of the present contract of the President and CEO
 - a draft of an annual performance contract for the President and CEO, containing requirements relating to goals in accordance with the Board's ambitions for the business and further development of the President and CEO's leadership behaviour and qualifications
 - an annual assessment of the President and CEO's performance, comparing it with the established performance contract
 - an annual assessment of the overall remuneration of the President and CEO and, if applicable, submit a proposal for changes to the Board,
 - an assessment of and, if applicable, a proposal for a severance package for the President and CEO
- (ii) an assessment of management development and succession planning based on prior Board discussions
- (iii) an assessment of new and/or amended remuneration strategies and principles that are to be submitted to the Board for decision
- (iv) an assessment of other important personnel matters related to senior executives and other employees, including principles of an unusual nature or matters that may present a particular risk to the company's reputation
- (v) a draft of the Board's Statement of guidelines for the pay and other remuneration of the executive management.

The views of the Compensation Committee will also be heard before a decision is made by the President and CEO in connection with:

- (i) new employment contracts or amendments to existing standard contracts for employees who report directly to the President and CEO,
- (ii) annual salary assessments and payment of variable pay to persons who report to the President and CEO,



- (iii) consideration of a severance package, if applicable, for employees who report to the President and CEO.

The Compensation Committee consists of three members. Orkla's Director of Human Resources is the Committee secretary. The Committee meets at least once every six months. The Committee prepares for consideration by the Board the terms of employment of the President and CEO in the first half of each year, and other issues relating to terms of employment and special conditions in the second half of each year.

The Group administration shall assist the Committee with information, expert assessments and proposals where it is natural to do so. The Compensation Committee may engage external expertise as necessary.

The Compensation Committee will conduct an annual assessment of its own work and of these instructions.

3.4.3 The Audit Committee

The Audit Committee shall act as a preparatory and advisory working committee for the Board and carry out management and supervisory tasks relating to risk management, internal control, financial and sustainability-related management and reporting, and follow-up of external auditing.

The Audit Committee shall:

- (i) Inform the Board of Directors of the outcome of the statutory audit and attestation of mandatory sustainability reporting, explain how the audit and attestation contributed to accounting and sustainability reporting with integrity, and the role of the Audit Committee in the process.
- (ii) Prepare the Board's follow-up of accounting and sustainability reporting processes, including the digital reporting process and the process for identifying the information reported in accordance with sustainability reporting standards, and make recommendations or suggestions to ensure adequate integrity.
- (iii) Monitor the company's systems for internal control and risk management, without violating the independent role of the Audit Committee.
- (iv) Maintain ongoing contact with the company's elected external auditor regarding the audit of the annual accounts and attestation of sustainability reporting, including monitoring the effectiveness of audit performance considering the auditing company's internal quality management system.
- (v) Assess and monitor the independence of the external auditor pursuant to the Auditors Act and the Audit Regulation, that no services other than auditing have been provided, beyond legal exemptions. The Audit Committee shall assess the auditor's confirmation of independence and conduct discussions with the elected auditor in the event of any threats to their independence and the measures they employ to mitigate those threats.

- (vi) Prepare the company's election of an external auditor and give its recommendation to the Board.
- (vii) Annually review and, if necessary, update the Rules of Procedure's description of the role, mandate, and responsibilities of the Audit Committee, in accordance with applicable laws and regulations,

The Audit Committee shall not make decisions on behalf of the Board but shall submit assessments and recommendations to the Board. The Audit Committee shall report regularly, and at least twice a year, to the Board of Directors.

The Audit Committee shall consist of at least three members of the Board of Directors. Members of the Board of Directors who are executive personnel of the company may not be elected members of the Audit Committee. The Audit Committee shall have the expertise necessary to fulfil its duties based on the company's organisation and activities. At least one of the members must be independent of the enterprise and have qualifications in accounting, financial management or auditing. The company's SVP Risk, Control & Investigation shall provide necessary assistance to the Audit Committee, and is the committee's secretary.

The committee itself decides which of the company's representatives shall attend the committee's meetings and as required, and at least once a year, requests the external auditor to participate.

The external auditor shall report unsolicited to the audit committee matters they find should be given the Audit Committee's attention.

3.5 Confidentiality

3.5.1 Board members have a duty to loyally and prudently safeguard the Group's interests and in this connection have a duty of confidentiality with regard to information and other matters that are not in the public domain and which have come to their knowledge as a result of their duties as members of the Board, including information regarding the Group and its operations or regarding business matters relating to other parties/business relationships. Before being given information, etc. which is not in the public domain, Board members shall sign a declaration of confidentiality on a standard form. The duty of confidentiality applies during the Board member's term of office and after the member's term of office has terminated.

Board members' duty of confidentiality does not apply if, in special cases, they have the right or obligation – in accordance with the Basic Agreement (Norwegian: "Hovedavtalen"), laws or regulations – to provide information to or consult with outside parties. Any Board member who communicates such information has a duty to inform the Board Chair about this on an ongoing basis, or in the case of the Board Chair, to inform the general manager. Any Board member who communicates such information is responsible for ensuring that the person who receives the information signs a declaration of confidentiality on a standard form (which may be obtained from the secretariat of Orkla's Board of Directors).

3.5.2 The Board's discussions and assessments, and the views, statements and dissenting votes of individual Board members are subject to the duty of confidentiality, unless otherwise agreed by the Board by a majority decision.

If the Board has decided that statements may be made to the media or to other outside

parties regarding matters that have been or are to be considered by the Board, such statements, unless otherwise provided by the decision, will be issued by the Board Chair or by another person designated by the Board Chair. Board members may only make statements regarding such matters if this follows from the Board decision or has been decided by the Board Chair.

Board members will ensure that Board documents do not fall into the hands of outside parties, and in this connection will ensure that the documents are stored and handled in a safe and adequate manner. At the end of a Board member's term of office, the Board member shall return to the secretariat of Orkla's Board of Directors all Board documents and any other material (including any duplicates or copies) which he/she has received in his/her capacity as a Board member and which are still in his/her possession.

Any breach of this duty of confidentiality may entail liability for damages and/or criminal liability.

3.6 Disqualification

3.6.1 A Board member must not take part in the consideration of or decision on issues of such special importance to himself or herself or to anyone close to him or her that the member must be considered to have an obvious personal or financial special interest in the matter.

3.6.2 Nor must a Board member or general manager take part in any matter concerning a loan or other form of credit for himself or herself or concerning the provision of security for his or her own debts.

3.6.3 It is incumbent on each Board member to consider on an ongoing basis whether there are matters which objectively speaking might weaken the general confidence in that Board member's competency, or which could open up for conflicts of interest in relation to the Board's consideration of the matter. Such matters as mentioned will be discussed with the Board Chair without undue delay. Where a Board member's terms of employment or other tasks entail that conflicts of interest may arise on a regular basis, and in other special cases, concrete guidelines for the Board's proceedings shall also be drawn up so as to prevent, as far as possible, such conflicts of interest from arising.

3.7 Joint and parallel investments

To avoid any harm to the company's reputation, it is important to exercise transparency and caution in connection with investments involving factors that may be interpreted as entailing unfortunately close involvement/an unfortunately close relationship between the company and a member of the Board of Directors.

The management shall inform the Board Chair before any transactions are carried out where the company is aware, or it is highly probable, that a member of the Board and/or a related party of the Board member is a party/interested party, even though the transaction is within the powers granted to the management. The Board Chair must determine how the matter will be dealt with. If the matter concerns the Board Chair and/or a related party of the Board Chair, the Chair of the Nomination Committee will determine how the matter will be dealt with.

Similarly, each member of the Board will inform the Board Chair if he or she is aware, or if it



is highly probable, that Orkla is a party/interested party to a transaction/investment in which the member of the Board and/or a related party of the Board member wishes to invest. The Board Chair will determine how the matter will be dealt with. If the matter concerns the Board Chair and/or a related party of the Board Chair, he or she will notify the Chair of the Nomination Committee who will determine how the matter will be dealt with.

However, these rules do not apply to trading in listed shares unless, following an overall assessment, special circumstances may indicate otherwise pursuant to the purpose of this provision (such as, for example, the size of the shareholding, limited liquidity in the share, representatives on the Board, expressed interest in the share).

3.8 Minutes of the Board of Directors

3.8.1 Minutes shall be kept of the Board of Directors' proceedings. They shall as a minimum state the time and place, the participants, the mode of procedure and the Board of Directors' resolutions. The minutes should also state the basis upon which the Board of Directors has made its resolutions.

3.8.2 If the Board of Directors' resolution is not unanimous, the names of those having voted for and against shall be stated. Board members and general managers who do not agree on a resolution may require their opinion to be entered into the minutes.

3.8.3 The minutes shall be signed by all the members of the Board of Directors who have participated in the proceedings.

3.8.4 A draft of the minutes will be sent to the Board members following the proceedings. Any comments must be reported to the Board Secretary prior to the next meeting of the Board of Directors. To the extent possible, the minutes shall be approved at the first meeting of the Board of Directors following the meeting in question and signed digitally.

3.8.5 Board members not participating in the proceedings shall be made aware of the resolutions passed.