
THE NOMINATION COMMITTEE'S RECOMMENDATION

To the General Meeting of Orkla ASA

RECOMMENDATION REGARDING THE ELECTION OF SHAREHOLDER-ELECTED MEMBERS AND A DEPUTY MEMBER OF THE BOARD OF DIRECTORS, ELECTION OF THE CHAIR OF THE BOARD OF DIRECTORS, ELECTION OF MEMBERS AND THE CHAIR OF THE NOMINATION COMMITTEE AND DETERMINATION OF FEES

In 2010, the General Meeting of Orkla ASA adopted special instructions for the Nomination Committee (the Instructions). The Instructions may be found on the company's website www.orkla.com/investor-relations. The Nomination Committee has organised its work in accordance with the Instructions.

Information on how shareholders can submit suggestions to the Nomination Committee has been posted on the company's website. The Nomination Committee has also actively contacted major shareholders for suggestions or comments and has spoken with representatives of several shareholders.

The Nomination Committee has had access to this year's evaluation of the Board of Directors, and has spoken with several of the Board members, including Board Chairman Stein Erik Hagen, as well as President and CEO Jaan Ivar Semlitsch.

The Nomination Committee has addressed the issues set out below at a number of meetings. The Committee has considered the Instructions' requirements regarding a recommendation on election of members of the Board of Directors, in addition to which it has drawn up a set of assessment criteria which, in its opinion, should be reflected in the overall composition of the Board of Directors. Reference is made to Attachment 1.

On this basis, the Nomination Committee submits the following unanimous recommendation:

1. ITEM 8 OF THE AGENDA - ELECTION OF MEMBERS AND A DEPUTY MEMBER OF THE BOARD OF DIRECTORS

At the Annual General Meeting on 25 April 2019, the following Board members and deputy Board members were elected for a term of one year and consequently all of them are up for election in 2020:

Stein Erik Hagen	(member 2004)
Grace Reksten Skaugen	(member 2012)
Ingrid Jonasson Blank	(member 2013)
Nils K. Selte	(member 2014)
Lars Dahlgren	(member 2014)
Liselotte Kilaas	(member 2017)
Peter Agnefjäll	(member 2018)
Caroline Hagen Kjos	(personal deputy member for Mr Hagen and Mr Selte 2016)

Grace Reksten Skaugen and Lars Dahlgren have informed the Nomination Committee that they will not stand for re-election.

The Nomination Committee recommends that the other Board members be re-elected:

Stein Erik Hagen
Ingrid Jonasson Blank
Nils K. Selte
Liselotte Kilaas
Peter Agnefjäll

The Nomination Committee also recommends that Caroline Hagen Kjos be re-elected as personal deputy member for Mr Hagen and Mr Selte.

The Nomination Committee wishes to propose two new shareholder-elected members for the Board of Directors.

Anna Mossberg has experience from telecom and digitalisation from her career at TeliaSonera, Deutsche Telekom and, most recently, from her position as Industry Leader at Google. She will contribute particular insight in the field of digitalisation. For further information on Anna Mossberg, reference is made to Attachment 2.

Anders Kristiansen has experience from office equipment retailing and, in the past few years, from the fashion industry. He will contribute special insight regarding consumer understanding and brand-building. For further information on Anders Kristiansen, reference is made to Attachment 3.

For information on the Board members and deputy member proposed for re-election, reference is made to the company's Annual Report, which may be found at www.orkla.com.

Under Article 4, third paragraph, of Orkla's Articles of Association, shareholder-elected Board members and deputy members are to be elected for a term of up to two years at a time. It has previously been the practice of the General Meeting to elect shareholder-elected members and deputy members to the Board of Directors on an annual basis. It is therefore proposed that the term of office be set at one year for all of them.

2. ELECTION OF THE CHAIR OF THE BOARD OF DIRECTORS

At the Annual General Meeting on 25 April 2019, Stein Erik Hagen was re-elected as Board Chairman and Grace Reksten Skaugen was re-elected as Deputy Chair. In accordance with prior practice, the term of office for both persons was set at one years.

The Nomination Committee recommends that Stein Erik Hagen be re-elected as Board Chairman. Under the provisions of the Public Limited Liability Companies Act, the Chair of the Board of Directors is elected by the Board of Directors of Orkla ASA, and the matter is therefore not submitted to the General Meeting for decision.

At present, the Board of Directors includes the office of Deputy Chair. This is not a statutory requirement and is thus a question of expediency for the Board. According to the current Instructions for the Nomination Committee of Orkla ASA, the committee shall submit a recommendation for "election of the Board Chair and Deputy Chair" (point 3.2). To give the Board flexibility with respect to the office of Deputy Chair, it is proposed that the reference to deputy chair be removed, so that the wording will be that the committee shall submit a recommendation for "election of the Board Chair". Election of a deputy chair, if relevant, will then be the remit of the Board of Directors, in the same way as election of members of the Board of Directors' subcommittees.

As a result of this proposal to amend the Instructions of the Nomination Committee, no recommendation is submitted regarding the election of a Deputy Chair.

Vidar Dahl, as representative of the employee-elected Board members, has endorsed this recommendation.

3. ITEM 9 OF THE AGENDA – ELECTION OF MEMBERS TO THE NOMINATION COMMITTEE

Orkla has a Nomination Committee which, pursuant to Article 13 of the Articles of Association, shall:

"submit proposals to the General Meeting regarding the latter's election of members to the Board of Directors. The Nomination Committee shall also submit proposals regarding the election of the Board Chair. In connection with the preparation of proposals for the election of the Board Chair, the Nomination Committee is supplemented by a representative designated by the employee-elected members of the Board."

The Nomination Committee consists of Anders Christian Stray Ryssdal, Leiv Askvig, Nils-Henrik Pettersson and Karin Bing Orgland.

In 2018 Anders Christian Stray Ryssdal, Leiv Askvig and Karin Bing Orgland were elected for a term of two years and are up for election this year.

In 2019 Nils-Henrik Pettersson was elected for a term of two years, and consequently is not up for election this year.

Under point 4.2 of the Instructions, the recommendation on the election of members to the Nomination Committee must be submitted by a unanimous Nomination Committee.

In its contact with the largest shareholders, the Nomination Committee also requested input in connection with the election of members to the Nomination Committee. Information on how shareholders may make suggestions or comments on the composition

of the Nomination Committee has been posted on the company website.

The Nomination Committee unanimously recommends that Anders Christian Stray Ryssdal be re-elected as member of the Nomination Committee. Anders Christian Stray Ryssdal is a lawyer and partner in the law firm of Glittertind and has been a member and Chair of the Nomination Committee since 2014. Mr Stray Ryssdal and related parties own 1,315 shares in Orkla ASA.

Leiv Askvig and Karin Bing Orgland have stated that they will not stand for re-election. A unanimous Nomination Committee recommends that Kjetil Houg and Rebekka Glasser Herlofsen be elected as new members of the Nomination Committee.

Kjetil Houg is CEO of Folketrygdfondet. Mr Houg represents Norwegian institutional shareholders. For further information on Mr Houg, reference is made to Attachment 4.

Rebekka Glasser Herlofsen is CFO of Wallenius Wilhelmsen Logistics ASA. She represents international institutional shareholders. For further information on Ms Herlofsen, reference is made to Attachment 5.

In the opinion of the Nomination Committee, the recommendation is in compliance with section 7 of the Norwegian Code of Practice for Corporate Governance, which i.a. reads as follows:

"The members of the Nomination Committee should be selected so as to take into account the interests of the body of shareholders. The majority of the Nomination Committee should be independent of the Board of Directors and the executive personnel. At least one member should not be a member of the Corporate Assembly, the Committee of Shareholders' Representatives or the Board of Directors."

Reference is also made to points 4.1 and 4.2 of the Instructions.

In accordance with Article 13, first paragraph, of the Articles of Association, and point 1 of the Instructions, it is proposed that the term of office be set at two years, i.e. until the Annual General Meeting in 2022.

4. ITEM 10 OF THE AGENDA – ELECTION OF THE CHAIR OF THE NOMINATION COMMITTEE

Anders Christian Stray Ryssdal was elected Chair of the Nomination Committee in 2014, and was re-elected as Chair in 2018.

The Nomination Committee recommends that Anders Christian Stray Ryssdal be re-elected as Chair of the Nomination Committee.

5. ITEM 11 OF THE AGENDA – DIRECTORS' FEES

The Nomination Committee considers that the current fees are at a satisfactory level based on the situation at present and proposes that the fees be maintained unchanged.

The Nomination Committee proposes the following fees:

Board Chair	NOK 843 000 per year	(unchanged)
Shareholder-elected		
Board member	NOK 537 000 per year	(unchanged)
Employee-elected		
Board member	NOK 442 000 per year	(unchanged)
Deputy member	NOK 27 500 per meeting	(unchanged)

Furthermore, shareholder-elected Board members residing outside of Norway receive an additional NOK 18,000 for each Board meeting attended. It is proposed that this amount be maintained, and that it also apply, as at present, to shareholder-elected deputy members.

The Nomination Committee proposes to maintain the fees for members of the Compensation Committee as follows:

Committee Chair	NOK 144 000 per year	(unchanged)
Member	NOK 108 000 per year	(unchanged)

The Nomination Committee proposes to maintain the fees for members of the Audit Committee as follows:

Committee Chair	NOK 181 000 per year	(unchanged)
Member	NOK 121 000 per year	(unchanged)

It is proposed that these fee rates apply until a new resolution is adopted.

In 2017, the General Meeting decided that the Board's shareholder-elected members must utilise 1/3 of their annual gross Board fee (excluding any fee for committee work) every year to purchase shares in Orkla ASA until they (including their related parties)

own shares in Orkla with a value equivalent to two times their gross Board fee (excluding any fee for committee work). Relevant candidates for Board positions in Orkla are to be informed of this arrangement, and by accepting their nomination are also deemed to have accepted the share purchase arrangement. All the candidates have confirmed that they will comply with these guidelines.

Vidar Dahl, as representative of the employee-elected members of the Board of Directors, has endorsed this recommendation.

6. ITEM 12 OF THE AGENDA – THE NOMINATION COMMITTEE'S FEES

The fees of the Nomination Committee are low, and it is proposed that the fees be adjusted to align them somewhat with the level in other comparable companies. Even after the proposed adjustment, the fees will be at the lower end of the scale compared with other similar companies.

The Nomination Committee proposes to amend the fees for members of the Nomination Committee as follows:

Committee Chair	NOK 80 000 per year (from NOK 65 000 per year)
Member	NOK 60 000 per year (from NOK 47 000 per year)
Employee-elected representative	NOK 7 000 per meeting (from NOK 6 500 per meeting)

It is proposed that these fee rates apply until a new resolution is adopted.

Vidar Dahl, as representative of the employee-elected members of the Board of Directors, has endorsed this recommendation.

Oslo, 20 March 2020

Anders Christian Stray Ryssdal

Leiv Askvig

Nils-Henrik Pettersson

Karin Bing Orgland

Vidar Dahl (points 2, 5 and 6)

Attachment 1:

At its meeting on 22 April 2010, the General Meeting of Orkla ASA adopted special Instructions for the Nomination Committee. Point 4.3 of the Instructions reads as follows:

"The recommendation regarding election of Board members shall be based on the following:

- *The Board of Directors should be composed in such a way as to safeguard the interests of the body of shareholders and Orkla's need for expertise and diversity.*
- *Account should be taken of the need to ensure that the Board of Directors can function effectively as a collegial body.*
- *The majority of the shareholder-elected members should be independent of executive personnel and material business contacts.*
- *At least two of the shareholder-elected members should be independent of the company's main shareholders.*
- *Executive personnel should not be members of the Board of Directors."*

As an extension of the above, the Nomination Committee is of the opinion that the overall composition of the Board of Directors of Orkla ASA should i.a. reflect the following criteria:

- Ability to make decisions and focus on value creation
- International experience
- Insight into the industries in which Orkla operates
- Experience of management and Board service in large companies
- Strong personal and professional qualifications, high integrity
- Good relationship builders and communicators, ability to work as a team

While the Nomination Committee attaches importance to ensuring continuity in the Board of Directors, it also wishes to facilitate continuous renewal of the Board. It is important to have a strong, active Board that can help to support the implementation of the strategy communicated by the company.

In 2017, a new requirement was added to point 4.5 of the Instructions for the Nomination Committee, to the effect that

"the shareholder-elected members of the Board shall utilise 1/3 of their gross Board fee (excluding any fee for committee work and any additional fee for members residing outside of Norway) to purchase shares in Orkla ASA until they (including their related parties) own shares in Orkla with a value equivalent to two times their gross Board fee (excluding any fee for committee work and any additional fee for members residing outside Norway).

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The Nomination Committee shall verify compliance with the share purchase arrangement. Compliance with the share purchase arrangement will be part of the Nomination Committee's assessment of candidates to be nominated for election for the following term."

Attachment 2:

Anna Mossberg (1972)

Experience:	2015-2018	Google LLC, Industry Leader
	2012-2014	Deutsche Telekom AG, Senior Vice President Strategy
	2010-2011	Bahnhof, CEO
	2007-2010	TeliaSonera International Carrier, Vice President Product & Business Management
	2005-2007	TeliaSonera Sverige AB, Director Internet Services, Consumer Segment
	2003-2005	TeliaSonera AB, Director Data Services, Business Area Products & Services
	2001-2002	Telia E-bolaget AB, Head of Strategy
	1999-2001	Telia International Carrier AB, Vice President IP Services
	1998	Telia Light AB, Sales & Project Manager/Founder
	1996-1997	Telia AB, Business Developer, Division Network Services
Education:	2000	Executive MBA, Management for Growing Companies, Stanford Business School, Stanford University, Palo Alto, USA
	1992-1997	MSc Industrial Engineering & Management, spec. in Industrial Marketing & Computer Science, Technical University of Luleå
Positions of trust:	2019- 2018-	Member of the Board of Directors Schibsted ASA (Member of Audit Committee) Member of the Board of Directors Swedbank AB (Member of Audit Committee and Remuneration Committee)
	2018-	Member of the Board of Directors Swisscom AG (Member of Finance Committee)
	2016-2018	Member of the Board of Directors HusmanHagberg AB
	2000	Member of the Board Telia Internet Inc (Agis Inc.) Washington DC
	2000-2001	Member of the Board Telia International Carrier Hong Kong Ltd.
	1999-2000	Member of the Board Telia Carrier Polska Sp.zo.o, Warsaw

Attachment 3:

Anders Kristiansen (1967)

Experience:	2018-	Esprit Holdings Ltd., Group CEO
	2013-2017	New Look, CEO
	2011-2012	Bestseller Fashion Group China, Vice CEO
	2010-2011	Staples (China), President China and SVP Staples Inc.
	2003-2010	Lyreco (China), Managing Director Asia Pacific
	2000-2003	Lyreco (France), Managing Director Europe
	1999-2000	GBC (Belgium), European Sales/Marketing Director
	1997-1999	Herlitz (Germany), Director of International Accounts
	1995-1997	euro buro (Germany), Managing Director
	1990-1995	Bogpa (Denmark), Product Manager, Purchasing Director
	1988-1989	Bog & Ide (Denmark), Store Manager
Education:	2012	University of Copenhagen, The Board Academy, Denmark
	2010	Harvard, FSE, USA
	2006	IMD, OWP, Switzerland
	2002	Insead, AMP, France
	1986	Hammersmith & West London College, England
	1984-1985	Idrettsskole, Denmark
	1983-1984	EFG Handelsskole, Denmark

Attachment 4:

Kjetil Houg (1966)

Experience:	2018-	CEO Folketrygdfondet
	2007-2018	Chief Investment Officer - Oslo Pensjonsforsikring AS
	2005-2006	Chief Economist/Portfolio Manager – Folketrygdfondet
	1997-2005	Chief Economist – Alfred Berg ABN AMRO
	1993-1997	Economic Advisor – Norwegian Labour Party Parliamentary Group
Education:	1988-1993	Cand oecon, Economics – University of Oslo and University of Toulouse Capitole
Positions of trust:	2010-2019	Chairman – Lørenskog Pension Fund
	2009-2019	Chairman – Pareto Eiendomsfelleskap AS
	2009-2019	Chairman – Aberdeen Norge I
	2012-2018	Board member – KLP Capital Management
	2007-2017	Chairman Pareto Growth
	2011-2014	Member of Nomination Committee – Storebrand

Attachment 5:

Rebekka Glasser Herlofsen (1970)

Experience:	2017 -	CFO Wallenius Wilhelmsen Logistics ASA
	2012-2017	CFO Torvald Klaveness
	2011-2012	CFO Norwegian Energy Company ASA
	2009-2011	Own investments / Professional board member
	2005-2009	Director Business Development BW Gas ASA/Bergesen d.y. ASA
	2003-2005	Head of Corporate planning, BW Gas ASA/Bergesen d.y. ASA
	1999-2003	Project Manager, BW Gas ASA/Bergesen d.y. ASA
	1997-1999	Associate, Corporate Finance, London, Enskilda Securities
	1995-1997	Analyst, Corporate Finance, Oslo, Enskilda Securities
Education:	2007	IMD, Breakthrough programme for top executives
	2002-2004	NHH, Certified Financial Analyst Programme
	1990-1994	NHH, MSc in Economics and Business Administration
	1993	University of Bergen, Literature, undergraduate level
Positions of trust (current):	2019 -	SATS ASA, Board member
	2015 -	Equinor ASA, Board member
	2017 -	WWL group companies (Chair/member)
	2018 -	Norwegian Hull Club, Vice-Chair