
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 AND DEPUTY 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). These Instructions may be found on the company's website www.orkla.com/investor-relations. The Nomination Committee has organised its work in accordance with these 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 contacted major shareholders for suggestions or comments, and has spoken with representatives of several shareholders.

The Nomination Committee has reviewed the Board of Directors' self-evaluation, and has had meetings with Board Chairman Stein Erik Hagen, Deputy Chair Grace Reksten Skaugen and President and CEO Peter A. Ruzicka.

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 NO. 7 OF THE AGENDA – ELECTION OF MEMBERS AND A DEPUTY MEMBER OF THE BOARD OF DIRECTORS

At the Annual General Meeting on 16 April 2015, the following Board members were elected for a term of one year and consequently all of them are up for election in 2016:

Stein Erik Hagen	(member 2004)
Grace Reksten Skaugen	(member 2012)
Ingrid Jonasson Blank	(member 2013)
Lisbeth Valther Pallesen	(member 2013)
Nils Selte	(member 2014)
Lars Dahlgren	(member 2014)

The Nomination Committee recommends that all of the shareholder-elected Board members be re-elected. In the Nomination Committee's opinion, the individual Board members,

and the Board of Directors as a collegial body, function well. This has been confirmed by the discussions carried out by the Nomination Committee and by the Board of Directors' self-evaluation. Furthermore, five out of six Board members have served on the Board for a relatively short period of time.

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

Canica AS and related parties own 249,142,000 shares in Orkla ASA, equivalent to 24.5% of the company's shares. In the past few years, a generational change has been effected in Canica. Caroline Hagen Kjos is now the main shareholder in Canica AS with an ownership interest of 99.75%, and she is also Chair of the company's Board of Directors. Ms Hagen Kjos is the daughter of Stein Erik Hagen, Canica's founder and Chairman of the Board of Orkla ASA.

To ensure the long-term ownership and involvement of Canica and the Hagen family in Orkla ASA, Canica has proposed to the Nomination Committee that Caroline Hagen Kjos be elected to the position of Deputy Member of Orkla ASA's Board of Directors.

The Nomination Committee finds this proposal to be sensible, and recommends Caroline Hagen Kjos as personal deputy for the two Board members nominated by Canica: Stein Erik Hagen and Nils Selte.

For further information regarding Ms Hagen Kjos, reference is made to Attachment 2. The Nomination Committee proposes that the deputy member shall have the right to attend and speak at Board meetings, but not the right to vote unless she attends as deputy for Mr Hagen or Mr Selte in their absence. To avoid any misunderstandings, it is emphasised that the deputy member will not stand in for Mr Hagen or Mr Selte in their positions as Board Chairman and Chair of the Audit Committee, respectively, in the event of their absence.

Under Article 4, third paragraph, of Orkla's Articles of Association, shareholder-elected Board members and any 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 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. ITEM 8 OF THE AGENDA – ELECTION OF THE CHAIR AND DEPUTY CHAIR OF THE BOARD OF DIRECTORS

At the Annual General Meeting on 16 April 2015, 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 was set at one year for both persons.

The Nomination Committee recommends that Stein Erik Hagen be re-elected as Board Chairman and that Grace Reksten Skaugen be re-elected as Deputy Chair. It is proposed that both of them be elected for a term of one year.

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

Under the provisions of the Public Limited Liability Companies Act, the Chair of the Board of Orkla ASA is elected by the Board of Directors itself if the Chair is not elected by the General Meeting. The Board of Directors wishes to adhere to section 8 of the Norwegian Code of Practice for Corporate Governance, and has therefore proposed that the Chair and Deputy Chair of the Board be elected by the General Meeting.

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.

Anders Christian Stray Ryssdal, Leiv Askvig and Karin Bing Orgland are up for election in 2016. They were elected in 2014 for a term of two years.

Nils-Henrik Pettersson was elected in 2015 for a term of two years, and is thus not up for election this year. Mr Pettersson was nominated by Canica AS.

Under point 4.2 of the Instructions, the recommendation for the election of members of 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 has received no views regarding its composition.

The Nomination Committee unanimously recommends that Anders Christian Stray Ryssdal, Leiv Askvig and Karin Bing Orgland be re-elected as members of the Nomination Committee.

Anders Christian Stray Ryssdal is a lawyer and partner in the law firm of Wiersholm, 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 is Managing Director of Sundt A/S, and has been a member of the Nomination Committee since 2005. Mr Askvig owns no shares in Orkla ASA. Mr Askvig represents international institutional shareholders.

Karin Bing Orgland previously held the post of Group Executive Vice President at DNB and currently serves in a number of Board positions. She has been member of the Nomination Committee since 2014. Ms Bing Orgland owns no shares in Orkla ASA. Ms Bing Orgland represents Norwegian institutional shareholders.

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 2018.

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.

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

5. ITEM 11 OF THE AGENDA – DIRECTORS' FEES

It has been the practice of the company to adjust the fee rates of the Board of Directors annually in accordance with the general wage trend, unless special circumstances dictate otherwise. The Nomination Committee wishes to maintain this general principle.

The Nomination Committee proposes to increase the Board of Directors' fees as follows:

Board Chair	NOK 700,000 per year (from NOK 680,000)
Board Deputy Chair	NOK 545,000 per year (from NOK 530,000)
Board member	NOK 410,000 per year (from NOK 400,000)
Observer	NOK 156,000 per year (from NOK 152,000) ¹
Deputy member	NOK 26,500 per meeting (from NOK 26,000)

In addition, shareholder-elected Board members residing outside of Norway receive an additional NOK 16,000 for each Board meeting attended. It is proposed that this be adjusted to NOK 16,500 per Board meeting, and that the increase also apply to shareholder-elected deputy members.

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

Committee Chair	NOK 134,000 per year (from NOK 131,000)
Member	NOK 100,000 per year (from NOK 98,000)

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

Committee Chair	NOK 168,000 per year (from NOK 164,000)
Member	NOK 112,000 per year (from NOK 109,000)

It is proposed that these fee rates are to 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.

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

The fee rates of the Nomination Committee were last adjusted in 2012, and are normally adjusted every third year. Traditionally, remuneration for meeting attendance has been payable per meeting. The Nomination Committee proposes instead to change this to a fixed fee for meeting attendance in line with the remuneration that applies in other comparable companies. The Nomination Committee proposes to change the fees of the Nomination Committee members as follows:

Committee Chair	NOK 60,000 per year (from NOK 7,500 per meeting)
Member	NOK 44,000 per year (from NOK 5,500 per meeting)
Employee-elected representative	NOK 5,500 per meeting

It is proposed that these fee rates shall 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, 17 March 2016

Anders Christian Stray Ryssdal

Leiv Askvig

Nils-Henrik Pettersson

Karin Bing Orgland

Vidar Dahl (points 2, 5 and 6)

¹The company and the employee representatives have agreed that the post of observer is to be eliminated. The agreement has been approved by the Corporate Democracy Committee. The Board of Directors will submit corresponding proposals regarding amendments to the Articles of Association to the General Meeting. If the proposal is adopted by the General Meeting, the observer's fee will cease to apply.

ORKLA ASA – ATTACHMENT 1 TO THE RECOMMENDATION OF THE NOMINATION COMMITTEE

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 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.

ATTACHMENT 2:

Caroline Marie Hagen Kjos (1984)

Experience:

2009–present: Project Manager at Canica International AG, Pfäffikon, Switzerland.
Responsible for investments and strategies together with the CEO.

2008–2009: Project Manager in the Marketing and Purchase departments,
Jernia Gruppen, Norway.

2007: Internship at Toms, California.

Education:

Bachelor of Business Administration,
Parsons: the New School for Design, NYC 2004–2007

Foundation Year in Graphic Design,
School of Visual Arts, NYC 2003–2004

International Baccalaureate,
Berg VGS, Oslo, Norway 2005–2007

Courses:

Impact Investment Course, two modules,
Harvard Kennedy School. Fall 2015 and Spring 2016.

Management Competence at Board Level 1, Continuing Courses,
BI Handelshøyskolen, Norway. Spring 2008.

Positions of trust:

2014–present: Chairman Canica AS, Norway

2012–present: Member of the Board of Komplett Group, Norway

2007–2009: Member of the Board of Canica AS, Norway