

To the Corporate Assembly of Orkla ASA

RECOMMENDATION REGARDING THE ELECTION OF THE CHAIR AND DEPUTY CHAIR OF THE CORPORATE ASSEMBLY, ELECTION OF SHAREHOLDER-ELECTED MEMBERS OF THE BOARD OF DIRECTORS, ELECTION OF THE CHAIR OF THE BOARD OF DIRECTORS AND DETERMINATION OF THE REMUNERATION TO THE BOARD OF DIRECTORS

In 2010, the Annual General Meeting (AGM) of Orkla ASA adopted special instructions for the Nomination Committee ("Instructions"). The instructions are available on the company's website: www.orkla.com/investor-relations. The Nomination Committee has planned its work in keeping with these instructions.

Information about how shareholders can make suggestions to the Nomination Committee has been available on the company's website. In addition, the Nomination Committee has actively solicited the major shareholders for suggestions and comments in connection with its work. The Nomination Committee has also met with Chair of the Board Stein Erik Hagen and former Chief Executive Officer Bjørn M. Wiggen.

The Nomination Committee has dealt with the issues listed below at a number of meetings. The Committee has also formulated a set of assessment criteria which it believes should be reflected in the composition of the Board as a whole, see Appendix 1.

Against this background, the Nomination Committee submits the following unanimous recommendation:

1. Election of the chair and deputy chair of the Corporate Assembly

Pursuant to §6-36 (3) of the Public Limited Liability Companies Act and §9 of the Articles of Association, the Corporate Assembly's chair and deputy chair shall be elected by and among the members of the Corporate Assembly. Idar Kreutzer was re-elected as chair and Dag Mejdell was re-elected as deputy chair at the Corporate Assembly's meeting on 26 May 2011.

Kreutzer and Mejdell were both re-elected as members of the Corporate Assembly at Orkla ASA's Annual General Meeting on 19 April 2012. The Nomination Committee recommends that Idar Kreutzer be re-elected as chair and Dag Mejdell as deputy chair of the Corporate Assembly.

Åsmund Dybedahl, representing the employee-elected members of the Corporate

Assembly, has endorsed the recommendation. Kreutzer did not participate in the discussions of this point.

2. Members of the Board

At the Corporate Assembly meeting on 26 May 2011, the following members of the Board of Directors were elected for a one-year term of office; all of them are therefore up for election:

Åse Aulie Michelet	(member since 2001)
Stein Erik Hagen	(member since 2004)
Björg Ven	(member since 2006)
Peter Ruzicka	(member 2003-05, deputy 2007, member since 2008)
Jesper Ovesen	(member since 2010)
Åge Korsvold	(member since 2011)
Barbara M. Thoralfsson	(member since 2011)

When working with the composition of the Board, in recent years the Nomination Committee has attached importance to balancing consideration for continuity with the need for ongoing revitalisation.

In keeping with the Nomination Committee's recommendation, the Corporate Assembly elected one new Board member in 2010 and two new Board members in 2011. This year, Åse Aulie Michelet has informed the Nomination Committee that she will not be standing for re-election as she will be assuming a new position.

Further, Åge Korsvold was appointed acting CEO as from 30 April 2012. It ensues from the Public Limited Liability Companies Act that Korsvold cannot then be a member of the Board.

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

Stein Erik Hagen
Björg Ven
Peter Ruzicka
Jesper Ovesen
Barbara M. Thoralfsson

The Nomination Committee is working to put into place a recommendation for a new member of the Board of Directors to succeed Åse Aulie Michelet, and has hired external assistance to help identify relevant candidates. As of today, this work has not been completed. An extraordinary meeting of the Corporate Assembly will be convened when the Nomination Committee's recommendation is presented, probably after the summer holiday. Once a new CEO is in place, the Nomination Committee intends to nominate Åge Korsvold for re-election to the Board.

For information about the directors nominated for re-election, reference is made to the company's Annual Report at www.orkla.com.

Article 4, third paragraph, of Orkla's Articles of Association states that shareholder-elected directors and their deputies, if any, shall be elected for up to two (2) years at a time. The Corporate Assembly's shareholder-elected members decided in 2007 to introduce a scheme involving annual elections of shareholder-elected members and their deputies to the Board of Directors, and this has been the practice followed since then. It is therefore proposed that the term of office be set at one (1) year for all officers.

3. Chair of the Board and Deputy Chair

At the meeting of the Corporate Assembly held on 26 May 2011, Stein Erik Hagen was elected Chair of the Board and Åge Korsvold was elected Deputy Chair, both for a term of one (1) year.

The Nomination Committee recommends that Stein Erik Hagen be re-elected as chair. In keeping with the practice of the Corporate Assembly, a one-year term of office is proposed. At this time, there is no new nomination for deputy chair to replace Åge Korsvold.

Åsmund Dybedahl, representing the employee-elected members of the Corporate Assembly, has endorsed the recommendation.

4. Remuneration

The Corporate Assembly has practiced an annual adjustment of the Board's fees in keeping with the general salary trend, unless special circumstances have indicated otherwise. With the adjustments proposed below, the Nomination Committee wishes to maintain this general principle.

This year, the Nomination Committee proposes that the Board's fees be increased as follows:

Chair of the Board	NOK 620 000 per year (up from 595 000)
Deputy Chair	NOK 485 000 per year (up from 465 000)
Member of the Board	NOK 367 000 per year (up from 352 000)
Observer	NOK 139 000 per year (up from 133 000)
Deputy	NOK 24 500 per meeting (up from 23 500)

The Board currently has one member who is domiciled outside of Norway. The Nomination Committee would like to pave the way for more foreign members of the Board of Directors over time. As there is some international competition for good foreign candidates, and as these members will normally have to spend more time in connection with serving on the Board of Directors, the Nomination Committee proposes that a shareholder-elected member of the Board of Directors who is domiciled abroad receive a supplement of NOK 15 000 per Board meeting attended by the person in question. In the experience of the Nomination Committee, this proposal may help generate a broader selection of relevant candidates for seats on

the Board of Directors.

The Nomination Committee proposes that the remuneration for the members of Compensation Committee be increased as follows:

Committee chair	NOK 120 000 per year (up from 117 000)
Member	NOK 90 000 per year (up from 88 000)

The Nomination Committee is of the opinion that that burden of work for members of the Board's Audit Committee, and especially for the Committee's chair, has grown over time, and there is no reason to expect this trend to diminish. The transition period that the Group is currently undergoing must also be expected to generate more work. Meanwhile, the Nomination Committee considers the company's remuneration to the members of the Audit Committee to be somewhat low relative to several comparable companies. The Nomination Committee therefore proposes an increase in the remuneration for the members of the Audit Committee as follows:

Committee chair	NOK 150 000 per year (up from 117 000)
Member	NOK 100 000 per year (up from 88 000)

It is proposed that these remuneration rates apply until the Corporate Assembly adopts a new decision.

Åsmund Dybedahl, representing the employee-elected members of the Corporate Assembly, has endorsed the recommendation.

Oslo, 4 May 2012

Idar Kreutzer

Olaug Svarva

Leiv Askvig

Nils-Henrik Pettersson

Åsmund Dybedahl (sections 1, 3 and 4)

Orkla ASA - Appendix 1 to the Nomination Committee's recommendation

At its meeting on 22 April 2010, the Annual General Meeting (AGM) of Orkla ASA adopted special guidelines for the Nomination Committee. Section 4.4 of the guidelines states:

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

- *The Board of Directors should be comprised so that it can 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 the executive management 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."*

In continuation of this, the Nomination Committee is of the opinion that the composition of the Board of Directors of Orkla ASA as a whole should reflect the following criteria:

- Presence of a quorum and orientation towards value creation
- International experience
- Insight into Orkla's industrial areas
- Experience of leadership and Board work from major enterprises
- Personal and professional gravitas, impeccable integrity
- Good relation-building and communications skills, the ability to work on a team

The Nomination Committee emphasises consideration for continuity on the Board, but also wishes to pave the way for ongoing revitalisation. It is important to have an active, strong Board of Directors that can help support the implementation of the company's communicate strategy.