

To the Corporate Assembly of Orkla ASA

## **RECOMMENDATION CONCERNING THE ELECTION OF THE CHAIR AND DEPUTY CHAIR OF THE CORPORATE ASSEMBLY, ELECTION OF THE BOARD OF DIRECTORS AND FEES**

In 2010, the General Meeting of Orkla ASA adopted special instructions for the Nomination Committee (Instructions). The Instructions may be found on the company's website ([www.orkla.com/investor](http://www.orkla.com/investor)). The Nomination Committee has carried out its work in accordance with these Instructions. Information on the way shareholders may provide input to the Nomination Committee has been available on the company's website. The Nomination Committee has also made active efforts to contact major shareholders for suggestions and comments in connection with its work. The Nomination Committee has also met with the Chair of Orkla's Board of Directors and the President and CEO.

The Nomination Committee has considered the issues set out below at a number of meetings. The Committee has drawn up a set of assessment criteria which, in its opinion, should be reflected in the overall composition of the Board of Directors (see attachment 1). The Committee has engaged external assistance in the process of identifying potential candidates.

In their dialogue with the Nomination Committee, several of the company's shareholders have expressed a desire for a certain renewal of the composition of the Board of Directors, combined with focus on continuity. The Nomination Committee has attached importance to this input in its work.

The Nomination Committee proposes that two new members be elected to the Board of Directors of Orkla ASA. The proposed candidates both have many years of broad business experience, among other things as operational heads of large companies. Both of them have international business experience. It is the assessment of the Nomination Committee that these candidates will be able to make a positive contribution to value creation within the Group. It is also the Nomination Committee's assessment that the company will have a good, competent Board of Directors, and that the Board as a whole will reflect the criteria defined by the Committee for its work, in a good and relevant way.

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

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

Under section 6-36 (3) of the Public Limited Liability Companies Act and Article 9 of the company's Articles of Association, the chair and deputy chair of the Corporate Assembly shall be elected by and from among the members of the Corporate Assembly. Idar Kreutzer was elected as new chair and Dag Mejdell as new deputy chair at the Corporate Assembly meeting on 27 May 2010.

Mr Kreutzer and Mr Mejdell were re-elected as members of the Corporate Assembly at Orkla ASA's general meeting on 14 April 2011. The Nomination Committee recommends that Idar Kreutzer be re-elected as chair and Dag Mejdell as deputy chair.

Åsmund Dybedahl as representative for the employee-elected members of the Corporate Assembly has endorsed this recommendation. Mr Kreutzer did not participate in the consideration of this item of business.

## **2. Board members**

At the Corporate Assembly meeting on 27 May 2010, all the Board members were re-elected for a term of one year, and the following members are thus up for election:

Svein S. Jacobsen	(member 2000)
Åse Aulie Michelet	(member 2001)
Stein Erik Hagen	(member 2004)
Bjørge Ven	(member 2006)
Peter Ruzicka	(member 2003-05, deputy 2007, member 2008)
Kristin Skogen Lund	(member 2008)
Jesper Ovesen	(member 2010)

Kristin Skogen Lund has informed the Nomination Committee that she will not stand for re-election.

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

Stein Erik Hagen  
Åse Aulie Michelet  
Jesper Ovesen  
Peter Ruzicka  
Bjørge Ven

Svein S. Jacobsen was elected to the Orkla Board of Directors in 2000. In the interests of achieving a balance between continuity and renewal, the Committee does not recommend that Mr Jacobsen be re-elected, but thanks him for his substantial efforts for the benefit of the Group over many years.

Barbara Thoralfsson and Åge Korsvold are recommended for election as new members. Information regarding Ms Thoralfsson and Mr Korsvold may be found in the attachment to this recommendation.

For information regarding the Board members proposed for re-election, reference is made to the company's annual report, which may be found at [www.orkla.com](http://www.orkla.com).

Article 4, third paragraph, of Orkla's Articles of Association states that shareholder-elected members and, if relevant, deputy members of the Board of Directors shall be elected for a term of up to two years at a time. In 2007, the Corporate Assembly's shareholder-elected members decided to introduce a system whereby shareholder-elected members and deputy members of the Board of Directors are elected annually, and this system has since been practiced. It is therefore proposed that the term of office be set at one year for all members and deputy members.

## **3. Chair and Deputy Chair of the Board of Directors**

In 2010 Stein Erik Hagen was elected as Board Chair for a term of one year, and in 2010 Svein S. Jacobsen was elected as Deputy Chair for one year.

The Nomination Committee recommends that Stein Erik Hagen be re-elected as Board Chair. The Nomination Committee recommends that Åge Korsvold be elected as new Deputy

Chair of the Board. In accordance with the practice of the Corporate Assembly, it is proposed that their term of office be set at one year.

Åsmund Dybedahl, as representative for the employee-elected members of the Corporate Assembly, has endorsed this recommendation.

#### **4. Fees**

It is the practice of the Corporate Assembly to adjust the Board of Directors' fee rates annually in line with the general wage trend, unless special circumstances warrant otherwise.

This year the Nomination Committee proposes to increase the Board of Directors' fee rates as follows:

Board Chair	NOK 595,000 per year (from NOK 575,000)
Board Deputy Chair	NOK 465,000 per year (from NOK 450,000)
Board member	NOK 352,000 per year (from NOK 340,000)
Observer	NOK 133,000 per year (from NOK 129,000)
Deputy member	NOK 23,500 per meeting (from NOK 22,500)

#### Audit Committee and Compensation Committee

Committee Chair	NOK 117,000 per year (from NOK 113,000)
Member	NOK 88,000 per year (from NOK 85,000)

Åsmund Dybedahl, as representative of the employee-elected members of the Corporate Assembly, has endorsed this recommendation.

Oslo, 12 May 2011

\_\_\_\_\_  
Idar Kreutzer

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Olaug Svarva

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Leiv Askvig

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Nils-Henrik Pettersson

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Åsmund Dybedahl (items 1, 3 and 4)

## **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 guidelines for the Nomination Committee. Point 4.4 of the guidelines 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 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.”*

As an extension of this, 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

The Nomination Committee attaches importance to ensuring continuity in the Board of Directors, while also making provision for ongoing renewal. A proactive, strong Board of Directors is essential.

## Orkla ASA - Attachment 2 to the recommendation of the Nomination Committee

### Åge Korsvold (born in 1946)

**Education:** 1972, Wharton School, University of Pennsylvania, MBA

**Career:**

2001-11	Kistefos AS, President and CEO
1994-00	Storebrand, President and CEO
1992-94	Procorp ASA, Partner and principal owner
1983-92	Fondsfinans, Partner
1977-83	Orkla Industrier AS, Director, Investments and Business Development
1976-77	Golden West Shipping, Financial manager
1972-76	Storebrand Forsikring, Portfolio Manager

**Positions of trust:**

2002-	Atex Group, Chairman of the Board (Software)
2002-	Western Bulk ASA, Chairman of the Board (Bulk shipping trading)
2010-	Rederi AB Transatlantic (Supply ships and industrial shipping)
2007-	Bergmoen AS (Property development, industry)
2006-	Springfondet, member of the Board (Seed Capital)
2002-	Kistefos Venture Capital AS (Venture capital)
2002- 10	Waterfront Shipping ASA and Wabo Shipping, Chairman of the Board
2002- 10	Viking Supply Ships / Trans Viking Offshore, Chairman of the Board
2006- 09	Advanzia Bank, Luxembourg, member of the Board
2004- 07	Ementor ASA, Chairman of the Board (IT commerce and service provision)
1999- 00	If Skadeforsikring, member of the Board
1994- 98	Forsikringsnæringens Hovedorganisasjon (chairman for 2 years)

Mr Korsvold and related parties own 20 000 shares in Orkla ASA.

## Barbara Milian Thoralfsson (born in 1959)

**Education:** 1981, Duke University, BA Psychology  
1984, Colombia University, MBA Marketing

**Career:**

2005-	Fleming Invest AS, family-owned company
2001-05	Netcom AS. President TeliaSonera, Norway
1995-01	Midelfart & Co, President and CEO
1988-95	Midelfart & Co, EVP Sales and Marketing
1987-88	A/S Denofa and Lilleborg fabrikker, Product Manager
1994-87	General Food Corporation, Product Manager
1983	Pepsi-Cola Company, Marketing
1981-83	General Food Corporation, Marketing Assistant

**Positions of trust:**

2009-	Telenor ASA
2003-	Electrolux AB
2006-	SCA AB
2006- 09	Storebrand ASA
2006- 10	Tandberg ASA
2004- 05	Norwegian Airlines AS
2002- 08	Rieber & Søn ASA
2001- 05	IKT Norge
1995- 00	DLF

Ms Thoralfsson has duties related to companies under Fleming Invest

Ms Thoralfsson and related parties own 0 shares in Orkla ASA.