

APPENDIX TO ITEM 3 OF THE AGENDA

ORKLA ASA – NOTE 5 REMUNERATION AND CONTRACTUAL ARRANGEMENTS

Remuneration of the Group Executive Board

The Board of Directors decides the terms and conditions of the President and CEO and makes decisions on fundamental issues relating to the Group's compensation and benefits policy and compensation arrangements for other employees. The Board of Directors has a special Compensation Committee that prepares matters relating to compensation for decision by the Board. The Committee consists of three Board members, one of whom is elected by the employees, and was chaired by the Deputy Chair of the Board in 2016. The administration prepares matters for the Compensation Committee and the Board.

The Group Executive Board participated in the Group's annual bonus system and long-term incentive programme in 2016.

Salaries and remuneration to the Group Executive Board and accrued bonuses are presented below. The table also shows accruals and the balance in the bonus bank as at 31 December 2016, based on the Orkla share price as at 31 December 2016 (NOK 78.20).

Remuneration paid in 2016

Amounts in 1,000 NOK	Fixed salary 31 Dec. 2016	Paid salary and holiday pay (A)	Paid bonus (accrued in 2015)	Paid from bonus bank	Benefits in kind (B)	Total paid salary and allowance
Peter A. Ruzicka	5 923	6 199	3 629	-	242	10 070
Jens Bjørn Staff	2 870	2 980	986	-	263	4 229
Terje Andersen	2 899	3 524	1 474	1 043	221	6 262
Karl Otto Tveter	2 913	3 183	1 111	892	239	5 425
Atle Vidar Nagel Johansen	3 570	3 884	1 818	1 419	272	7 393
Ann-Beth Freuchen	2 800	2 969	1 440	381	203	4 993
Pål Eikeland	2 800	3 067	1 390	1 298	235	5 990
Stig Ebert Nilssen	3 140	3 384	666	746	198	4 994
Johan Clarin (salary in SEK)	2 915	2 922	1 175	469	257	4 823

Accrued remuneration, not paid in 2016

Amounts in 1,000 NOK	Accrued bonus in 2016 ¹	Accrued long-term incentive programme ^{2,4}	Accrued pension costs	Accrued total (C)	Balance bonus bank 31 Dec. 2016 ^{2,4}
Peter A. Ruzicka ³	2 961	2 961	2 127	8 049	7 166
Jens Bjørn Staff	881	881	730	2 492	1 929
Terje Andersen	1 197	1 197	907	3 301	3 944
Karl Otto Tveter	953	953	720	2 626	3 248
Atle Vidar Nagel Johansen	1 250	1 250	978	3 478	3 963
Ann-Beth Freuchen	1 624	1 624	589	3 837	3 588
Pål Eikeland	862	862	682	2 406	5 054
Stig Ebert Nilssen	1 046	1 046	809	2 901	2 631
Johan Clarin (salary in SEK)	943	943	699	2 585	3 488

¹Accrued annual bonuses for 2016 are paid in 2017.

²50% of long-term incentives accrued in 2016 are paid after 24 months and 50% after 36 months, provided that the employee has not given notice of resignation on the payment date. See also point (iii) on the next page and Note 11 in the consolidated financial statements.

³The accrued salary and remuneration of the President and CEO totalled NOK 14,490,000 (A+B+C) in 2016.

⁴The bonus bank balance does not include bonuses accrued in 2016.

The Group Executive Board participates in the Group's general employee share purchase programme. The programme was not implemented in 2016. No guarantees have been provided for members of the Group Executive Board.

The shareholdings of members of the Group Executive Board are presented on page 160 in the Annual Report. The retirement age of the President and CEO is 62, and the period of notice is six months, with a period of pay of 12 months after termination of employment. From the age of 62 until he reaches the age of 67, he will be paid 60% of his salary upon retirement.

The other members of the Group Executive Board have a period of notice of six months, and their retirement age is 65. From the age of 65 until they reach the age of 67, Orkla will pay them 66% of their salary upon retirement, after which their pension will be paid from Orkla's pension plan. Terje Andersen may retire at the age of 62 with the same benefits. Terje Andersen and Karl Otto Tveter have personal loans on which a regulated interest rate is charged. The balance as at 31 December 2016 was NOK 472,921 for Mr Andersen and NOK 69,974 for Mr Tveter. No other members of the Group Executive Board have personal loans.

Options awarded to the Group Executive Board as of 31 December 2016

	Number	Award date (dd/mm/yyyy)	Strike price	1st exercise/exercise date (dd/mm/yyyy)	Last exercise (dd/mm/yyyy)
Karl Otto Tveter	-50 000	10.05.2010	36.38	19.02.2016	Exercised at 70.65
	-50 000	09.05.2011	40.03	28.09.2016	Exercised at 82.22
Atle Vidar Nagel Johansen	35 000	09.05.2011	40.03	09.05.2014	09.05.2017
	-35 000	09.05.2011	40.03	05.09.2016	Exercised at 77.88
Ann-Beth Freuchen	40 000	09.05.2011	40.03	09.05.2014	09.05.2017
Stig Ebert Nilssen	50 000	09.05.2011	40.03	09.05.2014	09.05.2017
	-50 000	10.05.2010	36.38	17.02.2016	Exercised at 71.44

The Board of Directors' statement of guidelines for the remuneration of the executive management

Pursuant to section 6-16a of the Public Limited Liability Companies Act, the Board of Directors must draw up a special statement of guidelines for the pay and other remuneration of senior executives. Furthermore, under section 5-6 (3) of the same Act, an advisory vote must be held at the General Meeting on the Board of Directors' guidelines for the remuneration of the executive management for the coming financial year (see (ii) below). Insofar as the guidelines concern share-related incentive programmes, these must also be approved by the General Meeting (see (iii)).

(i) Pay and other remuneration of the executive management

Information regarding pay and other remuneration of the executive management for the previous financial year has been provided on page 143 in the Annual Report.

(ii) Guidelines for pay and other remuneration of the executive management

With regard to guidelines for pay and other remuneration of the executive management in the coming financial year, the Board of Directors will submit the following guidelines to the General Meeting in 2017 for an advisory vote:

The purpose of Orkla's reward policy is to attract personnel with the competence that the Group requires, develop and retain employees with key expertise and promote a long-term perspective and continuous improvement supporting achievement of Orkla's business goals. The general approach adopted in Orkla's policy is to pay fixed salaries in line with market median level while offering variable pay linked to results, share price performance etc. (short- and long-term incentives) above market median level. Compensation may consist of the following elements:

a) Fixed elements

Orkla uses internationally recognised job assessment systems to find the "right" level for the job and the fixed salary. Jobs are assessed in relation to their local market (country) and a pay range of the median +/- 20% is applied. The employee's responsibilities, results and performance determine where he or she is placed on the salary scale.

Orkla has a defined contribution pension plan in Norway. The contribution rates are 5% for salaries between 1G and 7.1G and 23.1% for salaries over 7.1G (as from 1 May 2015 1G is NOK 92,576). For members of the Group Executive Board as at 1 September 2014, the rate for salaries over 12G is 27%. Employees who have entered into an early retirement agreement entitling them to retire before the age of 67 receive a pension (unfunded) that is equivalent to 60 per cent of their annual pay. Other members of the Group Executive Board than the President and CEO have 66%, all subject to a minimum of 30 qualifying years. In addition to the above, the Group

provides benefits such as a company car and company telephone and other limited benefits in kind.

(b) Variable elements – annual bonus

Orkla has an annual bonus programme. Under this programme, a "good performance", which is specifically defined for the various elements, can result in an annual bonus of 30% of an employee's annual base salary, while the maximum bonus is 100% of the employee's annual base salary. Approximately 175 senior executives and key personnel participate in this bonus programme. The bonus programme targets for 2017 will consist of organic growth, EBIT (adj.)-development, capital use and individual components. The primary goal is profit growth.

(iii) Special comments on share-based incentive programmes

Orkla has a cash-based long-term incentive programme. An amount based on the result of the annual bonus programme will be deposited in a bonus bank. The bonus is normally awarded in May of each year. The balance will be adjusted according to the performance of the Orkla share until it is paid out. The adjustment is based on the share price recorded on the day after the Annual General Meeting, adjusted for dividends in the period. 50% of the entitlement will be paid out after two years and the rest after three years, provided that the employee has not given notice of resignation at the time of payment. The annual amount paid out from the long-term incentive programme must not exceed one year's pay at the time of payment. Any excess amount will be added to the bank deposit to be paid out the following year.

(iv) Senior executive pay policy in previous financial years

The guidelines for the pay and remuneration of senior executives described in (ii), which were considered at the Annual General Meeting in 2015, also served as guidelines for the determination of senior executive remuneration in 2016.

Discounted shares for employees

For several years the Group has had a programme offering employees an opportunity to buy a limited number of shares at a discount of 30% on the market price. Shares may be purchased for five different amounts: NOK 28,000, 20,000, 12,000, 4,000 and 1,000 (amounts after discount). In 2016 this programme was not implemented as planned. The costs related to the share purchase programme in 2015 amounted to approximately NOK 22 million. The Board of Directors recommends to the General Meeting that the employee share purchase programme is continued. Further, as a temporary arrangement applicable only in 2017, the possibility of purchasing shares for NOK 40,000 and NOK 50,000 (amounts after discount) will be offered, thereby taking into account the fact that the programme was not implemented in 2016. The same conditions as in 2015 otherwise apply.

Remuneration of the Board of Directors and Board members' shareholdings

As from 17 April 2016, the Board of Directors is remunerated at the following rates:

Board Chair	NOK 700 000	per year
Board Deputy Chair	NOK 545 000	per year
Board member	NOK 410 000	per year

Observer	NOK 156 000	per year
Deputy member	NOK 26 500	per meeting

Compensation Committee

Committee Chair	NOK 134 000	per year
Member	NOK 100 000	per year

Audit Committee

Committee Chair	NOK 168 000	per year
Member	NOK 112 000	per year

In addition, shareholder-elected Board members residing outside Norway receive an additional NOK 16,500 per meeting attended.

Payments actually received by members of the Board of Directors are as follows:

Amounts in NOK	Director's fee incl. committee work	Number of shares ¹
<i>Shareholder-elected Board members</i>		
Stein Erik Hagen	792 666	249 142 000
Grace Reksten Skaugen	673 000	3 000
Ingrid Jonasson Blank	567 166	1 750
Lisbeth Valthier	456 166	3 000
Nils K. Selte	573 333	18 000
Lars Dahlgren	456 166	2 000
<i>Employee-elected Board members</i>		
Terje Utstrand	See table below	5 240
Roger Vangen	See table below	7 014
Sverre Josvanger	See table below	18 053
Karin Hansson	See table below	487

¹Total share ownership including related parties

Amounts in 1,000 NOK	Fixed salary	Director's fee	Benefits in kind	Pension costs
<i>Employee-elected Board members</i>				
Terje Utstrand	554 872	506 000	29 747	26 779
Roger Vangen	544 869	307 944	36 929	23 561
Sverre Josvanger	507 708	517 666	113 080	21 901
Karin Hansson (salary in SEK)	396 410	307 500	-	17 155

No loans have been granted to or guarantees provided for members of the Board of Directors.

Remuneration of the Nomination Committee

As from 17 April 2016, the Nomination Committee is remunerated according to the following rates:

Committee Chair NOK 60,000 per year, members NOK 44,000 per year and employee-elected representatives NOK 5,500 per meeting.

Fees to Group external auditor

Amounts in NOK million (excl. VAT)	2016	2015
<i>Parent company</i>		
Statutory audit	3.0	2.7
Other attest services	0.2	0.0
Tax consultancy services	1.8	2.5
Other non-audit services	6.3	2.8
<i>Group</i>		
Statutory audit	26	24
Other attest services	1	0
Tax consultancy services	5	4
Other non-audit services	7	5
Total fees to EY	39	33
Statutory audit fee to other auditors	2	2

APPENDIX TO ITEM 4 OF THE AGENDA

On the whole, Orkla acts in accordance with the guidelines laid down in the Norwegian Code of Practice for Corporate Governance (hereinafter called the Code of Practice).

Under applicable rules and recommendations, any deviation from the Code of Practice must be justified and an explanation of the way the company has acted differently must be provided.

Orkla has reported two minor deviations from the Code of Practice:

Under section 6 of the Code of Practice, the entire Board of Directors should be present at general meetings

Members of Orkla's Board of Directors are present at general meetings, but normally the entire Board has not attended for various reasons, such as illness or a clash of activities. Furthermore, the matters that have been considered at Orkla's general meetings in recent years have not been of such a nature that the attendance of all of the Board members has been deemed necessary. Moreover, the Board Chair, the President and CEO and other senior executives are present at general meetings and will be able to answer any questions that may be raised.

Under section 14 of the Code of Practice, the Board of Directors should have drawn up guiding principles for how it will act in the event of a take-over bid.

It has not been deemed expedient to draw up explicit guiding principles for the Board's action in the event of a take-over bid. However, the Board of Directors endorses the statements in the Code of Practice regarding take-overs, and will act accordingly in the event that a take-over bid is made.

Further information will be provided at the general meeting concerning the Code of Practice and the way in which the Board of Directors and the Group deal with issues relating to corporate governance.

APPENDIX TO ITEM 5 OF THE AGENDA

An authorisation for the Board of Directors to acquire Orkla shares has been granted regularly ever since this was made possible by law in 1998.

Buying back the company's shares for cancellation is one of several possible means by which the company can transfer assets to shareholders. In addition, the company has a certain need for treasury shares to be able to fulfil its obligations under current incentive programmes adopted at various general meetings as well as employee share purchase programmes.

Whether and to what extent share buybacks should be made under the authorisation will be contingent on a case-by-case assessment of factors such as the capital situation and share price.

It is proposed that the Board of Directors again be authorised this year to acquire shares in Orkla ASA with a nominal value of up to NOK 125,000,000 divided between a maximum of 100,000,000 shares. The Group's total holding of treasury shares may never exceed 10% of shares outstanding at any given time.

It is proposed that this authorisation shall apply for one year, in accordance with the Norwegian Code of Practice for Corporate Governance.

As in previous years, the proposal stipulates that any shares which the company might acquire under this authorisation may only be used for one of the two following purposes:

- cancellation, in which case a proposal regarding cancellation will be submitted to the General Meeting, or
- used to fulfil the company's obligations under employee incentive programmes as decided by the General Meeting.

Treasury shares are purchased on the stock exchange. The purchase and sale of treasury shares affect only the company's statement of changes in equity and not its income statement.

APPENDIX TO ITEM 9.1 OF THE AGENDA

The Nomination Committee's updated draft of the Instructions (markup of proposed amendments):

Instructions for the Nomination Committee of Orkla ASA, Article 13 of the Articles of Association

Updated June 2013

1. Composition and election

The Nomination Committee shall consist of two to five members. The General Meeting elects the members of the Nomination Committee and its chair. Members are elected for a term of up to two years.

2. Remuneration

The General Meeting determines the remuneration of the Nomination Committee.

3. The tasks of the Nomination Committee

The Nomination Committee is tasked with making the following recommendations:

3.1 Recommendation to the General Meeting regarding

- election of shareholder-elected members and possible deputy members to the company's Board of Directors
- election of members to the Nomination Committee
- determination of the remuneration of the Board of Directors and the Nomination Committee

3.2 Recommendation regarding

- election of the chair and deputy chair of the Board of Directors (the Nomination Committee is supplemented by a representative designated by the employee-elected members of the Board of Directors)

4. Further details regarding the recommendations

4.1 Recommendation regarding election of shareholder-elected members to the Nomination Committee

The recommendation regarding election of members to the Nomination Committee shall be based on ensuring that they represent a broad cross-section of the company's shareholders.

4.2 Recommendation regarding election of members of the Nomination Committee

The recommendation regarding election of members of the Nomination Committee shall be based on the principle that a majority of the members shall be independent of the company's Board of Directors and executive management, and that at least one of the members should not be a member of the Board of Directors. The recommendation may be submitted by all members of the Nomination Committee.

4.3 Recommendation regarding election of shareholder-elected members to the Board of Directors

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.

4.4 General criteria for the recommendations

The recommendations shall be reasoned, state the term of office and contain the following information on new candidates:

- expertise
- capacity
- independence
- age
- education
- work experience
- how long they have held offices, if any, in Orkla
- any other assignments carried out for Orkla
- important assignments in other companies and organisations
- for new members to be elected to the Board, a confirmation of the candidate's acceptance of the share purchase arrangement; see point 4.5
- for members proposed for re-election, information as to whether shares have been acquired in accordance with the share purchase arrangement; see point 4.5

When re-election of a member is proposed, the recommendation may refer to information in the annual report, etc.

4.5 Utilisation of Board fee to purchase shares

The shareholder-elected members of the Board are required to 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 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 of Norway).

Acquisitions must be made in accordance with applicable legislation and the Rules for Primary Insiders at Orkla and Orkla's Instructions for Handling Inside Information. Acquisitions shall be made as soon as possible after the Board election has taken place, but by the end of the year at the latest.

The shares shall be retained as long as the Board member serves on the Board. However, this does not apply to shareholdings with a value that exceeds two times the member's Board fee.

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

5. Rules of procedure

The Nomination Committee has a quorum when at least three members are present. All of the members shall be given an opportunity to participate in consideration of matters.

The Nomination Committee shall meet when convened by the chair or at the request of one member. Minutes shall be taken of the proceedings at Committee meetings.

The Chair of the Board of Directors and the Group President and CEO shall be summoned to attend at least one meeting of the Nomination Committee before the Committee makes its final recommendation. The Nomination Committee shall be presented with the Board of Director's evaluation of its activities and expertise.

The Committee obtains such information from the administration or other persons, including employee representatives and shareholders, as is deemed to be relevant. Information is published on the company's website concerning time-limits for submitting proposals and comments to the Nomination Committee regarding elections to the Board of Directors and the Nomination Committee.

The Nomination Committee may draw on resources within the company, and obtain advice and recommendations from sources outside the company. The costs of the Nomination Committee are covered by the company.

The chair of the Nomination Committee, or the person authorised by the chair, shall present the recommendation.

6. Consideration of the Nomination Committee's recommendation to the General Meeting

The Nomination Committee's recommendation to the General Meeting shall be submitted in good time for it to be communicated to the shareholders before the General Meeting. If possible, the recommendation shall be made available to shareholders at the latest simultaneously with the notice of the general meeting.