

BORREGAARD ASA

INSTRUCTIONS FOR THE NOMINATION COMMITTEE

Adopted by the extraordinary general meeting of 10 January 2013. Amended on 13 April 2016 and 12 April 2018

1 COMPOSITION AND ELECTION

The nomination committee consists of three or four members, elected in accordance with Section 8 of the Articles of Association. Members are elected for one year at a time.

The general meeting determines the nomination committee's remuneration. Costs incurred by the nomination committee are covered by the company.

2 RESPONSIBILITIES OF THE NOMINATION COMMITTEE

The nomination committee shall recommend

- candidates for the election of shareholder-elected board members and the chair of the board
- candidates for the election of members and the chair of the nomination committee
- remuneration for the board and nomination committee

3 RECOMMENDATIONS

3.1 MEMBERS OF THE NOMINATION COMMITTEE

The recommendation of candidates for the nomination committee shall ensure that they represent a broad cross-section of the company's shareholders. The majority of members should be independent of the company's board and executive management. Members of the board are not eligible as candidates for the nomination committee.

The composition of the nomination committee should be changed over time through the replacement of members. As a general rule, the composition of shareholders and the complementarity of the committee members' expertise and background should determine the composition of the nomination committee. If this or other circumstances over time do not lead to changes in the composition of the committee, the person who has been a member the longest will normally be replaced first. Exceptions to this arrangement may be made if overall assessments or other circumstances warrant it.

3.2 SHAREHOLDER-ELECTED MEMBERS OF THE BOARD AND THE CHAIR OF THE BOARD

The recommendation of candidates for election as members of the board must take into account the following:

- The board should be composed in such a way as to maintain the interests of the shareholders and Borregaard's need for competence and diversity
- The board must function well as a collegiate body
- Members should be independent of the executive management and any significant business associates
- At least two of the members elected by the shareholders should be independent of the company's principal shareholders
- Executive managers should not be members of the board

3.3 RECOMMENDATIONS FOR REMUNERATION OF THE BOARD AND NOMINATION COMMITTEE

In recommending remuneration of the nomination committee and the board, the nomination committee must take into account the significance of both bodies and ensure that the suggestion is suited to the character and time commitment of the tasks performed by these bodies.

If the general meeting has decided that part of the remuneration shall be used to purchase shares in Borregaard, the nomination committee shall check whether the members have complied with the obligation, and this will enter into the assessment of whether a board member shall be proposed for re-election to a new term.

4 REASONING

The recommendations must include explanations detailing how they fulfil the needs of the shareholders and the company. Such reasoning must include information about the competence, capacity and independence of each candidate. The information about the candidates should include age, education and professional experience. Any ownership interest in the company must be declared, as must any assignments on behalf of the company and any significant positions in or assignments for other companies or organisations.

The nomination committee should consider the need for changes in the composition of the board or nomination committee, and maintain contact with different shareholders, members of the board and the day-to-day management. The nomination committee should consider the board's annual evaluation report closely. In the event of a proposal for re-election of board members, the recommendation should also state how long the candidate has been a member of the board of the company, and should detail his or her participation in board meetings.

The recommendations should also describe the working process of the nomination committee.

5 CASE MANAGEMENT

The chair of the nomination committee has the main responsibility for the committee's work, and must ensure that he/she has access to the necessary expertise for his/her work. In this connection, the committee may utilise company resources or seek advice and recommendations from external sources.

The nomination committee must look actively to the shareholders and anchor its recommendation with the largest shareholders. It must ensure that information is made available on the company's website of any deadlines for proposing candidates or making suggestions to the nomination committee regarding elections to the board and nomination committee.

The nomination committee reaches its decisions in meetings. Nomination committee meetings are held after being called by the chair, who must call a meeting should one of the members ask for it. The nomination committee has a quorum when at least half of the members are present at the meeting and all members have been given the opportunity to attend. Minutes of the meetings must be kept.

The board will submit its evaluation of its own activities and competence to the nomination committee. The chair of the board and the chief executive must be summoned to at least one meeting of the nomination committee before it gives its final recommendation. The committee must collect information it considers relevant from the administration or other individuals, including from employee representatives and shareholders.

When evaluating and recommending candidates for the position of chair of the board, the nomination committee must be supplemented with one representative elected by board members and observers elected by the employees.

6 PROCESSING OF THE NOMINATION COMMITTEE'S RECOMMENDATION TO THE GENERAL MEETING

The recommendation of the nomination committee must be completed in time to be made accessible to the shareholders no later than together with the notice of the general meeting. The chair of the nomination committee presents the recommendation to the general meeting.