

# Nomination committee recommendations to the 2014

## Annual General Meeting in North Energy ASA

### 1. Mandate and process

The nomination committee's mandate is described in section 1 of the instructions for the committee: "The nomination committee's duties are to submit a recommendation with reasons to the general meeting concerning the election of shareholder-elected directors, and to nominate the chair. Furthermore, the committee will submit proposals on the remuneration of directors and nominate members of the nomination committee. The committee will present possible proposals for amending these instructions." In its work on the new composition of the board, the nomination committee has been in contact with representatives of the company's largest shareholders. The committee has also had meetings with the chair of the board as well as conversations with the company's CEO and the CFO. The board's self-assessment has been based on an explanation from the chair. On behalf of the committee, the chair has sought candidates and conducted interviews with several relevant candidates. Two meetings have been held by the committee, both with members physically present, while many e-mails have been exchanged. The nomination committee was involved in a big restructuring of the board in connection with the extraordinary general meeting of 13 February 2014. Continuity among existing directors has therefore been given priority.

### 2. Composition of the board

Harriet Hagan has asked to step down from the board.

The nomination committee's nominations for shareholder-elected directors are as follows.

Johan Petter Barlindhaug	Chair	Re-election, elected for one year
Anders Onarheim	Director	Not up for election
Elin Karfjell	Director	New, elected for two years
Heidi M Petersen	Director	Re-election, elected for one year
Jogeir Romestrand	Director	Not up for election

The new director nominated has the following background.

Elin Karfjell (49) has substantial boardroom experience from such companies as DNO International ASA, Norse Energy Corporation, Aker Floating Production ASA, Aktiv Kapital, Aker American Shipping and Ernst & Young. She is an active member of the Norwegian Institute of Directors. Karfjell is currently in her seventh year as a director of Aker Philadelphia Shipyards. She chairs the nomination committee for the BI Norwegian Business School. Karfjell qualified as a state-authorized auditor from the Norwegian School of Economics, and has been a partner with Ernst & Young. As vice president for finance and administration at Ementor Norge AS (now Atea), she participated in a complete turnaround and restructuring of the company. Until recently, she was the chief executive of the Fabi Group, which works with Management for hire and recruitment in Norway and Sweden. She now has her own consultancy.

In addition, the board will be complemented by a worker director and an observer elected by and from the employees.

A presentation of the nomination committee's recommendations will be provided at the AGM.

### 3 . Composition of the nomination committee

The nomination committee presents the following nominations for a new composition of the committee:

Rabbe Lund	Re-election as chair for two years
Odd Levy Harjo	Re-election for two years
May Britt Lilletvedt	Re-election for two years
Leif Finsveen	Not up for election
Glen Ole Rødland	Not up for election

### 4 . Remuneration rates

Directors' fees are intended to reflect the responsibility and expertise of the board, the time devoted to the work and the complexity of the business, and must be competitive. Fees are not linked to financial results, and no option programme exists for any of the directors.

The nomination committee takes the view that remuneration rates should be increased gradually to tailor them to the market in relation to other comparable companies, particularly in order to attract external and independent representatives. The committee recommends that directors' fees for the period from the 2013 AGM to the 2014 AGM be increased from NOK 440 000 to NOK 450 000 for the chair and from NOK 150 000 to NOK 175 000 for other directors, for up to eight physical meetings. Additional physical meetings are remunerated by a 10 per cent supplement for those directors who are physically present. It is proposed to pay the worker director a fee of NOK 100 000, with a 10 per cent supplement for each meeting above eight physical meetings.

It is proposed to increase fees for the members of the nomination committee from NOK 50 000 to NOK 65 000 for the chair, and from NOK 14 000 to NOK 20 000 for the other members. These rates apply for the period from the 2013 AGM to the 2014 AGM. As a result of the substantial work involved in the restructuring of the board in connection with the extraordinary general meeting of 13 February 2014, it is proposed that the nomination committee be compensated this year with a supplement of NOK 32 500 for the chair and NOK 10 000 for each of the ordinary members.

Oslo, 26 March 2014

Rabbe Lund  
Chair

Odd Levy Harjo

Glen Ole Rødland

May Britt Lilletvedt

Leif Finsveen