

Nomination committee's recommendations 2012 – North Energy ASA

1. Mandate and process

The nomination committee's mandate is described in section 1 of the instructions for the committee: "The duties of the nomination committee are to submit recommendations with reasons to the general meeting on the election of shareholder-elected directors and to propose the chair. The committee will furthermore submit recommendations on directors' fees and propose members of the nomination committee. The committee will submit possible proposals to amend these instructions."

In its work on the new composition of the board, the committee has been in contact with representatives of the company's largest shareholders. The committee has also held meetings with the chair and conducted conversations with the CEO, the CFO and union officials in the company. In addition, the committee's members have spoken on an individual basis to some of the directors and to stakeholders in the company. The committee has reviewed the report on the board's self assessment. It has held four meetings.

2. Composition of the board

Based on feedback from evaluations and conversations as well as on its own assessments, the nomination committee has chosen to reduce the number of shareholder-elected directors from eight to five.

The committee's recommendations for the shareholder-elected directors are as follows:

Johan Petter Barlindhaug(chair)	(re-election, elected for one year)
Leif Finsveen	(re-election, elected for one year)
Harriet Hagan	(re-election, elected for two years)
Heidi M Petersen	(re-election, elected for one year)
Ola Krohn-Fagervoll	New, elected for two years

The new director nominated has the following background:

Ola Krohn-Fagervoll (49) has a degree in business economics and experience from such companies as Saga Petroleum, A T Kearney Management Consultants, Norwegian Air Shuttle, PetroAdvisor and Read Well Services. He has wide and good knowledge of and insight into the oil and gas industry, as well as boardroom experience from a number of companies and is currently deputy chair of Norwegian Air Shuttle.

The nomination committee takes the view that its recommendations provide the company with a board which has a good and versatile composition, and which will be able to make a positive contribution to the company's further progress. The board meets the requirement for renewal. The directors have good oil industry and financial expertise as well as experience of business development. They include people with experience from listed companies and with extensive regional and national networks, both business-related and political. In the committee's view, the new board also has a satisfactory mix of owner-based and independent representatives. It also satisfies the legal requirements for gender composition.

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

A broader presentation of the recommendations from the nomination committee will be provided at the AGM.

3 . Composition of the nomination committee

Two of the committee's five members are up for re-election. In addition, one of the members has resigned because of potential conflicts of interest. The committee recommends the following members of a new nomination committee:

Tore Andreassen (chair)	Not up for election
Sten-Rune Brekke	Not up for election
Rabbe Lund	New, elected for two years
May Britt Lilletvedt	New, elected for two years
Odd Levy Harjo	New, elected for two years

Rabbe Lund is an independent consultant which his own company, ICG, and has his office in Oslo.

May Britt Lilletvedt is CEO of Pipetech International and has her office in Stavanger.

Odd Levy Harjo is CFO of Alta Kraftlag, and has his office in Alta.

4 . Remuneration

Directors' fees will reflect the responsibility and expertise of directors, the time they devote to the work and the complexity of the business. The fees are not dependent on results, and no option programme exists for any director.

Directors' fees were not increased last year, and the nomination committee takes the view that they should be raised in order to be in line with the market and with the level at comparable companies. The committee recommends that directors' fees for the period from the AGM in 2011 to the AGM in 2012 should be NOK 400 000 for the chair and NOK 132 000 for the other directors for up to eight physical meetings. Physical meetings additional to this number should be remunerated with a 10 per cent supplement for the directors who attend in person. The recommended fee for the worker director is NOK 90 000, with a 10 per cent supplement for each physical meeting over and above eight.

An increase in remuneration for members of the nomination committee is recommended, to NOK 40 000 for the chair and NOK 13 000 for the other members. This remuneration applies for the period from the AGM in 2011 to the AGM in 2012.

Tromsø, 30 April 2012

Tore Andreassen
Chairman

Anna Maria Aursund

Per Erik Ramstad

Sten-Rune Brekke