

# Election Committee's recommendations for the Annual General Meeting

## Mandate and process

The Election Committee's mandate is described in point 1 of the Instructions to the Election Committee:

*The responsibility of the Election Committee are to furnish justified recommendations to the Annual General Meeting concerning the election of shareholder-elected Board members as well as to propose a chairman for the Board. The Election Committee, furthermore, must submit proposals for the fees to be paid to Board members as well as propose members for the Election Committee itself. The Election Committee must present any possible proposed changes to these instructions.*

In its work on a new composition of the Board, the Election Committee has been in contact with representatives of the company's largest shareholders. The Committee has also conducted meetings with the Chairman of the Board and interviewed the Managing Director, CFO and representatives from staff of the company. The Committee's members have also spoken individually with some of the Board members. The Election Committee has reviewed the report from the Board's self-evaluation. During this round, the Board has held four meetings, of which one was a physical meeting.

## 1. Board composition

Four of the shareholder-elected Board members are up for election.

The Election Committee's recommendations for shareholder-elected members of the Board are as follows:

Hans Kristian Rød	(re-election, new two-year term)
Leif Finsveen	(re-election, new one-year term)
Harriet Hagan	(new candidate, one-year term)
Brynjar Forbergskog	(new candidate, two-year term)

The two new members being recommended have the following backgrounds:

**Harriet Hagan (54)** is a business economist and currently is the General Manager of Origo Kapital in Alta. She has previously served as a Board member for North Energy. She has broad experience from various industries, both as manager as well as board member.

**Brynjar Forbergskog (52)** has experience as economist and auditor, and currently is the Managing Director of Torghatten AS in Brønnøysund. He is also an owner of the company. He has a wide range of experience from the management and development of companies, plus from board-level duties with number of large companies.

The Election Committee is of the opinion that the recommendations that are being presented provide the company with a good and well-rounded composition for its Board, enabling it to contribute in a good manner to the further development of the company. The Board addresses requirements for self-renewal. The Board has good financial and oil-related technical competence, as well as experience in business development. It includes persons with experience from exchange-listed companies and persons with large regional and national networks, both business-related and political. In the assessment of the Election Committee, the new Board will also possess

a satisfactory mix of ownership-based and independent representatives. The Board also satisfies the requirements of the law for gender distribution.

In addition, the Board is complemented by an employee-elected representative as an observer.

A broader presentation of the recommendations of the Election Committee will be given at the Annual General Meeting.

## 2. Composition of the Election Committee

Two of the Election Committee's five members are up for election. The Election Committee is making the following recommendations:

Tore Andreassen (Committee Chairman)	To be re-elected as the Committee Chairman for a new two-year term
Sten-Rune Brekke	Re-election for a new two-year term

## 3. Fees for the Board

Remuneration for the Board must reflect the Board's responsibility, competency, time spent and complexity of the enterprise. The remuneration is not dependent upon the results, and no options programme exists for any of the Board members.

The remuneration rates were adjusted upwards last year and are in the perception of the Election Committee adapted to the market and in accordance with the level for comparable companies. The Election Committee recommends that the Board fees for the period from the 2010 Annual General Meeting to the 2011 Annual General Meeting be set to NOK 360,000 for the Chairman and NOK 120,000 for other Board members for up to 8 physical meetings. Remuneration for physical meetings beyond this will be paid with a 10 % supplement for those Board members who are physically present. This is the same remuneration as for the preceding period. The fee for the employee-elected representative is proposed to be NOK 80,000 with a supplement of 10 % for each physical meeting beyond 8 meetings.

Fees for the Election Committee were not changed at the 2010 Annual General Meeting. It is proposed that they be increased to NOK 36,000 for the Committee Chairman and to NOK 12,000 for the other members. The fees shall apply for the period from the 2010 Annual General Meeting to the 2011 Annual General Meeting.

Tromsø, dated 15 April 2011

Tore Andreassen  
Committee Chairman

Anna Maria Aursund

Per Erik Ramstad

Ståle Kyllingstad

Sten-Rune Brekke