

## **NORECO, extraordinary general meeting 19.08.2011**

### **Modified proposal from the nomination committee**

#### **1. BOARD ELECTION**

##### **Proposal**

The following persons are nominated for election as shareholder-elected board members:

- Ståle Kyllingstad, chairman of the board, new
- Eimund Nygaard, new
- Arnstein Wigestrånd, re-election (and new compared with the previous proposal)
- Hilde Drønen, re-election
- Shona Grant, new
- Ole Melberg, new
- Mona Iren Kolnes, new (and new compared with the previous proposal)

##### **Reasons:**

The company's difficult situation for prior to the ordinary general meeting was addressed in the nomination committee's proposal to the general meeting dated 27 April 2011. At the same time, the nomination committee had in this proposal emphasized the desire for stability in the company as well as the desire for a degree of continuity in the board. Thus, a new and time-limited engagement for the chairman and the deputy chairman of the board was proposed. In light of the subsequent evolution, considerable shareholders have initiated a notice of an extraordinary general meeting to elect a new board. Concurrently, one of the current board members, Terese Log Bergjord, has notified the company of her wish to resign from her duties due to her general work load.

The nomination committee endeavors to find a diversified board with qualified and relevant competence. At the same time, it has been a requirement from the major shareholders to have influence on and also to take part in the board's work. On this basis, the nomination committee has sought to find a professional and skilled board that a clear majority of the shareholders would have confidence in, and which reflects a tighter contact between the shareholders and the board going forward. The slightly modified proposal as set out above is a result of those considerations.

##### **Practical implementation:**

The proposition above implies a larger board than presently; increasing the number of shareholder-elected representatives from five to seven, and at the same time it implies a broader competence profile than the present board and the original proposition.

The company's current articles of association allow a board of 6 to 8 persons, including employee representatives. The planned expansion of the board to seven shareholder-elected members thus necessitates an amendment of the articles of association. On this basis, and in consideration of the requirements related to gender distribution, the nomination committee thus proposes that six shareholder-elected board members are elected on the extraordinary general meeting on the 19 August 2011 (Ståle Kyllingstad, Eimund Nygaard, Arnstein Wigestrånd, Hilde Drønen, Shona Grant and Mona Iren Kolnes), and that Ole Melberg shall be elected after the amendment of the articles of association, which would allow up to 7 shareholder-elected members, has been resolved. A new extraordinary general meeting for this purpose is assumed to be called as soon as possible. To the extent accepted by the board, Ole Melberg will attend board meetings as an observer in the meantime.

## **2. REMUNERATION OF THE BOARD AND ELECTION OF THE NOMINATION COMMITTEE**

Reference is made to the information as provided in the extraordinary general meeting notice.

The proposals are made unanimously.

**Ole Melberg**  
**Eimund Nygaard**  
**Aasulv Tveitereid**