

INSTRUCTIONS FOR THE NOMINATION COMMITTEE OF BORREGAARD ASA

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

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 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.

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 candidate information 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 it has access to the necessary expertise for its 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, together with the notice of the general meeting at the very latest. The chair of the nomination committee presents the recommendation to the general meeting.



Recommendations of the Nomination Committee to the Annual General Meeting - Items 8, 9, 10 and 11

The work of the nomination committee

The Borregaard website contains separate information on the nomination committee and its mandate, as well as contact information for input to the committee's work. The website also includes an information page about the 2016 annual general meeting with details of the nominations, and how to contact the nomination committee.

Since the 2015 annual general meeting, the committee has had nine meetings. Since the last general meeting, the nomination committee has made a thorough assessment of the board and its members, based on a review of the board's own evaluation and on individual meetings with the chair of the board and the other shareholder- and employee-elected board members. There has also been dialogue with the company administration and a private meeting with the CEO in order to gain an understanding of the board's needs for expertise. A letter has been sent to the 20 largest shareholders with information about the committee's work and how to contact and provide input to the committee. There have subsequently been talks and meetings with a number of shareholders. This has provided valuable input for the considerations of the nomination committee. This work has been particularly thorough in the period of this annual general meeting and external assistance has been used in the efforts to find and assess potential candidates for the board.

The committee's decisions on proposed candidates to the board and nomination committee and on rates of remuneration have been unanimous.

Information about the proposed members of the board is contained in an attachment to these recommendations.

Members of the board of directors (item 8)

The nomination committee considers the composition of the current board to be appropriate to the needs of the company and the requirements of the instructions for the nomination committee. Two of the five current shareholder-elected board members have several years of experience from the Borregaard board before the IPO in 2012. Two members joined at the time of the IPO in October 2012 and one was elected at the annual general meeting in April 2013. The meetings have been well attended.

Borregaard's activities are complex and it takes time to gain insight into and understanding of them. For this reason, sufficient continuity among the board members is desirable. However, the board has now performed its duties for three and a half years since the IPO, and for the last three years without changes. The nomination committee considers that there is also a need for renewal of the board, and that replacements should take place gradually over time.

In light of this, the nomination committee proposes re-election of four shareholder-elected board members and the election of one new board member: *Jan Erik Reinhardsen*.

In its proposal for a new board member, the nomination committee has emphasised the candidate's broad industrial experience from companies which serve global markets and are also active themselves in many countries and continents. Reinhardsen has considerable management experience both as a senior executive and as a member of the executive management team of large listed companies and has also significant board experience.

Please refer to the attachment/CV containing more detailed information.

In accordance with an agreement and established practice, an employee representative has given an assessment of the proposal for the chair of the board. From among the proposed board members, the nomination committee proposes the re-election of Jan A. Oksum as chair of the board.

In accordance with previous practice, a term of office of one year, until the next annual general meeting, is proposed.

Board members proposed by the nomination committee

1. The following board members are proposed:

- i. Jan A. Oksum (elected as chair from 2012) - re-elected
- ii. Terje Andersen (elected from 2012) - re-elected
- iii. Kristine Ryssdal (elected from 2012) - re-elected
- iv. Ragnhild Wiborg (elected from 2013) - re-elected
- v. Jon Erik Reinhardsen - new member

2. Jan A. Oksum is proposed as chair of the board

3. The committee proposes a term of office of one year, until the next annual general meeting.

Members of the nomination committee (item 9)

The nomination committee was elected at the 2014 annual general meeting for a term of two years until the 2016 annual general meeting.

The committee members have relevant and broad experience and good knowledge of relevant organisations and individuals. All three candidates for the committee are independent of both the company's board of directors and senior executives. They have broad experience from positions in industry, boards and nomination committees and other appointments. Two of the candidates, Terje Venold and John Ove Ottestad, have management experience from large listed companies, respectively Veidekke ASA and Norsk Hydro ASA. Mimi K. Berdal has experience as a partner in a major law firm, and subsequently from her own legal and consultancy firm.

A proposal has been submitted to the annual general meeting for amendments to the articles of association and the instructions for the nomination committee regarding a change in the number of members of the committee to three or four (previously three) and a term of office of one year (previously two), in addition to guidelines for the replacement of committee members.

See items 5 and 6 on the agenda of the annual general meeting.

The nomination committee has performed its duties unchanged for three years. There is also in this committee a need for continuity to ensure understanding of the needs of the company and the board and follow up the assessments and meetings that have taken place with the owners, directors and potential candidates. However, it is natural to have a gradual replacement of members over time.

There has also been contact with several of the largest owners to discuss the composition of the nomination committee. During these meetings, confidence was expressed in the current members of



the committee, but certain large owners have also provided input on potential candidates who would enhance direct owner representation in the nomination committee.

The nomination committee therefore proposes re-election of two of the committee members and the election of two new members, *Erik Must* and *Rune Selmar*. Mr. Must has experience as an operations manager and an active shareholder in a number of investment companies and from work on numerous boards and nominating committees in several listed companies. Mr. Selmar has experience as an operations manager in a variety of investment and financial companies and has also been a member of several boards and nominating committees. Both candidates represent some of Borregaard's largest owners.

Please refer to the attachment/CV containing more detailed information.

The committee considers that the proposed candidates and the composition of the committee meet all the recommendations of the Norwegian Corporate Governance Board (NUES).

Nomination committee members proposed by the nomination committee

1. The following nomination committee members are proposed:

- i. Terje Venold (elected as chair from 2013) – re-elected
- ii. Mimi K. Berdal (elected from 2013) – re-elected
- iii. Erik Must - new member
- iv. Rune Selmar - new member

2. Terje Venold is proposed as chair of the committee

3. The committee proposes a term of office of one year, until the next annual general meeting.

Remuneration of the board and nomination committee (items 10 and 11)

The nomination committee has based its work on remuneration on a review of comparable companies' remuneration levels for their boards and nomination committees.

The nomination committee considers that the current levels of remuneration are similar to those of comparable listed companies in Norway, and proposes that the remuneration rates until the 2017 annual general meeting be adjusted by about 2.5%, which is in line with salary movements in the company.

The committee therefore believes that the proposal represents a competitive, but not leading, level of remuneration, corresponding to responsibilities, competence requirements and workload.

Proposed remuneration rates

The proposed remuneration rates apply from the 2016 annual general meeting until the next annual general meeting in 2017.

The board

Chair of the board:	NOK 433 000 per year
Board member*:	NOK 260 000 per year
Observer (employee-elected)**:	NOK 86 600 per year
Deputy for observer***:	NOK 6600 per meeting
Chair of the audit committee:	NOK 81 300 per year



Member of the audit committee*: NOK 54 300 per year
Chair of the compensation committee: NOK 48 600 per year
Member of the compensation committee*: NOK 37 900 per year

Nomination committee

Chair of the nomination committee: NOK 53 800 per year + NOK 8700 per meeting above four meetings
Member of the nomination committee: NOK 37 900 per year + NOK 7000 per meeting above four meetings

** Remuneration for an employee-elected board member also covers participation in board committees.*

*** An observer is also a permanent deputy for an employee-elected board member and remuneration for an observer also covers any function as an acting board member.*

**** The same remuneration rate also applies in a situation where a deputy for an observer acts as a board member because both the employee-elected board member and the observer are absent.*

It is proposed that remuneration be paid in instalments throughout the period.

Oslo/Sarpsborg 11 March 2016

Terje Venold, Chair
Mimi K. Berdal
John Ove Ottestad

Appendix to the Recommendations of the Nomination Committee

Board of Directors

Jan Anders Oksum

Born 1950, Norwegian citizen

Education:

Master in Chemical Engineering from the Norwegian University of Science and Technology, Trondheim, Norway.

Professional career:

Mr. Oksum is now an independent consultant in organisational and leadership development, strategy and project management. He has more than 30 years' experience from the forestry industry and Norske Skogindustrier ASA, where he has held various positions including VP Research, Mill Manager and SVP Business and Strategy Development. He was CEO of the company from 2004 to 2006. He has also been Research Associate at the Pulp and Paper Research Institute, Oslo.

Directorships (selection):

Mr. Oksum has been on the board of Norconsult AS (chair) and Chemring Nobel AS (member). Previous to this, he held board positions with Elopak AS (member), Sødra Cell AB (member), Holmen, Gulliksen & Co AS (chair), Hafslund Pellets Holding AS (member), Biowood Norway AS (chair), Nuclear Protection Products AS (chair) and Estate Media AS (chair).



Mr. Oksum has been a member the board of directors of Borregaard Industries Limited since 2007 and chair of the board of Borregaard ASA since the listing of the company in 2012. He has participated in all ten board meetings since the last annual general meeting. Through a controlled company, Mr. Oksum holds 10 000 shares in Borregaard ASA.

Terje Andersen

Born 1958, Norwegian citizen

Education:

Degree in Business Administration (siviløkonom) from the Norwegian School of Economics and Business Administration (NHH), Bergen.

Professional career:

Terje Andersen is CEO of Orkla Investments. Since 1989, Mr. Andersen has assumed various positions within the Orkla group, including CFO of Orkla ASA, Commercial Director of Lilleborg AS and CFO of Orkla Brands. Mr. Andersen has also held positions in Nevi Finans AS and Deloitte Touche.

Directorships (selection):

Mr. Andersen has held board positions in a number of companies, such as Gränges AB (member), Sapa AS (member), Jotun AS (member) and Sarpsfoss Limited (chair). He has previously held positions as board member in Elkem AS and Elkem Solar AS.

Mr. Andersen has been a member/chair of the board of directors of Borregaard Industries Limited since 2005, and a member of the board of directors of Borregaard ASA since 2012. He has participated in all ten board meetings since the last annual general meeting. Mr. Andersen holds 3571 shares in Borregaard ASA.

Kristine Ryssdal

Born 1960, Norwegian citizen

Education:

Law degree from the University of Oslo and Master of Laws from the London School of Economics.

Professional career:

Ms. Ryssdal has held the position as VP Legal of Statoil since 2012. In spring 2016, she will take up an equivalent position in Yara ASA. She was previously Senior Vice President and Chief Legal Officer of Renewable Energy Corporation ASA, Attorney at the Norwegian Attorney General's Office, Legal Counsel for Norsk Hydro ASA and Senior Advisor for Commercial and Legal affairs of Norsk Hydro Canada Oil & Gas Inc.

Directorships (selection):

Ms. Ryssdal has held previous board positions in REC Wafer Norway AS (member), REC Solar AS (member), REC Silicon AS (member) and Kommunalbanken (member of the audit committee).

Ms. Ryssdal has been a board member of Borregaard ASA since the company was listed on 18 October 2012. She has participated in all ten board meetings since the last annual general meeting. Ryssdal holds no shares in Borregaard ASA.

Ragnhild Wiborg

Born 1961, Swedish citizen



Education:

Master studies in Macroeconomics at Fundação Getulio Vargas in Sao Paulo, Bachelor of Science degree in Economics and Major in International Business at the Stockholm School of Economics and Business Administration, as well as studies in French Language, French Politics and French History at the Sorbonne University in Paris.

Professional career:

Ms. Wiborg is CEO of Wiborg Kapitalförvaltning Stockholm/Oslo. She has been partner, owner and portfolio manager in Wiborg Kapitalförvaltning since 2005. She has held senior positions in a number of financial institutions/companies, such as Odin Fund Management (CIO and Portfolio Manager), Pareto Securities (equity analysis and sales), Sundal & Collier (equity analysis and sales), Carl Kierulf & Co, Oslo and First National Bank of Chicago, now JP Morgan (corporate finance). She has also previously been a member of the nomination committee of several listed companies.

Directorships (selection):

Ms. Wiborg holds board positions in various companies, such as IM Skaugen (member), REC Silicon (board member and chair of audit committee), Gränges AB (board member and chair of audit committee), Sevan Drilling (member of board and audit committee), Intrum Justitia AB (member of board and audit committee), Skandiabanken ASA (member of board and audit committee) and EAM Solar (chair).

Ms. Wiborg has been a board member of Borregaard ASA since April 2013. She has participated in all ten board meetings since the last annual general meeting. Wiborg holds no shares in Borregaard ASA.

Jon Erik Reinhardsen

Born 1956, Norwegian citizen

Education:

Master in Applied Mathematics and Geophysics from the University of Bergen. International Executive Programme from IMD, Switzerland.

Professional career:

Reinhardsen is President & CEO of PGS ASA, a position he has held since 2008. He was previously President of Global Primary Products Growth in Alcoa, USA and has for over 20 years held various positions in Aker and the Aker-Kværner system, both in Norway and the USA (Group Executive Vice President of Aker Kværner, based in Texas, leader of Aker Maritime's Global Products Business, involved in mergers and acquisitions, business development, sales and marketing and investor relations and responsible for the development of the seismic company Aker Geo). Mr. Reinhardsen has also been a researcher with the research institutions NTNF and NORSAR.

Directorships (selection):

Mr. Reinhardsen has held board positions in Telenor ASA (member), Awilhelmsen (member) and Cameron International Corp. (member). He also serves as chair/member of the board of a number of PGS companies. He has previously been on the board of Höegh Autoliners Holdings, Höegh LNG Holdings Ltd. and a number of Aker companies. He has also been a member of the visiting committee of the Ocean Engineering Department of Massachusetts Institute of Technology and held directorships in organisations related to the oil and gas industry (OG21 and INTSOK).

Mr. Reinhardsen has no shares in Borregaard ASA.

The nomination committee

Terje Venold

Born 1950, Norwegian citizen

Education

Degree in Business Administration (siviløkonom) from BI Norwegian Business School

Professional career

Veidekke ASA: CEO (1989 to 2013), CFO and Financial Manager

Directorships and other appointments (current)

Mr. Venold is a board member of Ahsell AB and Sporveien Oslo AS, chair of Stiftelsen AksjeNorge, chair of the supervisory board and nomination committee of Storebrand ASA, chair of the corporate assembly and nomination committee of Norsk Hydro ASA and member of the corporate assembly of Statoil ASA.

Previous appointments (selection)

Mr. Venold has been chair of BI Norwegian Business School and board member of Dyno Industrier ASA, Stormbull AS, the executive and supervisory boards of the Confederation of Norwegian Enterprise (NHO), the Federation of Norwegian Construction Industries (BNL), the Norwegian Contractors Association (EBA) (chair) and the Norwegian Export Council (deputy chair).

Mimi K. Berdal

Born 1959, Norwegian citizen

Education

Law degree from the University of Oslo

Professional career

Independent lawyer and consultant. Partner in Arntzen de Besche Law Firm AS and Arntzen, Underland & Co. Legal Adviser at Total Norge AS.

Directorships and other appointments (current)

Ms. Berdal holds a number of directorships: Gassco AS (deputy chair), Itera ASA (member), Gjensidige Pension and Savings (member). She is also chair of the nomination committee of Sevan Marine ASA.

Previous appointments (selection)

She has held directorships in several companies: Infratek ASA (chair), Renewable Energy Corporation ASA (chair 2013); Q-free ASA (deputy chair), Rocksource ASA (chair), Copeinca ASA, Stiftelsen Norsk Rikstoto, Synnøve Finden ASA, Hansa Property Group ASA, Camposol Holding PLC, Intex Resources ASA and Stabæk Fotball (chair). Ms. Berdal has also held office in Orkla ASA (deputy member of the corporate assembly), BWG Homes ASA (chair of the nomination committee) and was a member of the jury for the Gabrielsen Award (for the best female chair candidate) and a member of the expert committee for corporate governance at the Centre for Continuing Legal Education (JUS).

Erik Must

Born 1943, Norwegian citizen

Education:

Degree in Business Administration (siviløkonom) from Copenhagen Business School

Professional career

Must was previously Managing Director and chair of the board of Fondsfians and has extensive experience from Norwegian industry and finance.

Directorships and other appointments (current):

Must is chair of the board of several companies: Erik Must AS and its wholly owned subsidiaries Fondsfians Kapitalforvaltning, Must Invest and Fondsavanse. He is a director of Gyldendal, Fondsfians and the SAM fund for medical research. Must is also a member of the nomination committees of Veidekke and PCI Biotech.

Previous appointments (selection):

Mr. Must has been chair of the board of Arendals Fossekompagni and Gyldendal and a board member of Kongsberg Gruppen, the trade and shipping magazine NHST, the Norwegian Trekking Association, the Norwegian Folk Museum and the Biotechnology Centre at the University of Oslo. He has also been a member of the nomination committees of Telenor ASA and Oslo Børs VPS Group.

Erik Must and his companies are among Borregaard's largest owners.

Rune Selmar

Born 1959, Norwegian citizen

Education:

Degree in Business Administration (siviløkonom) from the Norwegian School of Economics and Business Administration (NHH). Authorised securities dealer from Bankakademiet and authorised financial analyst from NHH/the Norwegian Society of Financial Analysts (NFF).

Professional career

Mr. Selmar is Managing Director and Investment Director of ODIN Fund Management. He has previously held senior positions in Norfund (Head of Department, Financial Institutions and SME Funds) and the Government Pension Fund Norway (Investment Director and Managing Director), as well as Rasmussen-gruppen AS, N. A. Jensen & Co A/S and DnC.

Directorships and other appointments (current):

Mr. Selmar serves on the boards of RS Partners AS (member) and Selco AS (chair). He is also chair of the nomination committee of REC.

Previous appointments (selection):

Mr. Selmar has been chair of the board of Avantor AS and board member in several companies: Expert ASA, Hexagon Composites ASA, Vital Insurance ASA/DnB Life Insurance ASA, Vind AS and Røntgensenteret AS. He has also been a member of the corporate assembly and the nomination committee of Orkla ASA, the corporate assembly of Telenor ASA and the supervisory board and the nomination committee of Storebrand ASA.

Annual General Meeting, 13 April 2016

Items 8, 9, 10 and 11 - The Recommendations of the Nomination Committee



ODIN Fund Management is one of Borregaard's largest owners.