

## The Nomination Committee’s recommendation to the 2022 Annual General Meeting

### The Nomination Committee’s work

Borregaard’s website includes separate information on the Nomination Committee, its mandate and contact information for suggestions for the Committee’s work. The website also includes a dedicated information page on the 2022 Annual General Meeting (AGM) with information on the choices and contact details for the Nomination Committee.

Since the 2021 AGM, the Nomination Committee has held three meetings. The Committee has conducted thorough evaluation of the Board and its members through a review of the Board’s own evaluation and through individual dialogue with the chair of the board and the other board members. There has also been dialogue with the company’s management and President and CEO to gain an understanding of the company’s position and the Board’s need for expertise. A letter has been sent to the 20 largest shareholders with information on the Committee’s work and the opportunity for contact and proposals to the Committee. There have also been talks with some of the largest shareholders.

The Committee’s decisions on proposals for candidates to the Board and the Nomination Committee and proposals for remuneration rates have been unanimous.

### **Item 7 - Members and Chair of the Board**

In general, the Nomination Committee has wanted to balance the need for continuity and understanding of Borregaard's activities, with a gradual replacement of the board members over time.

The Chair of the Board, Jan A Oksum, asked to resign in 2021. Helge Aasen, who had three years' experience on Borregaard's Board, was elected new Chair of the Board at the general meeting in 2021. Of the four remaining shareholder-elected board members, one member has many years of experience on Borregaard's Board even before the listing in 2012. Two members were elected at the general meeting in April 2018, and one new member was elected in 2021. Overall, the composition of the Board has thus addressed the need for both continuity and renewal.

On this basis, the Nomination Committee proposes re-election of all the shareholder-elected board members: Terje Andersen, Tove Andersen, Margrethe Hauge, John Arne Ulvan and Helge Aasen.

The Nomination Committee’s opinion is that the proposal for board members represents a well-composed and complementary team where the candidates overall have relevant and broad experience from both operational responsibility, international industrial operations and board duties in industrial and technology businesses. The committee believes that the composition of the Board is in accordance with the company's needs and the requirements set down in the company's instructions for the Nomination Committee.

All shareholder-elected board members are independent of the company’s management. Refer to separate attachment/CV with detailed information for the matter.

The Nomination Committee will propose, among the proposed members of the Board, re-election of Helge Aasen as Chair of the Board. Aasen has a relevant background as a manager in the international process industry for a number of years and has four years’ experience on Borregaard's Board and thus has good knowledge of the company. In accordance with agreement and established practice, an employee representative has provided an opinion in connection with the proposal for chair.

In accordance with earlier practice, a term of one year is proposed, until the next AGM.

Proposal for resolution – board members

1. Election of board members:
  - i. Helge Aasen (elected from 2018) – re-election
  - ii. Terje Andersen (elected from 2012) – re-election
  - iii. Tove Andersen (elected from 2018) – re-election
  - iv. Margrethe Hauge (elected from 2018) - re-election
  - v. John Arne Ulvan (elected from 2021) - re-election
2. Helge Aasen is elected Chair of the Board (elected from 2021).
3. The term of the office is set to one year, up to the next AGM.

**Item 8 – Election of members and Chair of the Nomination Committee**

The Nomination Committee was elected at the AGM in 2021. The Nomination Committee, like the Board of directors, has a term of one year, up to the 2022 AGM

There is a need for the Nomination Committee to have sufficient continuity to ensure understanding for the company, the Board's needs and to pursue the assessments and discussions that have taken place with owners, the Board and relevant candidates. At the same time, there is a desire to be able to renew the committee over time in order to also have an expanded contact area with potential candidates for the company's elected positions. At the AGM in 2016 two new members of the Committee were elected; Erik Must and Rune Selmar, and at the AGM 2017 Ola Wessel-Aas was elected. Ola Wessel-Aas resigned from the committee at his own request in 2021.

According to the articles of association, the Nomination Committee shall consist of three or four members, and after the AGM in 2021, the committee consisted of the three remaining members.

The committee has been in dialogue with several of the largest owners about the composition and size of the committee in the future.

To combine continuity with renewal, it is proposed to expand the committee with one new member. The committee will propose Senior portfolio manager Atle Hauge from Odin Fund Management as a new member. Odin is among Borregaard's largest owners and Hauge has experience from several investment and analysis companies and good knowledge of many companies. In addition to Hauge as a new member, re-election of the other members of the committee is proposed.

The committee proposed is independent of both the company's Board and senior executives. Three of the members of the committee have backgrounds from some of Borregaard's largest owners. The committee members have gathered broad experience from various positions in the business world and as members of boards, nomination committees and other positions of trust, and thus have good knowledge of relevant environments and people. The Committee is of the opinion that the proposed candidates and the composition of the committee meets all of the recommendations from The Norwegian Corporate Governance Board ("NCGB" or "NUES").

Refer to separate attachment/CV with detailed information for the matter.

**Proposal for resolution - members of the Nomination Committee**

1. Election of members for the Nomination Committee:
  - i. Mimi K. Berdal (elected from 2013) – re-election
  - ii. Erik Must (elected from 2016) - re-election
  - iii. Rune Selmar (elected from 2016) - re-election
  - iv. Atle Hauge - new
2. Mimi K. Berdal elected as Chair of the Committee.
3. The term of office is one year, up to the next AGM.

## **Items 9 and 10 – Remuneration for the Board of directors (item 9) and Nomination Committee (item 10)**

In its proposal for fees, the Nomination Committee has continued two perspectives.

One is that the level of remuneration should be competitive without being leading, compared to relevant listed publicly traded companies in Norway. Independent benchmark studies are used as a basis for the assessment. The second is a desire to link the shareholder-elected members more closely to the owners' perspectives and interests through ownership in the company.

The Nomination Committee will therefore propose to continue the arrangement that was adopted at the AGM in 2018, where the board members are required to buy shares in the company for at least 20% of their gross board fees, until the share value reaches a size of one annual fee. The Nomination Committee's task is to follow up the board members' share purchases and holdings. All shareholder-elected board members have satisfied the requirement for a shareholding for the current election period. The requirement to purchase shares is not applied to employee-elected members or observers on the Board.

In recent years, fees have been adjusted with what has been the general salary increase in the company, in the range of 2-3% (2.4% for the last period). The chair's remuneration has been increased somewhat more on the basis of benchmark assessments.

In the work with fees for the coming board period, the Nomination Committee has thoroughly reviewed comparative studies related to both Borregaard and to companies with which a comparison can be made. The Nomination Committee has also requested and reviewed terms related to board insurance.

In general, the committee would point out that Borregaard has a greater complexity than the company's size would suggest, due to both its advanced production system, extensive research activities and diversified and international markets served by a wide range of specialised products. In addition, the company's value has increased significantly in recent years, and the company is now among the 30 most valuable companies on the Oslo Stock Exchange.

The committee has also seen that the increase in fee levels for Norwegian listed companies in the last couple of years, also in 2021, has been somewhat greater than the adjustment of Borregaard's fees has been. The committee has also registered that the level of the board chair's fee in Borregaard is somewhat below the average for board chairmen in companies in both the "industrial" and the "materials" sectors. The size of the fees for the committee members varies a lot in Norwegian listed companies, but in general the committee believes that Borregaard's fees are somewhat low relative to comparable companies. The company's Audit and Sustainability Committee has been given an expanded area of responsibility (sustainability) in 2021 and there are also generally more extensive requirements, also from the authorities, for this committee.

Against this background, the Nomination Committee will propose to adjust the fees at a slightly higher rate than what has been used in recent years to bring the fee level to a competitive level. It is proposed that the fees for the Chair of of the Board and the chair of the audit & sustainability committee be increased by 7-8%, while the other fees for the board members, committee members and the Nomination Committee are increased by 5-7%.

The Committee is therefore of the opinion that the proposals express a remuneration level that is competitive, yet not leading, and which corresponds to responsibilities, competence requirements, workload and with a strong ownership perspective.

### Proposal for resolution – Remuneration structure and rates

The following remuneration structure and rates apply from the AGM in 2022 up to the next AGM in 2023:

#### Remuneration - Board

Chair:	NOK 620,000 (NOK 575,000 last term)
Board member, shareholder-elected:	NOK 350,000 (NOK 332,100 last term)
Board member, employee-elected:	NOK 314,000 (NOK 297,700 last term)
Observer (employee-elected)**:	NOK 105,000 (NOK 99,200 last term)
Deputy for observer***:	NOK 8,100 per meeting (NOK 7,700 last term)
Chair of the Audit & Sustainability Committee:	NOK 100,000 (NOK 92,900 last term)
Member of the Audit & Sustainability Committee*:	NOK 66,000 (NOK 62,300 last term)
Chair of the Remuneration Committee:	NOK 59,000 (NOK 55,700 last term)
Member of the Remuneration Committee*:	NOK 46,000 (NOK 43,500 last term)

It is recommended that remuneration is paid in rates throughout the period.

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

\*\* The observer is also the permanent deputy for the employee-elected board member and remuneration for the observer also covers any function as attending board member.

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

#### Requirement to share purchase for parts of remuneration

- The board’s shareholder-elected members must use 20% of the gross board remuneration (excl. remuneration for committee work) to purchase shares in the company until they (including their personal close associates/companies under their control) own shares of a value corresponding to 1 year’s gross board remuneration (excl. remuneration for committee work).
- The purchase of shares shall take place in accordance with applicable statutes and the Regulations for primary insiders at Borregaard and the company’s Instructions for inside information. It is recommended that purchases are made during the first week after publication of quarterly results. The purchase may be spread over time, but must be completed no later than the turn of the year and constitute at least 20% of the gross remuneration for this calendar year.
- The shares must be retained for as long as the board member holds the position. Holdings exceeding one year’s board remuneration are not subject to this requirement.
- The Nomination Committees shall monitor compliance with the share purchase scheme, and this will be a part of the Committee’s assessment of candidates for election to subsequent periods.

#### Remuneration - Nomination Committee

Chair: NOK 66,000 (61,700 last term) NOK 10,500 (10,000 in the last term) per meeting beyond 4 full meetings

Member: NOK 46,500 (43,500 last term) NOK 8,600 (8,200 in the last term) per meeting beyond 4 full meetings

#### Actual remuneration

Based on the composition of the positions, the total fee for the coming general meeting period for the board members will be:

Chair of the Board and chair of the compensation committee:	NOK 679,000
Board member and head of audit & sustainability committee:	NOK 450,000
Board member and member of the audit & sustainability committee:	NOK 416,000
Board member and member of the compensation committee:	NOK 396,000
Employee-elected board member (not committee fees):	NOK 314,000

Oslo/Sarpsborg, 16 February 2022

*Mimi K. Berdal (chair), Erik Must, Rune Selmar*

## ***Appendix to the Nomination Committee's recommendation***

### **The Board of Directors**

#### **Helge Aasen**

Born 1963. Norwegian citizen.

#### Education :

Graduate engineer in metallurgy, Norwegian University of Science and Technology in Trondheim.  
Management Programme, IMD in Switzerland

#### Career:

Helge Aasen has extensive experience from international industrial companies. He is the CEO of Elkem ASA. Before he became group managing director (for the first time) in 2009, Aasen held a number of positions in the Elkem group since 2009, including experience from various divisions in the group in addition to sales, marketing and commercial positions. Aasen has previously held engineering positions with Norsk Ferro AS, a part of Norsk Jern Holding.

#### Positions of trust (excerpts):

Aasen has been a board member of Elkem ASA, China National Bluestar Company and has also been chair of the board of Norsk Industri (national association in NHO).

Aasen has been a board member of Borregaard ASA since 2018 and Chair of the Board since 2021, and also chairs the compensation committee. He has taken part in 9 of 9 board meetings since the last AGM.

Aasen holds 3,900 shares in Borregaard ASA.

#### **Terje Andersen**

Born 1958. Norwegian citizen.

#### Education:

Business economist from the Norwegian School of Economics in Bergen (NHH).

#### Career:

Terje Andersen is Senior Advisor in Orkla Industrial Investments. Andersen has considerable experience from international industrial companies. Since 1989, he has held various positions in the Orkla Group, including as CFO and CEO of Orkla Investments, CFO of Lilleborg AS and CFO of Orkla Brands. Andersen has also held positions with Nevi Finans AS and Deloitte Touche.

#### Positions of trust (excerpts):

Andersen has directorships in several companies such as Jotun AS (member) and Saudefaldene AS (chair). He has previously also been a board member of Gränges AB, Sapa AS, Elkem AS and Elkem Solar AS.

Andersen has been a board member/chair of Borregaard Industries Limited since 2005, and board member of Borregaard ASA since 2012, and is chair of the audit & sustainability committee. He has taken part in 9 of 9 board meetings since the last AGM.

Andersen has 4,371 shares in Borregaard ASA.

**Tove Andersen**

Born 1970. Norwegian citizen.

Education :

Graduate engineer in physics and mathematics, Norwegian University of Science and Technology (NTNU) in Trondheim. MBA, BI-Norwegian Business School

Career:

Tove Andersen has extensive experience from international industrial companies. She is now President & CEO of Tomra Systems ASA. Prior to that, she was a member of the group management of Yara International ASA and has since 1997 held positions in Yara/Norsk Hydro such as EVP Europe, EVP Production, EVP Supply Chain, VP of Marketing and new business, Director Specialties and Retail Marketing. Andersen has also worked as a researcher at the Norwegian Computing Centre.

Positions of trust (excerpts):

Andersen is a board member of Equinor ASA. She has previously also been a board member of AgGateway Global Network, Globalrange Ltd. and Agricultural Industries Confederation.

Andersen has been a board member of Borregaard ASA since 2018, and is a member of the audit & sustainability committee. She has taken part in 9 of 9 board meetings since the last AGM.

Andersen has 6,000 shares in Borregaard ASA.

**Margrethe Hauge**

Born 1971. Norwegian citizen.

Education:

MSc. Economics & Business Administration, University of Mannheim, Germany.

Career:

Margrethe Hauge is CEO of Goodtech ASA. She has significant experience from international industrial companies. Hauge has been CEO of Teknisk Bureau AS and Regional Managing Director of the company MRC Global Inc. Prior to this she was CEO of MRC Solberg & Andersen AS and EVP Services i TTS Group ASA. She has also held several management positions in Kverneland Group ASA. Hauge has also been a trainee in Norsk Hydro ASA.

Positions of trust (excerpts):

Hauge is deputy chair of the board and chair of the audit committee in Salmar ASA and a board member in Mesta AS. She has formerly also been a board member of Bjørge ASA, AFF Stiftelsen/Konsulent AS and Codfarmers ASA.

Hauge has been a board member of Borregaard ASA since 2018, and is a member of the compensation committee. She has taken part in 9 of 9 board meetings since the last AGM.

Hauge has 4,077 shares in Borregaard ASA.

**John Arne Ulvan**

Born 1965. Norwegian citizen.

Education:

Master of Science in Chemistry, Chemical Engineering and Wood Processing NTNU (NTH) Trondheim, Norway.

Career:

John Arne Ulvan er CEO i Mantena AS. Prior to that, he was CEO of Felleskjøpet Agri SA from 2011–2020. Prior to this period, he has significant experience from a number of functions in Norsk Hydro/Yara International from 1990-2011, including VP Business Unit Manager, VP Strategy & Programs, VP Business Development Environment and Marketing Director Canada.

Positions of trust (excerpts):

Ulvan has held a number of board positions in connection with his management functions in Felleskjøpet Agri, including as a member of the Executive Committee of InterCOOP (Switzerland), board member of NHO Mat & Drikke, chair of Norgesmøllene AS, deputy chair of the corporate assembly of Moelven Industrier ASA and a member of the Nomination and Compensation Committee of Moelven ASA.

Ulvan has been a board member of Borregaard ASA since 2021, and is a member of the audit & sustainability committee. He has taken part in 9 of 9 board meetings since the last AGM.

Ulvan has 2,000 shares in Borregaard ASA.

## The Nomination Committee

### **Mimi K. Berdal**

Born 1959. Norwegian citizen.

Education: Law degree (University of Oslo)

#### Professional experience

Own consulting business Partner in Arntzen de Besche advokatfirma AS and Arntzen, Underland & Co  
Legal adviser to Total Norge AS

#### Board positions and positions of trust (current)

Berdal holds several board positions, including Goodtech ASA (manager), EMGS ASA, Norsk Titanium AS and Freyr Battery.

#### Selection of previous assignments

She has held board positions in several companies, including Gassco AS (chair), Infratek ASA (chair), Renewable Energy Corporation ASA (Chair 2013), Q-free ASA (Deputy Chair and Audit Committee Chair), Rocksource ASA (Chair) and Itera ASA (Chair Audit Committee). Berdal has also held positions of trust in e.g. BWG Homes ASA (Chair of the Nomination Committee) and Sevan Marine ASA (Chair of the Nomination Committee).

Berdal owns 2,500 shares in Borregaard through the investment company MKB Invest AS.

### **Erik Must**

Born 1943. Norwegian citizen.

Education: Business economist (Copenhagen School of Economics).

#### Professional experience

Must has previously been managing director and chair of Fondsfinans and has extensive experience from Norwegian industrial and financial activities.

#### Board positions and positions of trust (current)

Must is chair of several companies: Must AS and the company's wholly owned subsidiaries, Must Invest, Fondsavanse and Fondsfinans Kapitalforvaltning. He is chair of the SAM fund for Medical Research. Must is also a member of the Nomination Committees in Kongsberggruppen, Gyldendal, Veidekke and PCI Biotech.

#### Selection of previous assignments

He has been chair of the board of Fondsfinans and Arendals Fossekompani and a board member of the Kongsberg group, Gyldendal, Norges handels- og sjøfartstidende (NHST), Den norsk turistforening, Norsk Folkemuseum and Bioteknologisenteret UIO. He has also been a member of the Nomination Committees at Telenor ASA and Oslo Børs VPS.

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



**Rune Selmar**

Born 1959. Norwegian citizen.

Education: Business economist from the Norwegian School of Economics (NHH). Authorised Fund Broker from Bankakademiet and Authorised Financial Analyst from the Norwegian School of Economics/Norwegian Society of Financial Analysts (NFF).

Professional experience

Selmar is the CEO of Permian Fund Services AS. He has previously been CEO of ODIN Forvaltning AS and Folketrygdfondet and has held management positions in Norfund and the Rasmussen Group AS.

Board positions and positions of trust (current)

Selmar is chair of the board of Pareto Asset Management and is also chair of the board of Selco AS. He is also chair of the Nomination Committee in Tomra ASA.

Selection of previous assignments

Selmar has been chair of the board of Avantor AS and a board member of a number of companies: Expert ASA, Hexagon Composites ASA, Vital Forsikring ASA / DnB Livsforsikring 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.

Pareto is among Borregaard's larger owners.

**Atle Hauge**

Born 1978. Norwegian citizen.

Education: MBA from Cornell University, NY USA. Business economist from the Norwegian School of Economics (NHH).

Professional experience

Hauge is Senior Portfolio Manager in Odin Fund Management and is responsible for Odin Norge's fund and part of the company's Nordic portfolio manager team. He has previously been an investment manager in the Pactum Family Office and worked with investment banking and as an analyst at Carnegie Investment Bank. Hauge also has a background as an analyst in Praetorian Capital Management and KPMG Transaction Services.

Odin is among Borregaard's largest owners.