

## PROPOSAL FROM THE NOMINATION COMMITTEE OF KVÆRNER ASA TO THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON 23 MARCH 2018

The Kvaerner ASA Nomination Committee comprises the following members:

- Arild Støren Frick, Chairman
- Georg F. Rabl
- Walter Qvam

Since the Annual General Meeting in 2017, Kvaerner's nomination committee has held four meetings. The committee has evaluated the Board's performance by way of e.g. receiving information regarding the Board's annual self-evaluation as well as input from the management, the Board of Directors and shareholders.

The Nomination Committee makes the following unanimous recommendation:

### 1. Election of Directors to the Board

Out of today's the five shareholder-elected Directors, two Directors are up for election at the Annual General Meeting on 23 March 2018. Further, the Board has one Deputy Director who is also up for election this year.

Tore Torvund has accepted the position as board member of Aker Energy AS. Hence, due to capacity constraints, he has submitted his resignation from the Board with effect from said Annual General Meeting. The Nomination Committee recommends that Tore Torvund is replaced by Jan Arve Haugan as a new Director of the Board for a period of two years.

The Nomination Committee further recommends that Thorhild Widvey and Lone Fønss Schrøder are re-elected for two years. It is further recommended that Emil Brustad-Nilsen is re-elected as Deputy Director of the Board for one year. The Deputy Director will take part in Board meetings when called upon by the Chairman of the Board to do so, typically due to a Director being absent. Notwithstanding the foregoing, the Nomination Committee assumes that all the regular Directors will as a ground rule attend all Board meetings.

The above proposal will imply that the Board will comprise the following shareholder-elected Directors: Leif-Arne Langøy (chairman), Kjell Inge Røkke, Jan Arve Haugan, Lone Fønss Schrøder and Thorhild Widvey. A presentation of the proposed re-elected Directors can be found at: [www.kvaerner.com/About-us/Board-of-directors/](http://www.kvaerner.com/About-us/Board-of-directors/).

Thorhild Widvey has been a member of the Board since 2016, while Lone Fønss Schrøder first served as a member of the Board in the period 2011 - 2013 and was re-elected in 2016. Both have participated in the vast majority of the last year's Board meetings. Emil Brustad-Nilsen participated in three meetings.

Jan Arve Haugan has been the President & CEO with Kvaerner since its demerger from Aker Solutions and its listing in the summer of 2011; a position he held until 28 February 2018. Prior to joining Kvaerner he had several leading positions in Hydro's oil and gas projects. As of 1 March 2018 Jan Arve Haugan will start as CEO of the newly established oil company Aker Energy.

In its work, the Nomination Committee has emphasised that the Board's composition should reflect a variety of experience, knowledge and qualifications. This is intended to contribute to a balanced view on priorities with regards to different issues and to enable constructive discussions, with beneficial and developing decisions for the company and the shareholders. The Nomination Committee considers the Board to have a good composition that covers all relevant fields of competence and functions well, and that the Board is well suited to deal with the challenges and opportunities facing Kvaerner.

To secure such considerations, the nomination committee proposes that the Annual General Meeting makes a joint vote over the entire proposed Board composition.

The majority of the Directors are independent of the company's executive management and major business contacts, and two (Widvey and Fønss Schrøder) are deemed independent of the company's direct main shareholder, Aker Kværner Holding AS, and its indirect main shareholder, Aker ASA.

## **2. Election of members to the Nomination Committee**

The Nomination Committee has three members. Two of the members (Frick and Rabl) were re-elected in 2017 for a period of up to two years, while Qvam was elected as a member of the committee in 2016 for a period of up to two years.

The Nomination Committee proposes that Walter Qvam is re-elected as a member of the Nomination Committee for a period of two years.

All of the members of the Nomination Committee are external parties, independent of the Board and executive management of the company, and none of the members of the Nomination Committee are members of the executive management or the Board.

## **3. Stipulation of remuneration to members of the Board of Directors, Audit Committee, Remuneration Committee and Nomination Committee**

The nomination committee proposes to increase the remuneration to reflect the national average salary increase which is expected to come in at around two percent. The following fees are thus proposed from the Annual General Meeting of 2017 until the Annual General Meeting 2018:

Chairman of the Board:	NOK	615 000
Deputy Chairman of the Board:	NOK	445 000
Directors of the Board:	NOK	335 000
Chair of the Audit Committee:	NOK	165 000
Members of the Audit Committee:	NOK	87 500
Chairman and members of the Remuneration Committee:	NOK	33 000
Chairman and members of the Nomination Committee	NOK	33 000

Furthermore, the Nomination Committee proposes that the Directors resident outside Scandinavia receives an additional fee of NOK 13 000 per meeting where the Directors have been physically present in the meeting, in order to compensate the Directors for extra travel time incurred. The remuneration of the Chairman and Deputy Chairman of the Board are higher than for the other Directors due to more extensive responsibilities and obligations.

Fornebu, 28 February 2018, on behalf of the Nomination Committee

Arild Støren Frick  
Chairman