

## **PROPOSAL FROM THE NOMINATION COMMITTEE OF KVAERNER ASA TO ITS ANNUAL GENERAL MEETING TO BE HELD ON 24 MARCH 2020**

Kvaerner's Nomination Committee comprises the following members:

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

Since the Annual General Meeting in 2019, Kvaerner's Nomination Committee has held five 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 and shareholders.

The Nomination Committee makes the following unanimous recommendation:

### **1. Election of Board directors**

Out of today's five shareholder-elected Board directors, three Board directors are up for election at the Annual General Meeting on 24 March 2020.

The Nomination Committee recommends that all Board directors up for election - Thorhild Widvey, Lone Fønss Schrøder and Jan Arve Haugan - are re-elected for two years.

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 director of the Board since 2016, while Lone Fønss Schrøder first served as a director of the Board in the period from 2011 - 2013 and was re-elected in 2016 and in 2018. Jan Arve Haugan has been a director of the Board since 2018.

All three have participated in in the vast majority of last year's Board meetings.

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 Board composition remains compliant with the requirements for independence as set out in the Norwegian Code of Practice for Corporate Governance (NUES). The majority of the Board directors are independent of the company's executive management and at least two Board directors are deemed independent of the company's direct main shareholder, Aker Kvaerner Holding AS, and its indirect main shareholder, Aker ASA.

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

The Nomination Committee has three directors. Two of the directors (Frick and Rabl) were re-elected in 2019 for a period of up to two years, while one of the directors (Qvam) is up for election this year.

Walter Qvam has requested not to be re-elected.

The Nomination Committee proposes that Ingebret G. Hisdal is elected as new member of the Nomination Committee for a period of two years. Ingebret G. Hisdal is certified public accountant. He served as CEO for Deloitte Norway from 1991 - 2011 and a partner in the same company from 2011 -2017. He served as a board director in Deloitte's global board from 1998 - 2002 and is a former director of the Norwegian Accounting Foundation and IFRS Advisory Council. Hisdal has also held the position as chair of the Norwegian Accounting Association. From 2019 he has served as chair of Entra's nomination committee and has been a director of DNB's nomination committee since 2018.

Further, Arild S. Frick, Chairman of the committee, has requested to step down. The committee proposes that Frick is replaced by Ove A. Taklo, and that he is elected as chairman of the committee for two years. Mr. Taklo has held the position as corporate controller in Aker ASA since 2013. Prior to joining Aker, Taklo was a director with PwC, where he was employed from 2002 - 2013. Taklo is a state-authorized public accountant.

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

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

The Nomination Committee proposes to increase the remuneration to reflect approximately the national average salary increase. The following fees are thus proposed from the Annual General Meeting of 2019 until the Annual General Meeting 2020:

Chairman of the Board	NOK	650 000
Directors of the Board	NOK	355 000
Chair of the Audit Committee	NOK	175 000
Directors of the Audit Committee	NOK	95 000
Chairman and directors of the Remuneration Committee	NOK	35 000
Chairman and directors of the Nomination Committee	NOK	35 000

Furthermore, the Nomination Committee proposes that Board directors residing outside Scandinavia receive an additional fee of NOK 14 000 per meeting where the directors have been physically present in the meeting, in order to compensate the directors for extra travel time incurred.

Fornebu, 2 March 2020, on behalf of the Nomination Committee

Arild Støren Frick  
Chairman