

## **PROPOSAL FROM THE NOMINATION COMMITTEE OF KVÆRNER ASA TO THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON 28 MARCH 2019**

The Kvaerner ASA Nomination Committee comprises the following members:

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

Since the Annual General Meeting in 2018, 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 28 March 2019. Further, the Board has one Deputy Director who is up for election this year.

The Nomination Committee recommends that Leif-Arne Langøy and Kjell Inge Røkke are re-elected for two years. It is further recommended not to elect a new Deputy Director of the Board after Emil Brustad-Nilsen.

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/).

Leif-Arne Langøy has been a Director and Chairman of the Board since 2013, while Kjell Inge Røkke served as Chairman from 2011 – 2013 and as Director of the Board from 2013 – 2019. Leif-Arne Langøy has chaired all of last year's Board meetings while Kjell Inge Røkke has participated in the seven out of 11 of the 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 Directors are independent of the company's executive management and major business contacts, and two of the Directors, Widvey and Fønss Schrøder, are deemed independent of the company's direct main shareholder, Aker Kvaerner Holding AS, and its indirect main shareholder, Aker ASA.

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

The Nomination Committee has three members. Walter Qvam was re-elected in 2018 for a period up to two years. While two of the members (Frick and Rabl) is up for election this year.

The Nomination Committee proposes that Arild Støren Frick and Georg F. Rabl are re-elected as members 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 2018 until the Annual General Meeting 2019:

Chairman of the Board:	NOK	630 000
Directors of the Board:	NOK	345 000
Chair of the Audit Committee:	NOK	170 000
Members of the Audit Committee:	NOK	90 000
Chairman and members of the Remuneration Committee:	NOK	34 000
Chairman and members of the Nomination Committee	NOK	34 000

Furthermore, the Nomination Committee proposes that the Directors resident outside Scandinavia receives an additional fee of NOK 13 500 per meeting where the Directors have been physically present in the meeting, in order to compensate the Directors for extra travel time incurred.

Fornebu, 26 February 2019, on behalf of the Nomination Committee

Arild Støren Frick  
Chairman