

Recommendations of the Nomination Committee to the Annual General Meeting - Items 6, 7, 8, and 9

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 2017 annual general meeting with details of the nominations, and how to contact the nomination committee.

Since the 2016 annual general meeting, the committee has had eight meetings. 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 company's position and the board's needs for expertise. A letter has also 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.

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 appendix to these recommendations.

Item 6 Members of the board of directors

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. The other three members joined at the time of the IPO in October 2012 and the annual general meetings in April 2013 and April 2016. The meetings have generally 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. The nomination committee has emphasised the need for continuity, but also for a gradual renewal of the board 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: *Martha Kold Bakkevig*.

In its proposal for a new board member, the nomination committee has emphasised the candidate's broad and relevant experience of operational responsibilities and board work in industrial and technology companies, research organisations and centres of excellence in innovation. Ms. Kold Bakkevik has senior management experience and significant board experience in several companies, including listed companies.

Please refer to the appendix/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. Jon Erik Reinhardsen (elected from 2016) - re-elected
- v. Martha Kold Bakkevig - 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.

Item 9 Members of the nomination committee

The nomination committee was elected at the 2016 annual general meeting. At this meeting, the company's articles of association were amended to allow the committee to consist of three or four members. In accordance with this, the committee was expanded from three to four members. The term of office was also changed from two years to one year. The term of the nomination committee therefore runs until the 2017 annual general meeting.

In the nomination committee, there is also a need for continuity to ensure understanding of the company and needs of 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 renewal and gradual replacement of members over time; this was ensured at the 2016 annual general meeting with the election of two new members, Erik Must and Rune Selmar. Terje Venold has expressed a desire to leave the committee and the election of a new member, Ola Wessel-Aas, has therefore been proposed.

Ola Wessel-Aas is Portfolio Manager of Taiga Funds, an investment company he co-founded in 2007. He is a graduate in economics, finance and management and has held various positions in finance and consulting companies. He also has board experience and has been on a number of nomination committees, including those of listed companies.

The committee will thus consist of members with relevant and broad experience and good knowledge of relevant organisations and individuals. All the proposed members of the committee are independent of both the company's board of directors and senior executives. They have extensive experience from positions in industry, boards, nomination committees and other appointments. Mimi K. Berdal has experience as a partner in a major law firm, and subsequently from her own legal and consultancy firm. She has current and previous experience from numerous boards and nominating committees, including those of listed companies. Mr. Must has experience as



an operations manager and active owner of several investment companies and from various boards and nomination committees of several listed companies. Selmar has experience as an operations manager in a variety of investment and finance companies and also experience of working on several boards and nominating committees.

Must, Selmar and Wessel-Aas represent some of Borregaard's largest owners.

There has been contact with several of the largest owners to discuss the composition of the nomination committee. The committee considers that the proposed candidates and the composition of the committee satisfy all the recommendations of the Norwegian Corporate Governance Board (NUES).

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

Nomination committee members proposed by the nomination committee

1. The following nomination committee members are proposed:

- i. Mimi K. Berdal (elected from 2013) – re-elected
- ii. Erik Must (elected from 2016) – re-elected
- iii. Rune Selmar (elected from 2016) – re-elected
- iv. Ola Wessel-Aas - new member

2. Mimi K. Berdal is proposed as chair of the committee

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

Items 8 and 9 Remuneration of the board (item 8) and nomination committee (item 9)

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 2018 annual general meeting be adjusted according to the salary movements in the company (about 2.1%).

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 following remuneration rates will apply from the 2017 annual general meeting until the next annual general meeting in 2018. It is recommended to pay the remuneration in instalments during this period.

The board

Chair of the board:	NOK 433 000 per year
Board member*:	NOK 266 000 per year

Observer (employee-elected)**:	NOK 88 500 per year
Deputy for observer***:	NOK 6800 per meeting
Chair of the audit committee:	NOK 83 000 per year
Member of the audit committee*:	NOK 55 500 per year
Chair of the compensation committee:	NOK 49 700 per year
Member of the compensation committee*:	NOK 38 700 per year

Nomination committee

Chair of the nomination committee: NOK 55 000 per year + NOK 8900 per meeting above four meetings

Member of the nomination committee: NOK 38 700 per year + NOK 7200 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.*

Oslo/Sarpsborg, 14 March 2017

Terje Venold, Chair
Mimi K. Berdal
Erik Must
Rune Selmar

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 nine 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 of 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 nine 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 been VP Legal and member of the group management team of Yara ASA since 2016. She was previously VP Legal of Statoil and Senior Vice President and Chief Legal Officer of Renewable Energy Corporation ASA. She has also been an 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 eight of the nine board meetings since the last annual general meeting.

Ryssdal holds no shares in Borregaard ASA.

Martha Kold Bakkevig

Born 1962, Norwegian citizen

Education:

Master's degree and PhD from the Norwegian University of Science and Technology (NTNU).
Doctorate in Economics from BI Norwegian Business School.

Professional career:

Martha Kold Bakkevig now runs her own consulting firm. Ms. Kold Bakkevig was for almost ten years, until 2016, CEO of the company Deepwell ASA. She has also been Managing Director of the IT companies Allmedia AS and CC AS and was for nine years Managing Director of Polytec Research Foundation with responsibility for management of industrial development projects. She has also been a researcher with Sintef and a professor in strategy and innovation at Stord/Haugesund University College.

Directorships (selection):

Martha Kold Bakkevig holds directorships in several companies, such as Reach Subsea ASA (member), incus Investor ASA (deputy chair), Otech Group AS (chair) and Haugaland Kraft (member). She was previously a board member of Mera AS Fluid Maintenance and SIM T Waste Management. She has also held directorships in various organisations involved in R & D and innovation such as Innovation Norway, the Research Council of Norway, Prekubator TTO, Innovation Forum and Simula Innovation, as well as in industrial policy work in the Confederation of Norwegian Enterprise (NHO).

Ms. Kold Bakkevig 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. Reinhardtsen has held board positions in Telenor ASA (member and chair of the risk/audit committee), Awilhelmsen (member) and Oceaneering International Inc. (member). He also serves as chair/member of the board of a number of PGS companies. He has previously been on the board of Cameron International Corp., 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. Reinhardtsen has participated in seven of the nine board meetings since the last annual general meeting.

Mr. Reinhardtsen has no shares in Borregaard ASA.

The nomination committee

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, including Gassco AS (chair), Itera ASA (member), Interoil E&P ASA (member), EMGS ASA (member) and Norske Skogindustrier ASA (member). She is also chair of the nomination committee of Sevan Marine ASA and a member of the nomination committee of Goodtech 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 chaired the nomination committee of BWG Homes ASA.

Ms. Berdal holds no shares in Borregaard ASA

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 Fondsfinsans and has extensive experience from Norwegian industry and finance.

Directorships and other appointments (current):

Mr. Must is chair of the board of several companies: Erik Must AS and its wholly owned subsidiaries Must Invest and Fondsaveanse. He is a member of the board of the SAM fund for medical research. Mr. 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 Fondsfinsans and Arendals Fossekompani and a board member of Kongsberg Gruppen, Gyldendal, 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.

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.

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

Ola Wessel-Aas

Born 1970, Norwegian citizen

Education:



Master of Business Administration, Finance Major (University of Pennsylvania, USA). Bachelor of Arts, Economics (University of Durham, England).

Professional career:

Mr. Wessel-Aas is the founder and Portfolio Manager of Taiga Fund Management. He has previously held various positions in Merrill Lynch (including Head of Nordic investment Banking) and McKinsey.

Directorships and other appointments (current):

Ola Wessel-Aas is a board member of the Norwegian Alternative Investment Association and also a member of the nomination committees of Oslo Børs VPS Holding and Kitron.

Previous appointments (selection):

Mr. Wessel Aas was previously a member of the nomination committees of Bakka Frost, Protector Insurance and Telio.

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