

## The nomination committee’s recommendation to the 2023 Annual General Meeting

### The work of the nomination committee

Borregaard’s 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 a dedicated information page on the 2023 Annual General Meeting with information on the nominations and contact details for the nomination committee.

The committee has held three meetings since the 2022 Annual General Meeting. The committee has conducted a thorough assessment of the board and all its members by reviewing the board's self-evaluation and through individual interviews with the chair and other members of the board. There has also been dialogue with the company’s management team and the CEO in order to gain an understanding of the company’s position and the board’s needs regarding expertise. A letter has been sent to the 20 biggest shareholders with information about the committee’s work and how to contact and provide input to the committee. Additionally, meetings have also been held with some of the major shareholders.

The committee’s decisions on proposed candidates to the board and nomination committee and on rates of remuneration 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.

Helge Aasen was elected new chair of the board at the Annual General Meeting in 2021. At the time he had three years of experience on the board before being elected chair. Of the four remaining shareholder-elected board members, one member has many years of experience on Borregaard's board including before the listing in 2012. Two members were elected at the Annual 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 the shareholder-elected directors; 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, statutory conditions and the requirements set down in the company's instructions for the nomination committee.

The committee has also assessed and discussed the overall workload with the board candidates to ensure that they have sufficient time and capacity to exercise their duties.

All shareholder-elected board members are independent of the company’s management. Please refer to the attachment/CV containing more detailed information.

The nomination committee will propose, among the proposed members of the board, the 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 five 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 previous practice, a term of office of one year, until the next annual general meeting, is proposed.

### Proposals for board members

1. The following board members are proposed:
  - i. Helge Aasen (elected from 2018) – re-elected
  - ii. Terje Andersen (elected from 2012) – re-elected
  - iii. Tove Andersen (elected from 2018) –re-elected
  - iv. Margrethe Hauge (elected from 2018) – re-elected
  - v. John Arne Ulvan (elected from 2021) - re-elected
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 Annual General Meeting.

### **Item 8 - Election of members and Chair of the nomination committee**

The nomination committee was elected at the Annual General Meeting in 2022. The nomination committee, like the board of directors, has a term of one year, up to the 2023 Annual General Meeting.

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 Annual General Meeting in 2016 two new members of the committee were elected; Erik Must and Rune Selmar, and at the Annual General Meeting in 2022 Atle Hauge from Odin Fund Management was elected.

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

With the changes made last year, the committee has combined continuity with renewal and proposes re-election of the committee elected at the Annual General Meeting in 2022.

The committee proposed is independent of both the company's board and executive personnel. Three of the members of the committee have backgrounds from some of Borregaard's largest owners. The committee members have accumulated 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").

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

### **Proposals for members of 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. Atle Hauge (elected from 2022) – re-elected
2. Mimi K. Berdal is proposed as chair of the committee.
3. The term of office is one year, up to the next Annual General Meeting.

## **Items 9/10 – Remuneration for the board of directors (item 9) and nomination committee (item 10)**

In its remuneration proposal, the nomination committee has continued two perspectives.

One is that the remuneration level shall be competitive, without being leading, compared with relevant listed 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.

As part of the conditions for board fees, board members are required to purchase shares in the company for at least 20% of gross board fees, until the share value reaches a size of one annual fee. The committee has noted that several of the shareholders support such a scheme whereby the board members are expected to hold shares in the company.

The committee will therefore propose to maintain the current system of requirements for share purchases in the company.

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 regarding shares held in the current election period. The requirement to purchase shares is not applied to employee-elected members or observers on the board.

When adjusting remuneration to board members, both the general wage inflation in the company and comparative assessments for listed companies in Norway have been taken into account.

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.

Against this background, the committee proposes adjusting remuneration for board members and members of committees of approximately 4.3%, which is also in line with wage inflation in the company.

The same increase is proposed for remuneration for the nomination committee.

As regards the employee-elected members of the board, the company's practice in the early years was that the employee-elected members receive the same board remuneration as the shareholder-elected members. When the requirement to buy shares was introduced, this did not apply to the employee-elected board members. Adjustment of the remuneration level as a result of this requirement did therefore not apply to the employee representatives. Their remuneration level has thus been somewhat below those elected by the shareholders. The annual comparative surveys carried out for the companies on the Oslo Stock Exchange have shown that an increasing number of companies differentiate board remuneration between the employee-elected and shareholder-elected members. There is a relatively significant difference from company to company. The responsibilities one has as a board member are the same, but the employee-elected representatives can use paid working time for their duties. On the basis of comparative studies and its own assessments, the nomination committee has concluded that it will propose that remuneration for the employee-elected board members be set at 75% of the level for the shareholder-elected members in the future. The current level is somewhat higher and it is therefore proposed that remuneration remain fixed until an adjustment is necessary to maintain the 75% level. It is proposed that an observer receive 1/3 of the remuneration for employee-elected board members, which is at the same level as the current scheme.

The committee is therefore of the opinion that the proposals express a remuneration level that is competitive, without being 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 Annual General Meeting in 2023 up to the next Annual General Meeting in 2024:

#### Remuneration – board

Chair	NOK 646,700	(NOK 620,000 last term)
Board member, shareholder-elected	NOK 365,100	(NOK 350,000 last term)
Board member, employee-elected	NOK 314,000	(NOK 314,000 last term)
Observer (employee-elected)**	NOK 105,000	(NOK 105,000 last term)
Deputy for observer***	NOK 8,100 per meeting (NOK 8,100 last term)	
Chair of audit & sustainability committee	NOK 104,300	(NOK 100,000 last term)
Member of audit & sustainability committee*	NOK 68,900	(NOK 66,000 last term)
Chair of the compensation committee	NOK 61,600	(NOK 59,000 last term)
Member of the compensation committee*	NOK 48,000	(NOK 46,000 last term)

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

\* 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.

#### Requirement to purchase shares for part of the 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 one 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 be made during the first week following the publication of quarterly figures. The purchase may be distributed over time, but must be carried out no later than by the end of the year and involve at least 20% of the gross remuneration for this calendar year.
- The shares must be retained for as long as the board member serves on the board. A shareholding exceeding one year’s board remuneration is not covered by 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.

#### 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 708,300
Board member and head of audit & sustainability committee:	NOK 469,400
Board member and member of the audit & sustainability committee:	NOK 434,000
Board member and member of the compensation committee:	NOK 413,100
Employee-elected board member (not committee fees):	NOK 314,000

#### Remuneration - nomination committee

Chair of the nomination committee:

NOK 68,900 (NOK 66,000 last term) + NOK 11,000 (NOK 10,500 last term) pr meeting beyond four full meetings

Member of the nomination committee:

NOK 48,500 (NOK 46,500 last term) + NOK 9,000 (NOK 8,600 last term) pr meeting beyond four full meetings

Oslo/Sarpsborg 1 March 2023

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

## ***Appendix to the nomination committee’s recommendation***

### **Board of Directors**

#### **Helge Aasen**

Born 1963, Norwegian citizen

#### Education:

Master’s degree in Metallurgy, from the Norwegian University of Science and Technology, Trondheim, Norway.  
Leadership program, IMD, Switzerland

#### Professional 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, Mr Aasen held a number of positions in the Elkem group since 1990, including experience from various divisions in the group in addition to sales, marketing and commercial positions. Mr Aasen has previously held engineering positions at Norsk Ferro AS, a part of Norsk Jern Holding.

#### Positions of trust (excerpts):

Mr 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).

Mr 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 eight of eight board meetings since the last AGM.

Mr Aasen holds 4,500 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 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. Mr 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). He has previously also been a board member of Gränges AB, Sapa AS, Elkem AS and Elkem Solar AS.

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

Mr Andersen holds 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.

#### Professional career:

Tove Andersen has extensive experience from international industrial companies. She is currently President & CEO of Tomra Systems ASA. Prior to that, she was a member of the group management of Yara International ASA and as 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. Ms Andersen has also worked as a researcher at the Norwegian Computing Centre.

#### Directorships (selection):

Ms Andersen is a board member of Equinor ASA. Other previous board memberships include Cambi ASA and Posten Norge AS, AgGateway Global Network, Globalrange Ltd and the Agricultural Industries Confederation.

Ms Andersen has been a board member of Borregaard ASA since 2018, and is a member of the audit & sustainability committee. She has participated in seven out of eight board meetings since the last Annual General Meeting.

Ms Andersen holds 6,000 shares in Borregaard ASA.

### **Margrethe Hauge**

Born 1971, Norwegian citizen

#### Education:

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

#### Professional career:

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

#### Positions of trust (excerpts):

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

Ms Hauge has been a board member of Borregaard ASA since 2018 and is a member of the compensation committee. She has participated in eight of eight board meetings since the last Annual General Meeting.

Ms Hauge holds 4,077 shares in Borregaard ASA.

**John Arne Ulvan**

Born in 1965, Norwegian citizen

Education:

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

Professional career:

John Arne Ulvan is 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):

Mr Ulvan is board member of CO2 Capsol AS. He has also 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 the board in Norgesmøllene AS, deputy chair of the corporate assembly of Moelven Industrier ASA and member of the nomination and compensation committee of Moelven ASA.

Mr 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 eight of eight board meetings since the last Annual General Meeting.

Mr Ulvan holds 3,500 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 consultant. Partner at Arntzen de Besche advokatfirma AS and Arntzen, Underland & Co. Legal adviser at Total Norge AS.

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

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

#### Previous assignments (selection)

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 chair audit committee), Rocksource ASA (chair) and Itera ASA (chair audit committee). Ms Berdal has also held positions of trust at BWG Homes ASA (chair of the nomination committee) and Sevan Marine ASA (chair of the nomination committee), among others.

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

### **Erik Must**

Born in 1943, Norwegian citizen

Education: Degree in Business Administration (siviløkonom) from Copenhagen Business School.

#### Professional career

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

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

Mr Must is chair of the board of several companies: Must Holding AS and the company’s wholly-owned subsidiaries, Must Invest, Fondsavanse and Fondsfians Kapitalforvaltning. He is a member of the board of the SAM fund for medical research. Mr Must is also a member of the nomination committees at Kongsberggruppen, Gyldendal, Veidekke and PCI Biotech.

#### Previous appointments (selection)

He has been the chairman of the board of directors at Fondsfians and Arendals Fossekompani and a board member of the Kongsberggruppen, Gyldendal, Norges handels- og sjøfartstidende (NHST), the Norwegian Trekking Association, the Norwegian Museum of Cultural History and the Biotechnology Centre at the University of Oslo. He has also been a member of the nomination committees at Telenor ASA and Oslo Børs VPS.

Mr 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 the Norwegian College of Banking (Bankakademiet) and authorised financial analyst from NHH/the Norwegian Society of Financial Analysts (NFF)

#### Professional career

Mr 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-gruppen AS.

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

Mr 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.

#### Previous appointments (selection)

Mr Selmar has been the chair of the board of directors at Avantor AS and a board member at a number of other 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 nomination committee at Orkla ASA, the corporate assembly at Telenor ASA and the Supervisory board and the nomination committee of Storebrand ASA.

### **Atle Hauge**

Born 1978, Norwegian citizen

Education: MBA from Cornell University, NY USA. Degree in Business Administration (siviløkonom) from the Norwegian School of Economics and Business Administration (NHH).

#### Professional career

Mr 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. Mr Hauge also has a background as an analyst in Praetorian Capital Management and KPMG Transaction Services.

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

Mr Hauge is member of the nomination committee of Multiconsult ASA.

Odin is among Borregaard's largest owners.