

## **Recommendations from the nomination committee of Norwegian Property ASA – 2018**

The nomination committee of Norwegian Property ASA comprises the following members:

Robin Bakken, chair

Marianne E. Johnsen, member

The composition of the nomination committee of Norwegian Property ensures that the interests of the shareholders in general are taken care of. The current members of the committee are independent of the board of directors and the executive management, and neither is permanently represented on the board of directors. Neither the chief executive officer or other members of the executive management are members of the committee.

Information on the membership of the committee is also posted on the company's website at [www.norwegianproperty.no](http://www.norwegianproperty.no). Deadlines for submitting proposals to the nomination committee and contact information are also posted on the website.

The nomination committee has, since the annual general meeting in 2017, been given an update on the company's business, strategy and organisation. Furthermore, dialogues with the company's largest shareholders have taken place. In line with good corporate governance practice, the committee has conducted a thorough assessment of the board's work, competence and experience, and also assessed the need for changes and additions in the composition of the board and the nomination committee. The nomination committee has in particular focused on putting together a competent and sufficiently broad composition of the board which will work consistently for the interest of the company and all the shareholders in general. During its work, the committee has been able to draw on resources in the company, and to seek advice and recommendations from sources outside the company.

In connection with Norwegian Property ASA's annual general meeting on 19 April 2018, the committee would make the following unanimous recommendations:

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

Pursuant to the company's articles of association, the board will comprise of three to nine members. The present board of Norwegian Property comprises chair Martin Mæland, deputy chair Bjørn Henningsen and the directors Cecilie Astrup Fredriksen, Kathrine Astrup Fredriksen, Kjell Sagstad, Merete Haugli and Lars Erich Nilsen.

The entire board is up for election at the annual general meeting in 2018.

Martin Mæland has informed that he wants to withdraw from the company's board at the annual general meeting in 2018.

The nomination committee recommends that all of the current board members, except Martin Mæland, are re-elected, and that Merete Haugli is elected as chair of the board and Bjørn Henningsen as deputy chair. Furthermore, the nomination committee recommends that Carl Erik Krefting is elected as new board member. The number of board members will consequently be maintained.

Consequently, the board of Norwegian Property ASA will comprise the following members after the annual general meeting on 19 April 2018, if elected:

- Merete Haugli, chair (re-elected)
- Bjørn Henningsen, nestleder (re-elected)
- Cecilie Astrup Fredriksen, medlem (re-elected)
- Kjell Sagstad, medlem (re-elected)
- Kathrine Astrup Fredriksen, medlem (re-elected)
- Lars Erich Nilsen (re-elected)
- Carl Erik Krefting (new)

The nomination committee recommends that all board members are elected for one year until the annual general meeting in 2019.

With this composition of the board, the company meets the NUES (The Norwegian Code of Practice for Corporate Governance) standard which recommends that at least two board members are independent of the largest shareholders of the company.

The proposed new board member, Carl Erik Krefting, has comprehensive experience within corporate real estate in general, and especially within property development in the Oslo area. The nomination committee is of the opinion that Carl Erik Krefting will provide considerable expertise to the board within areas which are of high importance to the property portfolio and operations of Norwegian Property. The curriculum vitae of Carl Erik Krefting is enclosed to this recommendation.

The nomination committee has been informed that Krefting, if he is elected as board member, will enter into a consultancy agreement with the company whereupon Krefting will provide the company with consultancy services in addition to the tasks and duties which follow his board membership. The agreement is expected to have a duration of three years. As compensation for the services to be provided under the consultancy agreement, Krefting will receive an option to subscribe for up to 500,000 new shares in Norwegian Property at a subscription price of NOK 11.50 per share. 1/3 of the options can be exercised after a year, 1/3 after two years and 1/3 after three years. The consultancy agreement is conditional upon Krefting continuing as a board member in the company. If Krefting is not re-elected, or for other reasons resigns as board member, the consultancy agreement will automatically expire and options which are not vested will lapse. The conditions of the option arrangement will be regulated in a separate option agreement entered into in connection with the consultancy agreement.

## **2. Nomination committee**

The members of the nomination committee are not up for election at the annual general meeting of 2018.

## **3. Remuneration of the board of directors**

The nomination committee has conducted a review of directors' fees, and proposes the following remuneration on a full year basis for the directors of the board of the company from the annual general meeting in 2017 to the annual general meeting in 2018:

Chair: NOK 700,000

Deputy chair: NOK 550,000

Directors: NOK 250,000

The proposed remuneration for directors reflects the board's responsibility, expertise and commitment of time as well as the complexity of the company's operations. Remuneration for the chair and deputy chair is set higher than for the other directors because of the additional responsibilities and obligations inherent in these roles.

#### **4. Remuneration of the members of the nomination committee**

The following remuneration for the nomination committee is proposed from the annual general meeting in April 2017 to the annual general meeting in April 2018:

Chair: NOK 75,000

Member: NOK 30,000

The recommended remuneration for the nomination committee is based on the extent of the work, commitment of time and the remuneration in other nomination committees in other companies similar to Norwegian Property ASA.

Oslo, 13 April 2018

Norwegian Property ASA  
On behalf of the nomination committee

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Robin Bakken (sign.)

Appendix to the recommendations from the nomination committee:

## Curriculum Vitae:

### Carl Erik Krefting

Lawyer, partner and founder of Søylen Eiendom AS.

#### 2004 – 2016:

Founded Søylen Eiendom AS in 2004 together with Runar Vatne and Hans Petter Krohnstad.

Søylen Eiendom has around 95,000 m<sup>2</sup> of property mass. Mainly in Oslo, but also in Zürich, Switzerland.

Søylen Eiendom AS was, until January 2016, the largest possessor of property in the city centre areas "Kvadraturen" and "Egertorget", where Søylen has established Oslo's High End shopping district. In May 2009, Søylen opened Norway's first High End warehouse, "Eger". In July 2011, Søylen and Schage Eiendom acquired "Steen & Strøm Magasin", which is Norway's oldest warehouse. In the area around Egertorget, Søylen has established "Promenaden" with Norway's largest selection of stores within the clothing segment, including brands as Gucci, Hermès, Bottega Veneta, Burberry, Michael Kors, Louis Vuitton and Marc by Marc Jacobs.

In December 2015, Søylen sold its subsidiary Promenaden Property to Meyer Bergman for a purchase price of around NOK 5,500,000,000.

Carl Erik Krefting actively works as, *inter alia*, chair of the board of Byfolk, for owners of apartment buildings and the retail community of Oslo, and wants Oslo to be a vivid city providing its residents and visitors with great shopping and restaurant experiences.

Carl Erik Krefting has authored several legal articles and textbooks. In his work as a lawyer he had a large number of board seats, including boards of companies listed on the Oslo Stock Exchange (amongst them AVANTOR AS, Dyno Industrier ASA and Gresvig AS).

#### 1982 – 2004:

Lawyer and Partner of the law firm Advokatfirmaet Thommessen

#### 1981 – 1982:

Arthur Andersen, New York

Philips Petroleum, Oklahoma

#### 1979 – 1980:

BAHR law firm

#### 1978 – 1979:

The Norwegian Tax Administration

#### 1978:

Law degree from the University of Oslo