

## **Recommendations from the nomination committee of Norwegian Property ASA - 2020**

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

Robin Bakken, chair

Marianne E. Johnsen, member

The composition of the nomination committee 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 nor other members of the executive management are members of the nomination 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 2019, been given an update on the board of directors' work and the company's business, strategy and organization through discussions with the CEO, the chairman of the board of directors and selected board members. Furthermore, soundings 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 ensuring that the company has 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.

In connection with Norwegian Property ASA's annual general meeting 2020, the committee would make the following unanimous recommendations:

### **Board of directors**

Pursuant to the company's articles of association, the board shall comprise of three to nine members. The present board comprises of chair Merete Haugli, deputy chair Bjørn Henningsen and the directors Cecilie Astrup Fredriksen, Kathrine Astrup Fredriksen, Lars Erich Nilsen and Carl Erik Krefting. Kjell Sagstad resigned from the board at his own request in the fall of 2019.

The entire board is up for election at the annual general meeting in 2020.

Based on conversations that have taken place and the nomination committees' own assessments, the nomination committee is of the view that the board of directors has a proper composition and competence in light of the company's business, strategy and organization, and that the co-operation between the board and the company's management is well functioning.

The nomination committee recommends a further strengthening of the board's property expertise by electing Anders Buchardt as a new board member.

Anders Buchardt (born 1974) is a graduate (nw: Siviløkonom) from the Norwegian School of Economics (NHH) in Bergen and is the owner and working chairman of AB Invest AS and Agate Utvikling AS. Buchardt has a background from PwC Consulting and Finansbanken/Storebrand Bank, before establishing and growing his property development business. In addition to several residential projects, he has over the past 15 years developed a number of new, large hotel facilities in Norway and Sweden. Anders has been responsible for the development of a number of holiday home projects at mountain destinations such as Hafjell, Kvitfjell, Gaustatoppen and Hemsedal. Together with his father Arthur, he owns and manages a larger portfolio of hotel and office properties through AB Invest AS. In addition to being chairman of the board of his own companies, he is currently chairman of the board of Pangea Property Partners and board member of the trade association Norsk Eiendom.

Thus, the nomination committee recommends that all of the current board members are re-elected, with Merete Haugli as chair of the board and Bjørn Henningsen as deputy chair. Furthermore that Anders Buchardt is elected as new board member. Consequently, the board of Norwegian Property ASA will comprise of the following members after the annual general meeting in 2020, if elected:

- Merete Haugli, chair (re-elected)
- Bjørn Henningsen, deputy chair (re-elected)
- Cecilie Astrup Fredriksen, member (re-elected)
- Kathrine Astrup Fredriksen, member (re-elected)
- Lars Erich Nilsen, member (re-elected)
- Carl Erik Krefting, member (re-elected)
- Anders Buchardt, member (new election)

The nomination committee recommends that all board members are elected for one year until the annual general meeting in 2021.

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 and that the majority of the board members are independent of the company's management and most important business connections.

### **Nomination committee**

The members of the nomination committee are up for election for this year. Robin Bakken has informed that he does not wish to be up for re-election to the nomination committee. It is suggested that Anne Lise E. Gryte is elected as new chair of the nomination committee, and that Marianne E. Johnsen is re-elected as member.

Anne Lise E. Gryte is employed as a lawyer in the law firm Wiersholm in Oslo. Gryte practices corporate and securities law with an emphasis on capital market transactions. She is also one of the founders and the chairman of Styrelisten, an initiative that assists companies with identifying qualified female candidates for board positions. Gryte holds a law degree from the University of Bergen.

### **Remuneration of the board of directors**

The nomination committee has conducted a review of directors' fees and proposes that the remuneration to the board members from the annual general meeting in 2019 until the annual general meeting in 2020 as follows:

Chair: NOK 700,000

Deputy chair: NOK 450,000

Directors: NOK 250,000

The nomination committee further proposes that the general meeting for the future approves the remuneration of the board of directors in advance. This has become more common in listed companies, and creates predictability for the members of the board. The nomination committee therefore proposes that the general meeting approves the remuneration to the members of the board of directors from the annual general meeting 2020 to the annual general meeting in 2021 as follows:

Chair: NOK 700,000

Deputy chair: NOK 450,000

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.

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

The following remuneration for the nomination committee is proposed from the annual general meeting in 2019 until the annual general meeting in 2020:

Chair: NOK 75,000

Member: NOK 50,000

The recommended remuneration for the nomination committee is based on the extent and character of the work and commitment of time, in addition to the general level of the remuneration to nomination committees in companies that are natural to compare the company with.

Oslo, 25 March 2020

On behalf of the nomination committee in Norwegian Property ASA

-----  
Robin Bakken (sign.)