

## **Report and Proposals of Lundin Petroleum AB's Nomination Committee for the 2018 Annual General Meeting of Shareholders**

The Nomination Committee of Lundin Petroleum AB (publ) (hereinafter "Lundin Petroleum" or the "Company") submits the following report for the Annual General Meeting of Lundin Petroleum to be held on 3 May 2018 (the "2018 AGM").

### **1. Formation of the Nomination Committee**

The Annual General Meeting of Lundin Petroleum held on 15 May 2014 (the "2014 AGM") resolved that the Nomination Committee Process approved by that 2014 AGM, and which includes the following principles, shall apply as the Company's nomination procedure generally for all Annual General Meetings, until recommended to be amended or replaced by a future Nomination Committee.

In respect of the 2018 AGM, the Chairman of the Board of Directors shall invite four of the larger shareholders of the Company, based on shareholdings as per 1 August 2017, to form a Nomination Committee. The names of the members of the Nomination Committee shall be announced no later than six months prior to the 2018 AGM. If the shareholding in the Company changes significantly before the Nomination Committee's work is completed, or if a member leaves the Nomination Committee before its work has been completed, a change in the composition of the Nomination Committee may take place. The Nomination Committee shall remain in office until the publication of the composition of the Nomination Committee for the 2019 Annual General Meeting (the "2019 AGM"). The Nomination Committee shall appoint its Chairman within the Nomination Committee.

The Nomination Committee shall prepare the following proposals for resolutions to the 2018 AGM:

- (i) Chairman of the 2018 AGM;
- (ii) number of members of the Board of Directors;
- (iii) members of the Board of Directors;
- (iv) Chairman of the Board of Directors;
- (v) remuneration of the members of the Board of Directors, distinguishing between the Chairman and the other members of the Board of Directors and remuneration for Committee work;
- (vi) election of auditor of the Company;
- (vii) remuneration of auditor of the Company; and
- (viii) if the Nomination Committee recommends that the current Nomination Committee Process be amended or replaced, then a revised or new Nomination Committee Process.

On 10 October 2017, the Nomination Committee for the 2018 AGM was formed with the following members: Ian H. Lundin (Nemesia Sàrl and Landor Participations Inc., as well as Chairman of the Board of Directors), Filippa Gerstädt (Nordea Funds), Åsa Nisell (Swedbank Robur Fonder) and Hans Ek (SEB Investment Management AB). Statoil ASA, as one of the larger shareholders of the Company, as well as certain other larger shareholders, were invited to join the Nomination Committee but declined the invitations. The Nomination Committee members were appointed by shareholders holding as per 1 August 2017 approximately 32.7 percent of the shares in Lundin Petroleum. The Nomination Committee meets the requirements of the Swedish Code of Corporate Governance (hereinafter the "Code").

Ian H. Lundin was unanimously elected as Chairman of the Nomination Committee. The fact that he is the Chairman of the Nomination Committee and Chairman of Lundin Petroleum constitutes a deviation from rule 2.4 of the Code, however this deviation was considered justified as Ian H. Lundin represents the major shareholders of the Company.

The formation of the Nomination Committee was announced through a press release issued on 10 October 2017. The press release contained information on how shareholders could submit proposals to the Nomination Committee. No such proposals were received.

## **2. The work of the Nomination Committee**

The Nomination Committee met on four occasions and had informal contacts in between the meetings. The Nomination Committee received an oral report from the Chairman of the Board of Directors on the work of the Board of Directors. The Nomination Committee has also reviewed the results of the written evaluation of the Board of Directors' work carried out during the year. The Chairman also presented updates to the Committee regarding the business of the Company and the general international economic situation and industry in which the Company operates.

Committee members appointed by shareholders independent of the major shareholders of Lundin Petroleum also held meetings with the current Board members Peggy Bruzelius, Grace Reksten Skaugen, Cecilia Vieweg and Jakob Thomasen with the aim of gaining a broad perception of the work and functioning of the Board. A meeting was also held with Torstein Sanness, who is proposed as a new member of the Board of Directors.

In the course of its work, the Nomination Committee applied the diversity policy as set out in rule 4.1 of the Code: "The board is to have a composition appropriate to the company's operations, phase of development and other relevant circumstances. The board members elected by the shareholders' meeting are collectively to exhibit diversity and breadth of qualifications, experience and background. The company is to strive for gender balance on the board."

The Nomination Committee believes that it is necessary to regularly assess the breadth and versatility of the Board of Directors. As part of that assessment, the Committee discussed in detail the composition of the Board of Directors. The Committee considered and discussed the desired attributes for members of the Board, including considerations of qualifications, experience and gender distribution.

## **3. Election of Chairman for the 2018 Annual General Meeting**

The Nomination Committee proposes that Klaes Edhall, a member of the Swedish Bar Association, be appointed as the Chairman of the 2018 AGM. Klaes Edhall served as the Chairman of the Company's 2014 to 2017 Annual General Meetings and has also served as the Chairman at the Annual General Meetings of several other listed Swedish companies.

## **4. Reasoned statement regarding the proposal for election of the Board of Directors**

The Nomination Committee proposes that nine members of the Board of Directors be elected at the 2018 AGM. It was noted that whilst the Board of Directors is considered to function very well, it could be complemented with further Norwegian specific competence considering the Company's pure Norway focus following the spin-off of International Petroleum Corporation completed in April 2017. The Nomination Committee has thus determined that a Board size of nine is appropriate taking into account the nature, size and complexity of the Company's business.

The Nomination Committee therefore proposes the re-election of the eight current members of the Board of Directors being Peggy Bruzelius, C. Ashley Heppenstall, Ian H. Lundin, Lukas H. Lundin, Grace Reksten Skaugen, Alex Schneider, Cecilia Vieweg and Jakob Thomassen for a term until the 2019 AGM. In addition, the Nomination Committee proposes the election of Torstein Sanness as a new member of the Board of Directors for a term until the 2019 AGM. The Nomination Committee further proposes the re-election of Ian H. Lundin as Chairman of the Board of Directors and that no deputy members be elected.

Torstein Sanness was born in 1947 and is a Norwegian citizen. Mr. Sanness was formerly Managing Director of Lundin Norway AS from 2004 until his retirement in April 2015. Mr. Sanness also served as Chairman of Lundin Norway AS from April 2015 to March 2017. From 2000 to 2004, he served as Managing Director of Det Norske Oljeselskap AS and from 1972 to 2000, he served in various capacities with Saga Petroleum, where he held several executive positions globally. Mr. Sanness is a graduate of the Norwegian Institute of Technology where he obtained a Master of Engineering in geology, geophysics and mining engineering. Mr. Sanness is well respected within the Norwegian oil and gas industry given his solid experience, and his competencies include profound knowledge and understanding of the Norwegian oil and gas industry, coupled with detailed technical knowledge, and good relationships with industry stakeholders in general. Mr. Sanness is currently a Board member of International Petroleum Corporation, Panoro Energy ASA, Sevan Marine ASA and TGS Nopec ASA. Mr. Sanness holds 93,310 shares in Lundin Petroleum. The Nomination Committee has also considered whether any potential conflicts of interest exist with regards to the election of Mr. Sanness as a new member of the Board of Directors.

It is the opinion of the Nomination Committee that, taking into consideration Lundin Petroleum's current and planned business and operations, and the economic and financial circumstances generally in which the Company operates, the proposed Board of Directors is composed of a broad and versatile group of knowledgeable and skilled individuals who are motivated and prepared to undertake the tasks required of the Board of Directors in today's international business environment. These proposed members possess, in the opinion of the Committee, substantial expertise and experience and in addition, the proposed Board of Directors will fulfil the requirements regarding independence in relation to the Company, Group management and the Company's major shareholders (see further below). Such expertise and experience relates to the oil and gas industry globally and specifically in Norway, Lundin Petroleum's core area of operation, public company financial matters, Swedish practice and compliance matters, corporate responsibility and health, safety and the environment.

If the Committee's proposal regarding the composition of the Board of Directors is accepted by the 2018 AGM, the Board of Directors will consist of nine members, out of which three women, i.e. 33.3 percent of the Board members will be women. Whilst the percentage of women on the Board would be slightly lower than in past years, the Nomination Committee considers that the proposal to elect Mr. Sanness as a member of the Board of Directors, given his Norway specific experience, outweighs the importance of such decline. The Nomination Committee supports the ambition of the Swedish Corporate Governance Board regarding levels and timing of achieving gender balance, and takes this into account in the ongoing work regarding proposals in relation to the composition of the Board of Directors. Further information regarding the proposed members of the Board of Directors is included in [Annex 1](#).

## **5. Remuneration of the members of the Board of Directors, the Chairman of the Board of Directors and remuneration for Committee work**

As an important part of its work, the Nomination Committee considered carefully the fees payable to the members of the Board of Directors and to the Chairman of the Board of Directors. The Committee believes that the fees approved by the 2017 AGM continue to be appropriate and reasonable given the size, nature and complexity of Lundin Petroleum's business and the current economic conditions in which the Company operates. The fees are therefore proposed to remain unchanged. The Nomination Committee also believes that the fees for Committee work are appropriate and reasonable, and therefore proposes that these fees shall also remain unchanged. The Nomination Committee further recognises that CR/HSE matters are very important for the Company and realises that the position of the CR/HSE Board representative requires a significant amount of work, including frequent contacts with management, reporting to the Board of Directors and contacts with other stakeholders. It is considered that the tasks are of a similar level as that of Committee Chairs and that it would consequently be reasonable to propose a similar remuneration to the CR/HSE representative. The Nomination Committee therefore proposes that the remuneration of the members of the Board of Directors, the Chairman of the Board of Directors and fees for Committee work and Committee Chairs, be as follows:

- (i) annual fees of the members of the Board of Directors to remain unchanged at SEK 525,000 (excluding the Chairman of the Board of Directors and the Chief Executive Officer as a Board member);
- (ii) annual fees of the Chairman of the Board of Directors to remain unchanged at SEK 1,100,000;
- (iii) annual fees for Committee members to remain unchanged at SEK 110,000 per Committee assignment (other than Committee Chairs);
- (iv) annual fees for Committee Chairs to remain unchanged at SEK 165,000; and
- (v) an annual fee for the CR/HSE Board representative to be introduced at SEK 165,000.

The total remuneration for Committee work, including remuneration to Committee Chairs and the CR/HSE Board representative, amounts to SEK 935,000 based on the current composition of the Committees. The Nomination Committee considers that it should be possible to elect further Committee members and the total annual remuneration for Committee work shall therefore not exceed SEK 1,155,000, corresponding to remuneration for two additional Committee members.

## **6. Independence of the members of the Board of Directors**

According to the Code, a majority of the members of the Board of Directors elected by the shareholders' meeting are to be independent of the Company and Group management. In addition, at least two of the members of the Board of Directors who are independent of the Company and Group management are also to be independent of the Company's major shareholders.

It is the opinion of the Nomination Committee that all of the proposed members of the Board of Directors, with the exception of the current Chief Executive Officer Alex Schneider, the former Chief Executive Officer C. Ashley Heppenstall and the former Managing Director of Lundin Norway AS, Torstein Sanness, shall be considered independent of the Company and Group management. In the opinion of the Nomination Committee, the fact that Ian H. Lundin has received fees for work performed outside the

directorship does not entail that they shall be considered non-independent of the Company and Group management.

With respect to independence of the Company's major shareholders, it is the opinion of the Nomination Committee that C. Ashley Heppenstall shall not be deemed to be independent of the Company's major shareholders who are represented on the Board of Directors by Ian H. Lundin and Lukas H. Lundin. The reason for this assessment is that C. Ashley Heppenstall serves on the Board of Directors of several listed companies in which entities associated with the Lundin family are significant shareholders. It is the opinion of the Nomination Committee that Peggy Bruzelius, Grace Reksten Skaugen, Alex Schneider, Jakob Thomasen, Cecilia Vieweg and Torstein Sanness are independent of the Company's major shareholders.

## **7. Election of auditor and auditor's fees**

The term of office of Lundin Petroleum's current auditor PricewaterhouseCoopers AB expires at the 2018 AGM.

The Nomination Committee proposes that PricewaterhouseCoopers AB, which intends to appoint authorised public accountant Johan Rippe as the auditor in charge, be re-elected at the 2018 AGM for a term until the 2019 AGM. The proposal regarding the election of auditor was recommended to the Nomination Committee by the Company's Audit Committee.

The Nomination Committee proposes that, as in previous years, the payment of auditor's fees shall be made upon approval of their invoice.

## **8. Nomination Committee Process**

The Nomination Committee reviewed the Nomination Committee Process approved at the 2014 AGM and as attached hereto in [Annex 2](#), and concluded that such Process was appropriate for the 2019 AGM and that no amendments to such Process are deemed necessary. As such, the Nomination Committee Process approved at the 2014 AGM shall continue to apply and the 2018 AGM shall not be requested to approve a revised or new Nomination Committee Process.

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## **The Nomination Committee's complete proposal for resolutions by the 2018 Annual General Meeting of Lundin Petroleum AB (publ)**

- Advokat Klaes Edhall to be appointed as Chairman of the Annual General Meeting.
- Nine members of the Board of Directors to be appointed without deputy members.
- Re-election of Peggy Bruzelius, C. Ashley Heppenstall, Ian H. Lundin, Lukas H. Lundin, Grace Reksten Skaugen, Alex Schneider, Cecilia Vieweg and Jakob Thomasen as members of the Board of Directors for a term until the 2019 Annual General Meeting. Election of Torstein Sanness as a new member of the Board of Directors for a term until the 2019 Annual General Meeting.
- Re-election of Ian H. Lundin as Chairman of the Board of Directors.
- Remuneration of the members of the Board of Directors and the Chairman of the Board of Directors, including in respect of Committee membership, to be as follows: (i) annual fees of the members of the Board of Directors of SEK 525,000 (excluding the Chairman of the Board of Directors and the Chief Executive Officer as a Board member); (ii) annual fees of the Chairman of the Board of Directors of SEK 1,100,000; (iii) annual fees for Committee members of SEK 110,000 per Committee assignment (other than Committee Chairs); (iv) annual fees for Committee Chairs of SEK 165,000; (v) annual fees for the CR/HSE Board representative of SEK 165,000; with the total fees for Committee work, including Committee Chair and CR/HSE Board representative fees, not to exceed SEK 1,155,000.
- Re-election of the registered accounting firm PricewaterhouseCoopers AB, which intends to appoint authorised public accountant Johan Rippe as the auditor in charge, as the auditor of the Company for a term until the 2019 Annual General Meeting.
- The auditor's fees shall be payable upon approval of their invoice.

Stockholm, March 2018

Ian H. Lundin  
Chairman

Filippa Gerstädt

Åsa Nisell

Hans Ek

Annex 1 – Report and Proposals of Lundin Petroleum AB's Nomination Committee for the 2018 AGM

| Board of Directors:  | Ian H. Lundin   | Alex Schneider  | Peggy Bruzelius  | C. Ashley Heppenstall   |
|--|---|---|--|---|
| <b>Function</b>  | Chairman (since 2002)   | President & Chief Executive Officer, Director   | Director   | Director  |
| <b>Elected</b>   | 2001  | 2016  | 2013   | 2001  |
| <b>Born</b>  | 1960  | 1962  | 1949   | 1962  |
| <b>Education</b>   | Bachelor of Science degree in Petroleum Engineering from the University of Tulsa.   | Graduate from the University of Geneva with a degree in Geology and a Masters degree in Geophysics.   | Master of Science (Economics and Business) from the Stockholm School of Economics.   | Bachelor of Science degree in Mathematics from the University of Durham.  |
| <b>Experience</b>  | Ian H. Lundin was previously CEO of International Petroleum Corp. during 1989 – 1998, of Lundin Oil AB during 1998 – 2001 and of Lundin Petroleum during 2001 – 2002. | Alex Schneider has worked with public companies where the Lundin family has a major shareholding since 1993 and was COO of Lundin Petroleum during 2001 – 2015 and is the Company's CEO since 2015. | Peggy Bruzelius has worked as Managing Director of ABB Financial Services AB and has headed the asset management division of Skandinaviska Enskilda Banken AB. | C. Ashley Heppenstall has worked with public companies where the Lundin family has a major shareholding since 1993. He was CFO of Lundin Oil AB during 1998 – 2001 and of Lundin Petroleum during 2001 – 2002 and was CEO of Lundin Petroleum during 2002 – 2015. |
| <b>Other board duties</b>                                  | Member of the board of Bukowski Auktioner AB.   | —   | Chair of the board of Lancelot Asset Management AB, member of the board of Diageo PLC, Akzo Nobel NV and Skandia Liv.  | Chairman of the board of Etrion Corporation and Africa Energy Corp. and member of the board of ShaMaran Petroleum Corp., Lundin Gold Inc., Filo Mining Corp. and International Petroleum Corp.  |
| <b>Shares in Lundin Petroleum (as at 31 December 2017)</b> | Nil <sup>1</sup>  | 317,910   | 8,000  | 1,520,126   |
| <b>Independent of the Company and the Group management</b> | Yes   | No <sup>2</sup>   | Yes  | No <sup>3</sup>   |
| <b>Independent of the Company's major shareholders</b>     | No <sup>1</sup>   | Yes   | Yes  | No <sup>3</sup>   |

| Lukas H. Lundin   | Grace Reksten Skaugen  | Jakob Thomasen   | Cecilia Vieweg   | Torstein Sanness   |
|---|--|--|--|--|
| Director  | Director, CR/HSE representative  | Director   | Director   | Proposed Director  |
| 2001  | 2015   | 2017   | 2013   | —  |
| 1958  | 1953   | 1962   | 1955   | 1947   |
| Graduate from the New Mexico Institute of Mining, Technology and Engineering.   | MBA from the BI Norwegian School of Management, Bachelor of Science (Honours Physics) and Doctorate in laser physics from Imperial College of Science and Technology at the University of London.  | Graduate of the University of Copenhagen, Denmark, masters degree in Geoscience and completed the Advanced Strategic Management programme at IMD, Switzerland. | Master of Law from the University of Lund.   | Master of Engineering in geology, geophysics and mining engineering from the Norwegian Institute of Technology in Trondheim.   |
| Lukas H. Lundin has held several key positions within companies where the Lundin family has a major shareholding.   | Grace Reksten Skaugen has been a director of Corporate Finance with SEB Enskilda Securities in Oslo and has worked in several roles within private equity and venture capital in Oslo and London. She was a member of the Board of Directors of Statoil ASA from 2002 until 2015. She is currently a member of HSBC European Senior Advisory Council and Norway country advisor to Proventus AB. | Jakob Thomasen was formerly the CEO of Maersk Oil and a member of the Executive Board of the Maersk Group from 2009 until 2016.                                | Cecilia Vieweg was General Counsel and member of the Executive Management of AB Electrolux from 1999–2016. She previously worked as legal advisor in senior positions within the AB Volvo Group and as a lawyer in private practice. | From 2004–2015, Torstein Sanness was the Managing Director of Lundin Norway AS. From 2000–2004, he served as Managing Director of Det Norske Oljeselskap AS, and from 1972–2000, he served in various capacities for Saga Petroleum. |
| Chairman of the board of Lundin Mining Corp., Denison Mines Corp., Lucara Diamond Corp., NGEx Resources Inc., Lundin Gold Inc., Filo Mining Corp., International Petroleum Corp. and Lundin Foundation, member of the board of Bukowski Auktioner AB. | Chair of the board of NAXS Nordic Access Buyout A/S, Deputy Chair of the board of Orkla ASA and member of the board of Investor AB and Euronav NV, founder and board member of the Norwegian Institute of Directors and council member of the International Institute for Strategic Studies in London.   | Chairman of the DHI Group and member of the board of the University of Copenhagen.   | —  | Member of the board of International Petroleum Corp., Panoro Energy ASA, Sevan Marine ASA and TGS Nopec ASA.   |
| 788,331 <sup>4</sup>  | 5,000  | 5,900  | 3,500  | 93,310   |
| Yes   | Yes  | Yes  | Yes  | No <sup>5</sup>  |
| No <sup>4</sup>   | Yes  | Yes  | Yes  | Yes  |

1 Ian H. Lundin is the settler of a trust that owns Landor Participations Inc., an investment company that holds 10,488,956 shares in the Company, and is a member of the Lundin family that holds, through a family trust, Nemesia S.à.r.l., which holds 87,187,538 shares in the Company.

2 Alex Schneider is in the Nomination Committee's and the Company's opinion not deemed independent of the Company and Group management since he is the President and CEO of Lundin Petroleum.

3 C. Ashley Heppenstall is in the Nomination Committee's and the Company's opinion not deemed independent of the Company and Group management since he was the President and CEO of Lundin Petroleum until 2015, and not of the Company's major shareholders since he is a director of several companies in which entities associated with the Lundin family are major shareholders.

4 Lukas H. Lundin is a member of the Lundin family that holds, through a family trust, Nemesia S.à.r.l., which holds 87,187,538 shares in the Company.

5 Torstein Sanness is in the Nomination Committee's and the Company's opinion not deemed independent of the Company and Group management since he was the Managing Director of Lundin Norway AS, a subsidiary of the Company, until 2015.

## **LUNDIN PETROLEUM AB**

### **NOMINATION COMMITTEE PROCESS**

#### **1. General**

- 1.1 As per the Swedish Code of Corporate Governance (Code of Governance), Lundin Petroleum AB (publ) (the Company) shall each year appoint a Nomination Committee which shall have as its sole task to propose decisions to the Annual General Meeting (AGM) on electoral and remuneration issues, and procedural issue for the appointment of the Nomination Committee for the following year.
- 1.2 The AGM shall either appoint the members of the Nomination Committee or specify how they are to be appointed. This Nomination Committee Process shall apply as the Company's nomination procedure generally for all AGMs, until recommended to be amended or replaced by a future Nomination Committee, to specify how the Nomination Committee is to be appointed and to instruct the Nomination Committee on how it is to conduct its work.
- 1.3 References herein to AGMs shall apply *mutatis mutandis* to Extraordinary General Meetings where elections of the Board of Directors and/or the auditor are to take place.

#### **2. Appointment of the Nomination Committee**

- 2.1 The Chairman of the Board of Directors shall invite four of the larger shareholders of the Company based on shareholdings as per 1 August of each year, provided such larger shareholders agree to participate, to form a Nomination Committee for the AGM of the following year. The Chairman of the Board of Directors shall also be a member of the Nomination Committee. External members not appointed by a larger shareholder may also be invited to join the Nomination Committee to assist in and facilitate the work of the Nomination Committee.
- 2.2 The names of the members of the Nomination Committee shall be published on the Company's website no later than six months prior to the AGM of the following year. The names of the shareholders that the members were appointed by, if applicable, shall be included in the announcement, as well as information on how shareholders may submit recommendations to the Nomination Committee.
- 2.3 The mandate period of a Nomination Committee commences on the date its composition has been published as per article 2.2 and continues until the publication of the composition of the Nomination Committee for the following AGM.
- 2.4 The Chairman of the Board of Directors shall convene the first meeting of each Nomination Committee, which is to be held in good time before the

announcement of the composition of the Nomination Committee as per article 2.2. The Nomination Committee shall appoint a Chairman at the first meeting.

- 2.5 If the shareholding in the Company changes significantly before the Nomination Committee's work has been completed, or if a member leaves the Nomination Committee before its work has been completed, a change in the composition of the Nomination Committee may take place. If the Nomination Committee then consists of appointees of less than three of the larger shareholders of the Company, the Chairman of the Board shall invite another larger shareholder to join the Nomination Committee. If a member ceases to be connected to a larger shareholder, due to termination of employment or similar, that larger shareholder may appoint another person to replace such member of the Nomination Committee. Information about changes to the composition of the Nomination Committee, as well as information about new members and the larger shareholders that they were appointed by, if applicable, shall be published on the Company's website as soon as possible after a change has occurred.

### **3. Duties of the Nomination Committee**

- 3.1 The Nomination Committee shall prepare proposals for the following resolutions to the AGM:
- (i) Chairman of the AGM;
  - (ii) number of members of the Board of Directors;
  - (iii) members of the Board of Directors;
  - (iv) Chairman of the Board of Directors;
  - (v) remuneration of the members of the Board of Directors, distinguishing between the Chairman and other members and remuneration for Board Committee work;
  - (vi) election of auditor of the Company;
  - (vii) remuneration of the Company's auditor; and
  - (viii) Nomination Committee Process (in case of amendment).
- 3.2 The proposals of the Nomination Committee shall be presented to the Company in a written report in general at least eight weeks before the AGM to ensure the proposals can be duly included in the notice of the AGM. The Nomination Committee report shall in addition be posted on the Company's website at the same time as the notice of the AGM is issued.
- 3.3 As a basis for its proposals regarding the members of the Board of Directors, the Nomination Committee shall consider the requirements set forth in the Code of Governance to ensure that the Company's Board of Directors has a size and composition that enables it to manage the Company's affairs efficiently and with integrity.

3.4 In its written report, the Nomination Committee shall include a description of its work and considerations, as well as explanations regarding its proposals, in particular in respect of the following requirements regarding the composition of the Board of Directors:

- (i) candidates' age, principal education and work experience;
- (ii) any work performed by the candidates for the Company and other significant professional commitments;
- (iii) candidates' holdings of shares and other financial instruments in the Company and any such holdings owned by candidates' related natural or legal persons;
- (iv) whether the Nomination Committee deems the candidates to be independent of the Company and Group management, as well as of major shareholders of the Company;
- (v) in case of re-election, the year that the candidates were first elected to the Board of Directors; and
- (vi) other information that could be of importance to shareholders to assess the candidates' expertise and independence.

3.5 If an election for auditor shall take place at the AGM, the proposal of the Nomination Committee shall be based on a report to be prepared by the Company's Audit Committee, which report shall include an assessment of the independence and impartiality of the proposed auditor, as well as of the implications of services provided to the Company by the proposed auditor outside the scope of general audit work, if applicable.

3.6 The Nomination Committee shall at each AGM give an account of its work and present its proposals for resolutions at the AGM. All members of the Nomination Committee shall endeavour to be present at each AGM.

#### **4. Meetings of the Nomination Committee**

4.1 The Nomination Committee shall meet as often as is required for the performance of its duties. A notice of a meeting shall be circulated by the Chairman of the Nomination Committee in good time before each meeting, except as provided in article 2.4 in respect of the first meeting of each Nomination Committee. Any member of the Nomination Committee may reasonably request at any time during the mandate period that a meeting be convened and the Chairman shall comply with such reasonable requests.

4.2 The Nomination Committee shall be quorate if more than half of the members are present.

4.3 The Nomination Committee shall endeavour to reach unanimous decisions in all matters to be proposed to the AGM. If a unanimous decision cannot be reached, the Nomination Committee shall present to the AGM the

proposals approved by a majority of the members of the Nomination Committee and dissenting members may present their own proposals individually or jointly with other members of the Committee.

- 4.4 Meetings of the Nomination Committee shall be minuted and the minutes shall be signed by the person keeping the minutes and shall be attested by the Chairman and another member appointed by the Nomination Committee. If the Chairman has been assigned to keep the minutes, the minutes shall be attested by two other members appointed by the Nomination Committee.

## **5. Other**

- 5.1 All information which is provided to the members of the Nomination Committee by the Company and/or candidates, or which information the Nomination Committee members otherwise receive within the scope of their duties as Nomination Committee members, shall be treated as confidential and may not be disclosed to third parties without the prior approval of the Company.
- 5.2 No remuneration shall be paid to the members of the Nomination Committee. The Company may however cover reasonable out of pocket expenses that the members may occur in relation to work performed for the Nomination Committee.
- 5.3 The Nomination Committee shall yearly assess this Nomination Committee Process and shall propose changes to it to the AGM, as appropriate.