

## **Proposal from the Nomination Committee of Norwegian Energy Company ASA («Noreco») to the Extraordinary General Meeting of the company to be held 7 August 2019**

The Nomination Committee of Noreco comprises the following individuals:

Richard Sjøqvist (Chairman);  
Annette Malm Justad; and  
Kristian Utkilen

In connection with the Extraordinary General Meeting of Noreco in August 2019, the Nomination Committee submits the following proposal:

### **1. Board of Directors (Item 4, Election of Board of Directors)**

The Nomination Committee suggests the following Board of Directors

Riulf Karsten Rustad (Chair) (re-election)  
Lars Purlund (board member) (re-election)  
Marianne Lie (board member) (re-elected)  
Tone Kristin Omsted (board member) (re-election)  
Chris Bruijnzeels (board member) (new)  
Colette Cohen (board member) (new)  
Yves-Louis Darricarrère (board member) (new)

#### **Short CV's**

**Chris Bruijnzeels** holds a master in Mining Engineering from the University of Delft. He is president and CEO of ShaMaran Petroleum Corp. and has since 1985 worked with International Petroleum Corp, Lundin Petroleum, PGS Reservoir Consultants, Shell and NAM in various leading positions.

**Colette Cohen** has her education from Queen's University, Belfast, BSc (Hons) Pure & Applied Chemistry, 2:1. She has worked within the oil & gas sector since 1991, first for BP Exploration UK and thereafter for Reservoir Management Ltd. Between 1998 until 2013 she held various leading positions with ConocoPhillips. From 2013 until 2016 she was P&L responsible for Centrica E&P UK NL and is currently CEO of The Oil & Gas Technology Centre in Aberdeen.

**Yves-Louis Darricarrère** holds a master's degree in Economics and has his education from the Institut d'Etudes Politiques and is graduate of École Supérieure des Mines. He began his career with Elf Aquitaine in 1978 holding various leading positions. In July 2012, he became President of Total Upstream, which brought together Exploration & Production and Gas & Power; he filled the position until he retired in August 2015.

### **2. Board of Directors - remuneration (Item 6, Remuneration of Board of Directors)**

It is proposed that the Board of Directors receive the following remuneration:

**Remuneration****Board Member** (shareholder elected excluded Chairman of the Board):

- (a) USD 60,000 until the next ordinary general assembly

**Chairman of the Board:**

- (a) It is suggested that Riulf Rustad with effect of the calendar year of 2018 shall receive an annual remuneration as chairman of USD 500,000 on a yearly basis instead of NOK 450,000. In addition it is being suggested that Rustad shall for the calendar year of 2018 be provided a discretionary bonus of USD 200,000 based on achievements for Noreco. The current consultancy agreement between Riulf Rustad (through Ousdal AS) and Noreco will be terminated.
- (b) The compensations set out in paragraph (a) is conditional on the following:
  - (i) In the event the shareholders elect another chairman, Rustad shall receive a severance payment equal to a service of 12 months. The severance payment will not be applicable if Rustad resigns. The severance payment obligation is only be effective for 3 years, beginning from the agm of 2019.
  - (ii) It is understood that Rustad will have Noreco as its main area of focus, but he may support his investments in a reasonable degree. During his term he shall not be engaged (through the provision of services, material investments or any other material interest) in any company or business directly competing with Noreco or any of its activities.

**Stock option programme - Board Member (shareholder elected, excluding Riulf Rustad and Lars Purlund)**

In additional to the programme approved 8 November 2018 relating to options in respect of 1,510,000 shares to be allocated by the Board of Directors to Board Members and key personnel:

- (a) A stock option programme in which Noreco may issue one option for each share purchased by any Board Member (except of Riulf Rustad and Lars Purlund) up to a total of 10,000 shares for each Board Member. The option will be allocated as a right to buy a share at market price at the time of the award of the stock options. The vesting period before the exercise of any option is 3 years from the time of the award and may be allocated in 5 tranches. Upon a change of control of the Company, the option holder has a right to exercise all options awarded at the time of the change of control, irrespective of whether the options have vested at this point in time.
- (b) Both Riulf Rustad (Chairman of the Board) and Lars Purlund (Director of the Board) have provided consultancy services through Ousdal AS and S&U Trading ApS respectively. Based on discussion between the Nomination Committee and a majority of the shareholders, it is being proposed that Ousdal, for the calendar year of 2018,

shall be compensated with a success fee of USD 2,100,000 for the development of the company strategy and financial advice in 2018. The success fee is payable upon the closing of the Shell transaction as announced on 17 October 2018. Similarly it is proposed that S&U Trading ApS shall be compensated with a success fee of USD 1,500,000.

**3. Proposed remuneration to members of the Nomination Committee (Item 7, Approval of remuneration to Nomination Committee Members)**

The Nomination Committee proposes that remuneration for the upcoming period shall be kept at approximately the same level but that the level is changed from NOK 10,000 to USD 1,500 per meeting from the Extraordinary General Meeting in 2019 until the Annual General Meeting in 2020.

Oslo, \_\_\_\_ July 2019

Richard Sjøqvist (Chairman)  
Annette Malm Justad  
Kristian Utkilen