

## Notice of Annual General Meeting of AF Gruppen ASA

The Annual General Meeting of AF Gruppen ASA will be held on Wednesday 9 May 2018 at 10:30 CET in the company's offices at Innspurten 15, Oslo.

### Agenda

Item	Description	Enclosure no.:
1	Opening of meeting by Board Chairman Pål Egil Rønn and registration of shareholders attending. In accordance with Article 6 of the Articles of Association, the Chairman of the Board also chairs the meeting	
2	Election of at least one person to countersign the minutes	
3	Approval of the notice and the proposed agenda	
4	Briefing on the operations	
5	Briefing on the work of the Board, work of the Audit Committee and work of the Compensation Committee	1 and 2
6	Review of the Board of Directors' statement on the determination of fixed pay and other remuneration for senior employees, cf. section 6-16a of the Public Limited Liability Companies Act	3
7	Adoption of the annual accounts and annual report for 2017, including the consolidated accounts and distribution of dividends, and discussion of the statement on corporate governance	
8	Approval of auditor's fees	
9	Determination of the Directors' fees for the 2017 financial year	4
10	Election of Board of Directors	4
11	Election of nomination committee	4
12	Determination of the Nominating Committee's fees for the 2017 financial year	4
13	Authority to the Board to purchase treasury shares	
14	Authority to carry out private placing to employees	
15	Authorisation to the Board to increase the share capital by issuing new shares	
16	Authorisation for the Board to decide on distribution of dividends.	



AF Gruppen ASA has a share capital of NOK 4,898,050 made up of 97,961,000 shares, each with a face value of NOK 0.05. Each share gives the right to one vote at the company's general meetings. As at the date of this notice, AF Gruppen ASA owns 141,544 treasury shares.

The shareholders have the following rights in connection with general meetings:

- Right to attend general meetings, either in person or by proxy.
- Right to express themselves at general meetings and right to bring one adviser and give them the right to express themselves.
- Right to demand details from Board members and the CEO on matters that can have a bearing on the assessment of (i) the approval of the annual accounts and annual report, (ii) issues that are submitted to the shareholders for a decision and (iii) the company's financial position, including on the activity in other companies in which the company participates, and other issues to be dealt with by the General Meeting, unless the details that are demanded would cause disproportionate damage to the company.
- Right to propose alternatives to the Board's proposals for the issues to be dealt with by the General Meeting.

The shares are listed ex dividend on 11 May 2018. The dividend will be paid on 23 May 2018.

If you wish to appoint a proxy to represent you at the Annual General Meeting, please use the attached proxy form. Proxies must be appointed in writing and sent to the company by Monday 7 May 2018.

Registration for the Annual General Meeting must be in the company's hands no later than Monday 9 May 2018. Shareholders who have not registered by this deadline may be refused entry to the Annual General Meeting. Please use the registration slip you have been sent or notify us by telephone by calling 22 89 11 00 if you wish to attend the Annual General Meeting.

This notice of meeting with enclosures and the 2017 Annual Report are available on the company's website: [www.afgruppen.com](http://www.afgruppen.com).

In accordance with Article 6 of the Articles of Association, the appendices to the notice of meeting are not sent by post to the shareholders. Shareholders who wish to receive a copy of the 2017 Annual Report may contact the company c/o Lars Chr. Paulsen, tel. +47 900 25 969 or [lars.paulsen@afgruppen.no](mailto:lars.paulsen@afgruppen.no)

Oslo, 18 April 2018  
AF Gruppen ASA

Pål Egil Rønn  
Chairman of the Board

Enclosures:

Registration form

Proxy form

Report from the Audit Committee

Report from the Compensation Committee

Board of Directors' statement on the determination of fixed pay and other remuneration to senior executives

Report from the Nominating Committee

**Details of Items 7-9, and 12-16 on the agenda:**
**Item 7 Adoption of annual accounts and annual report for 2017, including the consolidated accounts and the distribution of dividends**

The Board proposes that the Annual General Meeting adopt the annual accounts and annual report.

It is proposed that a dividend of NOK 5.00 per share be paid for the 1<sup>st</sup> half-year of 2018. Of the NOK 5.00 dividend, NOK 3.75 will be distributed as repaid capital.

A dividend will not be paid for treasury shares.

**Item 8 Approval of auditor's fees**

The Board proposes payment of the auditor's fees as invoiced.

**Item 9 Determination of the Directors' fees for the 2017 financial year**

The Nominating Committee proposes the following fees:

Chairman of the Board	NOK 450,000	(440,000)
Deputy Chairman of the Board	NOK 245,000	(240,000)
Other Board members		
Shareholder-elected Board members	NOK 225,000	(220,000)
Employee-elected Board members	NOK 195,000	(190,000)
Deputy members	NOK 22,000 per meeting	(21,500)
Committee Chairman		
Compensation Committee	NOK 55,000	(55,000)
Audit Committee	NOK 75,000	(74,000)
Committee members		
Compensation Committee	NOK 40,000	(40,000)
Audit Committee	NOK 60,000	(58,500)

**Item 12 Determination of the Nominating Committee's fees for the 2017 financial year**

The Board proposes the following annual fee for the Nomination Committee (unchanged):

Chairman	NOK 40,000	(40,000)
Members	NOK 35,000	(35,000)

**Item 13 Authority to the Board to purchase treasury shares**

At the Annual General Meeting held on 12 May 2017, the Board was authorised to purchase treasury shares up until the Annual General Meeting in 2018, and in any case no later than 30 June 2018. The Board proposes that this authority be renewed until the Annual General Meeting in 2019, hence not beyond 30 June 2019.

The Board Proposes that the Annual General Meeting authorise the Board to purchase treasury shares within the limitations allowed by the Public Limited Liability Companies Act.

The purpose of this authority is to give the Company an opportunity to purchase shares in situations where this would be in the Company's interest.

**Proposal for adoption:**

*The Board is authorised to acquire the Company's own shares, including the establishment of charges created by agreement.*

*The highest nominal value of the shares the company may acquire is NOK 489,805, although at all times within the limitations set in section 9-2 of the Public Limited Liability Companies Act. The smallest amount that may be paid for a share is NOK 0.05. The highest amount that may be paid for a share is NOK 250.*

*When buying and selling treasury shares the company should seek to achieve the most favourable price possible. The Board is free with respect of the methods used to acquire and dispose of treasury shares, though always with the provision that the general principle of equal treatment of shareholders must be observed. For the sale of shares to employees and officers, shares may be sold at a discount of up to 20 % under the prevailing market price. Acquisition and disposal of treasury shares may thus occur, for example, with settlement in cash, with settlement by means other than cash or as settlement in connection with a merger or demerger.*

*The company's share capital is NOK 4,898,050 made up of 97,961,000 shares, each with a face value of NOK 0.05. If the share capital or face value of the shares is changed, the amounts specified in the second to fourth sentences shall be changed correspondingly.*

*This authority to the Board replaces the former authority dated 12 May 2017 and will apply until the date of the Annual General Meeting in 2019, although not after 30 June 2019.*

**Item 14**

**Authority to carry out private placing to employees**

In the last few years all of AF Gruppen's employees have been given an opportunity to buy shares at a 20% discount in relation to the average share price during the subscription period. It is desirable that similar opportunities are provided in 2018.

As of today's date, the Company owns 141,544 treasury shares. In order to obtain a sufficient number of shares to enable this sale of shares to employees, it may be necessary to issue new shares. Therefore, the Board asks the Annual General Meeting to authorise it to issue a limited number of shares for employees so that employees may buy shares in the Company in 2018.

**Proposed for adoption, cf. sections 10-14 to 10-19 of the Public Limited Companies Act:**

*The Board is authorised to increase the share capital by issuing new shares.*

*The share capital may be increased by a total of up to NOK 50,000 through the issuing of up to 1,000,000 shares, each with a face value of NOK 0.05. The authority can be exercised through one or more issues. The statement of the share capital and number of shares in Article 4 of the Articles of Association shall be changed correspondingly.*

*The power of attorney may only be used to issue shares in connection with the Company's share programme and incentive programme for employees in the Group.*

*The Board may decide to deviate from the shareholders' pre-emptive right to subscribe for shares under section 10-4 of the Public Limited Companies Act.*

*The authorisation is valid until the date of the Annual General Meeting in 2019, but not later than 30 June 2019.*

## Item 15

### **Authorisation for the Board to increase the share capital by issuing new shares**

The Board proposes that the Annual General Meeting authorises the Board to increase the share capital by up to NOK 146,941.50 (3% of the presently registered paid-in share capital) by issuing new shares. This authorisation is valid until the 2019 Annual General Meeting, but not later than 30 June 2019.

The justification for the proposal is that the authorisation will provide greater flexibility in connection with acquisition of business.

#### ***Proposed for adoption, cf. sections 10-14 to 10-19 of the Public Limited Companies Act:***

*The Board is authorised to increase the share capital by issuing new shares. The share capital may be increased by up to NOK 146,941.50. The authority can be exercised through one or more issues. The statement of the share capital and number of shares in Article 4 of the Articles of Association shall be changed correspondingly.*

*The Board may decide to deviate from the shareholders' pre-emptive right to subscribe for shares under section 10-2 of the Public Limited Companies Act.*

*The Board may decide that share contributions may be assets other than cash, or the right to involve the company in special obligations pursuant to section 10-2 of the Public Limited Companies Act. If share contributions are to be settled by assets other than cash, the Board may decide that such assets be transferred to subsidiaries in return for corresponding settlement between the subsidiary and AF Gruppen ASA.*

*The authorisation also applies in the event of a decision to merge, pursuant to section 135 of the Public Limited Companies Act. The authorisation may also be used in those cases discussed in section 5-15 of the Stock Exchange Act.*

*This authority is valid from and including 9 May 2018 until and including the date of the Annual General Meeting in 2019, although not after 30 June 2019.*

## Item 16

### **Authorisation for the Board to decide on distribution of dividends**

AF Gruppen's dividend policy is to provide shareholders with a competitive dividend yield. The dividend must be stable and ideally rise in line with the earnings performance. The dividend must reflect the company's earnings and financial position and must over time comprise a minimum of 50% of the company's earnings.

At the Annual General Meeting on 12 May 2017 it was decided that the payment of dividends shall take place up to twice yearly, preferably after the Annual General meeting and after presentation of the quarterly report for Q3. The Board will recommend to the Annual General Meeting that this decision shall also apply for 2018.

***Proposal for adoption:***

*In accordance with Section 8-2 (2) of the Public Limited Liability Companies Act, the Board is granted authorisation to decide on the distribution of dividends on the basis of the company's annual accounts for 2017.*

*This authorisation is valid until the 2019 Annual General Meeting, but not later than 30 June 2019.*

# Registration

for the

## Annual General Meeting of AF Gruppen ASA on 9 May 2018

The undersigned, the holder of ..... shares in AF Gruppen ASA, will attend the company's annual general meeting on 9 May 2018 at 10:30 CET.

place....., date ..... /..... 2018

.....

Signature

.....

Name in block capitals

Registration must be in the company's hands no later than Monday 7 May 2018.  
The registration form can be sent to the company by mail or by e-mail ([generalforsamling@afgruppen.no](mailto:generalforsamling@afgruppen.no))

# Authorisation to the Annual General Meeting of AF Gruppen ASA

The undersigned, the holder of ..... shares in AF Gruppen ASA, hereby authorizes

..... to attend and vote for my shares in  
(block capitals)

AF Gruppen ASA at the Annual General Meeting on **9 May 2018**.

**My/our voting instructions are as follows (please mark below as applicable):**

Issue	For	Against	Abstain
3 Approval of the notice and the proposed agenda			
7 Approval of annual accounts and annual report			
9 Directors' fees			
10 Election of Board members, the recommendations of the Nomination Committee, together			
<i>Or individual votes:</i>			
10.1 Bømark, Hege (re-election)			
10.2 Holth, Kristian (re-election)			
10.3 Lunde, Borghild (re-election)			
10.4 Rønn, Pål Egil – Chairman (re-election)			
10.5 Bøyum, Gunnar (re-election)			
10.6 Baumann, Arne (new)			
11 Election of Nomination Committee, the recommendations of the Nomination Committee, together			
<i>Or individual votes:</i>			
11.1 Groth, Peter (re-election)			
11.2 Engeland, Roar (new)			
11.3 Johnsen, Marianne E. (new)			
11.4 Holth, Roy G. (new)			
12 Determination of the Nomination Committee's fees			
13 Authority to the Board to purchase treasury shares			
14 Authority to carry out private placing to employees			
15 Authorisation to the Board to increase the share capital by issuing new shares			
16 Authorisation for the Board to decide on distribution of dividends.			

If no voting instructions are given the authorised party is free to vote on behalf of the shareholder.

Authorisation must be in the company's hands no later than 7 May 2018. (send by e-mail to: [generalforsamling@afgruppen.no](mailto:generalforsamling@afgruppen.no))

place....., date ..... / ..... 2018

.....  
Signature

.....  
Name in block capitals





## Report from the Audit Committee 2017/2018

The Company's Audit Committee is made up of three shareholder-elected Board members:

Hege Bømark (Chairman)  
 Borghild Lunde  
 Gunnar Bøyum

Company CFO Sverre Hærem participates at all Committee meetings.

The Company's auditor, Rita Granlund, participated in all meetings.

The purpose of the Audit Committee is to assist the Group Board with the management and performance of the Board's supervisory duties pursuant to sections 6-12 and 6-13 of the Public Limited Liability Companies Act. The Audit Committee's mandate is adopted by the Group Board and described in the "Mandate for the Group Board's Audit Committee".

The following duties are included in the Audit Committee's mandate:

- Assess the Group's financial and account reporting
- Evaluate the auditing, nominate an auditor for election and explain the auditor's fees broken down by auditing and other services to the Annual General Meeting.
- Assess the Company's internal controls, including:
  - Group's management of risk
  - Group's internal control functions and authority matrix
  - Group's cash management
  - Group's ability to perform assessments, improve, execute and follow up investment decisions
  - Organisational matters related to financial reporting and control in the Group

The Audit Committee has held six meetings since the last Annual General Meeting. The Audit Committee has reviewed the following matters:

- Account reporting:
  - Review of quarterly reports
  - Preliminary results for 2017
  - Annual accounts and annual report for 2017
  - Impairment test of intangible assets including AF AeronMollier
  - Evaluation and weighting of annual report
  - Tax – the year's income tax expense and current tax payable
- Audits
  - Audit plan 2017
  - Interim audit, including:
    - Project understanding, accounting management, risk management
  - Review of audit for 2017
  - Assessment of auditor's fees
  - Assessment of auditor's independence
- Internal control
  - Principles and model for impairment tests
  - Review of rules and regulations the audit committee must relate to
    - IFRS 15 – new revenue recognition standard
  - Risk in AF Gruppen – including risk in major projects
  - Handling of the privacy regulations (GDPR)

The Audit Committee has provided its recommendation for the issues it has dealt with for final resolution by the Board.

Oslo 22 March 2018  
 Hege Bømark

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## Report from the competence and compensation committee 2017/2018

In the current period the board determined that the committee previously named the Compensation Committee "CC" should change its name to the Competence and Compensation Committee (CCC). The committee shall also act as an advisory body in competence and leadership issues, and the name change reflects this purpose.

The Company's Competence and Compensation Committee (CCC) is made up of three shareholder-elected board members.

- Daniel Kjørberg Siraj (Chairman)
- Kristian Holth
- Pål Egil Rønn

The Company's CEO, Morten Grongstad, participates in the meetings.

The purpose of the Competence and Compensation Committee is to act as a preparatory body for the Board in matters that concern the evaluation and fixing of pay and other remuneration determined for the CEO, in addition to being an advisor to the CEO in connection with determining the terms for members of the Corporate Management Team. The Committee must follow up the group's overall work on competence and management development and provide advice on such matters, including management evaluations and succession planning.

The Committee's mandate is adopted by the Group Board and described in the "Mandate for the competence and compensation committee"

The Committee's work includes questions related to salary, bonus, options, severance pay, early retirement and retirement pension, as well as follow-up of the company's overall work on competence and management development.

The following tasks are included in the Compensation Committee's mandate:

- Evaluate whether the remuneration of the CEO and the rest of the Corporate Management Team is appropriate and adapted to the operations.
- Prepare and recommend proposals for the compensation of the CEO, including adjustment of the fixed pay, bonuses and other incentive schemes and present these to the Board for evaluation and a decision.
- Prepare and present the employees' participation in any new issues, share programmes, etc. to the Board.
- Present guidelines for the remuneration of senior executives to the Board, which will be presented to the Annual General Meeting for their information/approval after review by the Board.
- Prepare and present other significant personal matters that are related to the compensation of senior executives to the Board.
- Follow up the company's management development and succession planning and be a consultant on matters related to organizational development.

The Competence and Compensation Committee (CCC) has held three meetings since the Annual General Meeting on 12 May 2017. The following matters have been reviewed:

Change of mandate and description of tasks for the Competence and Compensation Committee

- The objects clause of the Committee is extended to also include work with organization and management development in addition to succession planning. The Committee must follow up the group's overall work on competence and management development and provide advice on such matters, including management evaluations and succession planning.
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- The Committee changed its name from the “Compensation Committee” to the “Competence and Compensation Committee” as a result of the change in mandate and description of tasks.

#### Determination of the CEO's remuneration

- Determination of salary and bonus for the CEO in 2017. There was no increase in fixed salary for the CEO in 2017.
- Processing and approval of the CEO's bonus agreement for 2018. The bonus rate from 2017 is extended.

#### Guidelines for compensation for the Corporate Management Team of AF in 2018

- Moderate fixed salary adjustment for the Corporate Management Team.
- Continuation of bonus rate from 2017.

#### Review of the bonus programme in AF Gruppen

- The committee has considered the assumptions for the model behind the bonus calculation for corporate management and executive employees, as well as the pros and cons of the model.
- The model for bonus calculation in the business units is perceived as simple and predictable, and has simultaneously managed to increase focus on for example customer and supplier satisfaction and innovation as key goals for the company.
- The main conclusion is that today's bonus programmes have had the desired effect in relation to the company's performance, and represent competitive terms for the employees in combination with a fixed salary.
- The guidelines and principles for calculating bonus in 2018 will be continued

#### Organization development and succession planning

- AF Gruppen is perceived as an attractive employer. The quality of recruitment that is carried out directly from schools and among experienced candidates is excellent.
- Growth that lies ahead due to the increase in the order backlog will impose great demands on AF's ability to cultivate new hires and develop new generations of leaders. This is probably the most important focus area and the greatest risk factor in the coming years.
- For corporate management it is a clear priority to produce more women managers, and a separate workgroup has been established to develop specific measures for the company.
- Succession planning takes place at several levels in AF, and the overall talent pool of managers in the company is perceived as good. The model of recruiting senior managers internally works well and contributes to ensuring a continuation of a strong AF culture in the company.

Oslo, 22/03/2018

Daniel Kjørberg Siraj

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## **Board of Directors' statement on the determination of fixed pay and other remuneration to senior executives**

The Board of Directors has prepared the following statement on the determination of fixed pay and other remuneration to senior executives pursuant to Section 6-16a of the Public Limited Liability Companies Act.

Senior executives are defined as the Corporate Management Team, which consists of the CEO and executive vice presidents.

### **1. Determination of fixed pay and other remuneration for senior employees**

#### *Main principles*

- The salaries of senior executives are made up of a fixed component, the base salary, and a variable component in the form of a bonus. The sum total of the base salary and bonus constitutes the total remuneration the employees receive for their services.
- The scope of the variable component of the remuneration depends on to what degree the defined economic targets are achieved.
- The total remuneration that is offered shall be competitive in relation to comparable positions and the market.
- The Compensation Committee is the Board of Directors' advisor for the evaluation of the terms for senior executives.

#### *Determination of the CEO's remuneration*

The Board of Directors determines the CEO's remuneration in consultation with the Compensation Committee. The CEO has otherwise the same employment terms and notice period as other employees. There are no agreements relating to severance pay or early retirement.

#### *Determination of the remuneration of executive vice presidents*

The Board of Directors establishes guidelines for the remuneration of executive personnel in consultation with the CEO. There are no agreements relating to severance pay or early retirement.

#### *Bonus*

Bonuses for senior executives are based on the EVA (Economic Value Added) model. EVA is a method of calculating and analysing value creation in the Group and in economic units below group level. Bonuses based on the EVA model for senior executives are linked to the Group's value creation and the individual business area through the financial year.

Of the total bonus earned, 25% can be used to buy shares at a 20% discount and the remainder is paid in cash. The lock-in period for the shares is one year.

#### *Purchase of treasury shares*

Shares can be sold to senior executives, subject to the approval of the Board of Directors at a 20 % discount on the prevailing market price. Shares are offered to senior executives in the same way as to other employees.



### *Options*

At the AGM on 15 May 2014 it was decided to establish a new option scheme for all employees of AF Gruppen. The maximum number of options that could be allotted was 4,500,000.

1,133 employees redeemed 3,253,346 options in March 2017.

The Annual General Meeting 12 May 2017 approved a new option programme for employees. The maximum number of options that could be allotted was 3,500,000. Each option entitles the holder to purchase one AF Gruppen share. This options programme means that the Group's employees were given the opportunity to buy options in each of the years 2017, 2018 and 2019, and allotment started in June 2017. The Board has the authority to distribute options between different groups of employees.

The employees paid NOK 1.00 per option. The exercise price was set at the market value of the shares on the time of the subscription.

The exercise of the options will take place during the first quarter of 2020, at the Board's further decision. Exercising options and purchasing shares is conditional on the employee being employed by the Group as at 1 March 2020.

### *Retirement benefit scheme and payments in kind*

Senior executives participate in the Group's retirement benefit scheme and receive payments in kind in the form of allowances for work travel, data connections and mobile telephones on par with that of other employees.

## **2. Compensation policy in force in 2017**

### *Determination of the CEO's remuneration*

The terms for the CEO were set by the Board of Directors. The remuneration paid in 2017 was in accordance with the agreements entered into, and a bonus was paid for the 2016 financial year in addition to the salaries for 2017.

### *Determination of the remuneration of executive vice presidents*

The terms for the executive vice presidents were set by the CEO in consultation with the Board of Directors. The remuneration paid in 2017 was in accordance with the agreements entered into. A bonus was paid for the 2016 financial year.

Executive vice presidents' bonuses are paid on the basis of the EVA achieved in the Group.

## **3. Effect of changes to the compensation schemes agreed on in 2017**

There have been no changes in the compensation schemes in 2017, which differ from 2016.

## **4. Guidelines for the determination of fixed pay and other remuneration for 2018**

The determination of fixed pay will follow the same principles in 2018 as in 2017.

For further information, please refer to notes 7 and 32 in the annual report.



## Recommendations of the Nominating Committee to the Annual General Meeting of AF Gruppen ASA, 9 May 2018

### 1. The Nominating Committee's work

The Nominating Committee has met with the board members and the CEO in order to evaluate the Board's work on behalf all the Company's shareholders. In addition, discussions have been held with several major shareholders. On the basis of these, the Nominating Committee will propose that the Annual General Meeting elects one new Board member and three new members for the Nominating Committee.

At the Annual General Meeting in 2009 the Articles of Association were amended so that up to two alternate members with the right to attend Board meetings could be elected. The Nominating Committee recommends that this arrangement be maintained, and that a permanently attending alternate is elected at this year's Annual General Meeting.

### 2. Election of Board members and the Board Chairman

Shareholder-elected Board members are up for election every year. The Nominating Committee submits the following proposal to the General Meeting:

The following individuals should be elected as Board members for one year:

Bømark, Hege (re-election)  
 Holth, Kristian (re-election)  
 Lunde, Borghild (re-election)  
 Rønn, Pål Egil (re-election)  
 Baumann, Arne (new)

Alternate representatives:

Gunnar Bøyum (re-election)

The Nominating Committee proposes that the Annual General Meeting re-elects Pål Egil Rønn as the Chairman of the Board.

### 3. Remuneration for the Board and Nominating Committee for the election period until the Annual General Meeting for the 2017 financial year

The Nominating Committee submits the following remuneration proposal for approval:

Chairman	:	NOK 450,000	(440,000)	
Deputy Chairman	:	NOK 245,000	(240,000)	
Other Board members				
shareholder-elected	:	NOK 225,000	(220,000)	
employee-elected	:	NOK 195,000	(190,000)	
Alternate(s)	:	NOK 22,000	(21,500)	(per meeting)
Committee members				
Compensation Committee	:	NOK 40,000	(40,000)	
Audit Committee	:	NOK 60,000	(58,500)	
Committee Chairman				
Compensation Committee	:	NOK 55,000	(55,000)	
Audit Committee	:	NOK 75,000	(74,000)	



The Board proposes the following for adoption concerning the remuneration of the Nominating Committee:

Chairman of the Nominating Committee:	NOK 40,000	(40,000)
Members of the Nominating Committee:	NOK 35,000	(35,000)

#### 4. Nominating Committee

The Board submits the following proposal to the Annual General Meeting:

The following shall be elected to the Nominating Committee for one year:

Peter Groth (re-election)  
 Roar Engeland (new)  
 Marianne E. Johnsen (new)  
 Roy G. Holth (new)

It is proposed that Roar Engeland is elected as Chair.

Oslo, 22/03/2018

Tore Thorstensen                      Peter Groth  
 Chair

#### Brief personal details of the Committee's proposed candidates for the new election:

##### Board:

**Arne Baumann** (55) is the executive vice president for residential development with OBOS. Baumann has extensive experience from both residential and commercial property. He has worked for OBOS since 2002 and headed the residential division from 2005 to 2011 before being appointed EVP of commercial property and managing director of OBOS Forretningsbygg AS in 2012. In 2015 he was appointed EVP of residential development. He has formerly worked for Elektrisk Bureau and ABB. He is a graduate economist from the Norwegian Business School and holds an MBA from the University of Wisconsin-Madison.

##### Nominating Committee:

**Roar Engeland** (1960) has previously worked for Orkla ASA as executive vice president with responsibility for strategy development and M&A and as managing director for Orkla's investment and real estate business. He also has experience from McKinsey & Company and as an army officer. Engeland has extensive experience as a chairman and board member in industrial, investment and real estate businesses. He is currently chairman of OBOS BBL and Norconsult AS, among others. Engeland has a doctor's degree in philosophy from the University of Oslo, and an MBA from INSEAD, and graduated from the Army's military academy.

**Marianne E. Johnsen** (1963) is founder and partner in the investment and consulting company Cascata AS. She has long domestic and international management experience, including from Elkem, and she holds a number of directorships, among them Chair of the Norwegian Seafood Council and member of Norway Royal Salmon ASA's board. She is also chair and member of several nominating committees. Johnsen has a law degree from the University of Oslo and an MBA from Solvay Business School in Brussels.

**Roy G. Holth** (1956) is the owner and general manager of Gunnar Holth Grusforretning AS. Holth holds a number of positions as chairman and board member of various industrial and real estate companies. Holth is among the largest shareholders of AF Gruppen ASA through the family-owned company Constructio AS.