

ITEM 4:

BOARD OF DIRECTORS' STATEMENT REGARDING SALARY AND OTHER REMUNERATION OF EXECUTIVE PERSONNEL IN LERØY SEAFOOD GROUP ASA

Statement regarding salary and other remuneration of executive personnel in Lerøy Seafood Group ASA. The guidelines for the previous financial year have been followed by the company. Application of the same guidelines is recommended for the upcoming financial year.

The guidelines are of an instructive nature for the Board of Directors, with the exception of the items related to options and other benefits based on shares or the development of share price, which is binding.

MAIN PRINCIPLES IN THE COMPANY'S SALARY POLICY

The Group's development is closely linked to the Group's ability to recruit and retain executive personnel and the Group employs various models for remuneration of executive personnel at competitive terms. Executive personnel receive salary according to market terms. Remuneration varies over time both in respect of level and form of payment. In addition to the annual salary, the Group also pays performance-based bonuses limited to one year's salary, lump sum payments, sign-on fees, arranged leave of absence, educational opportunities and option agreements. The Group does not currently have an option programme. The Group has collective pension schemes.

For logical reasons and to date, the Chairman of the Board has on behalf of the Board handled all practical matters in respect of agreements with the Group CEO. Remuneration of other senior executive personnel is determined by the CEO in consultation with the Chairman of the Board.

Remuneration is reviewed annually, but is assessed over several years in order to secure continuity.

PRINCIPLES FOR COMPENSATION IN ADDITION TO BASE SALARY

Basis: Base salary

Salaries to executive personnel must be competitive. Lerøy Seafood Group aims to attract and retain the most talented management.

The base salary is normally the main element of executive personnel salaries. There is at present no particular limit on the total compensation a senior staff member may earn.

Additional compensation:

Bonus scheme

The compensation earned by executive personnel must inspire high performance and must be structured to motivate extra efforts towards continuous improvement of operations and the company's performance.

The Group utilises performance-based bonuses of maximum one year's salary.

Options

The Group does not currently have an option programme.

Pension schemes

All companies in the Group satisfy the requirements in the Act relating to mandatory occupational pensions (Norwegian: OTP). At the time of writing, the Group only practices defined contribution pension plans.

The Group's executive personnel participate in the company's collective pension plans.

Severance pay

The Board limits the use of so-called severance pay agreements, but these have been practised in a few cases, albeit limited to two years' salary. Severance pay may at times be a good alternative for all parties involved.

Non-pecuniary benefits

Executive personnel will normally receive non-pecuniary benefits commensurate with their positions. There are no particular limitations on the type of non-pecuniary benefits that can be agreed.

Other benefits

In connection with public share issues, the first of which took place in 1998, the company's employees have been granted the right to subscribe to a limited number of shares at a discounted price (20%).

PROCEDURE FOR STIPULATION OF EXECUTIVE PERSONNEL SALARIES

Introduction

For information on remuneration of individual executive personnel, please refer to the relevant note to the accounts.

Stipulation of salary for Group CEO

Remuneration for the Group CEO is determined annually by the Chairman of the Board with authority from the Board.

Stipulation of salary for Group management

Remuneration of each person within the Group management is determined by the CEO in consultation with the Chairman of the Board. The Board of Directors shall be subsequently informed of the decision.

Establishment of incentive schemes

General schemes for payment of variable benefits, including bonus schemes are established by the Board of Directors. The Group CEO allocates such incentive schemes and other benefits to the Group's executive personnel within the boundaries established by the Board.

Remuneration of the Board of Directors

Board remuneration is not performance based. The Board members have no share options. The Board's remuneration is determined annually by the ordinary general meeting.

STIPULATION OF SALARY FOR EXECUTIVE PERSONNEL IN OTHER GROUP COMPANIES

Other companies in Lerøy Seafood Group shall adhere to the main principles in the Group's executive personnel salary policy as they are described in item one above.

ITEM 5:

APPROVAL OF THE ANNUAL REPORT AND FINANCIAL STATEMENT OF THE PARENT COMPANY AND THE CONSOLIDATED REPORT AND FINANCIAL STATEMENT FOR 2016, INCLUDING DISTRIBUTION OF DIVIDEND

In accordance with the company's Articles of Association, article 6 second paragraph, documents to be reviewed during the General Shareholders' Meeting are published on the company's web site www.lsg.no. These documents are therefore not distributed together with the notice of the meeting.

The Board's proposed allocation of the annual profit of NOK 1,503,136,000 this year implies that NOK 728,630,216 shall be transferred to other equity while NOK 774,505,784 shall be paid as dividends to the Company's shareholders.

The Board proposes the following resolution to the General Shareholders' meeting:

The annual financial statements and report are approved.

Dividend shall be paid in the amount of NOK 774,505,784 equivalent to NOK 13.00 per share. The dividend shall be paid to the shareholders who are registered shareholders of Lerøy Seafood Group ASA as of 23 May 2017. The shares of the Company shall be traded ex dividend from and including 24 May 2017. The dividend shall be paid on or about 2 June 2017.

NOK 728,630,216 shall be transferred to other equity.

ITEM 6:

STIPULATION OF REMUNERATION TO THE MEMBERS OF THE BOARD OF DIRECTORS, THE NOMINATION COMMITTEE, THE AUDIT COMMITTEE AND TO THE AUDITOR

The Nomination Committee proposes following remuneration:

6 a) Remuneration to the members of the Board of Directors

- *Remuneration to the Chairman of the Board: NOK 375,000*

The remuneration is not paid to the Chairman of the Board in the form of board remuneration that represents a duty to report. Lerøy Seafood Group ASA is invoiced for the services of the Chairman, and for consultancy fees related to the role as working Chairman of the Board from the Group's ultimate parent company, Laco AS, where the Chairman of the Board is an employee. The consulting fees totalled NOK 4,469,227 in 2016.

- *Remuneration to other board members: NOK 200,000*

6 b) Remuneration to the Nomination Committee

- *NOK 35,000 per member*

6 c) Remuneration to the Audit Committee

- *NOK 40,000 per member*

6 d) Remuneration to the Auditor

The auditor's fee was approved as stated in Note 10 in LSG ASA's consolidated financial statements and totalled NOK 2,309,000 in 2016.

**ITEM 7:
REPORT REGARDING CORPORATE GOVERNANCE**

The Board of Directors refers to the provisions of section 3-3b of the Norwegian Accounting Act which stipulates that issuers in Norway with a statutory obligation to keep accounts and which hold securities listed on a regulated market shall provide a report on the principles and practices for corporate governance in the Board of Directors' report or in a separate document to which reference is made in the Board of Directors' report. The Board of Directors also refers to section 5-6 fourth paragraph of the Norwegian Public Limited Liability Companies Act which stipulates that companies with a statutory obligation to provide such a report on corporate governance pursuant to section 3-3b of the Norwegian Accounting Act, shall also discuss this report during the general shareholders' meeting.

Lerøy Seafood Group complies with the Norwegian recommendation for corporate governance dated October 2014 and published in the Norwegian Code of Practice for Corporate Governance (NUES, available at www.nues.no). The recommended code of practice shall help clarify the distribution of roles among shareholders, board members and management, in addition to that required by legislation. The company also refers to circular 2/2006 issued by the Oslo Stock Exchange which stipulates that listed companies shall prepare a report on corporate governance to be included in the company's annual report.

The report must cover every section of the code of practice. The code of practice is based on the "comply or explain" principle which also forms the basis for the company's report.

In the Board of Directors' report for 2016, the company has described its principles and practice for corporate governance, and the Board of Directors therefore refers to the report provided in the Board of Directors' report, and the separate chapter in the company's annual report on corporate governance. The Board of Directors also refers to the fact that the general shareholders' meeting is not expected to specifically approve the report, and that the report is for information purposes only.

**ITEM 8:
ELECTION OF BOARD OF DIRECTORS**

Election of Board of Directors:

Please see the recommendation from the Nomination Committee.

**ITEM 9:
THE BOARD'S PROPOSAL REGARDING SHARE SPLIT**

Based on the Board of Directors objective to strengthen the liquidity of the share, including recommendations normally made by the investment banks in relation to the market price for the shares upon registration for listing on the Oslo Stock Exchange, the company think it is correct to carry out a 1:10 share split by converting 59,577,368 shares each with a nominal value of NOK 1 to 595,773,680 shares each with a nominal value of NOK 0.10.

As a result, the number of shares held by the company's current shareholders will be multiplied by ten. The company's share capital will not change and neither will the value of each shareholder's shareholding. The Board of Directors believes that this will be a positive move for the value of the shares in time as it will attract more investors.

The Board of Directors recommends the following resolution to the General Shareholders' Meeting:

The General Shareholders' Meeting of Lerøy Seafood Group ASA decides to split the shares by ten so that the nominal value of the shares is changed from NOK 1 to NOK 0.10 and the total number of shares is increased from 59,577,368 to 595,773,680. Article 4 of the Articles of Association will be changed accordingly”.

ITEM 10:

THE BOARD'S PROPOSAL REGARDING RENEWAL OF BOARD MANDATE TO PURCHASE THE COMPANY'S OWN SHARES

On 24 May 2016, the ordinary General Shareholders' Meeting granted to the Board of Directors a mandate to purchase up to 5,000,000 of the company's own shares, each with a nominal value of NOK 1. The purchase price must be no lower than NOK 10 and no higher than NOK 550 per share. The Board is free to choose the methods of acquisition and disposal. This proxy is valid until 24 November 2017.

It is the opinion of the Board that the Board of Directors should continue to have the right to purchase the company's own shares, and that the existing mandate should be renewed.

It is conceivable that situations could arise in the future where the Board will judge that the market's pricing of the Company's shares does not reflect the underlying values and that, the Company has ample equity and cash flows and otherwise limited investment opportunities that the Board finds attractive. The purchase of own shares in such a situation may represent an improvement in return for the company's existing shareholders. Such purchases are also generally viewed as positive by the equity market because of the signalling effect they have with respect to the administration's expectations for the future of the company.

The possession of own shares will also provide the Board with greater flexibility with respect to future acquisitions, mergers and the establishment of cooperative ventures.

Finally, the purchase of own shares may be used in connection with a possible establishment of share savings program by the employees of the company or its subsidiaries.

The Board proposes that the general shareholders' meeting makes the following resolution:

- 1. The Board is hereby authorised pursuant to Section 9-4 of the Public Limited Liability Companies Act to purchase on behalf of the Company up to 50,000,000 shares, each with a nominal value of NOK 0.1. The lowest amount that shall be paid for the shares is NOK 0.1 per share, and the highest amount is NOK 100 per share.*
- 2. The Board shall be granted freedom with respect to purchase methods and sales.*
- 3. The mandate shall apply for 18 months from the date of the resolution.*
- 4. The mandate replaces the mandate to purchase the Company's own shares, which the Board was assigned at the general shareholders' meeting on 24 May 2016.*

ITEM 11:**THE BOARD'S PROPOSAL REGARDING RENEWAL OF BOARD MANDATE TO INCREASE THE SHARE CAPITAL BY ISSUING NEW SHARES THROUGH PRIVATE PLACEMENTS DIRECTED AT EXTERNAL INVESTORS, EMPLOYEES AND CERTAIN SHAREHOLDERS OF LERØY SEAFOOD GROUP ASA**

On 24 May 2016, the General Shareholders' Meeting authorised the Board of Directors to increase the share capital by up to NOK 5,000,000 by issuing new shares through private placements. The mandate permitted the waiver of pre-emptive rights and included mergers.

The mandate was exercised in 2016. The Board finds it appropriate that an equivalent board mandate should be renewed, including the possibility for the Board to be able to derogate from the shareholder's pre-emptive rights. The Board expects to see continued restructuring and internationalisation in the seafood industry. Lerøy Seafood Group ASA will therefore continually assess the potential for organic growth, the possibilities for establishment of share savings program by the employees, the possibilities for acquisition and merger alternatives, and possible alliances that may enhance the basis for further profitable growth, both in order to capitalise on the value that has been created and for the company to position itself for further value creation.

This Board mandate will afford the Company the necessary financial flexibility to be able to quickly obtain the necessary liquidity and/or shares that the Board finds necessary to be able to ensure further profitable growth.

The Board proposes that the general shareholders' meeting makes the following resolution:

- 1 *The Board is hereby authorised pursuant to Section 10-14 of the Public Limited Liability Companies Act to increase the share capital by up to NOK 50,000,000 by issuing up to 50,000,000 shares in Lerøy Seafood Group ASA, each with a nominal value of NOK 0.1, by one or more private placements directed at the Company's shareholders and/or external investors.*
- 2 *The mandate applies for two years from the resolution date.*
- 3 *The shareholders' pre-emptive rights to subscribe pursuant to Section 10-4 of the Public Limited Liability Companies Act can be set aside, cf. Section 10-5 of the Public Limited Liability Companies Act. The mandate applies to both contributions of assets other than money and/or the right to impose special obligations on the Company, cf. Section 10-2 of the Public Limited Liability Companies Act. Furthermore, the mandate includes a merger resolution pursuant to Section 13-5 of the Public Limited Liability Companies Act.*
- 4 *The mandate replaces the mandate to increase the share capital through the issue of new shares granted at the General Shareholders Meeting on 24 May 2016.*
- 5 *The Board shall be authorised to carry out the amendments to the Articles of Association necessitated by the share capital increase.*