

Terms of Reference – Nomination Committee

(To be approved by 2015 Annual General Meeting on 17 April 2015)

1. Composition

The Committee Chair and the other members of the Nomination Committee shall be appointed by the Annual General Meeting (AGM). The Committee shall consist of three members.

The appointed members of the Nomination Committee shall evaluate and recommend candidates for the Committee for approval of the AGM.

All members shall be independent of the executive management and at least one member must be independent of the Board of Directors (BoD).

The BoD members or the Company's executive team should not be part of the Nomination Committee in accordance with common accepted principles for good corporate governance. The members of the Committee should be selected to take into account the interests of shareholders in general.

The Nomination Committee will propose the term for the new Committee which will be subject to the approval of the AGM. The term proposed cannot exceed one year.

2. Quorum

The Committee Chair and at least one member must be present to form a quorum. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

3. Meetings

The Committee shall meet as often as it deems appropriate and necessary, but at least once annually. The meetings can take place either in form of physical meetings or phone conferences. The Chairman of the BoD and the CEO shall be invited to attend at least one meeting of the Committee before it submits its final recommendation, but they will not have voting rights.

4. Notice of Meetings

Meetings of the Committee shall be convened by the Committee Chair at the request of any member thereof, by the Chairman of the BoD, other members of the BoD, or the CEO.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed shall be forwarded by the Committee Chair to each member of the Committee and any other person required to attend, in reasonable time prior to the date of the meeting.

5. Minutes of the Meetings

Minutes shall be taken of the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. Minutes shall be signed by the Committee Chair and one other member of the Committee.

Minutes of Committee meetings shall be circulated to all members of the Committee.

6. Duties and Authorities

The duties of the Committee are to evaluate and submit a recommendation to the AGM on the following matters:

- Nominees for election as members of the BoD and the chairman of the BoD;
- Nominees for election as members of the Committee and the term for such members;
- The proposed remuneration of the BoD and the members of the Committee;
- Any proposed amendments to the Committee Terms of Reference.

The Committee shall pay particular attention to the following principles when carrying out its work:

- The Committee shall operate in accordance with common accepted principles for committee work.
- The Committee shall in each meeting have access to a register of the Company's shareholders.
- The Committee shall consider the size and composition of the BoD and make recommendations to the AGM for changes in the size of the BoD as appropriate. The size of the BoD proposed cannot consist of less than three shareholder elected members or exceed eight shareholder elected members.
- The Committee shall entertain appropriate contact and dialogue with shareholders, members of the BoD, the Company's management and external advisors to fully understand the Company's development and challenges.
- The Committee shall take steps to ensure that shareholders have an opportunity to propose candidates for the BoD and the Committee.
- The Committee shall attach weight to whether the proposed candidates have the necessary qualifications to serve as officers of the Company. In assessing the qualifications of prospective members of the BoD and the Committee, the Committee shall consider each prospective member's personal and professional integrity, experience, skills, ability and willingness to devote the time and effort necessary to be an effective director or Committee member, and commitment to acting in the best interests of the Company and its shareholders. Consideration shall also be given such that the Board and the Committee will have an appropriate mix of backgrounds and skills.
- The recommendations must at all times satisfy the requirements relating to the Norwegian Public Limited Act, the Articles of Association of the Company and of other applicable legislation and regulations. The recommendations shall also take account of the Company's corporate governance commitments and any other relevant recommendations relating to good corporate governance.
- The Committee shall review comparable practice data regarding compensation in order to make a qualified recommendation to the AGM with respect to the amount and form of such compensation to members of the BoD and the Committee.
- The Committee shall review the current BoD's self-assessment.
- Candidates proposed by the Committee must have confirmed their willingness to take on the office for which they have been proposed.
- The Committee must justify its recommendations of candidates to the BoD and the Nomination Committee and provide relevant information about how its recommendation takes into account the interests of shareholders in general and the Company's requirements.

The justification shall include information on each candidate, such as age, education, competence including business experience, capacity and independence including assignments for the Company and assignments for other companies/organizations. If the Committee recommends the re-election of a member of the BoD or the Nomination Committee, the justification should also provide information on how long the candidate has been a member of the BoD.

- Any dissenting votes must be stated in the recommendation.

7. Reporting/Recommendations

The Committee's recommendation to the AGM relating to the election of members of the BoD and election of members to the Committee should be available early enough to be sent to the shareholders together with the notice of the meeting of the AGM.

The Committee shall present its recommendation to the present BoD as soon as the recommendation has been completed.

The Committee Chair, or a person authorized by him/her, will, if necessary, present the Committee's recommendations to the AGM and give an account of the Committee's work.

The Committee shall annually review the terms of reference for the Committee and recommend any changes to the AGM for approval.

8. Remuneration

The AGM stipulates the remuneration to be paid to the Committee. The Committee's expenses will be covered by the Company.