

The Annual General Meeting of Itera ASA

Recommendations by the Nomination Committee to the 2015 Annual General Meeting

The Nomination Committee was elected at the Annual General Meeting held on 22 May 2014. The members of the Committee have been Olav Werner Pedersen, Geir Moe and Erik Sandersen. Erik Sandersen has been the Chair of the Committee. The Committee has held two meetings in person. The work of the Committee has otherwise been carried out by telephone and email.

Election of the Board of Directors

The Nomination Committee recommends that the current structure of the Board of Directors, with four shareholder-elected members, should continue unchanged for 2015/2016. The rationale for this recommendation is that the Committee understands that the current Board works well, noting also that two members of the Board were first elected at the 2014 Annual General Meeting and it is accordingly not appropriate to consider further changes at this stage. The Committee's proposals for the members of the Board are accordingly as follows:

- Morten Thorkildsen, Chair (re-election)
- Mimi K. Berdal, Member (re-election)
- Jan-Erik Karlsson, Member (re-election)
- Wenche Holen, Member (re-election)

Remuneration of the members of the Board

The Nomination Committee has decided to propose an increase in the remuneration of the Board of NOK 25,000 for each member relative to the remuneration approved at previous Annual General Meetings, most recently the meeting held on 22 May 2014. The rationale for this increase is to adjust the level of Board remuneration to current market conditions. On this basis, the Nomination Committee proposes the following remuneration amounts for 2015/2016:

- Chair, NOK 325,000
- Member, NOK 200,000

In the case of employee representatives on the Board, the Nomination Committee proposes that each representative should receive NOK 20,000 as compensation for the risk associated with being a Board member. The reason for the remuneration of employee representatives to be lower than the remuneration of shareholder-elected board members is that board meetings are in general carried out during working hours, and employee representatives accordingly receive their normal salary for these working hours. This also reflects Itera's internal policy that employees should not receive additional remuneration for board appointments that they hold as a result of their employment. The Nomination Committee does not propose any remuneration for Board observers or deputy members.

50% of the annual remuneration can be paid on account, with the remaining 50% payable at the end of the period.

In the event of a requirement for the Chair of the Board or any Board member to play a more active role in the company by carrying out specific duties, this should be remunerated on an hourly basis. To the

extent that the Board approves such agreements, the remuneration payable for such specific additional duties will be paid in addition to the normal remuneration for the appointment as Chair of the Board/Board member. The Nomination Committee proposes that the current arrangement should continue whereby such additional work by members of the Board is remunerated at the rate of NOK 900 per hour.

Remuneration of members of Board Committees

In addition to the external participants and employee representatives, the members of the Audit Committee in 2014/15 were Wenche Holen and Mimi K. Berdal (Chair), and the members of the Remuneration Committee in 2014/15 were Jan-Erik Karlsson and Morten Thorkildsen (Chair). The Nomination Committee proposes that the chairs of these two committees should receive NOK 15,000 in addition to their normal remuneration as Board members.

Election of the members of the Nomination Committee and their remuneration

In accordance with Article 6 of the Articles of Association and the Mandate of the Nomination Committee, the composition of the Nomination Committee is determined by the Company's major shareholders. The Nomination Committee has consulted with the Company's major shareholders, and accordingly proposes the following candidates for election to the Committee:

- Erik Sandersen, Chair (re-election)
- Olav Werner Pedersen (re-election)
- Geir Moe (re-election)

The Nomination Committee recommends that the remuneration of the members of the Nomination Committee should continue unchanged at NOK 30,000 for the Chair of the Committee and NOK 15,000 for each of the other members of the Committee.

Oslo, 21 April 2015

Erik Sandersen
Chair of the Nomination Committee