

To the 2021 Annual General Meeting of Elkem ASA

## **NOMINATION FOR THE ELECTION OF MEMBERS TO (A) THE BOARD OF DIRECTORS AND (B) THE NOMINATION COMMITTEE**

### **DETERMINATION OF REMUNERATION TO ELECTED MEMBERS**

The General Meeting of Elkem ASA resolved 23 February 2018 an instruction regarding the nomination committee's work pursuant to the company's articles of association section 7. The instruction includes the following main items:

- The board of directors should be composed in such a way as to maintain the interests of the shareholders and the Company's need for competence and diversity;
- The board of directors must function well as a collegiate body;
- Members should be independent of the executive management and any significant business associates; and
- At least two of the members should be independent of the Company's principal shareholders.

On 26 January 2021 the company made available on its website information regarding the 2021 annual general meeting, inclusive information about the work of the nomination committee and how the shareholders could submit suggestions to the nomination committee.

The nomination committee has worked in line with the instruction given and has in this respect particularly emphasised the following assessment criteria:

- (i) industry competence within Elkem's business areas;
- (ii) financial competence;
- (iii) market knowledge and networks globally and nationally;
- (iv) independency of the company's executive management; and
- (v) diversity.

### **1. AGENDA ITEM 8 – ELECTION OF MEMBERS TO THE BOARD OF DIRECTORS**

In the company's general meeting 8 May 2020, the following board members were elected with a term of office as indicated below:

- (i) Dag Jakob Opedal (deputy chair of the board) for a period of two (2) years;
- (ii) Olivier Tillette de Clermont-Tonnerre, (board member) for a period of two (2) years;
- (iii) Yougen Ge, board member for a period of one (1) year; and
- (iv) Caroline Grégoire Sainte Marie, (board member) for a period of one (1) year.

The remaining members of the board of directors, who all had term of office until 2021, were:

- (v) Zhigang Hao, (chair of the board);
- (vi) Marianne Elisabeth Johnsen (board member);
- (vii) Helge Aasen (board member); and
- (viii) Anja-Isabel Dotzenrath.

Meetings and conversations have been held with the executive management, the chair of the board and other board members in order to gain insight into the work of the board and the board's own evaluation. The nomination committee also attended a board video meeting and had a meeting with Egon Zender regarding the board evaluation that has been performed. In addition to contact with the principal shareholder, the nomination committee has been in contact with other large shareholders.

It is the nomination committee's continued opinion that the board is well-functioning. The board has broad collective competence within the company's core areas, as well as knowledge and networks within financial markets nationally and internationally. The board members continue to have good attendance in their board meetings and have in 2020 carried out their board meetings digitally as a consequence of covid 19. The nomination committee are of the opinion that there is no imminent need for larger replacements to the board, also taken into consideration the current pandemic which is difficult also in terms of arranging physical meetings which makes it more challenging to assimilate new board members and working together as a collegium. Subsequently, it is the opinion of the nomination committee that continuity in the board should be emphasized also this year.

However, Caroline Gregoire Sainte Marie, has informed the nomination committee that she is not a candidate for re-election at the end of her term in 2021. The nomination committee has taken this into account and consequently will propose Grace Tang as a replacement as new board member for a period of two years.

Grace Tang is a certified US public accountant as well as a fellow of Hong Kong Institute of certified accountants. Grace Tang began her career with PwC in Silicon Valley and was seconded to PwC Hong Kong in 1994. She has held several international leadership positions in PwC until her retirement in June 2020. She has been based in Beijing since 1998. Grace Tang is a US citizen and divides her time between Beijing and the US. Currently, she serves on the audit committee of a company listed on NYSE and as a director of the Sunshine Leukemia foundation as well as being a patron to the Asia Liver Center with Stanford University. It is suggested that Grace Tang will strengthen the board of directors in terms of knowledge of the industrial markets for Elkem in particular in the US.

The nomination committee proposes re-election of all board members that are up for re-election this year, except for Caroline Grégoire Sainte Marie. For a recap of the presentations of the nominated board members for re-election, we refer to the nomination committee's recommendation for 2019 Annual General Meeting dated 4 April 2019 and the recommendation for by election dated 21 October 2019.

The committee's nomination is as follows:

- |       |                        |                                    |
|-------|------------------------|------------------------------------|
| (i)   | Zhigang Hao            | for a period of two (2) years;     |
| (ii)  | Marianne E. Johnsen    | for a period of two (2) years;     |
| (iii) | Helge Aasen            | for a period of one (1) years      |
| (iv)  | Grace Tang             | for a period of two (2) years;     |
| (v)   | Yougen Ge              | for a period of two (2) years; and |
| (vi)  | Anja-Isabel Dotzenrath | for a period of one (1) year.      |

Olivier Tillet de-Clermont Tonnerre and Dag Jakob Opedal are not up for re-election this year.

It is for the board to elect the chair and the deputy chair. The nomination committee suggests that the current positions of Zhigang Hao as chair and Dag Jakob Opedal as deputy chair be continued.

The committee has carefully highlighted diversity in terms of geography and gender. The nomination this year also implies continued emphasize on the board's relatively strong independent status as four of the eight board members including the deputy chair are independent of the principal shareholder. Furthermore, the committee will highlight the strong industry, financial and risk management expertise of the board.

The committee's nomination is unanimous.

## **2. AGENDA ITEM 9 – ELECTION OF MEMBERS OF THE NOMINATION COMMITTEE**

In addition to presenting nominations for the election of the board members, the company's nomination committee shall propose members to the nomination committee. Elkem's nomination committee consists of Sverre S. Tysland (chair of the committee), Zhu Xiaolei and Anne Kjølsest Ekerholt. Sverre S. Tysland and Anne Kjølsest Ekerholt are both up for re-election. Zhu Xiaolei was elected in 2020 for a period of two years and is not up for re-election.

The nomination committee has been in contact with the principal shareholder in connection with the election of members to the nomination committee. Information on how the shareholders may give suggestions to members of the nomination committee has been made available on the company's website. The nomination committee has not received any opinions on the composition from other than the principal shareholder. It is suggested that both Sverre S. Tysland and Anne Kjølsest Ekerholt are nominated for re-election for one (1) year.

A joint committee submits the following nomination:

- (i) Sverre S. Tysland, chair of the nomination committee for a period of one (1) year; and
- (ii) Anne Kjølsest Ekerholt , member of the nomination committee for a period of one (1) year.

Zhu Xiaolei is not up for election.

The committee's assessment is that the nomination fulfils The Norwegian Code of Practice for Corporate Governance section 7: *The members of the nomination committee should be selected to take into account the interests of shareholders in general. The majority of the committee should be independent of the board of directors and the executive personnel.*

## **3. AGENDA ITEM 10 – DETERMINATION OF REMUNERATION PAYABLE TO MEMBERS OF THE BOARD OF DIRECTORS**

The nomination committee has noted comments and indications that the level of remuneration is in the lower end in a an international context and suggests a moderate 5% increase from 2019. There was no increase in 2020.

The chair of the board is customary proposed to be remunerated twice the fee of a member and the deputy chair of the board 150 % of a member's fee. Employees' elected board members shall receive the same remuneration as the shareholders' elected members, irrespective of their employment salaries. Employees' elected observers shall according to union agreement receive 50 % of a member's fee.

Pursuant to this, the nomination committee suggests the following fees to the members and the observers of the board:

Chair of the board	NOK	787 500	
Deputy chair of the board	NOK	590 625	
Board members	NOK	393 750	(shareholders elected and employees elected)
Observers	NOK	196 875	

Accordingly, the nomination committee suggests the same increase in remuneration to the members of the board's committees:

Leader	NOK	141 750
Member	NOK	94 500

Whether the remuneration payable shall be transferred to a member's personal account or invoiced by its employer being a shareholder of the company, has to be agreed upon between the member, his employer and the company.

The proposals are unanimous.

#### 4. AGENDA ITEM 11 – DETERMINATION OF REMUNERATION OF THE NOMINATION COMMITTEE

The nomination committee proposes the remuneration of the members of the nomination committee to be as invoiced in agreement with the company due to the variations in the amount of work from year to year.

The proposal is unanimous.

Oslo, 31 March 2021

  
Sverre S. Tysland

  
Zhu Xiaolei

  
Anne Kjøseth Ekerholt