

The Remuneration Committee's report of its evaluation of executive compensation

The Senior Management consisted initially of six persons who together with the President served as Group Management Team in 2010.

Following the retirement of one of the senior executives in 2010, the Group Management Team now consists of five persons.

All senior executives have a total remuneration package which consists of fixed salary, variable salary, other benefits (mainly car) and pension. The President's variable salary (maximum 60 % of the fixed salary) was in 2010 based on the Group's return on equity and the achieved production volume in Aitik.

For other members of the Group Management Team the variable salary (amounting to 40-50 % of the base salary) was based to 20-75 % on financial Group objectives and to 25-80 % on their respective responsibilities and individual goals. In order to ensure that the Group Management obtains a reasonable private shareholding in the Company, a certain part of the variable salary shall be used to acquire shares in the Company.

Compensation in 2010 has followed the guidelines set by the 2010 Annual General Meeting.

The Remuneration Committee has evaluated the model for the variable salary and found that it is in line with the Group's strategy for value creation.

The Board has therefore found no reason to change the model for variable compensation.

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The Remuneration Committee of
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