

The Nomination Committee's report 2017

Board and Nomination Committee Structure

The Group Board consists of seven shareholder-elected and three employee-elected directors. In addition, the Head of Editorial in Schibsted Media is an observer to the Group Board.

It is the Nomination Committee's mandate to propose the composition of the shareholder-elected Board members. The three members elected by the employees are nominated and elected by the employees through a democratic process.

The employees have elected two alternate directors. Alternate directors attend the meetings only in the event of an absence. No alternate directors have been appointed by the shareholders.

The Group Board's working language is English.

The Nomination Committee consists of John A. Rein (Chair), Ann Kristin Brautaset and Spencer Adair. Ann Kristin Brautaset and Spencer Adair were elected for the first time at the Annual General Meeting in May 2015, whereas John A. Rein was re-elected. The Nomination Committee is elected for two years at a time, and all three members were re-elected at the Annual General Meeting in May 2017.

Instructions to the Nomination Committee were resolved by the Annual General Meeting in 2017. The instructions can be accessed at www.schibsted.com.

Board balance and composition

The Board's shareholder-elected directors stand for re-election each year. The Nomination Committee evaluates the Group Board's effectiveness and continuously considers the recruitment of new directors.

In broad terms, the Nomination Committee endeavors to ensure that Schibsted's Group Board has an appropriate balance between continuity and renewal, maintains relevant expertise and experience of the evolving fields of the Group's operations and complies with the Norwegian Public Limited Companies Act's gender balance requirements.

More specifically, as a result of the increasing global and digital nature of the Group's operations, the Nomination Committee has, over recent years, been focused on adding broader international and deeper digital knowledge to the Group Board.

In addition to gender balance, the Nomination Committee ensures that diversity with regards to age, education, professional background and international experience are applied as relevant criteria in their work on composition of the Board.

The Nomination Committee conducted a full Board Review in Autumn 2017. The review included interviews with all Board directors and senior management. In addition, the Nomination Committee consulted with certain large shareholders.

Based on the Board Review, the Nomination Committee concluded that the members of the present Group Board are highly qualified, possess a good mix of expertise, and work well together. At the same time, the committee puts emphasize on a certain degree of renewal in the Board.

Arnaud de Puyfontaine, a Board Member since May 2012, will not be standing for re-election. The Nomination Committee wish to thank Arnaud for his contribution to the Board over this period.

The Nomination Committee proposes Philippe Vimard after a global search process. We believe Philippe will further broaden the international experience and deepens the digital knowledge of the Group Board.

Pursuant to Article 8 of the Articles of Association, Blommenholm Industrier AS has exercised its right to directly appoint one director and has notified the company that they wish to re-appoint Ole Jacob Sunde.

Accordingly, the Annual General Meeting is invited to vote on the following directors at the Group Board for the period 2018-2019:

Ole Jacob Sunde (Chair, Norwegian)

Christian Ringnes (Norwegian)

Birger Steen (Norwegian)

Eugenie van Wiechen (Dutch)

Marianne Budnik (American)

Orla Noonan (Irish)

New candidate: Philippe Vimard (Canadian)

The Nomination committee may propose one additional member to the Board of Directors. At the date of this publication, the process for identifying this candidate has not yet reached its conclusion. Any additional candidate will be announced prior to the Annual General Meeting on the 3rd May 2018.

The candidates are presented as an attachment to the notice of the Annual General Meeting. The notice, and a detailed presentation of the candidates, are available on the Schibsted website at www.schibsted.com.

The Nomination Committee proposes one ballot for each individual director at the Annual General Meeting on the 3rd May 2018.

Directors' independence

Information on the directors' business relationships with shareholders or others with links to the shareholders, or to Schibsted, is disclosed under the "Corporate Governance" section.

The representation on the Group Board reflects the ownership shares in Schibsted and the right to elect directors, which, according to Schibsted's Articles of Association, belongs to shareholders holding at least 25 per cent of the A-shares (Article 8). As a consequence of Ole Jacob Sunde's links with Blommenholm Industrier and the Tinius Trust, the Nomination Committee does not consider him to be an independent director.

The Nomination Committee considers all the other directors to be independent. Thus, six of the seven shareholder-elected Group Board members are considered independent.

The group board's compensation committee and audit committee

The members of the Compensation Committee and the Audit Committee are both elected by the Group Board for a one-year period. The task of these two committees is to prepare case files and documentation, as required, for the Group Board's consideration.

In the assessment of the Group Board's work, the preparatory efforts by the select committees are identified as important and positive contributions to the sound and thorough consideration of complex matters.

Compensation and remuneration

All compensation and remuneration payable to Schibsted's corporate bodies is stipulated annually in advance by the Annual General Meeting based on a compensation and remuneration proposal from the Nomination Committee.

The Nomination Committee considers the current compensation to Group Board members to be in line with Norwegian market practice. Given the increasingly global nature of our business and our desire to continue the internationalization of the Group Board, we also highlight that the compensation to the Board should be at an appropriate level compared to relevant international peers. The current levels are considered to be appropriate in this context. Over the long term, compensation should normally be adjusted annually in order to reflect general wage inflation in society as a whole.

The Nomination Committee will consider the merits and demerits of moving from the current 100% cash compensation for Group Board members towards a partial share-based remuneration structure during the coming year.

It is the Nomination Committee's responsibility to propose a compensation for the committee itself. The workload for the committee varies from term to term, but the current level of compensation is considered to be appropriate, from an average perspective. As for the Board member compensation, the level should normally be adjusted annual to reflect general wage inflation in society.

On this background the Committee proposes the following fees for the period 2018-2019. A comparison with current figures is also provided below:

All figures in NOK	2018-19	2017-18
a) Group Board members		
Chair	1 060 000	1 029 000
Other directors	497 000	483 000
Alternate directors	22 000	21 000
b) Members of the Compensation Committee		
Chair	125 000	121 000
Other committee members	81 000	79 000
(c) Members of the Audit Committee		
Chair	184 000	179 000
Other committee members	113 000	110 000
(d) Members of the Nomination Committee		
Chair	134 000	130 000
Other committee members, per meeting	82 000	80 000

The Committee proposes to maintain the flexibility to grant an allowance of NOK 100,000 to Group Board members resident outside the Oslo region. For the upcoming period 2018-2019 the Nomination Committee has adopted the following allowance tariffs: NOK 50,000 for Group Board members resident outside the Oslo region but in the Nordic countries, and NOK 100,000 for Group Board members resident outside the Nordic countries.

Oslo, 10 April 2018

John A. Rein

Ann Kristin Brautaset

Spencer Adair