

Circular No. 7/2010

To: Issuers of shares and equity certificates and
Members of Oslo Børs

Unofficial translation

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Revised edition of the Norwegian Code of Practice for Corporate Governance

On 21 October 2010, the Norwegian Corporate Governance Board (NCGB) published a revised edition of the Norwegian Code of Practice for Corporate Governance, previously published on 4 December 2009.

The revised Code of Practice is available in Norwegian at www.nues.no and in English at www.ncgb.no. Issuers of shares and equity certificates will receive printed copies of the revised Code of Practice by post. Please address any request for additional copies to lise.karlsen@oslobors.no.

Changes since the October 2009 edition

The following changes have been made to the Code of Practice:

- **Section 1: Implementation and reporting on corporate governance**
The Code of Practice recommends that, in addition to ethical guidelines, companies should define guidelines for corporate social responsibility.
- **Section 4: Equal treatment of shareholders and transactions with close associates**
In share capital issues resolved by the board on the basis of a mandate from the general meeting, and where the existing shareholders pre-emption rights are waived, it is recommended that the company should explain the justification for waiving the pre-emption rights in the stock exchange announcement issued in connection with the increase in share capital.
- **Section 7: Nomination committee**
The Code of Practice recommends that the general meeting should set out guidelines for the duties of the nomination committee.
- **Section 10: Risk management and internal control**
Internal control and the systems used for risk management should also encompass the guidelines for corporate social responsibility.
- **Section 12: Remuneration of executive personnel**
The Code of Practice now recommends that performance-related remuneration should be subject to an absolute limit.
- **Section 14: Take-overs**
This section has been redrafted to address solely the target company. In addition it is now recommended – for each and every bid – that the board should arrange

for a valuation by an independent expert, and that the board should make a recommendation to shareholders on whether or not to accept the offer.

In addition, certain aspects of the commentaries to the sections have been revised, and the notes have been updated to reflect the legislation and regulations as in force at 1 October 2010.

Oslo Børs' requirement for annual corporate governance reports

Companies listed on Oslo Børs must, in accordance with Section 7 of the Continuing obligations of companies listed on Oslo Børs and Oslo Axess, provide a comprehensive report on the company's corporate governance in the annual report. The report must cover every section of the Code of Practice. If the company does not fully comply with the Norwegian Code of Practice for Corporate Governance, this must be explained in the report. Foreign companies and companies with a secondary listing on Oslo Børs or Oslo Axess are permitted to report their compliance in accordance with the equivalent code of practice for corporate governance applicable in the state in which they are registered or in their primary market.

Companies should report in accordance with this Code of Practice dated 21 October 2010 with effect from the 2010 annual report.

Feedback from investors confirms that the corporate governance reports are a valuable tool for their continuing assessment of the companies. Oslo Børs monitors the companies' compliance with the requirement to provide a corporate governance report. During the last few years, Oslo Børs has conducted this review through sample surveys. Overall, Oslo Børs finds a high degree of compliance with the reporting requirement. Issuers with material shortcomings in their report are contacted by Oslo Børs.

Norwegian Corporate Governance Board

The Norwegian Corporate Governance Board (NCGB) issues the Code of Practice and is responsible for updating and revising the Code as required. Changes in legislation and regulations as well as experience gained from the use of the Code of Practice may generate a need for future revisions. NCGB will consider international changes in this area as well. Please address any enquiries and comments in respect of the Code of Practice to info@nues.no.

Information on corporate governance issues of particular relevance to stock exchange listed companies is available at http://www.oslobors.no/ob_eng/Oslo-Boers/Listing/Corporate-governance-CG/The-Norwegian-Code-of-Practice-for-Corporate-Governance. Please also refer to NCGB's website: www.ncgb.no.

Yours sincerely
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