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## CORPORATE GOVERNANCE PRINCIPLES

### 1 GOVERNANCE PRINCIPLES

Crayon considers good corporate governance to be a prerequisite for value creation and trustworthiness, and for access to capital.

In order to secure strong and sustainable corporate governance, it is important that Crayon ensures good and healthy business practices, reliable financial reporting and an environment of compliance with legislation and regulations across the Crayon Group.

Crayon has governance documents setting out principles for how its business should be conducted. These apply to all of Crayon's subsidiaries as well as Crayon itself. References to certain more specific policies are included in this corporate governance policy, where relevant. Crayon's governance regime is approved by the board of directors of Crayon.

### 2 APPLICABLE RULES AND REGULATIONS

Crayon is incorporated and registered in Norway and is subject to Norwegian law. The shares of Crayon shares will be listed on the Oslo stock exchange (*Nw.: Oslo Børs*). As a Norwegian public limited liability company listed on Oslo Børs, Crayon must comply with the Norwegian Securities Trading Act, the Continuing obligations for companies listed on Oslo Børs, the Norwegian Public Limited Liability Companies Act and all other applicable laws and regulations.

The Company endorses the Norwegian Code of Practice for Corporate Governance (Norwegian: "*Norsk anbefaling for eierstyring og selskapsledelse*"), issued by the Norwegian Corporate Governance Board, most recently revised on 30 October 2014 (the "**Code**").

The Code is based on "the comply or explain principle" whereby listed companies must comply with the Code of Practice or explain why they have chosen an alternative approach. Crayon will follow the Code, and any deviation from the Code will be included in a statement in the annual report in the section where the Company elaborates on its corporate governance policy. A description of the most important corporate governance principles of the Company shall also be made available for external interest parties on the Company's website in accordance with the Company's investor relations policy.

### 3 MAIN OBJECTIVES FOR CORPORATE GOVERNANCE IN CRAYON

Crayon's corporate governance policy is based on the Code, and as such, it is designed to establish a basis for good corporate governance, to support achievement of the Company's core objectives on behalf of its shareholders, including the achievement of sustainable profitability for the shareholders of Crayon. The manner in which Crayon is governed is vital to the development of its value over time.

Crayon believes that good corporate governance involves openness and trustful cooperation between all parties involved in the Crayon Group: the shareholders, the board of directors and executive management, employees, customers, suppliers, public authorities and society in general.

By pursuing the principles of corporate governance, approved by the board of directors of Crayon, the board of directors and management shall contribute to achieving the following objectives:

- **Openness.** Communication with the interest groups of Crayon shall be based on openness on issues relevant for the evaluation of the development and position of the Company.
- **Independence.** The relationship between the board of directors, the management and the shareholders shall be based on independence. Independence shall ensure that decisions are made on an unbiased and neutral basis.
- **Equal treatment.** One of Crayon's prime objectives is equal treatment and equal rights for all of its shareholders.
- **Control and management.** Good control and corporate governance mechanisms shall contribute to achieve predictability and reduce the level of risk for owners and other interest groups.

The development of, and improvements in, the Company's corporate governance principles are ongoing and important processes that the board of directors intends to focus on.

#### **4 BUSINESS**

The operations of the Company and its subsidiaries shall be in compliance with the business objective set forth in the Company's articles of association, which shall be stated in the Company's annual report together with the Crayon Group's primary objectives and strategies.

The Company's business objective reads as follows: "To invest in and own shares, other securities instruments and ownership interests in companies, participation in and operation of other companies, as well as any other activity related hereto."

#### **5 EQUITY AND DIVIDENDS**

##### **5.1 Capital adequacy**

The board of directors is responsible for ensuring that the Crayon Group is adequately capitalized relative to the risk and scope of operations and that the capital requirements set forth in laws and regulations are met.

The board of directors shall continuously monitor Crayon Group's capital situation and shall immediately take adequate steps if the Company's equity or liquidity is less than adequate.

##### **5.2 Dividend policy**

The Company shall, at all times, have a clear and predictable dividend policy established by the board of directors. The dividend policy forms the basis for the board of directors' proposals on dividend payments to the Company's general meeting. The dividend policy shall be disclosed to the shareholders. The background for any proposal to grant the board of directors an authorization to approve distribution of dividends should be explained.

##### **5.3 Authorizations to the board of directors**

Any authorization granted to the board of directors to increase the Company's share capital or to purchase treasury shares shall be restricted to defined purposes. When the general meeting is to pass resolutions on such authorizations to the board of directors for different purposes, each authorizations shall be considered and resolved separately by the general meeting. Authorizations granted to the board of directors to increase the share capital or purchase treasury shares shall be limited in time, and shall in no event last longer than two years. However, it is recommended that an authorization to increase the share capital or purchase of treasury shares does not last longer

than until the Company's next annual general meeting. The Company will follow this recommendation.

## **6 EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES**

### **6.1 Basic principles**

The Company has only one class of shares. Each share in the Company carries one vote, and all shares carry equal rights, including the right to participate in general meetings. All shareholders shall be treated on an equal basis, unless there is just cause for treating them differently.

### **6.2 Share issues without pre-emption rights for existing shareholders**

In the event of an increase in the share capital through issuance of new shares, a decision to deviate from existing shareholders' pre-emptive rights to subscribe for shares shall be justified. Where the board of directors resolves to issue shares and deviate from existing shareholders' the pre-emptive rights pursuant to an authorization granted to the board of directors by the general meeting, the justification will be publicly disclosed in a stock exchange announcement issued in connection with the share issuance.

### **6.3 Transactions in treasury shares**

Any transactions of treasury shares carried out by the Company shall be carried out on Oslo Børs, and in any case, at the prevailing stock exchange price. In the event that there is limited liquidity in the Company's shares, the Company will consider other ways to ensure equal treatment of shareholders. Any transaction of treasury shares by the Company is subject to notification requirements, and shall be publically disclosed in a stock exchange announcement.

### **6.4 Approval of agreements with shareholders and other close associates**

In the event of transactions that are considered to be non-immaterial between the Company and its shareholders, a shareholder's parent company, members of the board of directors, executive personnel or close associates to any such party, the board of directors shall arrange for an independent third-party valuation. This will, however, not apply for transactions that are subject to the approval of the general meeting pursuant to the provisions in the Norwegian Public Limited Liability Companies Act. Independent valuations shall also be procured for transactions between companies within the Crayon Group if any of the companies involved have minority shareholders.

Members of the board of directors and executive personnel must notify the board of directors when such members have any significant, direct or indirect, interest in a transaction carried out by the Company.

The board of directors should in any case report all transactions mentioned in this item 6.4 in the Company's annual report.

## **7 FREELY NEGOTIABLE SHARES**

The shares of the Company are freely negotiable.

## **8 GENERAL MEETINGS**

### **8.1 General meetings**

#### **8.1.1 Exercising rights**

The board of directors shall ensure that as many of the Company's shareholders as possible are able to exercise their voting rights in the Company's general meetings, and that the general meeting is

an effective forum for shareholders and the board of directors, which shall be facilitated through the following:

- the notice to the general meeting and any supporting documents, including the recommendation by the nomination committee, as well as information on the resolutions to be considered in the general meeting shall be available on the Company's website no later than 21 days prior to the date of the general meeting;
- the resolutions and any supporting documentation shall be sufficiently detailed and comprehensive, allowing shareholders to understand and form an opinion on all matters to be considered at the general meeting;
- deadlines for shareholders to give notice of their attendance at the general meeting shall be set as close to the date of the general meeting as practically possible. The time limit may not expire earlier than five days before the meeting;
- the board of directors and the chairperson of the general meeting shall ensure that the shareholders are able to vote separately on each candidate nominated for election to Crayon's board of directors and other corporate bodies (if applicable);
- members of the board of directors shall be present at general meetings, while members of the nomination committee, the audit committee and the remuneration committee, as well as the auditor shall be present at general meetings where matters of relevance for such committees/persons are on the agenda; and
- the board of directors shall make arrangements to ensure that an independent chairperson for the general meeting is appointed.

#### 8.1.2 Participation without being present

Shareholders who are unable to be present at the general meeting shall be given the opportunity to be represented by proxy and to vote by proxy. The Company shall in this respect:

- provide information on the procedure for attending by proxy;
- nominate a person who will be available to vote on behalf of shareholders as their proxy; and
- prepare a proxy form, which shall, to the extent this is possible, be set up so that it is possible to vote on each of the items on the agenda and the candidates nominated for election.

## **9 NOMINATION COMMITTEE**

### **9.1 Composition**

The Company shall have a nomination committee, cf. the Company's articles of association section [•]. The Company's general meeting elects the members and the chairman of the nomination committee and determines their remuneration.

The majority of the members of the nomination committee shall be independent from the Company's board of directors and executive management. At least one member of the nomination committee shall not be a member of the supervisory board or the board of directors in addition to being a member of the nomination committee, and no more than one member of the nomination committee

should also be a member of the board of directors, in which case such member shall not be re-elected to the board of directors. The CEO and other executive management shall not be members of the nomination committee. The composition of the nomination committee should be such that the interests of shareholders in general are represented. The Company's guidelines for the nomination committee shall establish rules for rotation of the members.

The objectives, responsibilities and functions of the nomination committee shall be in compliance with rules and standards applicable to the Crayon Group, which are described in the Company's "Instructions for the nomination committee". The general meeting shall adopt the guidelines for the nomination committee. The Company shall provide information regarding the composition of the nomination committee, the members of the nomination committee and deadlines for submitting proposals to the nomination committee.

## **9.2 Tasks**

The nomination committee shall recommend candidates for the election of members and chairman of the board of directors, candidates for the election of members and chairman of the nomination committee, and remuneration of the members of the board of directors and the nomination committee.

The nomination committee's recommendation of candidates to the nomination committee shall ensure that they represent a broad group of the Company's shareholders. The nomination committee's recommendation of candidates to the board of directors shall ensure that the board of directors is composed to comply with legal requirements and principles of corporate governance (cf. clause 10 below).

The proposals from the nomination committee shall include a reasoning for its proposal, as well as a statement on how it has carried out its work. The nomination committee's proposal shall include information about the candidates, and shall be made available in accordance with the 21 days' notice rule to call for a general meeting. Shareholders shall be given the opportunity to submit proposals to the nomination committee for candidates up for election to the board of directors and other appointments in a simple and easy manner. A date for when such proposals must be submitted to be considered by the nomination committee shall be communicated.

## **10 BOARD; COMPOSITION AND INDEPENDENCE**

The composition of the board of directors should consider the expertise, capacity and diversity needed to achieve the Company's goals, attend its main challenges and the common interests of all shareholders. Each board member should have sufficient time available to devote to his or her appointment as a board member. The number of board members should be decided on this basis, and shall consist of minimum three board members. Further, individuals of the board of directors shall be willing and able to work as a team, resulting in the board of directors working effectively as a collegiate body.

The board of directors shall be composed so that it can act independently of any special interests. A majority of the shareholder-elected members of the board of directors shall be independent of the executive management and material business connections of the Company. Further, at least two of the members of the board of directors shall be independent of the Company's major shareholder(s). For the purposes of this corporate governance policy, a major shareholder shall constitute a shareholder that owns or controls 10% or more of the Company's shares or votes, and independence shall entail that there are no circumstances or relations that may be expected to be able to influence an independent assessment of the person in question.

The members of the board of directors and the chairman of the board of directors shall be elected by the Company's general meeting. No member of the Company's executive management shall be members of the board of directors. The general manager is prohibited from being a member of the board of directors.

At least half of the members in the Company's board of directors shall reside in Norway or another EEA country unless the Ministry of Finance grants a specific exemption from the statutory residency requirement. Both genders shall be represented on the board of directors. The composition of the board of directors shall be in compliance with the gender representation requirements set out in section 6-11a of the Norwegian Public Limited Liability Companies Act. The term of office for the board members shall not be longer than two years at a time. Members of the board of directors may be re-elected. The election of the members of the board of directors should be phased so that the entire board of directors is not replaced at the same time.

The Company's annual report will provide information regarding the expertise, experience and independence of the members of the board of directors, as well as information on their history of attendance at board meetings. Further, the annual report will identify which members of the board of directors that are considered to be independent. Detailed information on candidates for the board of directors (both appointments and re-elections) shall be made available within the 21 days' notice period for calling a general meeting.

Members of the board of directors are encouraged to own shares in the Company. However, caution should be taken not to let this encourage a short-term approach, which is not in the best long-term interests of the Company and its shareholders.

## **11 THE WORK OF THE BOARD OF DIRECTORS**

### **11.1 General**

The board of directors will produce an annual plan for its work, with particular focus on objectives, strategy and implementation. The board of directors will implement instructions for the board of directors and the executive management, focusing on determining allocation of internal responsibilities and duties. The objectives, responsibilities and functions of the board of directors and the CEO shall be in compliance with rules and standards applicable to the Crayon Group, which are described in the Company's "Instructions to the board of directors".

### **11.2 Committees**

#### **11.2.1 Overview**

The board of directors are encouraged to appoint board committees as such may yield efficiency in the board of directors' work, as well as secure a more thorough and independent handling of matters under the responsibility of the board of directors. In accordance with Norwegian law, the members of the board of directors, as a collegial body, are jointly responsible for making decisions. This means that no part of the decision making responsibility can be delegated to board committees, thus making the role of appointed board committees preparatory for the final decision to be made by the board of directors as a whole. Where board committees are appointed, the board of directors shall issue specific instructions for their work. Furthermore, the board committees shall have the ability to make use of resources available in the Company or be able to seek advice and recommendations from sources outside of the Company.

It is prominent that the board of directors establishes a remuneration committee. Because of the size of the Company, it is also obliged by law to have an audit committee, which has been established in conjunction with the listing of the Company's shares on Oslo Børs.

The board of directors shall provide details of the appointment of board committees in the Company's annual report.

#### *11.2.2 Audit committee*

Pursuant to section 6-41 of the Norwegian Public Limited Liability Companies Act and the Code, the Company is obligated to establish an audit committee. The audit committee functions as a preparatory and advisory committee for the board of directors. Pursuant to the Code, the entire board of directors should not function as the Company's audit committee. In addition to fulfilling the requirements set out in section 6-42 and section 6-43 in the Norwegian Public Limited Liability Companies Act, the Code recommends that the composition of the audit committee is such that the majority is independent from the Company's business.

The objectives, responsibilities and functions of the audit committee shall be in compliance with rules and standards applicable to the Crayon Group, as described in the Company's "Instructions for the audit committee".

#### *11.2.3 Remuneration committee*

The board of directors shall have a remuneration committee, which shall function as a preparatory and advisory committee for the board of directors in questions relating to the Company's strategy for the compensation of its executive management as well as assessing and making a recommendation to the board of directors for the remuneration of the chief executive officer. The purpose of the remuneration committee is to ensure thorough and independent preparation of matters relating to compensation of the Company's executive personnel. The remuneration committee provides the board of directors with a guideline and recommendation for the remuneration, which shall be made in accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act.

The members of the remuneration committee are elected by and amongst the members of the board of directors for a term of up to two years. More information is included in the Company's "Instructions for the remuneration committee".

### **11.3 Annual evaluations**

The board of directors shall annually evaluate its performance and expertise for the previous year. This evaluation shall include the composition of the board of directors and the manner in which its members function, both individually and as a group, in relation to the objectives set out for its work. The report shall be made available to the nomination committee.

## **12 RISK MANAGEMENT AND INTERNAL CONTROL**

### **12.1 General**

It is the board of directors who has the responsibility to ensure that the Company has sound and appropriate internal control systems and systems for risk management, and that these are proportionate to and reflect the extent and nature of the Company's activities. Having effective internal control systems and systems for risk management in place may protect the Crayon Group from situations that can damage its reputation or financial standing. Furthermore, effective and proper internal control and risk management are important factors when building and maintaining trust, to reach the Company's objectives, and ultimately create value.

Having in place an effective internal control system means that the Company is better suited to manage commercial risk, operational risk, the risk of breaching legislation and regulations as well as

other forms of risk that may be material to the Company. As such, there is a correlation between the Company's internal control systems and effective risk management. The internal control system shall also address the organization and execution of the Company's financial reporting, as well as cover the Company's corporate values, ethical guidelines and principles of corporate social responsibility.

Crayon shall comply with all laws and regulations that apply to the Crayon Group's business activities. The Crayon Group's code of conduct describes the main principles for compliance and how the compliance function is organized.

## **12.2 Policies**

The Company shall have a comprehensive set of relevant corporate manuals and procedures, which shall provide detailed descriptions of procedures covering all aspects of managing the Company's operational business. These procedures and manuals shall continually be revised to reflect the best practice, derived from experience or adopted through regulations.

## **12.3 Annual review and risk management in the annual report**

The board of directors shall annually review the Company's most important areas of risk exposure and the internal control arrangement in place for such areas. The review shall pay attention to any material shortcomings or weaknesses in the Company's internal control and how risks are being managed.

In the annual report, the board of directors shall describe the main features of the Company's internal control and risk management systems, as they are connected to the Company's financial reporting. This shall cover the control environment in the Company, risk assessment, control activities and information, communication and follow-up. The board of directors is obligated to ensure that it is updated on the Company's financial situation, and shall continually evaluate whether the Company's equity and liquidity are adequate in relation to the risk from the Company's activities, and take immediate action if the Company's equity or liquidity at any time is shown to be inadequate. The Company's management shall focus on frequent and relevant reporting of both operational and financial matters to the board of directors. The purpose of such is to ensure that the board of directors has sufficient information for decision-making and is able to respond quickly to changing conditions. Board meetings shall be held frequently, and management reports shall be provided to the board of directors as a minimum on a monthly basis. Financial performance shall be reported on a quarterly basis.

## **13 REMUNERATION OF THE BOARD OF DIRECTORS**

The remuneration of the board of directors is determined by the shareholders at the Company's annual general meeting based on the proposal from the nomination committee. The remuneration of the board of directors shall reflect the board of directors' responsibility, expertise, the complexity of the Company and its business, as well as time spent and the level of activity in the board of directors and any board committee members of the board of directors participate in.

The remuneration of the board of directors shall not be linked to the Company's performance and share options shall not be granted to members of the board of directors. The remuneration to the board of directors shall be such that their independence is protected.

Members of the board of directors, or companies associated with a board member, shall not engage in specific assignments for the Company in addition to their appointment as members of the board of directors. If a board member nonetheless takes on any such assignment the entire board of directors must be informed. The consideration for such additional duties is subject to approval by the board of directors.



The annual report shall provide details of all elements of the remuneration and benefits of each member of the board of directors. This includes a specification of any consideration paid to members of the board of directors in addition to their board remuneration.

## **14 REMUNERATION OF EXECUTIVE MANAGEMENT**

The Company's guidelines for determining remunerations to the CEO and other executive personnel should at all times support prevailing strategy and values in the Company. These guidelines shall be communicated to the annual general meeting, and shall include the main principles for the Company's remuneration policy as well as contribute to align the interests of shareholders and executive personnel. Performance-related remuneration of the executive management shall be linked to value creation for shareholders or to the Company's profit over time. Such arrangements are meant to incentivize performance and shall be based on quantifiable factors the employee may influence, and then be rewarded accordingly. There should be a cap on performance-related remuneration.

The salary and remuneration of the CEO is determined by the board of directors in a board meeting. Based on the guidelines communicated to the annual general meeting, the board of directors shall produce a statement in the Company's report on corporate governance on how the salary and remuneration of the Company's CEO is determined in addition to the remuneration strategy of the executive management, as well as provide an account of the Company's remuneration policy the previous financial year. This statement shall be considered by the Company's annual general meeting before a final resolution is made by the board of directors.

## **15 INFORMATION AND COMMUNICATIONS**

### **15.1 General information**

The Company shall establish guidelines for its reporting of financial and other information based on openness and taking into account the requirement of equal treatment in the securities market. The Company is obliged to continually provide its shareholders, Oslo Børs and the securities market and financial market in general with timely and precise information about the Company and its operations. This information shall be published in accordance with Oslo Børs' information system.

Relevant information will be given in the form of annual reports, half-year reports, quarterly reports, press releases, notices to the stock exchange and through published investor presentations in accordance with what is deemed appropriate and required at any given time. Such information shall be published through Oslo Børs' information system and/or be published at the Company's website. The Company shall clarify its long-term potential, including strategies, value drivers and risk factors. The Company shall maintain an open and proactive policy for investor relations, a website designed to incorporate "sound practices", and shall give regular presentations in connection with annual and provisional results.

The Company shall publish an annual, electronic financial calendar with an overview of dates for important events, such as the annual general meeting, interim financial reports, public presentations and payment of dividends, if applicable. The information shall be available in English.

Unless there are applicable exemptions, and these are invoked, Crayon shall promptly disclose all inside information (as defined by the Norwegian Securities Trading Act). In any event, Crayon will provide information about certain events, e.g. by the board of directors and the general meeting concerning dividends, amalgamations, mergers/demergers or changes to the share capital, the issuing of subscription rights, convertible loans and all agreements of major importance that are entered into by Crayon and related parties.

Separate guidelines have been drawn up for handling of inside information, see "Instructions for handling of inside information" and "Instructions for primary insiders". The Company shall also have in place a policy on whom in the board of directors who is entitled to publically speak on behalf of the Company on various subjects. Further, the Company should have a contingency plan on how to respond to events of a particular character of interest.

## **15.2 Information to shareholders**

In addition to the board of directors' dialogue with the Company's shareholders in the general meetings, the board of directors should make suitable arrangements for shareholders to communicate with the Company at other times. This will enable the board of directors to develop an understanding of which matters regarding the Company that are of a particular concern or interest to its shareholders. Communication with the shareholders should always be in compliance with the provisions of applicable laws and regulations and in accordance with the principle of equal treatment of shareholders.

Information to Crayon's shareholders will be published on its website simultaneously with being sent by post.

## **16 TAKEOVERS**

### **16.1 General**

The board of directors shall have established the main principles for its actions in the event of a takeover offer.

In a takeover process, the board of directors and executive management each have independent responsibilities to ensure that the Company's shareholders are treated equally and that there are no unnecessary interruptions to the Company's business activities. The board of directors has a particular responsibility to ensure that the shareholders are given sufficient information and time to assess the offer.

### **16.2 Main principles for action in the event of a takeover offer**

In the event of a takeover process, the board of directors shall abide by the principles of the Code, and ensure that the following take place:

- the board of directors shall not seek to hinder or obstruct any takeover offer for the Company's operations or shares unless they have valid and particular reasons for doing so;
- the board of directors shall not exercise mandates or pass any resolutions with the intention of obstructing the takeover offer unless this is approved by the general meeting following announcement of the bid;
- the board of directors shall not undertake any actions intended to give shareholders or others an unreasonable advantage at the expense of other shareholders or the Company;
- the board of directors shall not enter an agreement with any offeror that limits the Company's ability to arrange other offers for the Company's shares, unless it is self-evident that such an agreement is in the common interest of the Company and its shareholders;
- the board of directors and executive management shall not institute measures with the intention of protecting their own personal interests at the expense of the interests of shareholders; and

- the board of directors must be aware of the particular duty it has for ensuring that the values and interests of the shareholders are protected.

In the event of a takeover offer, the board of directors shall, in addition to complying with relevant legislation and regulations, seek to comply with the recommendations in the Code. This includes obtaining a valuation from an independent expert. On this basis, the board will make a recommendation as to whether or not the shareholders should accept the offer.

A takeover process gives rise to a particular duty of care to disclose information, where openness is an important tool for the board of directors to ensure equal treatment of all shareholders. The board of directors shall strive to ensure that neither inside information about the Company nor any other information that must be assumed to be relevant for shareholders in a bidding process, remains unpublished.

There are no other written guidelines for procedures to be followed in the event of a takeover offer. The Crayon Group has not found it appropriate to draw up any explicit basic principles for Crayon's conduct in the event of a takeover offer, other than the actions described above. The board of directors concurs with what is stated in the Code regarding this issue.

## **17 STATUTORY AUDITOR**

The Company's auditor shall annually present the main features of the plan for the audit of the Company to the board of directors or the audit committee.

The auditor shall also provide audit committee with the following:

- an annual written confirmation of its independence;
- information on services other than statutory audit provided to the Company during the course of the financial year; and
- inform about any threats to the auditor's independence, and provide evidentiary documentation of the measures implemented to combat such threats.

The auditor shall participate in meeting(s) of the board of directors where any of the following is on the agenda: the annual accounts, accounting principles, assessment of any important accounting estimates and other matters of importance where there have been disagreement between the auditor and the Company's executive management and/or the audit committee.

The auditor shall at least once a year present to the board of directors or the audit committee a review of the Company's internal control procedures, including identification of weaknesses and proposals for improvement.

The audit committee shall hold a meeting with the auditor at least once a year in which no representative of the executive management can be present. In order to strengthen the board of directors' work on financial reporting and internal control, the auditor shall provide a report to the audit committee on the main features of the audit in respect to the previous financial year, and especially mention any material weaknesses identified in the internal control relating to the financial reporting process.

The board of directors shall specify the executive management's right to use the auditor for other purposes than auditing.

The board of directors must report the remuneration paid to the auditor to the shareholders at the annual general meeting, including a break-down of the fee paid for audit work and fees paid for other specific assignments, if any.

The auditor shall attend the general meeting if the matters to be dealt with are of such nature that his or her presence is deemed necessary. However, the auditor is in any case entitled to participate in the general meeting.

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