

Circular No. 2/2006

To: Issuers of shares and primary capital certificates

Unofficial translation

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Norwegian Code of Practice for Corporate Governance

Please find enclosed the revised Norwegian Code of Practice for Corporate Governance as published on 8 December 2005.

A provisional version of the Code of Practice was first published in December 2003. Comments were invited from listed companies and other interested parties in the spring of 2004. This helped to form the basis for the publication of the Norwegian Code of Practice for Corporate Governance dated 7 December 2004.

Until autumn 2005, the Code of Practice was the responsibility of a working group made up of representatives from nine major organisations involved with the securities market. The nine organisations then established the Norwegian Corporate Governance Board ("NCGB"). The revised Norwegian Code of Practice for Corporate Governance published on 8 December 2005 has the support of all the nine organisations involved in establishing the NCGB.

The revised Code of Practice is based on the Norwegian Code of Practice for Corporate Governance published in December 2004. The revised Code contains only minor changes. The changes relate principally to updating the references to legislation in areas where there have been changes to legislation and regulations relevant to the Code. In accordance with the changes to the information requirements in the Accounting Act that come into effect from the 2006 accounting year and the EU recommendations dated 14 December 2004 on fostering an appropriate regime for the remuneration of directors of listed companies, material changes have been made to Section 10 "Remuneration of the Board of Directors" and Section 11 "Remuneration of the executive management". Section 10 now specifies that information should be made available in the annual report on the remuneration of each member of the board of directors. Clause 11 has been expanded to require that the annual report should provide details of the guidelines for the remuneration of the executive management as well as provide information on all elements of remuneration and benefits of each member of the executive management. Clause 11 also specifies that the guidelines for the remuneration of executive management should be communicated to the general meeting for information annually.

The Code of Practice will apply to companies with shares or primary capital certificates listed on Oslo Børs. The Code of Practice also applies to foreign companies with a primary listing on Oslo Børs to the extent that the provisions of the Code do not conflict with the legislation of the company's national jurisdiction. It is assumed that foreign companies with a secondary listing on a Oslo Børs will adhere to the guidelines for corporate governance that apply to the stock exchange or authorised marketplace on which the company maintains its primary listing. Such companies should in any case provide information in the annual report on the guidelines that apply. If there are no such guidelines, or if the company does not follow its national guidelines, the Code of Practice will apply to the extent that it does not conflict with the legislation of the company's national jurisdiction.

Companies should apply the revised Code of Practice of 8 December 2005 no later than the 2006 financial year. In their annual reports for 2005, companies may use either the Code of Practice dated 7 December 2004 or the revised Code of Practice dated 8 December 2005.

Oslo Børs stated in Circular No. 8/2004, that with effect from the annual report for 2005, it would be expected that companies would report on corporate governance in accordance with the Norwegian Code of Practice, and explained that it intended to make this an obligatory requirement. Oslo Børs Circular Number 7/2005 announced new Oslo Børs Rules for the admission to listing of shares/primary capital certificates and the continuous obligations of issuers. The new Oslo Børs Rules came into force on 1 January 2006. Section 7 of the "Rules for companies with listed shares and primary capital certificates (Continuing Obligations)" includes a new requirement for listed companies to provide an annual statement in accordance with the Norwegian Code of Practice for Corporate Governance. Oslo Børs will monitor that companies do issue such statements on corporate governance.

Companies must produce a statement of policy on corporate governance for inclusion in their annual report. The statement must cover each of the recommendations that make up the Code of Practice. The Code is based on the "comply or explain" principle. This means that a company must either follow each of the recommendations that make up the Code, or explain why the company has chosen another solution. The recommendations that companies must either comply with or explain deviations from, are shown in bold text in the boxes at the beginning of each section of the Code. The commentary following each box provides further detail and explanation, as well as the rationale for each of the recommendations. Company statements are expected to be particularly detailed when dealing with any areas where the company does not comply with the recommendation, and must also explain the reasons for non-compliance. The requirement for an overall statement of policy on corporate governance is intended to make it easy for the market to understand how a company operates in respect of corporate governance. However, the overall statement can refer to supplementary information elsewhere in the annual report or on the company's web pages.

NCGB has published the Code of Practice and will revise and update the Code of practice as required. The basis for such revisions will be any changes in legislation and regulation as well as the experience gained from the application of the Code of Practice. NCGB will also take into account international developments in the field of corporate governance. Any inquiries in respect of the Code of Practice can be addressed to info@ncgb.no.

Oslo Børs will make information on corporate governance of particular relevance to the securities markets available on <http://www.oslobors.no/ob/cg>.

Yours sincerely
OSLO BØRS ASA

Linn Cathrin Slettedal

Enclosed: The Norwegian Code of Practice for Corporate Governance