

Corporate governance review 2017

Q-Free aims to protect and enhance shareholders’ investments through good corporate governance, and has established principles and guidelines that define the roles and relationships between the shareholders, the Board of Directors and the executive management of the company.

1. Implementation of and reporting on Corporate governance

Q-Free is listed on the Oslo Stock Exchange and bases its corporate governance structure on Norwegian legislation.

This review of the company’s corporate governance principles and practice is prepared in compliance with Section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance as updated per 30 October 2014.

The Norwegian Code of Practice for Corporate Governance is based on company, accounting, stock exchange and securities legislation, as well as the Stock Exchange Rules, as in force at 1 October 2014, and includes provisions and guidance that in part elaborate on existing legislation and in part cover areas not addressed by legislation. The Code of Practice is available on www.nues.no.

The principles and implementation of corporate governance is subject to annual reviews and discussions by the company’s Board of Directors.

Q-Free has no deviations from the recommendations in the Code of Practice in 2017.

Corporate vision, values, Code of Conduct and Corporate Social Responsibility

Q-Free’s vision is: Changing the movements of life.
Q-Free operates worldwide and our operations are characterised by high ethical standards and trustworthy behaviour, a customer oriented offering and excellence in execution.

Q-Free’s values support the Company’s strategy and guide decisions and attitudes internally and externally. The core values are:

- Excellence
- Passion
- Innovation
- Collaboration

Q-Free has established a Code of Conduct, guidelines for Corporate Social Responsibility (CSR) and an Anti-Corruption policy, all based on the company’s vision and values. The Code of Conduct provides guidelines on how to behave both internally and externally, and contributes to ethical behaviour in the day-to-day business. The company has implemented a revised and updated Code of Conduct in 2017.

The Code of Conduct (COC) and CSR principles apply to all members of the Board, executive management, employees and representatives of Q-Free. The COC is electronically signed by all employees through mandatory e-learning courses when new updates apply. Violation of the COC will be subject to disciplinary action, including possible termination, as well as potential criminal prosecution.

In situations where an employee is aware of any infringement of the COC, he/she shall inform his/ her manager. If there are reasons not to approach the line management, a report of the infringement should be made directly to the HR responsible of Q-Free ASA, Legal department or to the Chairman of the Board of Directors. Incidents may also be reported anonymously if desired.

The company endeavours to make its COC and CSR guidelines known to its partners, and are also publicly available on www.q-free.com.

Deviation from the Code of Practice: None.

2. Business

Q-Free operates worldwide with headquarters in Trondheim, Norway. Q-Free is a leading supplier of ITS solutions.

The company has defined its business activity in §3 of the Articles of Association:

“The Objective of the company is to engage in research, development, production, operation and sale of information technology products and systems plus everything therewith connected.”

The Group’s objectives and principal strategies are described in the strategy section of the annual report.

Deviation from the Code of Practice: None.

3. Equity and dividends

Equity

Q-Free’s policy is to maintain a high equity ratio to provide a platform for the company’s expected expansion and growth. If needed to finance growth, specific projects or transactions, the Board of Directors can propose for the General Meeting that the Board is given mandates to issue new equity. Per 31 December 2017 the Group’s equity amounted to NOK 414 million, representing an equity ratio of 38.7 percent. The Board considers the financial situation for Q-Free satisfactory given the company’s activities and investment plans.

Dividend policy

Q-Free has an objective to give the shareholders a stable and competitive long-term return on investment through distribution of dividends and a positive share price development. The company is in a growth phase and is seeking a good combination of investing the free cash flow in new business opportunities and distributing dividends to the shareholders.

Q-Free has not distributed dividends in the last three years.

Mandates to the Board

Mandates granted to the Board to increase the company’s share capital are restricted to defined purposes and in separate mandates, and thus in accordance with the recommendation. Pursuant to the Code, mandates granted to the Board are limited in time to no later than the date of the next annual General Meeting. The General Meeting is given the opportunity to vote on every purpose covered by the authorisation.

At the Annual General Meeting 24 May 2017, the Board was granted an authorisation to increase the share capital by the subscription on new shares for any strategic purposes within the ITS sector, by way of larger projects and tenders etc. The authorisation mandates the Board to increase the share capital with as much as NOK 3,390,490.72 by the issue of as much as 8,922,344 shares, equivalent to approximately 10 % of the issued shares, each with a par value of NOK 0.38 per share, and with a right to disregard the existing shareholder’s preferential rights according to the Public Limited Companies Act sections 10–4 and 10–5. The mandate was limited for one year, and valid until the next Annual General Meeting but nevertheless no longer than 30 June 2018.

The Board was in the Annual General Meeting in 2015 granted a right to enter into agreements for synthetic options with leading employees and key personnel to complete an incentive program with a maximal duration of four years. The agreements under this program were in force from 2015, and the program was then closed for further grants.

The Board was in the General Meeting 2016 granted a right to establish a five-year stock option program for the Chief Executive Officer with a maximal number of share options of 630,828.

The Board was in the Annual General Meeting in 2017 granted a right to establish a five-year stock option program for leading executives with a maximal number of share options of 2,500,000.

See Note 17 in the 2017 financial statements for further information about the incentive programs.

Deviation from the Code of Practice: None.

4. Equal treatment of shareholders and transactions with close associates

Q-Free has one class of shares and each share represents one vote. Each share has a nominal value of NOK 0.38. All shareholders will be treated equally and have the same influence.

An increase in the Company’s share capital may be proposed if the Board of Directors decides that this would best take care of shareholders’ long-term interests. Normally, the Board of Directors will propose that share issues are directed to existing shareholders in accordance with their preferential rights. However, if the Board has been given an authorisation from the general meeting to carry out a private placement for a special purpose, the Board may decide to waive the pre-emption rights of existing shareholders. Any decision to waive the pre-emption rights of existing shareholders to subscribe for shares in the event of an increase in share capital are justified and publicly disclosed in a stock exchange announcement pursuant to the Code.

In 2017 the Board was given an authorization by the general meeting to increase the share capital with as much as 10 % of the issued shares, with a right to disregard the existing shareholder’s preferential rights according to the Public Limited Companies Act sections 10–4 and 10–5. The authorization has not been used.

The company has developed a policy with regard to transactions with close associates, based on the requirement that any transactions must be at arm’s length principle and at market terms. If deemed required, the company will arrange for a valuation obtained from an independent third party.

For information about transactions with related parties, see Note 19 in the 2017 financial statements.

According to the Code of Conduct, members of the Board and the executive management are obliged to notify the Board in case of any material direct or indirect interest in a transaction entered into by the company.

Deviation from the Code of Practice: None

5. Freely negotiable shares

Q-Free has no form of restriction concerning freely negotiable shares. The Board of Directors does not intend to put forward any proposals to the General Meeting concerning restrictions on freely negotiable shares. The Articles of Association have no restrictions on negotiability.

Deviation from the Code of Practice: None

6. General meetings

The General Meeting is the company’s supreme governing body, and all shareholders are given the opportunity to exercise their rights. The Annual General Meeting has adopted the Articles of Association where §6 regulates the notice period, right to attend, and agenda proposals.

Shareholders representing at least 5 percent of the shares can call for Extraordinary General Meetings.

Notification

The Annual General Meeting must according to the law be held before the 30th of June. The general meeting is to take place either in Trondheim or in Oslo. The 2018 Annual General Meeting is scheduled for 29 May in Oslo.

A written notice for the general meeting is to be sent to all shareholders, with known addresses, within 21 days prior to the meeting.

The Board may decide that the notice of the General Meeting and related documents will be made available on the company’s website only. A shareholder may nevertheless, by application to the company, request for the documents to be distributed by mail.

Registration and proxies

Shareholders planning to participate at the General Meeting shall notify the company within a deadline set by the Board in the notice. The deadline cannot expire earlier than five days before the date of the general meeting.

The right to attend and vote in general meetings may only be exercised for shares registered in the shareholders’ register (VPS) no later than the fifth workday before the date of the general meeting (the registration date) according to the §6 of the Articles of Association.

To register for the general meeting a shareholder must submit a written confirmation by mail, fax, e-mail (provided the registration form is a scanned document with signature), or by submission directly to the company’s registrar DNB.

Shareholders are entitled to request specific matters to the agenda of a general meeting, by giving a written notice to the Board within seven days before the statutory deadline for the notice of the general meeting. If the notice of the general meeting is already distributed, a new notice shall be issued. Instructions are given in the notice for the Annual General Meeting.

Shareholders who cannot attend the general meeting may vote by proxy. The company will appoint a person that will vote on behalf of shareholders as their proxy unless the shareholder has appointed another person. The proxy form allows for separate voting instructions to be given for each matter to be considered by the meeting and for each of the candidates nominated for election.

Agenda and execution

The agenda for the general meeting is set by the Board, but the main items are specified in §6 of the Articles of Association. The agenda includes detailed information on the resolutions to be considered and the recommendation from the Nomination Committee. The attending shareholders vote for a Chairperson to lead the general meeting.

The Board of Directors and the person chairing the meeting ensure that appropriate arrangements are made for the general meeting to vote separately on each candidate nominated for election to the company’s corporate bodies.

The Chairman of the Board is always present to respond to any questions and queries. The Chairman of the Board and the Chairman of the Nomination Committee assess on a case-by-case basis, based on the agenda of the general meeting, whether all members should participate. The CEO, Auditor and the Chair of the Audit Committee and Compensation Committee will always be present at the Annual General Meetings.

The company announces the minutes for the Annual General Meeting according to stock exchange regulations.

Deviation from the Code of Practice: None

7. Nomination committee

The company has a Nomination Committee. The general meeting elects the chair and members of the Nomination Committee and determines the committee’s remuneration.

The Nomination Committee has contact with shareholders, the Board of Directors and CEO as part of its work on proposing candidates for election to the Board. The Nomination Committee is responsible for proposing board member candidates and remuneration to the Board, in addition to proposing members for the committee itself.

The Nomination Committee is established in accordance with the Company’s Articles of Association §7, and the Committee’s work is determined by instructions approved by the General Meeting. The instruction emphasises that the composition of the Nomination Committee should be adjusted from time to time, in a way that secures continuity.

The Annual General meeting in 2016 approved an updated version of the instructions for the Nomination Committee. The instructions are published on the Company’s website.

The Nomination Committee composition as at 31.12.2017:

Name	Company	For election
Heidi Finskas	KLP Kapitalforvaltning AS	2019
Øystein Elgan	AS Atlantis Vest	2019
Andreas Berdal Lorentzen	Holta Invest	2018

Composition of the Board

Pursuant to the company’s Articles of Association § 5, the Board of Directors shall have 5–8 members.

The members of the Board are elected for a period of two years and may be re-elected. The General Meeting elects the Chairman of the Board. The Vice Chairman is elected by the Board for a period of one year. An overview of the members of the Board and their competences is available on the company’s website www.q-free.com and in the annual report.

Independence of the Board

Q-Free is not aware of the existence of any agreements or business partnerships between the company and any third parties in which its directors have direct or indirect interests. The members of the Board are independent from the company’s management, and the executive management is not represented in the Board.

Composition

The Nomination Committee shall consist of three members who are shareholders or representatives acting on behalf of the shareholders. Members of the Nomination Committee are elected for a period of two years, and may be re-elected. The current members of the Nomination Committee’s members and their tenure period is available at the company’s website www.q-free.com.

The members of the Nomination Committee are independent from the company’s executive management. Currently, no member of the Nomination Committee is a member of the Board. Q-Free is not aware of the existence of any agreements or business partnerships between the Company and any third parties in which members of its Nomination Committee have direct or indirect interests.

The Company does not have a corporate assembly.

Share ownership

An overview of the member’s shareholding is available on the company’s website, Investor Relations page.

The members of the Board of Directors have no share options or synthetic options in the company.

Deviation from the Code of Practice: None

8. Corporate assembly and Board of Directors: composition and independence

The Company does not have a corporate assembly.

Composition of the Board

Pursuant to the company’s Articles of Association § 5, the Board of Directors shall have 5–8 members.

Board of Directors Composition as at 31.12.2017:

Name	Position	Service since	Elected until AGM	Shareholding Q-Free ASA (direct or indirect)
Tore Valderhaug	Chairman	2016	2019	25 000
Trond Valvik*	Vice Chairman	2017	2019	15 968 718
Ragnhild Wahl	Board member	2015	2019	0
Snorre Kjesbu	Board member	2016	2018	39 505
Sissel Lillevik Larsen	Employee-elected member of the Board	2016	2018	0
Rune Jøraandstad	Employee-elected member of the Board	2016	2018	0

* Represented through position in AS Atlantis Vest.

As at 31 December 2017 the Board of Directors comprises six members, whereof two elected by and amongst the Group's employees. The Board consist of one shareholder-elected women and three shareholder-elected men.

The Board had three changes in the shareholder-elected composition during 2017. Trond Valvik was elected as new member of the Board, Tore Valderhaug, who previously was Vice Chairman, was elected as new Chairman. Shareholder-elected member of the Board, Charlotte Brogren Karlberg, resigned from the position as per 26 October 2017. The Nomination Committee concluded to postpone the by-election to the Annual General Meeting in 2018. The gender diversity requirements pursuant to Norwegian legislation will again be fulfilled after the by-election at the Annual General Meeting 2018.

An overview of the members of the Board and their competences including shareholding is available on the company's website www.q-free.com and in the annual report.

Independence of the Board

Q-Free is not aware of the existence of any agreements or business partnerships between the company and any third parties in which its directors have direct or indirect interests. The members of the Board are independent from the company's management, and the executive management is not represented in the Board.

The members of the Board of Directors have no share options or synthetic options in the company.

Deviation from the Code of Practice: None

9. The work of the Board of directors

The Board's tasks

The Board of Directors is elected by the shareholders to oversee the executive management and to assure that the long-term interests of the shareholders and other stakeholders are being served.

The Board has the ultimate responsibility for the management of the company and for supervising its day-to-day business, and activities in general. The main responsibility is to determine the company's overall vision, goal and strategy. The Board also ensures that the activities are soundly organised and keeps itself informed about the financial situation of the company, and ensures that the management handles risks faced by the company in an appropriate way.

The Board produces an annual plan for its work, with particular emphasis on objectives, strategy and implementation. This includes reviewing the overall strategy at least once a year, preparing the budget for the next year, evaluating management and competence needed, making continuous financial reviews and risk assessments based on budgets and prognoses, as well as evaluating the work of the Board.

It is important to maintain and continuously enhance sound internal management systems that meet changing financial conditions. Q-Free has a decentralised organisation, where each region and organisational unit reports on a monthly basis. The Group's activities are varied, depending on each unit's position in the value chain, and consequently require differentiated ways of management and follow-up.

Instructions to the Board

The Board has issued instructions for its own work as well as for the executive management with particular emphasis on clear internal allocation of responsibilities and duties. The guidelines are described in the company's "Instructions for the Board of Q-Free ASA". The purpose of the instruction is to describe the role and functions of the Board and the interaction with the executive management of the company.

In the event that the Chairman is absent, the meeting will be chaired by the Vice Chair.

The Board's proceedings and minutes are in principle confidential unless the Board decides otherwise. This is pursuant to the instructions to the Board.

Compensation committee

Three members of the Board have been elected by the Board to act as Compensation Committee, for a period of two years.

The Board approved an instruction for the Compensation Committee in 2006, which was further revised in 2008.

The Compensation Committee makes proposals to the Board regarding employment terms and conditions and total remuneration of the CEO and incentive based remuneration for other senior management employees. These proposals are also relevant for other employees entitled to variable salaries. The Board makes comparisons with other companies when deciding the terms and conditions and remuneration of the CEO.

Compensation Committee composition as at 31.12.2017

Snorre Kjesbu (Chair)
Ragnhild Wahl
Sissel Lillevik Larsen

Audit committee

The Public Companies Act stipulates that large companies must have an Audit Committee. Two out of six members of the Board have been elected by the Board to the Audit Committee.

The Board approved an instruction for the Audit Committee in 2006, revised in 2008, 2013 and 2015. The Audit Committee's main responsibilities are to supervise the company's internal control systems and to ensure that the auditor is independent and that the annual accounts and quarterly reporting gives a fair view of the company's financial results and financial condition in accordance with generally accepted accounting principles.

The Audit Committee reviews the procedures for risk management and financial controls in the major areas of the Company's business activities. The Audit Committee receives reports on the work of the external auditor and the results of the audit. In addition, the committee reviews the company's work on Corporate Governance.

Audit Committee composition as at 31.12.2017:

Tore Valderhaug (Chair)
Trond Valvik

The Board's evaluation of its own work

The Board of Directors evaluates its performance annually and present the evaluation to the Nomination Committee.

Deviation from the Code of Practice: None

10. Risk management and internal control

The Board has the responsibility to ensure that Q-Free has sound internal control and systems for risk management appropriate to the company's business, and has established a Risk Management document reviewed by the Audit Committee. The company's risk management policy is an integral part of the Group's management

by objectives and performance management. The model for internal control for financial reporting is reviewed on a regular basis, to ensure that the reporting system addresses the most significant risk factors for the Group, and is organised to reflect the Group's business and procedures at any time.

The management prepares monthly performance reports for review by the Board. In addition, quarterly financial reports are prepared and reported to the financial market in accordance with the requirements from the stock exchange. These quarterly financial reports are presented to the Audit Committee, which reviews the reports prior to the Board meeting. The auditor takes part in the Audit Committee's meetings at least twice a year, and meets with the entire Board in connection with the presentation and approval of the annual financial statements.

The Board presents an in-depth review of the company's financial status in the Directors' Report, including a description of the main elements related to health, safety and environment (HSE) and related risks. The main risk factors are closely monitored by the Executive Management. The Audit Committee receives a status of QA and HSE on a regular basis. This includes a review of the most significant risks for the Company and a description of how these risks are addressed.

Q-Free has developed an effective Quality Management (QM) system and is certified in accordance with the NS-EN ISO-9001 Quality System. The company's ISO 9001 Certificate covers all areas of the normal operations.

Q-Free fulfils all environmental requirements imposed by the Norwegian authorities, as well as the EU. Q-Free ASA is certified in accordance with NS-EN ISO 14001:2004. All products introduced after 2005 are produced without the use of lead and other hazardous substances, as defined in the EU's directive on Restriction of Hazardous Substances (RoHS), and shall also be recyclable in line with the EU's directive on Waste Electrical and Electronic Equipment (WEEE). Furthermore, the Group is working actively to encourage our sub-contractors to choose the most environmental-friendly alternatives wherever possible. Q-Free also has a focus on the reduction of natural resources, with the use of electronic document sharing rather than printing on paper, utilising videoconferencing instead of travelling, and coordinating travel activities, are some examples of the company's determination to protect the environment. The use of Q-Frees products and services contribute to reduced traffic congestion and consequently give less pollution. With the exception of our travel related activities, the Group's activities have no negative impact on the external environment.

Q-Free's Environmental Policy is available on www.q-free.com.

Deviation from the Code of Practice:
None

11. Remuneration of the Board of Directors

The Annual General Meeting approves the Board’s remuneration each year. The remuneration of the board reflects the board’s responsibility, expertise, time commitment and the complexity of the company’s activities.

Remuneration for the period from the Annual General Meeting of 2017 to the Annual General Meeting of 2018:

The Chairman of the Board:
NOK 416,000

The Vice Chairman of the Board:
NOK 280,000

Members elected by the shareholders:
NOK 234,000

Members elected from the employees:
NOK 80,000

Chairman of sub-committees of the Board:
NOK 11,000 per day of meeting

Members of sub-committees of the Board
Members elected by the shareholders:
NOK 8,500 per day of meeting

Members elected from the employees:
NOK 4,250 per day of meeting

Beyond the scope of Board responsibility, board members could from time to time take on certain consultancy projects for the company. Such projects are defined by the Board of Directors and occur on a limited basis. Board members are compensated for such work according to separate agreements approved by the Board of Directors.

The Directors’ fees are as at 31 December 2017 not linked to performance. The members of the Board have no share options in the company.

For further information about remuneration of the Board see Note 15 in the 2017 financial statements.

Remuneration of the Nomination committee
Remuneration from the Annual General Meeting of 2017 to the Annual General Meeting of 2018:

The Chairman of the Nomination Committee:
NOK 45,000

All members of the Nomination Committee:
NOK 30,000

Deviation from the Code of Practice: None

12. Remuneration of the executive management

Q-Free’s remuneration policy has always been to offer salaries adjusted to market conditions to attract the competence needed. The Board has determined and approved special guidelines for the stipulation of salary and other remuneration to executive management, and the structure of the incentive system is presented to the Annual General Meeting for information purposes. The statement of remuneration of executive personnel is given in a separate appendix to the agenda of the Annual General Meeting. The amendment from 2012 Code to the 2014 Code regarding advisory and binding guidelines in the statement, are implemented. The guidelines for remuneration help to ensure convergence of the financial interests of the executive personnel and the shareholders.

The executive management receives a basic salary and are members of the company’s pension scheme. An incentive scheme for executives and leading employees with synthetic options was approved in 2015. The agreements under this program were in force from 2015, and the program was then closed for further grants. A share option program for the CEO was approved in 2016. A share option program for leading executives was approved in 2017. The remuneration to the executive management also includes a performance based bonus scheme. Please see Note 15 and Note 17 in the 2017 financial statements. All performance-related remuneration is subject to an absolute limit.

The Board adopted a performance based bonus scheme for all employees in 2007, in order to motivate extraordinary performance/ achievements. The performance based bonus scheme is linked to relevant financial KPI’s. The CEO may assign bonuses to individuals or teams for extraordinary performance/achievements, limited up to 40 percent of the employee’s fixed salary. The Board may assign bonus to the CEO for performance/achievements limited up to 75 percent of his/her fixed salary. The scheme for the executive management generally follows the overall bonus scheme for the Group, in addition, personal goals apply. The synthetic scheme for executive management requires that parts of the bonus payment is used for purchase of shares in the company.

For more information about incentive programs, please see chapter 3 in this document and Note 17 in the 2017 financial statements.

Evaluation
The Board set the terms of the CEO’s employment, and the Board reviews the salary and other remuneration on an annual basis. The review is based on performance and comparable market conditions of similar positions.

For further information about remuneration of the CEO and other members of the executive management, see Note 15 in the 2017 financial statements.

Deviation from the Code of Practice: None

13. Information and communication

Q-Free wants to maintain an open dialogue with the capital market, and holds open presentations for investors, analysts and others on a regular basis. The company aims to maximise shareholders’ values, in such a way that the return on investment measured by dividends and increased share price at least match that of alternative investments involving similar risk.

Regular information will be published through the Annual Report and the quarterly reports and open presentations, at the same time as the information is published on the company’s website.

The quarterly results are also made available through webcast. Q-Free will also provide information on its major value drivers and risk factors through the interim reporting, which will enable investors to evaluate the company’s risk and performance. Q-Free publishes an overview each year of the dates for major events. The annual report will be published within four months after year-end.

The CEO and CFO are responsible for the investor relations and all communication with the capital market. If required, the Chairman of the Board or appointed members of the Board will assist.

All information is communicated within the framework established by securities and accounting legislation and the rules and regulations of the Oslo Børs.

Q-Free follows The Oslo Børs Code of Practice for Investor Relations. All information relevant to the company’s shareholders is published on Oslo Stock Exchange, and made available on the company’s website www.q-free.com.

Q-Free has published responsibility for the company’s contact with shareholders and others on the Company’s website.

Deviation from the Code of Practice: None

14. Takeovers

Q-Free Board of Directors will handle takeover bids in accordance with Norwegian law and the Norwegian Code of Practice for Corporate Governance. There are no defence mechanisms against acquisition offers in the articles of association or in any underlying steering document. Neither have the company implemented any measures to limit the opportunity to acquire shares in the company.

Deviation from the Code of Practice: None

15. Auditor

The company’s external auditor is appointed by the general meeting and is responsible for the financial audit of the parent company and Group accounts. The auditor is independent of Q-Free ASA.

The external auditor of Q-Free ASA annually presents a plan to the Audit Committee covering the main focus for the audit. The external auditor participates in at least two meetings of the Audit Committee every year, and one Board meeting where the annual accounts are approved. Other meetings are attended by the auditor as requested. The annual audit results include a presentation of any material changes in the company’s accounting principles, accounting estimates and report any material matters in case of disagreements between the external auditor and the management.

At least once a year, a meeting is held between the auditor and the Board without the presence of the CEO or other members of executive management. The Audit Committee has a specific obligation to survey the auditor’s independence and qualifications, and to propose candidates for external audit of the company to the General Meeting.

In 2013 Q-Free ASA arranged a competitive tendering among several auditor companies, and BDO AS was elected as the new auditor for the company. Independent external auditors have also been appointed for subsidiaries of Q-Free ASA which have requirements for a statutory audit.

The external auditor has given the Board of Directors a written notification confirming that the requirements for independence are satisfied.

The auditor attends the Annual General Meeting and informs about the auditor’s report and remuneration for the year. This year’s auditor’s report follows the notes in the annual report. For further information about remuneration of the auditor, see Note 27 in the 2017 financial statements.

To the extent that the auditor is providing services beyond the audit, this is discussed separately on case-by-case basis prior to engagement, to ensure that there are no conflict of interest issues and that this is within the framework of the Auditors Act § 4-5. All engagements beyond audit related services are approved by the CEO or CFO prior to start up.

Deviation from the Code of Practice: None