



## MINUTES FROM ORDINARY GENERAL MEETING OF Q-FREE ASA

The ordinary General Meeting was held on 9 May 2008 at Q-Free ASA office, Thonning Owesens gate 35c, 7044 Trondheim.

The Chairman of the Board of Directors, Mr. Ole Jørgen Fredriksen, opened the meeting.

A list of shareholders present at the meeting is enclosed to these minutes of meeting (*Appendix 1*).

22 567 281 shares representing 43.17% of the company's share capital was represented at the General Meeting.

In addition, the following were present at the meeting:

CEO Øyvind Isaksen  
CFO Finn Øistein Nordam  
Auditor John Christian Løvaas, Ernst & Young

### **01/2008 Election of the Chairman of the meeting**

Ole Jørgen Fredriksen was proposed as Chairman of the meeting.

#### **Resolution:**

Ole Jørgen Fredriksen was unanimously elected as the Chairman of the meeting.

### **02/2008 Election of one (1) person to countersign the minutes together with the Chairman**

Hans Petter Hammernes was suggested to countersign the minutes together with the Chairman of the meeting.

#### **Resolution:**

Hans Petter Hammernes was unanimously elected to countersign the minutes together with the Chairman of the meeting.

**03/2008      Approval of the notice and agenda**

The Chairman of the meeting informed that the summons complied with all requirements pursuant to the Public Limited Companies Act and the Stock Exchange Regulations.

**Resolution:**

The notice and agenda were unanimously approved.

**04/2008      Approval of the annual accounts and the annual report for 2007 of Q-Free ASA and the group, hereunder the disposal of the net profit.**

There were no annotations to the annual accounts and the annual report for 2007.

Auditor John Christian Løvaas, Ernst & Young, gave an account of the auditor's statements to the annual accounts for 2007.

**Resolution:**

The Board's proposal for the annual accounts for 2007 of Q-Free ASA and the group, hereunder proposal for the Profit and Loss account and the balance sheet with notes, together with the proposal for the annual report of Q-Free ASA and the group, were unanimously approved.

The Board of Directors' proposal to transfer the net profit to other equity capital was unanimously approved.

**05/2008      Amendment to Section 6 of the Articles of Association**

The Chairman of the meeting informed of the Board's proposal of an amendment to Section 6 of the Articles of Association.

**Resolution:**

The Board's proposal of an amendment to Section 6, no. 3 of the Articles of Association was unanimously approved to read:

*“3. Election of members to the Board of Directors and Chairman of the Board of Directors.”*

**06/2008**

**Election of members to the Board of Directors**

The proposal from the Nomination Committee was presented. The following members are due for election:

Torild Skogsholm

According to the proposal from the Nomination Committee, the following members of the Board of Directors were proposed:

Torild Skogsholm

Jan Pihl Grimnes

According to the proposal from the Nomination Committee, the following Chairman of the Board was proposed for the period from ordinary General meeting 2008 until the ordinary General meeting 2009 :

Ole Jørgen Fredriksen

**Resolution:**

The following were unanimously elected as members of the Board of Directors:

Torild Skogsholm

Jan Pihl Grimnes

The following were unanimously elected as Chairman of the Board of Directors for the period from ordinary General meeting 2008 until the ordinary General meeting 2009:

Ole Jørgen Fredriksen

The Board of Directors will, according to this election, have the following composition:

Ole Jørgen Fredriksen (Chairman)

Christian Albech

Mimi Kristine Berdal  
Torild Skogsholm  
Jan Pihl Grimnes  
Anders Hagen (employee elected)  
Sissel Lillevik Larsen (employee elected)

**07/2008 Election of members to the Nomination Committee**

The proposal from the Nomination Committee was presented. Jan Pihl Grimnes will resign as member of the Nomination Committee and the following member was proposed:

Cecilie Johnsen

**Resolution:**

The following were unanimously elected as members of the Nomination Committee for a period of two years:

Cecilie Johnsen

The Nomination Committee will, according to this election, have the following composition:

Harald Arnet (Chairman)

Haakon Sæter

Cecilie Johnsen

**08/2008 Approval of the remuneration to the members of the Board, the Nomination Committee and the auditor**

The proposal from the Nomination Committee was presented. According to the proposal from the Nomination Committee, the remuneration to the Board of Directors was proposed to be as follows for the period from ordinary General meeting 2008 until the ordinary General meeting 2009:

The Chairman of the Board: NOK 250,000

The members of the Board: NOK 150,000

The Nomination committee has proposed the following remuneration for the sub-committees of the Board of directors:

Chairman of the sub-committee: NOK 10,000 per full day meeting

Member of the sub-committee: NOK 7,500 per full day meeting

The Board of Directors proposed the following remuneration for the Nomination Committee for the period from ordinary General meeting 2008 until the ordinary General meeting 2009:

Chairman of the Nomination committee: NOK 25,000

Member of the Nomination committee: NOK 15,000

The remuneration to the auditor regarding Q-Free ASA for the year 2007 was proposed to be NOK 210,000.

**Resolution:**

The proposal for the remuneration to the Board of Directors was unanimously approved.

The proposal for the remuneration to sub-committees of the Board of Directors was unanimously approved.

The proposal for the remuneration to the Nomination Committee was unanimously approved.

The proposal for the remuneration to the auditor was unanimously approved.

**09/2008**

**Instruction for the Nomination Committee**

The Chairman of the meeting informed of the Board's proposal for instruction for the Nomination Committee.

**Resolution:**

The Board's proposal for instruction for the Nomination Committee was unanimously approved. The instruction for Nomination Committee is attached to the minutes. (*Appendix 2*)

**10/2008****Guidelines for the remuneration of the management**

The Chairman of the meeting gave an account of the Board's report on the remuneration of the management, hereunder of the guidelines for the establishment of the payment and other remuneration of the management in the fiscal year to come.

The Chairman of the meeting informed that the option program for executive employees and shareholder elected board members was approved by the General Meeting on 10 May, 2006, cf. appendix to notice of General Meeting. The option program is valid for a 3 year period for executive employees, and is continued accordingly, while the option program is valid for a 2 year period for board members. It is proposed that the option program for the shareholder elected board members is prolonged by 1 year, within the same number of 600.000 shares. This means that the 2 year program for shareholder elected board members applies for the period 2007 until 2009, on the same conditions as the option program approved in 2006. Any redeemed options by the first 2 years is included into (and reducing) the total number of shares. At present date there are no redeemed options neither for the executive employees nor the board members.

The General Meeting has by its resolution of May 10, 2007 issued a 2 year power of attorney to the Board of Directors to a capital increase, for the implementation of the total option program, in which the option program for the executive employees at the same time were increased from 1 950 000 to 2 100 000 share options. This power of attorney is also covering redeemable share options under the revised option program for the shareholder elected board members.

Board of Directors proposed resolution:

1. The General Meeting endorses the Board of Directors' guidelines for determination of salary and other compensation for the upcoming fiscal year.
2. The General Meeting endorses the proposed 1 year prolongment of the option program for the shareholder elected board members resolved by the General Meeting of 2006, and that the applicable period is 2007 until 2009 on the same terms and conditions, and within the same total number of shares.

**Resolution:**

With 102 500 of the votes against and 22 464 781 of the votes in favour, the General Meeting resolved the following resolution:

The General Meeting endorses the Board of Directors' guidelines for determination of salary and other compensation for the upcoming fiscal year. The Board's statement is attached the minutes. (*Appendix 3*)

The General Meeting approved the proposed 1 year prolongment of the option program for the shareholder elected board members resolved by the General Meeting of 2006, and that the applicable period is 2007 until 2009 on the same terms and conditions, and within the same total number of shares.

**11/2008 Proposal for authorization to the Board of Directors regarding share capital increase**

The Chairman of the meeting informed of the existing authorization, given by the General Meeting 10 May 2007, to increase the share capital with up to NOK 1.986.421,88. The authorization is valid until the next ordinary General Meeting, however not longer than until 30 June 2008.

Based on the need to secure necessary flexibility in connection with possible acquisitions, share offerings, mergers etc within the ITS (Intelligent Traffic Systems) sector, and also in connection with subsequent increase of the share capital, the Board of Directors proposes to the General Meeting that the Board is given a new authorization from the General Meeting to increase the share capital by the issuance of new shares.

With reference to the above, the Board proposes that the General Meeting passes the following resolution:

“The authorization regarding share capital increase with as much as NOK 1.986.421,88, given by the General Meeting 10 May 2007, is withdrawn.

The Board of Directors is given a new authorization to increase the share capital with as much as 1.986.421,88 by the issue of as much 5.227.426 shares (10%), each with a par value of NOK 0.38, with a right to disregard the existing shareholders preferential rights according to the Public Limited Companies Act sections 10-4 and 10-5, and to determine that non-cash share deposits shall be made or the right to subject the company to special obligations pursuant to section 10-2 of the Public Limited Companies Act, and mergers according to the

Public Limited Companies Act section 13-5. The Board of Directors are authorized to determine the terms and conditions for the subscription of shares, and to amend the company's articles of association in compliance with the increase of the share capital at all times. The authorization shall be valid until the ordinary General Meeting in two years, but no longer than 30 June 2010.”

**Resolution:**

The authorization regarding share capital increase with as much as NOK 1.986.421,88, given by the General Meeting 10 May 2007, is withdrawn.

The Board of Directors is given a new authorization to increase the share capital with as much as 1.986.421,88 by the issue of as much 5.227.426 shares (10%), each with a par value of NOK 0.38, with a right to disregard the existing shareholders preferential rights according to the Public Limited Companies Act sections 10-4 and 10-5, and to determine that non-cash share deposits shall be made or the right to subject the company to special obligations pursuant to section 10-2 of the Public Limited Companies Act, and mergers according to the Public Limited Companies Act section 13-5. The Board of Directors are authorized to determine the terms and conditions for the subscription of shares, and to amend the company's articles of association in compliance with the increase of the share capital at all times. The authorization shall be valid until the ordinary General Meeting in two years, but no longer than 30 June 2010.

**12/2008**

**Authorization to the Board of Directors to acquire the Company's own shares**

The Chairman of the meeting informed that the Company has an existing authorization to acquire own shares. This authorization expires 30 June 2008. It is the Board's opinion that it would be adequate if the Board of Directors is given authorization to acquire the Company's own shares, limited to up to 10% of the Company's share capital, c.f. the Public Limited Companies Act section 9-2. A possible acquisition of own shares will enable the Company to utilise the mechanisms permitted by the Public Limited Companies Act with respect to the distribution of capital to the Company's shareholders. Repurchase of own shares will also be an instrument of enabling continuously adjustment to an appropriate capital structure.

With reference to the above, the Board proposes that the General Meeting passes the following resolution:

“The authorization regarding share capital increase to acquire own shares with as much as NOK 1.986.421,88, given by the General Meeting 10 May 2007, is withdrawn.



“The General Meeting hereby authorizes the Board of Directors of Q-Free ASA to permit the Company to acquire shares in Q-Free ASA with a nominal value of up to NOK 1.986.421,88, divided between up to 5.227.426 shares, each with a par value of NOK 0.38, provided that the Company’s shareholding of own shares shall not exceed 10% of shares outstanding at any given time. The minimum and maximum amount that can be paid per share will be NOK 1 and NOK 100 respectively. The Board of Directors shall have full discretion with respect to methods of acquisition and disposal of the Company’s own shares. The authorization shall be valid until the next ordinary General Meeting, but no longer than 30 June 2009.”

**Resolution:**

The authorization regarding share capital increase to acquire own shares with as much as NOK 1.986.421,88, given by the General Meeting 10 May 2007, is withdrawn.

The General Meeting hereby authorizes the Board of Directors of Q-Free ASA to permit the Company to acquire shares in Q-Free ASA with a nominal value of up to NOK 1.986.421,88, divided between up to 5.227.426 shares, each with a par value of NOK 0.38, provided that the Company’s shareholding of own shares shall not exceed 10% of shares outstanding at any given time. The minimum and maximum amount that can be paid per share will be NOK 1 and NOK 100 respectively. The Board of Directors shall have full discretion with respect to methods of acquisition and disposal of the Company’s own shares. The authorization shall be valid until the next ordinary General Meeting, but no longer than 30 June 2009.

No further issues were considered.

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Trondheim, 9 May 2008.

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Ole Jørgen Fredriksen

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Hans Petter Hammernes

## APPENDIX 1

### Register of shareholders present

<b>Name</b>	<b>No. Of shares</b>	<b>Represented by</b>
VERDIPAPIRFOND ODIN	4,593,100	Ole Jørgen Fredriksen
VERDIPAPIRFONDET NOR	3,408,750	Ole Jørgen Fredriksen
SKAGEN VEKST	3,356,000	
RAMS AS	2,107,000	Ole Jørgen Fredriksen
ANDRESEN LARS ODDGEIR	1,633,600	
REDBACK AS	1,425,000	Ole Jørgen Fredriksen
STOREBRAND LIVSFORSIKRING	1,299,900	Ole Jørgen Fredriksen
SILVERCOIN INDUSTRIE	1,236,500	Ole Jørgen Fredriksen
VERDIPAPIRFONDET NOR	990,025	Ole Jørgen Fredriksen
ROYAL BANK OF CANADA	600,000	Ole Jørgen Fredriksen
VERDIPAPIRFONDET NOR	539,700	Ole Jørgen Fredriksen
AKSJEFONDET ODIN NOR	406,794	Ole Jørgen Fredriksen
SÆTER HAAKON MORTEN	328,500	Ole Jørgen Fredriksen
VERDIPAPIRFONDET NOR	162,750	Ole Jørgen Fredriksen
FREDRIKSEN OLE JØRGEN	150,000	Ole Jørgen Fredriksen
CICOIA AS	141,000	Ole Jørgen Fredriksen
CACEIS BANK	102,500	Ole Jørgen Fredriksen
SAETER EVY	50,000	Ole Jørgen Fredriksen
ISAKSEN ØYVIND	30,000	
SSB INVESTMENT FUNDS	5,662	Ole Jørgen Fredriksen
ISAKSEN RITA	500	Ole Jørgen Fredriksen
Total	22,567,281	
Shares in total	52,274,269	
Shares represented in percent	<b>43.17%</b>	

## **APPENDIX 2**

### **INSTRUCTIONS FOR THE NOMINATION COMMITTEE IN Q-FREE ASA**

§1 The company shall have a Nomination Committee comprising three members, who are elected by the General Meeting for two years at a time on the recommendation of the shareholders. The chairman of the Nomination Committee is elected by the General Meeting.

§2 The members of the Nomination Committee shall be shareholders or shareholders' representatives. At least two of the members of the Nomination Committee should be independent of the Board of Directors and the general management.

§3 The Chairman of the Board is obliged to meet for the committee according to notice of meeting. The committee may otherwise obtain information from the board of directors, and / or the company's management or others who are regarded as being relevant to the committee's work. In its work, the Nomination Committee shall make active searches among the shareholder community and gain support for its recommendation with the largest shareholders. Shareholders should be able to propose candidates for the board of directors and the Nomination Committee in reasonable time before the recommendation is submitted. The Nomination Committee shall ensure that the relevant candidates are eligible and confirm that their willingness to undertake the directorship.

§4 In its work, the Nomination Committee shall take into consideration acts and regulations that apply to board representation for a listed company, including observing the company's corporate governance rules. The tasks of the Nomination Committee are:

- a) to submit a recommendation to the General Meeting regarding choice of shareholder elected members of the Board, including the Chairman of the Board, when these are up for election or in case of a by-election. The board of directors elects its own deputy chairman from among the elected board members;
- b) to ensure that the Board of directors make an annual self-evaluation of their work and competence;
- c) to propose directors' remuneration, including remuneration of sub- committees of the Board;
- d) to submit its recommendation to the General Meeting regarding election of members to the Nomination Committee, including the chairman of the Nomination Committee.

§5 The chairman gives notice of a Nomination Committee meeting, and also when two of the members so request. In addition to physical meetings, meetings may also take place via telephone or per circulation. The Nomination Committee forms a quorum when two members are present. However, the committee cannot pass a resolution without all the members as far as possible having been given the opportunity to attend the meeting. If the Nomination Committee does not reach an unanimous decision, it is the recommendation that the majority vote for which will be the committee's recommendation.

§6 The Nomination Committee's recommendation shall be submitted in time for it to be sent out together with the notice of the General Meeting. The recommendation shall contain relevant information about the proposed candidates. The reason for the committee's recommendations shall be given. A copy of the recommendation shall be sent to the Chairman of the Board. The same applies to proposed amendments of the instructions to the Nomination Committee.

§7 The recommendation of the Nomination Committee shall be presented at the Ordinary General Meeting by the chairman of the Nomination Committee or by the person elected to chair the General Meeting. The recommendation signed by the members of the Nomination Committee, shall be enclosed with the minutes of the General Meeting.

§8 Recommendation for remuneration of the members of the Nomination Committee is prepared by the Board of Directors and determined yearly by the General Meeting.

§9 Any amendments to the instructions of the Nomination Committee shall be approved by the company's General Meeting.

## **APPENDIX 3**

### **STIPULATION OF SALARY AND OTHER REMUNERATION TO THE GENERAL MANAGER AND OTHER LEADING EMPLOYEES**

#### **1. INTRODUCTION**

According to the Public Limited Companies Act § 6-16a, the Company's Board shall prepare a statement regarding the salary and other remuneration to the General Manager and other leading employees.

The statement shall include guidelines for the stipulation of salary and other remuneration, and hereunder state the main principles of the Company's wage policy for the management/leading employees.

The statement shall further include a review of the wage policy for the management/leading employees that was in place in the previous financial year, hereunder in what way the guidelines for the stipulation of wages has been implemented .

This statement is according to the above submitted to the General Meeting in Q-Free ASA.

#### **2. MAIN PRINCIPLES FOR STIPULATION OF SALARY AND OTHER REMUNERATION TO LEADING EMPLOYEES**

Q-Free is a leading national Company within its area of business. To maintain and to strengthen its market position, and to reach the objectives the Board has set for the Company, Q-Free is dependent on recruiting and keeping employees, leaders included, with substantial competence. The Company must therefore grant competitive wages to its leading employees.

The Board therefore states that the fixed monthly salary for the respective leaders shall represent competitive wages, and that this shall reflect the respective leaders' personal responsibilities and competence.

On top of the fixed monthly salary, there should be the option to grant a bonus that will depend on the results of the company on performance of the individual employee. The Board has therefore established a bonus plan for the Company's employees, leaders included. Such bonus can for the General Manager be maximum 80% of the fixed yearly salary, and for the other members of the management team maximum 40% of the fixed yearly salary. The bonus shall in general terms be linked to Q-Free's fulfilment of further defined objectives for the period; result targets and/or other established objectives for the Company. These objectives shall each year be established by the Company's Board, and may be linked to financial results, results within research and development, quality objectives and/or further established individual result targets or objectives for the individual leader.

The Board refers to the fact that there already is established an option plan for the Company's Board, the General Manager and leading employees/key personnel, and that the framework for this plan previously is approved by the Company's General Meeting. The guidelines for the option plan are enclosed.

On top of the fixed monthly salary, bonus according to achieved results and adopted option plans, the agreement with the individual leader can include that he or she shall receive payment in kind, as for example receiving free newspapers/journals, free phone, free internet-subscription etc. In individual cases it can also be agreed that the leader concerned shall have a Company car at disposal according to the prevailing regulations.

Q-Free has established a collective pension scheme for its employees that also include the leading employees. On top of the pension payment that comes from such scheme, and on top of the payments offered through public pension arrangements, the members of the Company's management team can be offered an individual pension agreement. The Board states that in individual cases further pension arrangements can also be made.

The Board of Q-Free further states that there shall be a mutual period of notice of six (6) months for agreements made with leading employees. For the General Manager the period of notice should be extended with two (2) months for each year he or she has been employed by the Company, however so that the maximum period of notice shall be twelve (12) months. In individual cases other arrangements with regards to resignation can be agreed, hereunder agreements of payment after the termination of employment.

The Board shall be empowered to depart from the principles above in individual cases.

### **3. FURTHER PROCEDURE**

According to a new provision in the Public Limited Companies Act § 5-6, third section, the Company's ordinary General Meeting shall consider this statement from the Board about stipulation of salary and other remuneration to leading employees. According to this the statement shall be sent out together with the notice of the General Meeting and the Company's annual report.

According to the Public Limited Companies Act § 5-6, third section, the General Meeting shall also conduct a consultative vote with regards to the Board's guidelines for the stipulation of salary to leading employees. In this vote the General Meeting can either approve the guidelines or reject them.

According to the Public Limited Companies Act § 5-6, third section, the Board's guidelines for remuneration with shares or remuneration based on the value of shares (share- and option plans etc, cf. the Public Limited Companies Act § 6-16 a first section, third sentence no 3), shall also be approved by the General Meeting. By giving this statement, the Board suggests no changes in the option plan that previously is approved by the Company's General Meeting.

#### **4. STATEMENT FOR 2007**

The Board of Directors declares that the main principles for stipulation of salary and other remuneration to leading employees approved by the General Meeting 10. May 2007 has been complied with in 2007.

### **APPENDIX 3.1**

#### **GUIDELINES FOR OPTION PROGRAM**

In the General Meeting held 10 May 2006 an incentive program was resolved. The Board's guidelines for allotment of share options are based on this resolution.

#### **ISSUE 08/2006**

"The Chairman of the Board informed of the Board's proposal to give the Board an authorization to develop a new incentive program towards the Company's key personnel, management and Board members elected by the shareholders, through the possibility to subscribe shares in the Company. Based on this, the Board proposed that the Board is given an authorization from the General Meeting to conduct a capital increase by the issue of new shares based on further detailed terms and conditions, to carry out one or more private placements towards employed key personnel, leading employees and Board members, as part of the implementation of the Company's new incentive program.

#### **Resolution:**

According to the Board's proposal, it was unanimously resolved that the Board, as part of the work of giving the Company's key personnel, management and Board members elected by the shareholders an incentive program, through the possibility to subscribe shares in the Company, the Board of Directors is authorized to increase the share capital by up to NOK 969,000 that is equivalent to 2,550,000 shares (approximately 5%), each with a par value of NOK 0.38, through one or more private placements with cash deposits towards employed key personnel, management and Board members elected by the shareholders of Q-Free ASA. The existing shareholders' preference right to subscription according to the Public Limited Companies Act sections 10-4 and 10-5 can be disregarded. The authorization is valid for 2 years from the date of this resolution.

The authorization is for the implementation of a share option program in Q-Free ASA, which runs over a period of 3 years for employed key personnel and management, and 2 years for Board members elected by the shareholders. Up to 600,000 shares are reserved for the share option program for Board members elected by the shareholders, and the remaining 1,950,000 shares are reserved for the share option program for employed key personnel and management. There will not be paid any option premium. The strike price shall be equivalent to the average price of the Q-Free ASA shares on the Oslo Stock Exchange on closing time the last 14 days prior to and the first 14 days after the ordinary General Meeting in the same year the shares are being subscribed to. For key personnel and management, who are awarded option rights for a period of 3 years, as much as 1/3 of the options can be exercised annually. Correspondingly, as much as 1/2 of the options can be exercised annually for Board members elected by the shareholders. For new employed key personnel, management and Board members, the strike price will be determined on the day they enter the share option program. Reservations are made with regards to the General Meetings approval in 2007 and 2008 for the proposed final part of the option program. Furthermore, the intervals for the exercise of the options shall be determined."

**The General meeting has by resolution of 10 May 2007 approved a two year authorization to increase the share capital to The Board of Directors which**



**includes the total option program, and whereas the option program for key personnel and management at the same time was increased from 1.950.000 to 2.100.000 share options.**