



## INSTRUCTIONS FOR THE NOMINATION COMMITTEE

Adopted by the Council 27<sup>th</sup> September 2012 and amended 16<sup>th</sup> October 2013.

### PREAMBLE

The Nomination Committee is established according to and regulated by the Statutes of Stiftelsen Det Norske Veritas (the “Statutes”) section 10.

Stiftelsen Det Norske Veritas is hereinafter referred to as either the “Foundation” or “Det Norske Veritas”. The Foundation and its subsidiaries are referred to as the “Group” or “DNV”.

These instructions (the “Instructions”) are established with reference to the Statutes section 10, fourth paragraph according to which the Council shall draw up instructions for the Nomination Committee. The Instructions replace the Council’s instructions for the Nomination Committee last amended by the Council 8<sup>th</sup> June 2011. The Council may at any time amend the Instructions.

### 1 MANDATE

- 1.1 The Nomination Committee shall submit recommendations to the Council for the election of:
  - members of the Board of Directors, including Chairman and Vice-Chairman who shall be nominated separately;
  - Chairman and Vice-Chairman of the Council amongst the Council’s members;
  - Council members that according to the Statutes section 6 shall be elected by the Council; and
  - members of the Control Committee and the Nomination Committee.
- 1.2 The Nomination Committee shall submit recommendations to the Council for remuneration to members of the Board of Directors, Council members and Council committee members, and members of boards of companies in which the Foundation directly or indirectly has determining influence, as this is defined in the Norwegian Limited Liability Companies Act (13.06.97, no. 44 section 1-3), when these board members also will be members of the Board of Directors of the Foundation.
- 1.3 The Nomination Committee shall communicate with the associations that appoint members to the Council according to the Statutes section 6, to ensure that appointments meet the needs of the Council.

## **2 COMPOSITION AND REMUNERATION**

- 2.1 The Nomination Committee is composed of the Chairman and the Vice-Chairman of the Council, and three additional members elected from among the Council members.
- 2.2 The Nomination Committee members are elected for a term of up to two years. The Council may elect up to half of the committee members for one year to avoid that all committee members are up for election at the same time. If a member of the Nomination Committee ceases to be member of the Council, the member remains member of the Nomination Committee until the Council has elected a successor. The members may be removed or replaced at any time by a resolution of the Council.
- 2.3 At least one of the Committee members shall withdraw each second year and may not be re-elected. This does not apply to the Chairman and Vice Chairman of the Council. Unless a member withdraws because he or she ceases to be member, Chairman or Vice Chairman of the Council, or for other reasons, the member of the Committee with the longest service as Committee member shall withdraw.
- 2.4 The Chairman of the Council is also Chairman of the Nomination Committee.
- 2.5 The Nomination Committee shall be broadly composed. The members shall be independent of the Board of Directors and the executive management of the Foundation and its subsidiaries.
- 2.6 The members of the Nomination Committee shall be remunerated as decided in accordance with the Statutes. The members' necessary travel expenses and other expenses incurred in connection with the performance of duties shall be reimbursed by the Foundation according to standard rates and procedures.

## **3 PROCEDURES**

- 3.1 Meetings of the Nomination Committee shall be convened by the Chairman of the Nomination Committee. Meetings shall be convened when the Chairman finds it suitable, if requested by two or more members of the Nomination Committee, or if requested by the Chairman of the Board.
- 3.2 The Chairman of the Nomination Committee may decide that a matter can be submitted in writing or dealt with in some other adequate manner. A Nomination Committee member may always require that the matter is dealt with in a meeting.
- 3.3 The Nomination Committee constitutes a quorum when three or more of the Nomination Committee's members participate and all other members of the Nomination Committee have been given the opportunity to participate. When passing recommendations to the Council according to section 9.1 all members must participate. A resolution of the Nomination Committee requires the supporting vote of the majority of the members that participate. In the case of an equal vote, the Chairman shall have a casting vote.
- 3.4 A member of the Nomination Committee cannot participate in the discussion or decision of any matter which is of such particular importance to the member or any related party that he or she must be deemed to have a special and prominent personal or financial interest in the matter. This implies, *inter alia*, that a member cannot participate when the Nomination Committee is dealing

with nomination or remuneration that regards the member itself, but the provision does normally not disqualify members from dealing with matters regarding other members appointed by the same association as the member in question.

- 3.5 The Nomination Committee shall under the responsibility of the Chairman keep minutes of the Nomination Committee's meetings, which shall be signed by all participants. The minutes shall at least provide the time and place, name the participants, the mode of procedure, and the Nomination Committee's observations and resolutions. If a resolution is not unanimous, the names of the Nomination Committee members having voted for and against shall be stated. Members who do not agree on a resolution may require his or her opinion to be entered in the minutes.
- 3.6 The Nomination Committee shall inform the Council about its work and discuss matters of principle with the Council. In its work, the Nomination Committee may contact Council members, members of the Board of Directors, the executive management, representatives of the employees, external advisors and others as it sees fit. Council members shall be given the opportunity to propose candidates to the Nomination Committee.
- 3.7 The Chairman of the Nomination Committee shall provide the Chairman of the Board and the Chief Executive Officer with regular information on the progress of the Nomination Committee's work. The Chairman of the Board and the Chief Executive Officer shall be invited to at least one meeting of the Nomination Committee before it submits its recommendations.
- 3.8 Before recommending the candidates, the Nomination Committee shall ask the candidates whether they are willing to serve in such office as considered. Only candidates who have confirmed that they are willing to take on such office shall be recommended.
- 3.9 For all governing bodies, the nominations shall take into account that:
- The governing body should be made up of individual members who are willing and able to work as a team; and
  - There over the course of time should be a balance between the need for continuity and need for renewal of the respective body.

#### **4 NOMINATION OF CANDIDATES FOR THE BOARD OF DIRECTORS**

- 4.1 The Nomination Committee's recommendations shall at all times satisfy the requirements relating to the composition of the Board of Directors laid down in applicable legislation and in the Statutes section 3.
- 4.2 The Nomination Committee shall take into account that the members of the Board of Directors will be elected as members of the Board of Directors of Det Norske Veritas Holding AS and DNV GL Group AS. When applying sections 4.3 and 4.4, the Nomination Committee shall take into account the composition of the whole board of DNV GL Group AS. The Committee shall in particular ensure that at least one member of DNV GL Group AS Board of Directors has accounting or auditing experience to serve on the audit committee.

The Nomination Committee shall seek to have access to the annual self-assessment from the DNV GL Group AS Board of Directors, and to apply section 4.5 to the extent relevant.

The Nomination Committee shall also communicate with other significant shareholders in DNV GL Group AS to ensure that both the Foundation and other shareholders take into account the composition of the whole board when making their nominations or appointments to the board.

4.3 The Nomination Committee shall also take the following factors into account:

- The Board of Directors should be composed to represent a broad base of industry experience, knowledge from some of the major industries that are served by DNV. The maritime industries shall normally be represented on the Board of Directors. No specific industry, stakeholder group or customer group shall have dominance in the Board of Directors. In particular, the Board of Directors shall not be dominated by ship owners or shipbuilders, or by others engaged commercially in the manufacture, equipping, repair or operation of ships, according to EU Council Directive 94/57/EF on common rules and standards for ship inspection and survey organisations.
- The Board of Directors should have sufficient expertise and experience to handle both its oversight and supervisory responsibilities and the strategic challenges that the Foundation faces.
- The Board of Directors should have members with international working experience to reflect the Foundation's international character.

4.4 The Nomination Committee shall ensure that all candidates that are recommended:

- Have personal experience and qualifications to serve as a board member;
- Are independent from the management of the Foundation and its subsidiaries; Recognize the purpose of Det Norske Veritas as stated in the Statutes section 1 and are able and willing to adhere to DNV's Codes of Conduct; and
- Have sufficient time in relation to their other appointments and employment to carry out their duties as a member of the Board of Directors.

4.5 The Nomination Committee shall take into account the Board of Directors' self-assessment. The Chairman of the Nomination Committee shall confer with the Chairman of the Board of Directors to ensure that the Board of Directors is planning a self-assessment and reporting that will fulfill the needs of the Nomination Committee. The Nomination Committee can initiate and perform an evaluation of the Board of Directors by itself or by external advisors.

4.6 The Nomination Committee's recommendation to the Council shall include the following information about each candidate nominated for election:

- The candidate's name and age;
- The candidate's educational qualifications;

- The candidate's current employment and information on any previous relevant work experience;
- The candidate's current memberships of boards of directors and other offices held and information on any previous relevant offices;
- Whether the candidate has confirmed his or her willingness to accept the appointment if elected;
- The justifications of the recommendation by the Nomination Committee with respect to section 4.2, 4.3 and 4.4 above; and
- Any other particular matters of which the Council should be aware in respect of the candidate.

## **5 NOMINATION OF MEMBERS TO THE COUNCIL**

- 5.1 The Nomination Committee's recommendation of members to be elected to the Council according to the Statutes section 6 first paragraph no. 6 shall take into account that the Council as a whole should have representation from major industry customer groups served by DNV. The representation of each industry group should take into account the relative size and the strategic importance that the industry represents for DNV's overall business and the importance DNV has for the relevant industry group. This implies that nomination preferably should be constituted of representatives from industries or other stakeholder interests which have no or weak representation through the appointments from the appointing associations in accordance with the Statutes section 6, first paragraph nos. 1-5. The Committee shall actively seek to identify stakeholder interests of which representation will benefit DNV and the Council.
- 5.2 The nomination shall in particular take into account that members from other parts of the maritime industry than those represented by associations mentioned in the Statutes section 6, first paragraph nos. 1-5, like shipyards, brokers etc is presupposed to be represented by election of the Council itself.
- 5.3 Nominations may also be justified in special needs for expertise, background, or other qualifications.
- 5.4 The Nomination Committee shall when identifying candidates also attach weight to whether the candidates have the necessary experience, qualifications and capacity to serve as Council members.
- 5.5 The Nomination Committee shall also give emphasis to ensure a reasonable representation in terms of gender, international working experience, geographical belonging and background, competence and experience. Council members with a low attendance record shall normally not be nominated for re-election.

The Nomination Committee's recommendation to the Council shall include the following information about each candidate nominated for election:

- The candidate's name and age;
- The candidate's educational qualifications;
- The candidate's current employment and information on any previous relevant work experience;
- The candidate's current memberships of boards of directors and other offices held and information on any previous relevant offices;
- Whether the candidate has confirmed his or her willingness to accept the appointment if elected;
- The justifications of the recommendation by the Nomination Committee with respect to section 5.1 to 5.4; and
- Any other particular matters of which the Council should be aware in respect of the candidate.

## **6 COMMUNICATION WITH ASSOCIATIONS REGARDING APPOINTMENT OF COUNCIL MEMBERS**

6.1 The Nomination Committee shall in writing notify the associations which appoint Council members according to the Statutes section 6 first paragraph nos. 1-5 at least two months prior to the term of expiration of the respective association's appointed Council member. The notification shall include information on the number of members to be appointed, and guidance for general or specific needs for the Council to ensure that the Council has a diversity of industry background, expertise for Council Committee positions, representation of gender and international working experience. The notification may also include feedback on attendance for existing members' that may be up for re-election. The associations shall be encouraged to not reappoint members with a low attendance record.

6.2 The associations shall be asked to present a preliminary list of planned appointees to the Nomination Committee for comments.

The written notification may be followed with dialogue with the Nomination Committee or representatives acting on behalf of the Nomination Committee with the purpose that the associations appoint members in the best interest of the Council.

6.3 The associations shall be requested to ask the candidates before appointment is made whether they are willing to serve as Council members. Only candidates who have confirmed that they are willing to take on such office shall be appointed.

## **7 NOMINATION OF MEMBERS TO THE CONTROL COMMITTEE AND NOMINATION COMMITTEE**

7.1 The Nomination Committee's recommendation for election of members to the Control Committee must at all times satisfy the requirements relating to the composition of the Control Committee according to the Statutes section 9 and in these Instructions section 2, 3.8 and 3.9. The Control Committee shall be composed so that it has financial and legal expertise and has general knowledge of the services provided by DNV. At least one member of the Control Committee shall be qualified as a lawyer. The Control Committee members shall be independent of the Board of Directors and the executive management of the Foundation and its subsidiaries and adhere to DNV's Code of Conduct.

7.2 The Nomination Committee's recommendation for election of members to the Nomination Committee must at all times satisfy the requirements to the composition of the Nomination Committee in the Statutes section 10 and in these Instructions section 2, 3.8 and 3.9. The Nomination Committee shall pay particular attention to anchor its nomination to the Nomination Committee with the associations mentioned in the Statutes section 6, first paragraph nos. 1-5. In its work to identify new candidates to the Nomination Committee, the Nomination Committee shall make contact with the Council members, associations that appoint Council members and other significant stakeholders with interest in DNV.

7.3 The recommendations to the Council shall include the following about each candidate:

- The candidate's name and age;
- The candidate's educational qualifications;
- The candidate's current employment and information on any previous relevant work experience;
- The candidate's current memberships of boards of directors and other offices held and information on any previous relevant offices;
- Whether the candidate has confirmed his or her willingness to accept the appointment if elected;
- The justifications of the recommendation by the Nomination Committee with respect to sections 7.1 and 7.2 above; and
- Any other particular matters of which the Council should be aware in respect of the candidate.

## **8 RECOMMENDATIONS OF REMUNERATIONS**

8.1 The Nomination Committee shall submit recommendation to the Council regarding the remuneration of members of the Board of Directors for the approval by the Council, and of Council members and of Council Committee members for the Council to forward its recommendation to the Board's decision.

- 8.2 The Nomination Committee shall submit recommendation to the Council for the remuneration of board members of each company in which the Foundation directly or indirectly has determining influence, as this is defined in the Norwegian Limited Liability Companies Act (13.06.97, no. 44 section 1-3), when these board members also will be members of the Board of Directors of the Foundation. The recommendations will serve as basis for the Council's recommendation to the Board of Directors. The Nomination Committee may communicate with shareholders and board members of such subsidiaries when preparing the recommendation.
- 8.3 The Nomination Committee shall base its recommendation on information regarding levels of remuneration paid to board and committee members of other comparable companies, and of the scope of work and commitment that members are expected to devote to the Foundation and companies referred to in section 8.2 respectively.

## **9 PROCESSING OF THE NOMINATION COMMITTEE'S RECOMMENDATIONS**

- 9.1 The Nomination Committee's recommendations shall be submitted in writing to the Council, no later than two weeks prior to the Council meeting at which the election are to take place. The Committee shall seek to give a unanimous recommendation. All members of the Nomination Committee shall take part and any dissenting votes shall be stated in the recommendation.
- 9.2 The recommendation shall provide an account for how the Nomination Committee has carried out its work.
- 9.3 The Chairman of the Nomination Committee, or a person authorized by the Chairman, shall present the Nomination Committee's recommendations for the Council, and give an account of the reasons for its recommendations. The Committee's relations to the Council are further described in section 3.6.

## **10 RESOURCES**

- 10.1 The Nomination Committee decides on how to arrange its work. The Chief Executive Officer shall offer the necessary resources including the services of a secretary for the Nomination Committee.
- 10.2 The Nomination Committee is entitled, in consultation with the Chairman of the Board of Directors, to engage external professional assistance on the Foundation's account.
- 10.3 External experts engaged by the Committee may be given access to the same information as the Nomination Committee members. Such information may be given by the Chairman of the Committee. Administrative resources and external experts engaged by the committee also have a duty of confidentiality pursuant to section 11.
- 10.4 The Secretary shall be responsible for filing of minutes and other documents relating to the proceedings of the Nomination Committee.



**11 DUTY OF CONFIDENTIALITY**

- 11.1 The proceedings of the Nomination Committee are confidential unless otherwise is stated in these Instructions or in the Statutes.
- 11.2 The Nomination Committee members have a duty of confidentiality with respect to any information that is not publicly known concerning the Foundation and its subsidiaries as well as concerning the candidates that comes to their knowledge by virtue of their office. The duty of confidentiality does not apply in relation to the chairman of the Board of Directors and the Chief Executive Officer. The duty of confidentiality does not apply to information lawfully requested by authorities or other parties.
- 11.3 The duty of confidentiality implies that the Nomination Committee members shall not disclose information that comes to the members knowledge by virtue of their office, and that is not publicly known, unless with consent from the Chairman of the Committee. Members must also take due care so that confidential information does not come into the possession of unauthorized persons.

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