



# **STATUTES**

## **OF**

# **STIFTELSEN DET NORSKE VERITAS**

In force as of January 1 1979.

Amended October 28 1982, October 24 1984, October 29 1986, May 21 1987, October 27 1988, May 29 1997, October 9 2002, October 18 2006, October 15 2007, October 15 2008, June 16 2009, June 2 2010, September 27 2012, October 16 2013 and October 21 2015.

### **SECTION 1**

#### **Purpose**

Stiftelsen Det Norske Veritas (hereinafter “the Foundation”) is a free-standing, autonomous and independent Foundation whose purpose is to safeguard life, property and the environment.

The Foundation undertakes classification, quality assurance and certification of ships, facilities and systems, and carries out research in connection with these functions. Moreover, provided its integrity is not impaired, the Foundation may perform assignments which exploit its know-how or which contribute to the development of know-how that may be required for the performance of these tasks.

This purpose may be achieved through participation by the Foundation in wholly or partly-owned companies.

The Foundation was established in 1978 as a direct continuation of the association Det Norske Veritas which was established in 1864. The head office of the Foundation is in Bærum near Oslo.

### **SECTION 2**

#### **The Foundation’s supreme bodies**

The Board of Directors is the Foundation’s supreme body. The Foundation shall have a General Manager who reports to the Board of Directors.

In addition, the Foundation shall have a Council assigned responsibility and tasks as detailed in section 8. The Council has delegated parts of its tasks to its Control Committee, ref. section 9, and its’ Nomination Committee, ref. section 10, respectively.

### SECTION 3

#### Composition of the Board of Directors

The Board of Directors is composed of the following members:

- Chairman, Vice-chairman and four other members elected by the Council.
- Four members with ten deputies and one observer with three deputies\_ elected by and amongst all employees of the Foundation and its wholly or partly-owned companies world-wide, of 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.

Rules for execution of the election by and amongst the employees shall be jointly decided by the Board of Directors and employee representatives, according to Norwegian rules and regulations concerning employees' rights to board representation.

Amongst members of the Board of Directors elected by the Council each gender shall be represented by at least three members. Each gender shall be represented amongst members of the Board of Directors and deputy members elected by and amongst the employees.

The General Manager cannot be a member of the Board of Directors.

Members of the Board of Directors and deputy members serve a term of two years. Members of the Board of Directors and deputy members shall be elected in such a manner that half of them are up for election every year. Members of the Board of Directors and deputy members may all be re-elected, but no member of the Board of Directors elected by the Council may be a member of the Board beyond twelve years.

The Board of Directors forms a quorum when at least seven members are present. All resolutions are adopted by simple majority. In the event of a tie the chairman of the meeting has the casting vote.

The General Manager has a right and a duty to participate in the Board's proceedings and to express him/herself, provided the Board of Directors does not decide otherwise in any particular case. The General Manager has the right to have his/her views recorded in the Minutes of Meeting.

### SECTION 4

#### Functions of the Board of Directors

The Board of Directors directs the activities of the Foundation and exercises any function not explicitly vested in other governing bodies of the Foundation. The Board of Directors shall supervise the day-to-day management and the activities of the Foundation in general. In particular the Board of Directors shall ensure satisfactory organization of the Foundation's activities and ensure that accounting and financial management are subject to adequate control. The General Manager shall be appointed by the Board of Directors. The Board of Directors shall also ensure that satisfactory procedures are established for determination of classification rules. The Board of Directors determines further instructions for its work.

Power of signature on behalf of the Foundation is exercised jointly by the Chairman of the Board of Directors and one other member of the Board of Directors. The Board of Directors may grant power of procuration.

The Board of Directors may establish working committees.

## SECTION 5

### General Manager

The General Manager is responsible for the day-to-day management of the Foundation and shall comply with the guidelines and instructions given by the Board of Directors. The day-to-day management does not include matters that are of an unusual nature for or of major significance to the Foundation.

The General Manager shall ensure that the Foundation's accounts are in accordance with law and regulations, and that the capital management is properly organized.

## SECTION 6

### Composition of the Council

The Council is composed of:

1. Seven members appointed by the CEFOR – The Nordic Association of Marine Insurers.
2. One member appointed by the Norwegian Fishing Vessel Owners Association.
3. Nine members appointed by the Norwegian Shipowners' Association (Norges Rederiforbund).
4. Five members appointed by the Norwegian Oil and Gas Association.
5. Five members appointed by the Confederation of Norwegian Business and Industry (NHO).
6. Up to eleven members elected by the Council.
7. Seven members and up to seven deputy members elected by and amongst the employees of the Foundation and its wholly or partly-owned companies world- wide, of 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) § 1-3. Rules for execution of election of members by and amongst the employees shall be jointly decided by the Board of Directors and employee representatives.

The term of office for those appointed or elected according to the 1<sup>st</sup> paragraph above is two years. For appointments according to 1<sup>st</sup> paragraph no. 1-5 and elections according to 1<sup>st</sup> paragraph no. 7, the term of office commences at the date of the first Council meeting after the appointment/election. The term of office expires at the opening of the Council meeting that is held closest to the two year anniversary of the date of appointment or election. For election according to 1<sup>st</sup> paragraph no. 6, the term of office commences at the closing of the Council meeting in which the election took place. The term of office expires at the closing of the Council meeting that is held closest to the two year anniversary of the date of election.

Council members and deputy members may be re-appointed and/or re-elected, but no Council member appointed according to the first paragraph no. 1-6 may be a member of the Council beyond 12 years.

Neither members of the Board of Directors nor the General Manager may serve as members of the Council.

Given particular circumstances a member of the Council may step down before the term of office has expired. If a member of the Council steps down prior to expiration of the term of office or such member is elected member of the Board of Directors, a new member may be appointed or elected as the case may be for the remaining part of his/her term by the body which appointed or elected the member in question.

## SECTION 7

### Council meetings

The Council convenes in ordinary meetings twice a year – once within June 30<sup>th</sup>, and once thereafter within December 31<sup>st</sup>. Extraordinary meetings shall be held when requested by either the Board of Directors, the Control Committee, by at least ten Council members or when deemed necessary by the Chairman of the Council.

The Chairman of the Council, or in his/her absence the Vice-Chairman of the Council, calls the Council meetings. The meetings shall be convened at no less than fourteen days' notice. The calling shall specify the matters to be discussed. In case the Chairman of the Council, or in his/her absence the Vice-Chairman of the Council, does not call an extraordinary meeting within reasonable time after such a request was made in accordance with 1<sup>st</sup> paragraph above, the body or the Council members who made such a request may call the Council meeting themselves.

The Council may only discuss matters included in the calling of the meeting. The Council may decide to call for a new Council meeting to discuss proposals made at a Council meeting.

Council meetings are chaired by the Chairman of the Council or in his/her absence by the Vice-chairman of the Council.

Members of the Board of Directors have a right to be present and to express themselves in the Council meetings, provided the Council does not decide otherwise in a particular case. Members of the Board of Directors are expected to participate in the Council meetings. The Chairman of the Board of Directors and the General Manager are obliged to be present at the Council meetings, unless this is clearly unnecessary or a lawful excuse for non-appearance is provided. In cases where either the Chairman of the Board of Directors or the General Manager is absent, a substitute shall be nominated in their place.

Any member of the Council may during the Council meeting request information about the Foundation's activities to the extent deemed necessary by the Council member.

The Council forms a quorum when more than half of all members of the Council take part in the discussions. Each member of the Council has one vote. Except as otherwise decided in the Statutes, the Council shall adopt resolutions by simple majority. In the event of a tie, the chairman of the meeting has the casting vote.

In particular cases, the Chairman of the Council may decide that matters for the Council shall be discussed by way of written procedures. The instructions for the written procedures shall be stated in the calling of such written procedures.

Minutes of Meeting shall be kept. The Minutes of Meeting shall as a minimum state time and place, participants, the procedures of meeting and any decisions made by the Council. Should the decisions not be unanimous, it must be stated how many who voted for and against. A member of the Council, who does not agree with the Council decision, may demand to have his/her opinion stated in the Minutes of Meeting. The Minutes of Meeting shall be signed by the chairman of the meeting and at least one other member elected from amongst the Council members present. A copy of the Minutes shall be sent to the members of the Council, the members of the Board of Directors and the General Manager as soon as possible and at the latest within two months after the Council meeting was held.

## SECTION 8

### Functions of the Council

The functions of the Council are to:

1. Elect members of the Council pursuant to section 6, no. 6.
2. Elect from among its members the Chairman and Vice-chairman of the Council.
3. Elect the Chairman, the Vice-chairman and four other members of the Board of Directors pursuant to section 3, as well as terminate the office of members of the Board of Directors who significantly disregard their duties in the exercising of their office, who are clearly unsuitable for the office, or who do not meet the requirements of the Norwegian Foundation Acts for being a member of the Board.
4. Give recommendations with regard to election of the Chairman, the Vice-chairman and other 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 the board members of such companies also are members of the Board of Directors of the Foundation.
5. Elect the Chairman and members of the Control Committee pursuant to section 9.
6. Elect members of the Nomination Committee pursuant to section 10.
7. Elect the statutory auditor.
8. Fix any remuneration to the members of the Board and deputy members.
9. Give recommendations with regard to remuneration to the Chairman and Vice Chairman of the Council, members of the Control Committee and Nomination Committee, as well as other members of the Council as the case may be, 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 the board members of such companies also are members of the Board of Directors of the Foundation.
10. Supervise the Board of Director's management of the Foundation.
11. Decide on any investigation as the case may be.
12. State its opinion on the annual report of the Board of Directors and on the annual accounts.
13. Amend the Statutes of the Foundation pursuant to section 13.
14. Submit statements to the Board of Directors or any other body of the Foundation on other matters.

Except as otherwise decided, the term of office for all elections is two years. With the exception of members of the Council elected after 1<sup>st</sup> paragraph no. 1 above, any elected officer shall remain in office until his/her successor has been elected, even if the term of office has expired. Officers may be re-elected.

Given particular circumstances an elected officer has the right to step down prior to expiration of the term of office. Provided an elected officer steps down prior to expiration of the term of office, the Council may elect his/her successor for the remainder of the term of office.

## **SECTION 9**

### **Control Committee**

The Control Committee consists of a Chairman and two other members elected by and from amongst the Council members.

The members of the Control Committee shall be independent from the Board of Directors and senior management.

On behalf of the Council, the Control Committee shall supervise the Board of Directors' management of the Foundation.

The Council determines further instructions for the Control Committee.

## **SECTION 10**

### **Nomination Committee**

The Nomination Committee consists of three members elected from amongst the Council members as well as of the Chairman and Vice-Chairman of the Council. The Chairman of the Council shall also be the Chairman of the Nomination Committee. The members of the Nomination Committee shall be independent from the Board of Directors and senior management.

At least one member of the Nomination Committee shall resign each second year and may not be re-elected. Unless other members resign, the member with the longest service as Nomination Committee member shall resign. The Chairman and Vice-Chairman of the Council shall not resign due to length of term of service in the Nomination Committee.

The Nomination Committee shall make recommendations on the elections to be conducted by the Council in accordance with section 8, 1<sup>st</sup> paragraph no. 1-6 as well as on remuneration to be handled by the Council in accordance with section 8, 1<sup>st</sup> paragraph, no. 8 and 9. The Nomination Committee shall consult with the Chairman of the Board of Directors and the General Manager before submitting its recommendation.

The Council determines further instructions for the Nomination Committee.

**SECTION 11**

**The Founding Capital**

The Founding Capital is NOK 283.5 million.

**SECTION 12**

**Disqualification clause**

No member of governing bodies may take part in the discussion of or in the decision on any matter which has such a special significance for him/her personally or for those closely related to him/her that the officer must be considered to have a prominent interest of a personal or financial nature.

**SECTION 13**

**Amendments to the Statutes**

Amendments to these Statutes may only be made by resolution of the Council, pursuant to proposition by the Board of Directors exclusively, by a two-thirds majority of the attending Council members. In case the amendment relates to sections 1, 13 or 14, it must be heard by two successive ordinary Council meetings.

Amendments to the Statutes may only be made to the extent the Norwegian Foundation Act allows. All amendments to the Statutes are subject to approval by the Norwegian Foundation Authorities.

**SECTION 14**

**Termination of the Foundation**

The Foundation may be terminated only by resolution of the Council, pursuant to proposition by the Board of Directors exclusively, by a two-thirds majority of the attending Council members in two successive ordinary Council meetings.

Decision to terminate the Foundation may only be made to the extent the Norwegian Foundation Act allows. Decision to terminate the Foundation is subject to approval by the Norwegian Foundation Authorities.

In case of termination of the Foundation, the resources of the Foundation shall as far as possible be put to use in favour of the purpose of the Foundation.

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