ANNUAL REPORTS 2015
FOR STIFTELSEN
DET NORSKE VERITAS

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About Stiftelsen Det Norske Veritas

Stiftelsen Det Norske Veritas is a free-standing, autonomous and independent foundation whose purpose is to safeguard life, property and the environment. This purpose is achieved through its ownership of wholly or partly-owned companies – of which the most important is the DNV GL Group, a classification, certification and technical assurance and advisory company.

The DNV GL Group was formed following the merger between the two classification societies DNV and GL in September 2013. Stiftelsen Det Norske Veritas owns 63.5% of the DNV GL Group through Det Norske Veritas Holding AS. The remaining 36.5% is owned by Mayfair Beteiligungsfonds II GmbH & Co KG.

In addition to its main activity as majority owner of DNV GL Group, Stiftelsen Det Norske Veritas also owns real estate, most notably the headquarters premises at Høvik (outside Oslo) of both Stiftelsen Det Norske Veritas and the DNV GL Group in Norway

CEO'S INTRODUCTION

I am proud and humbled to have taken over as the CEO of Stiftelsen Det Norske Veritas. Driven by the foundation's more than 150-year-old purpose of safeguarding life, property and the environment, I am passionate about quality, innovation and delivering excellent service to our customers.

The purpose of Stiftelsen Det Norske Veritas is realized mainly through the majority ownership of the DNV GL Group. 2015 was a challenging year for two of DNV GL's core markets, maritime and oil & gas. I am nevertheless satisfied with the financial performance achieved by Stiftelsen Det Norske Veritas in this difficult year. I foresee challenging market conditions persisting for at least the next two years. As a consequence, DNV GL is taking measures to cut costs, increase efficiency by working smarter and right-size the organization in line with lower activity levels in some markets. At the same time, the tough market conditions also present opportunities for DNV GL to assist customers to innovate, standardize and reduce complexity.

A major achievement in 2015 was the completion of DNV GL's new ship and offshore Classification Rules, which came into effect on 1 January 2016. This was an opportunity to modernize the core of DNV GL's operations following the merger of DNV and GL. More than 800 customers and maritime stakeholders were consulted in the development of the new rule set, which provides customers with the new industry benchmark for them to design, construct and operate their vessels.

DNV GL also launched its strategy for 2016–2020. It sets the ambition and direction for consolidating DNV GL's position and creating new opportunities within the maritime, oil & gas, energy, and software markets as well as stronger focus on life sciences and supply chain services within its business assurance activities. A key element of the new strategy is to significantly increase the use of digital solutions to offer completely new services, enhance existing services and implement more efficient and responsive processes. DNV GL's commitment to strategic research and collaborative innovation will continue.

Stiftelsen Det Norske Veritas is also the owner of real estate. The most important real estate is the headquarters of both Stiftelsen Det Norske Veritas and DNV GL in Norway, where construction of a 10,000m^2 environmentally friendly extension was started in 2015. A property development project in Stavanger – a new 10,000m^2 office building – was completed and sold by Stiftelsen Det Norske Veritas with a solid profit in November 2015.

Stiftelsen Det Norske Veritas has excellent solidity and financial strength and I look forward to leading the foundation in fulfilling its role as an active owner and a global driver for a safe and sustainable future.

Remi Eriksen
Chief Executive Officer

BOARD OF DIRECTORS' REPORT 2015

Stiftelsen Det Norske Veritas is a free-standing, independent Norwegian foundation whose long-lasting purpose is to safeguard life, property and the environment. This purpose is realized mainly through its majority ownership of DNV GL Group AS. In addition, Stiftelsen Det Norske Veritas has a portfolio of investments in real estate and securities. The Stiftelsen Det Norske Veritas group of companies (Det Norske Veritas) achieved revenues of NOK 23,516 million in 2015 and a net profit after tax of NOK 1,233 million.

Through its fully owned subsidiary Det Norske Veritas Holding AS, Stiftelsen Det Norske Veritas is the majority shareholder of DNV GL Group AS (DNV GL), with 63.5% of the shares, and the sole owner of the real estate company Det Norske Veritas Eiendom AS.

Following the retirement of Dr Henrik O. Madsen, Remi Eriksen replaced him as Chief Executive Officer of Stiftelsen Det Norske Veritas in 2015. Mr Eriksen was at the same time appointed new Chief Executive Officer of Det Norske Veritas Holding and Group President & Chief Executive Officer of DNV GL Group AS.

DNV GL GROUP AS (DNV GL)

DNV GL is the foremost vehicle for Stiftelsen Det Norske Veritas to achieve its purpose and vision.

Driven by its purpose of safeguarding life, property and the environment, DNV GL enables organizations to advance the safety and sustainability of their business. It provides classification and technical assurance along with software and independent expert advisory services to the maritime, oil & gas and energy industries. DNV GL also provides certification services to customers across a wide range of industries. Operating in more than 100 countries, its almost 15,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

DNV GL is organized in a group structure with five business areas: Maritime, headquartered in Hamburg, Germany; Oil & Gas, headquartered in Høvik, Norway; Energy, headquartered in Arnhem, the Netherlands; and Business Assurance, headquartered in Milan, Italy. The Software business area, also headquartered in Høvik, Norway, became the fifth business area in 2015. Marine Cybernetics was organized as an independent business unit in 2015, but became part of the Maritime business area from 1 January 2016. Global Shared Services provides HR, Finance and IT support services to all business units and is headquartered in Høvik.

The integration process following the merger in 2013 of the DNV Group and GL Group continued in 2015. There has been a particular focus on anchoring Stiftelsen Det Norske Veritas' purpose, vision and values, harmonizing rules and procedures and capturing cost synergies from the combined bigger entity. 2015 was the second full financial year for DNV GL and the merger integration activities were almost completed by the year-end, which was according to plan.

The Board refers to the annual report of DNV GL, available on www.dnvgl.com, for more detailed information related to the governance, strategy, management, operations and 2015 performance of DNV GL.

MARKET

The shipping industry in general suffered from an overcapacity of ships in 2015, but a few segments registered strong growth. A total of 2,900 ships, equalling 68 million gross tonnes (GT), were delivered by shipyards around the world. This was a 3% increase over the previous year when measured in GT, but a decrease of 12% based on the number of vessels. Global newbuilding contracts reached a volume of close to 75 million GT, with almost 2,150 vessels ordered. Nevertheless, compared to the same period in 2014, this was a decrease of 35% based on the number of vessels, and 9% based on GT.

Newbuilding order intake for DNV GL reflected the overall decline in global newbuilding, but the company's performance in the passenger/ferry and container ship segments was strong. At the end of 2015, the DNV GL-classed fleet stood at 12,740 vessels and MOUs, totalling 268.6 million GT, an increase of 1.2% in terms of gross tonnage.

In addition to the expected contraction of the maritime business and the slowdown of the Chinese economy, the collapse of the oil price had a negative impact on DNV GL's markets in 2015. By January, crude-oil prices had fallen below USD 50 per barrel for the first time in six years, and the continued global oversupply of hydrocarbons led oil prices to drop a further 35% by the end of the year. In addition, project cost inflation has been rising sharply for more than a decade, thus eroding margins.

The oil and gas industry's downturn affected DNV GL's order book in 2015. The company saw its Oil & Gas business contract and made organizational adjustments to maintain its robust financial position in a market where the oil price could remain low for some time. DNV GL continued to help customers work smarter to improve the efficiency of their projects and operations. The company managed more than 30 oil and gas joint industry projects with the aim of standardizing, cutting complexity and increasing efficiency.

There is an increasing need for flexible transportation of large volumes of oil and gas in the midstream sector. DNV GL is pursuing new opportunities to support customers in the design, construction and operation of on- and offshore pipelines in a safe, reliable and cost-efficient manner.

The renewable energy industry, especially solar, developed fast in 2015, showing progress down the cost curve, but also facing regulatory uncertainty and lower investment in some regions. Onshore wind technology is maturing and offshore wind technologies are showing slower growth, lowering the demand for wind turbine type certification.

Network operators are adapting and modernizing their transmission and distribution grids to facilitate the adoption of renewables and address increasing electricity demand, creating opportunities for DNV GL's advisory services. In the power-grid component-testing market, prospects are good for DNV GL's high-voltage laboratory cable testing, but there is lower demand for high-power testing of high-voltage components.

Following market developments, DNV GL's Energy business achieved mixed results. Advisory services' revenue increased by 8% compared to 2014. Performance was particularly strong in North America, where Sustainable Energy Use services also delivered strong results. Changing market dynamics and increased competition led to a 14% decline in the power testing, inspection and certification business compared to 2014.

The Business Assurance part of DNV GL benefits from a large customer base spread across a wide range of industry sectors. This makes it more resilient to industry-specific downturns. Moreover, the drivers for assurance remain strong, arising primarily from stakeholder requirements for individual companies or industries and requirements imposed by regulations.

Business Assurance continued its positive growth pattern in 2015, particularly in the second part of the year. Management System Certification was yet again the main service, growing organically by 7% in 2015. The overall ISO management system certification market increased by 3% (2014 figures) worldwide. Within this market, DNV GL is maintaining its leading position in terms of market share and service innovation.

DNV GL's software business was also affected by the challenges facing the oil and gas industry and sales declined. All software product lines except for Electric Grid Reliability and Performance and Asset Integrity Solutions experienced a downturn. Despite lower revenue from new licence sales, DNV GL - Software secured 279 new accounts. Many of these were in matured and challenged markets with few new entrants and are thus evidence of a growing market share.

INNOVATION

Innovation is a cornerstone of DNV GL's business model. It is also central to the differentiation strategy enabling DNV GL to meet its strategic goals and become the leading classification society and technical advisor to the global maritime, energy and oil & gas industries. Despite the current challenging market conditions, DNV GL is committed to continue investing around 5% of its annual revenues in research and innovation activities. The purpose is to deliver the best insight and technical abilities to help solve customer challenges, and recent research programmes have particularly focused on digitalization. Innovative solutions and insights are shared with the industries in which DNV GL is active through standards and recommended best practices.

INVESTMENTS IN REAL ESTATE AND FINANCIAL MARKETS

Stiftelsen Det Norske Veritas AS' and DNV GL's headquarters have been co-located in the Veritas grounds at Høvik, just outside Oslo, Norway, since 1976. The headquarters' site is owned by Det Norske Veritas Eiendom AS. DNV GL is the main tenant of Det Norske Veritas Eiendom AS and a lease has been entered into on arm's length terms.

The main office buildings, Veritas 1 (1976) and Veritas 2 (1983), comprise a total of 72,000m² of office space and two multi-storey car parks for 1,050 cars. The construction of a new office building, Veritas 3, with 10,000m² offices and conference areas as well as a new underground car park for 200 cars, started early in 2015 and is scheduled to be finalized before the year-end 2016. DNV GL has signed a 10-year lease on the new building.

The Rosenberggata 101 AS company was established to construct a new 10,000m² office building in Stavanger to be rented out to an external company on a long lease. The property was sold in November 2015 and Det Norske Veritas made a net cash profit of NOK 99.5 million on its development and sale.

Stiftelsen Det Norske Veritas has, through Det Norske Veritas Holding AS, a NOK 3.2 billion portfolio of financial investments, mainly in money market funds. This portfolio is diversified and highly liquid and has a low interest rate risk and low credit risk, and it produced a return of NOK 31 million in 2015.

FINANCIAL PERFORMANCE

The consolidated statements for Det Norske Veritas include Stiftelsen Det Norske Veritas and all the companies in which Stiftelsen Det Norske Veritas directly or indirectly has a controlling interest. The financial statements have been prepared in accordance with the Norwegian Accounting Act and Regulations on Simplified IFRS.

Det Norske Veritas recorded revenues of NOK 23,516 million in 2015, an increase of 9% compared to 2014. The 2015 growth is made up of currency effects (12.8%), non-organic growth (0.3%) and organic growth (-4%). The currency effects on the 2015 EBITA were also significant.

The DNV GL Group AS recorded revenues of NOK 23,390 million in 2015, an increase of NOK 1,768 million from 2014. The Maritime business area reported revenues of NOK 9,790 million. That corresponds to a 11.2% increase from 2014 and is the main driver of the 2015 growth in the DNV GL Group. The Oil & Gas business area posted revenues of NOK 6,054 million, representing a contraction of 3.4%, as a consequence of a challenging market and a significantly lower business volume. The Energy business area recorded revenues of NOK 3,523 million, reflecting growth due to favourable currency effects. Business Assurance concluded the year with significant growth of 21.4% and revenues of NOK 3,024 million, due to a combination of a higher business volume, acquisitions and currency effects. The Software business area reported revenues of NOK 824 million, an increase of 5.2% due to favourable currency effects.

In 2015, total revenues for the two real estate companies amounted to NOK 250 million, of which NOK 26 million were revenues from companies outside the group. The revenues of Rosenberggata 101 AS are included up to the sale of the company on 30 November 2015. In addition, a

NOK 99.5 million gain from sale of Rosenberggata 101 AS was reflected in total operating revenue in 2015.

Earnings before interest, tax and amortizations (EBITA) show a 9% improvement, increasing from NOK 2,299 million in 2014 to NOK 2,502 million in 2015. Det Norske Veritas made an operating profit (EBIT) of NOK 1,966 million after the NOK 536 million amortization of intangible assets in 2015. This equates to an increase in EBIT performance of NOK 259 million compared to 2014.

The net financial items were NOK 39 million in 2015. The financial income was NOK 156 million including NOK 6 million profit from investments in associates and NOK 28 million return on financial investments. In addition, the weakening of the NOK in 2015 led to a positive currency effect of NOK 47 million due to gains on exposure in foreign currencies. Financial expenses were NOK 117 million, of which net interest cost on defined benefit pension plans amounted to NOK 56 million. Other financial expenses were mainly costs related to the credit line in Handelsbanken, interest on the deferred payment for the remaining 30% shares in Marine Cybernetics and costs related to currency hedging.

The 2015 tax expense of NOK 773 million represents a 39% average tax rate, in line with last year. The net profit for 2015 was NOK 1,233 million. The net cash flow for the year was positive by NOK 678 million. The cash flow from operations was NOK 2,287 million in 2015 and reflects a strong overall performance. The cash flow from investments was NOK -1,020 million in 2015. Net investments in tangible fixed asset of NOK 840 million are mainly in laboratories in Business area Energy, office related investments and investments through the real estate companies. Investments in intangible assets related to new software platforms were recorded at NOK 256 million.

Acquisitions in 2015 amounted to NOK 82 million, NOK 118 million was paid in settlement of the remaining 30% shares in Marine Cybernetics and the sale of Rosenberggata 101 AS resulted in a divestment of NOK 276 million. The cash flow from financing activities was NOK -588 million as a result of the repayment of NOK 400 million in external loans and NOK 184 million dividend payments to the minority shareholder in DNV GL.

At the year-end, Det Norske Veritas had liquid reserves of NOK 7,412 million and unused credit lines of NOK 3,000 million. Det Norske Veritas has a strong balance sheet with an equity ratio of 68% of total assets. As a result of the weakening of the NOK against most currencies during 2015, foreign currency gains of NOK 1,336 million relating to net investments in foreign subsidiaries were reflected in equity in 2015.

Net actuarial gains of NOK 541 million after tax from defined benefit pension plans are reflected in equity in 2015. NOK 453 million of the actuarial gains were caused by changes in the assumptions in the actuarial calculations while NOK 64 million follow from the actual return on plan assets in the Norwegian pension fund in excess of the discount rate.

The accounts of the parent company, Stiftelsen Det Norske Veritas, show a loss for the year of NOK 13 million. The Board of Directors proposes to cover the loss from other equity.

The Board confirms that the going concern assumption applies and that the financial statements have been prepared on this basis. The Board considers Det Norske Veritas' financial performance as strong and liquidity as very good. Both provide a robust platform from which to fulfil the purpose and independence of a financially strong foundation. The Board also confirms that, to its knowledge, the information presented in the financial statements gives a true and fair view of the assets, liabilities, financial position and results of the Det Norske Veritas for the period.

STRATEGY

The strategy of Stiftelsen Det Norske Veritas is to continue to safeguard life, property and the environment through being the majority shareholder in DNV GL and to grow and expand the business of DNV GL. Stiftelsen Det Norske Veritas will ensure that its equity and available funds are sufficient and provide the required liquidity and flexibility for it to be a long-term majority owner of DNV GL.

The governance of and shareholding in DNV GL are based on a shareholders' agreement with Mayfair Beteiligungsfonds II GmbH & Co KG. This model will be reviewed at regular intervals to assess if the present structure is optimal for realizing the purpose and vision of Det Norske Veritas.

The strategy for the real estate activities is that Stiftelsen Det Norske Veritas will remain the owner of the headquarter premises at Høvik in Norway and further develop the potential of this area to meet the need for office facilities of its subsidiary companies located in the Oslo area.

ORGANIZATION

The Chief Executive Officer of Stiftelsen Det Norske Veritas, Dr Henrik O. Madsen, retired on 31 July 2015. The Board of Directors is very grateful for Dr Madsen's contribution to Det Norske Veritas during more than three decades in a variety of management positions and as Chief Executive Officer of DNV GL since May 2006.

After a thorough search process, the Board is pleased to have appointed Mr Remi Eriksen, who has 22 years of experience with DNV GL, as Chief Executive Officer of Stiftelsen Det Norske Veritas from 1 August 2015. At the same time, Mr Eriksen was appointed Chief Executive Officer of Det Norske Veritas Holding AS and Group President & Chief Executive Officer of DNV GL by the boards of these companies.

DNV GL is the main component of Stiftelsen Det Norske Veritas' consolidated accounts. All those working to fulfil the purpose of Stiftelsen Det Norske Veritas are employed by DNV GL. Management and administrative services for Stiftelsen Det Norske Veritas and the real estate company are provided by resources in the Norwegian subsidiary DNV GL AS pursuant to a Management Services Agreement entered into on arm's length terms.

A dedicated management resource is seconded from DNV GL AS to Stiftelsen Det Norske Veritas as advisor to the Chairman of the Board under the Management Services Agreement.

The total number of employees declined by more than 750 to approximately 15,000 during 2015. This was the result of headcount reduction processes in various parts of the business and support units in response to the decline in business activity, as well as voluntary turnover (5.4% at the year-end). The largest countries in terms of number of employees are Norway (18%), Germany (13%), the US (12%), the UK (9%) and China (7%).

The Board considers its purpose, vision and values to be instrumental in attracting and retaining the diverse workforce necessary in the global markets. Likewise, the Board emphasizes the importance of sound management of human and labour rights. A career in Det Norske Veritas should not be hindered by nationality, gender or age if the employee has the competence, attitude and values needed for the role. The Board of Directors of Stiftelsen Det Norske Veritas consists of five men and five women.

Stiftelsen Det Norske Veritas applies DNV GL's management system to the extent that this is relevant in order to maintain a lean management structure. For a few selected areas, however, the Board has decided on specific management policies for Det Norske Veritas.

GOVERNANCE

Stiftelsen Det Norske Veritas considers sound corporate governance to be fundamental in securing trust in the fulfilment of its purpose "to safeguard life, property and the environment" and a cornerstone for achieving the greatest possible value creation over time in the best interests of Det Norske Veritas' stakeholders.

The Board therefore continues to maintain its practice of reporting annually on corporate governance according to principles that apply to listed public limited companies in Norway. It applies these corporate governance principles to the extent relevant for Stiftelsen Det Norske Veritas, which has no shareholders or owners.

In 2015, the Board continued to further develop and refine the company's corporate governance model and role as a majority owner and holding company without direct involvement in business operations. This work is continuously carried out in close cooperation with the other governing bodies of Stiftelsen Det Norske Veritas.

Through its fully owned subsidiary Det Norske Veritas Holding AS, Stiftelsen Det Norske Veritas is the majority shareholder of DNV GL, owning 63.5% of the shares. Mayfair Beteiligungsfonds II GmbH & Co KG is a minority shareholder of DNV GL, owning 36.5% of the shares.

After the merger of DNV and GL in 2013, the two shareholders of DNV GL have had a dispute based on certain representations and warranties in the Business Combination Agreement. Arbitration proceedings were initiated by Det Norske Veritas in the autumn of 2014, and on 21 March 2016, the Arbitration Institute of the Stockholm Chamber of Commerce awarded Det Norske Veritas a total cash compensation of Euro 67 million plus interest and legal costs, which has already been received. The compensation will be recognized in the financial statements for 2016. There are still some items related to pre-merger events that remain to be clarified and settled in accordance with the Business Combination Agreement.

The Board issues a separate corporate governance report intended to match, to the extent possible and reasonable, the highest requirements in relevant laws and guidelines, such as the Norwegian Public Limited Companies Act and Code of Practice for Corporate Governance (the "Code of Practice"). This report is published on www.detnorskeveritas.com.

CORPORATE RISK MANAGEMENT

The Board underlines the importance of continuously having a comprehensive understanding of the risks facing Det Norske Veritas that could affect its purpose, vision, values, reputation and key objectives.

Det Norske Veritas has processes in place to proactively identify such risks at an early stage in order to initiate adequate risk mitigating measures and actions, assign roles and responsibilities and evaluate whether the residual risk is acceptable. The Board formally reviews the risk management status and outlook twice a year. The review of risks and opportunities is conducted as part of both the strategic plan process in a long-term strategic perspective and the annual plan process for the year ahead.

DNV GL calculates its risk-adjusted equity on an annual basis, taking into account the most important risk factors. Based on value-at-risk methodology, the analysis includes potential losses from normal operations, foreign exchange exposure, financial investments and pension plan assets and liabilities. The book equity less a maximum calculated loss amount illustrates DNV GL's total risk exposure and how much can be lost in a worst-case scenario. This exercise gives the Board a measurable overview of the key quantified risks and DNV GL's capacity to take on additional risk.

The risk related to the activities outside DNV GL is moderate. Det Norske Veritas' main financial risks are market risk (interest rate and foreign currency risk), credit risk and liquidity risk.

Interest rate risk: as Det Norske Veritas has limited external borrowings, its exposure to interest rate risk is primarily related to DNV GL's defined benefit pension commitments. Lower interest rates over the past few years have led to an increase in the pension commitments. The Group's policy is to limit the number of new entrants to defined benefit pension schemes. In addition, there is limited exposure to the risk of changes in market interest rates related to DNV GL's forward exchange contracts.

Foreign currency risk: Det Norske Veritas has revenues and expenses in approximately 70 currencies stemming from DNV GL activities. Six currencies (NOK, EUR, USD, CNY, KRW and GBP) make up approximately 75% of the total revenue. In many currencies, the company has a natural hedge through a balance of revenue and expenses. The foreign currency policy was reviewed in 2015 and it was decided to focus on hedging expected cash flows. However, Det Norske Veritas will still be materially exposed to the re-evaluation of balance sheet items, including net investments in foreign subsidiaries.

Credit risk: receivable balances are monitored on an ongoing basis with the result that Det Norske Veritas' exposure to bad debts is limited. There are no significant concentrations of credit risk within Det Norske Veritas. With respect to credit risk arising from the other financial assets, which comprise cash, cash equivalents and certain derivative instruments, Det Norske Veritas' exposure to credit risk arises from any default of the counterparty, with a maximum exposure equal to the market value of these instruments.

Liquidity risk: Det Norske Veritas monitors its liquidity risk on a continuous basis. The liquidity planning considers the maturity of both the financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations.

CORPORATE SUSTAINABILITY

For Det Norske Veritas, corporate sustainability is about delivering long-term value in financial, environmental, social and ethical terms and this is embedded in its purpose, vision and values.

Det Norske Veritas has been a signatory to the United Nations Global Compact since 2003 and the Board sees the integration of the ten principles on human rights, labour standards, environmental performance and anti-corruption into the business strategy and operations across the value chain as critical for creating long-term value.

Det Norske Veritas manages corporate sustainability mainly through its majority shareholding of DNV GL. For a complete account of corporate sustainability, including information on Organization, Safety and Health, Business Ethics and Anti-Corruption, Energy and Climate as well as Partnerships, the Board refers to DNV GL's Annual Report. DNV GL reports in accordance with the Global Reporting Initiative Comprehensive Level, and a third party has conducted a limited assurance of the report.

SAFETY AND HEALTH

Det Norske Veritas is committed to managing and continually improving its safety and health performance with the overall goal of preventing injuries and occupational disease. DNV GL has been certified according to OHSAS 18001 since 2011 and the Board considers this as key to ensuring that the Group operates in a safer, smarter and greener manner. It also contributes to DNV GL being seen as a leader that enables its customers' performance to be safe and sustainable.

In 2015, there were no fatalities involving Det Norske Veritas employees or subcontractors. At the year-end, the 12-month rolling average for the Lost Time Accident Frequency (LTAF) was 1.5, the Severity Accident Index (SAI) was 25.5 and the Total Sickness Absence Rate was 2.2%. The number of lost time accidents was 41, the number of occupational health issues involving absence was 36, the number of accidents involving injury was 183 and the number of near-accidents was 582. The long-term trend is stable and the results are on average the same as industry benchmarks.

BUSINESS ETHICS

Det Norske Veritas has a zero tolerance policy for corruption and unethical behaviour that applies to all employees, subcontractors, agents and suppliers. Integrity and ethics are of significant importance to Det Norske Veritas and its stakeholders and the Board emphasizes the necessity of remaining professionally objective and independent in the services it delivers to customers and society as a whole.

Det Norske Veritas' compliance programme and related instructions are based on the Code of Conduct. Anti-corruption, anti-trust, export controls, sanctions, and data protection are the programme's main focus areas. Respective instructions, e.g. on anti-corruption, gifts, anti-trust and the reporting of misconduct, are in place. Communication, including the tone from the top and mandatory e-learning, is one of the programme's key success factors. Compliance risks are regularly assessed in order to evaluate the main focus areas and continuously improve the compliance programme.

Fraud and corruption risks are included in the corporate risk management process, with regular bottom-up assessments and reporting to the Board. The Group Compliance Officer reports new developments and case statistics to the DNV GL Board's Audit Committee and Control Committee as well as to the Executive Committee on a regular basis.

By the year-end, 83% of all employees had completed the new Code of Conduct e-learning course, while 81% had completed the new anti-corruption and anti-trust e-learning course. All employees are expected to have completed the two e-learning modules by the year-end 2016. DNV GL is in compliance with all applicable foreign trade laws. In 2015, 40 compliance cases were reported and handled with no confirmed incidents of corruption.

ENVIRONMENT

Det Norske Veritas is committed to managing and continually improving its environmental performance with the overall goal of protecting the environment and complying with applicable legal requirements.

DNV GL has been certified according to ISO 14001 since 2008 and the Board considers this as key to ensuring that Det Norske Veritas operates in a safer, smarter and greener manner. It also contributes to DNV GL being seen as a leader enabling safe and sustainable performance for its customers.

In 2015, zero non-compliance cases with environmental regulations and zero fines related to environmental aspects were reported. The recorded energy consumption was 79.6 GWh and direct greenhouse emissions were 28,099 tCO2e for the 79 reporting locations. For the new office building under construction at the headquarters in Norway, DNV GL aims to obtain the Energy Class "passive house" and BREEAM EXCELLENT certification.

OUTLOOK

The outlook for Det Norske Veritas is very closely linked to the outlook for DNV GL. The risk related to the activities outside DNV GL is moderate.

DNV GL has a leading position in all its industry segments: maritime, oil and gas, energy, business assurance and software. The future is one where a complex and fast-changing world plays against a period of slower global growth.

The financial situation in the world only marginally improved in 2015 and there was a continued low level of global trade growth. Furthermore, growth is not expected to pick up in 2016 and will continue at a low and uneven level. Growth in Asia is significantly influenced by the uncertainty related to the slower expansion of the Chinese economy. Digital transformation will affect business models, services and service delivery in all of DNV GL's industries. For example, big data analytics, sensor technologies, machine learning and digital twins allow the real-time condition monitoring of assets, optimized operations, smart energy grids and virtual sea trials, but will also introduce new risks. These will create threats as well as opportunities for DNV GL, both in the short and long term, and are addressed by the new 2016-20 Group Strategy and related initiatives.

The maritime industry is characterized by oversupply in many segments, low rates and fierce competition – all against a backdrop of stricter environmental regulations. The oil and gas sector is heavily influenced by an oversupply situation which is expected to remain for some time even with continuous higher consumption. The globalization trend is continuing, but the geopolitical situation is tenser. Hence, we see a higher level of uncertainty regarding potential signs of national or regional protectionist measures being introduced.

Against this backdrop, the Board believes that the challenging market situation for shipping will remain during the period ahead. The overcapacity situation is persisting and has created a surplus of ships to be delivered, and fleet growth continues to be in excess of trade growth. Hence, the ship new building market has dropped considerably, and we do not expect a recovery in the short term. Classification societies need to adapt to this challenging situation, but the Board regards the current narrow price-led competition as potentially undermining the value of classification's safety and quality assurance role. At the same time, customers' need for cost efficient and standardized solutions presents an opportunity for DNV GL.

The oil and gas sector is heavily influenced by the oil price's low level, and it is likely that the oil price may fluctuate around current levels for some time. Hence, oil companies have been forced to drive the cost of exploration and production down, which is strongly hitting the whole oil service industry. The need for more cost effective and standardized services is imminent and the overall activity level in the sector has dropped considerably, leading to overcapacity and the need for capacity reduction in the industry. However, the need for energy should keep increasing, and fossil fuels - oil, gas and coal - are likely to persist as the main source of energy even though renewable energy will grow faster.

Within the energy sector, the company focuses on renewable energy, electricity transmission, distribution and sustainable energy use. Investments in the renewable energy sectors are influenced by the reduced cost of fossil fuel, new trade agreements, political decisions and subsidies. However, the Board believes that this sector, together with power transmission and distribution and sustainable energy use, will continue to create several opportunities for DNV GL in the coming years. The long-term market fundamentals appear to be strong. There will be more wind power capacity installed, with more solar power and storage. The transmission systems will undergo massive upgrades in the developed world and new transmission systems and interconnectors will be built. The company has a strong position within the power testing, inspection and certification industries and has an extended service and competence platform.

The demand for business assurance services focusing on sustainable business development, global best practices, standards and business innovation will continue to increase and DNV GL is well positioned to be in the forefront to develop and take on roles and positions in these areas. DNV GL will particularly explore business opportunities within the life science domain with a focus on healthcare and food supply chains.

The real estate activities of Det Norske Veritas have long-term rent agreements and are expected to generate results similar to 2015 in the coming year. The financial investments in securities are expected to experience reduced returns due to the lower interest rate level. More than 85% of the area in the office buildings owned by Det Norske Veritas Eiendom AS is rented out to DNV GL on long-term contracts. Det Norske Veritas' portfolio of financial investments is diversified, highly liquid and with a low interest-rate risk and low credit risk.

The Board of Directors believes that Det Norske Veritas' performance in 2015 demonstrates that the Group has responded to the challenges in its main markets while defending its global positions. Det Norske Veritas will strive to maintain a broad competence and resource base to provide guidance and support in a business environment where the need for cross-disciplinary technical expertise, trust and risk management is clearly evident.

The Board acknowledges and sincerely thanks the management and employees for their hard work and commitment to ensuring the purpose of Stiftelsen Det Norske Veritas.

Høvik
28 April 2016

Leif-Arne Langøy
(Chairman)

Morten Ulstein
(Vise-Chairman)

Sille Grjotheim

Rebekka Glasser Herlofsen

Clemens Keuer

Christelle G. V. Martin

Mette Bandholtz Nielsen

C.Thomas Rehder

Odd E. Sund

Hilde M. Tonne

Xu, Bei Betty
(Observer)

Remi Eriksen
(Chief Executive Officer)

REPORT ON CORPORATE GOVERNANCE 2015

A. INTRODUCTION

Stiftelsen Det Norske Veritas ("DNV" or the "Foundation") considers good corporate governance to be paramount to secure trust in DNV's fulfilment of its purpose *"to safeguard life, property and the environment"*, and a cornerstone for achieving the greatest possible value creation over time in the best interest of DNV's stakeholders.

DNV is incorporated as a Norwegian foundation (No: "Stiftelse").

DNV owns 63.5% of DNV GL Group AS ("DNV GL Group") through its wholly owned subsidiary Det Norske Veritas Holding AS ("DNV Holding"). In addition to its majority ownership in DNV GL Group, DNV owns financial assets and Det Norske Veritas Eiendom AS whose main asset is real estate in Høvik (Norway).

DNV's corporate governance practices were amended in connection with the DNV GL merger in 2013 in order to adapt to the change from having been a 100% owner and group managing entity to the new situation of being a controlling shareholder. However, governance principles, applied prior to the merger of DNV and GL, were maintained. The key principles are:

- the importance of representation of stakeholders in the Council,
- supervision by public authorities, statutory auditor and governing bodies
- transparent, recognizable and credible governance practices
- governance measures that match, to the extent possible and reasonable, the highest requirements in relevant laws and guidelines such as the Public Limited Companies Act and the Norwegian Code of Practice for Corporate Governance (the "Code of Practice"), and
- generation of sufficient profit to fulfil the Foundation's purpose over time.

REPORTING STANDARDS

The Board maintains its practice to report annually on corporate governance according to principles that apply to listed public limited companies in Norway and to apply these corporate governance principles to the extent relevant for DNV as a foundation without shareholders or owners.

This report is based on

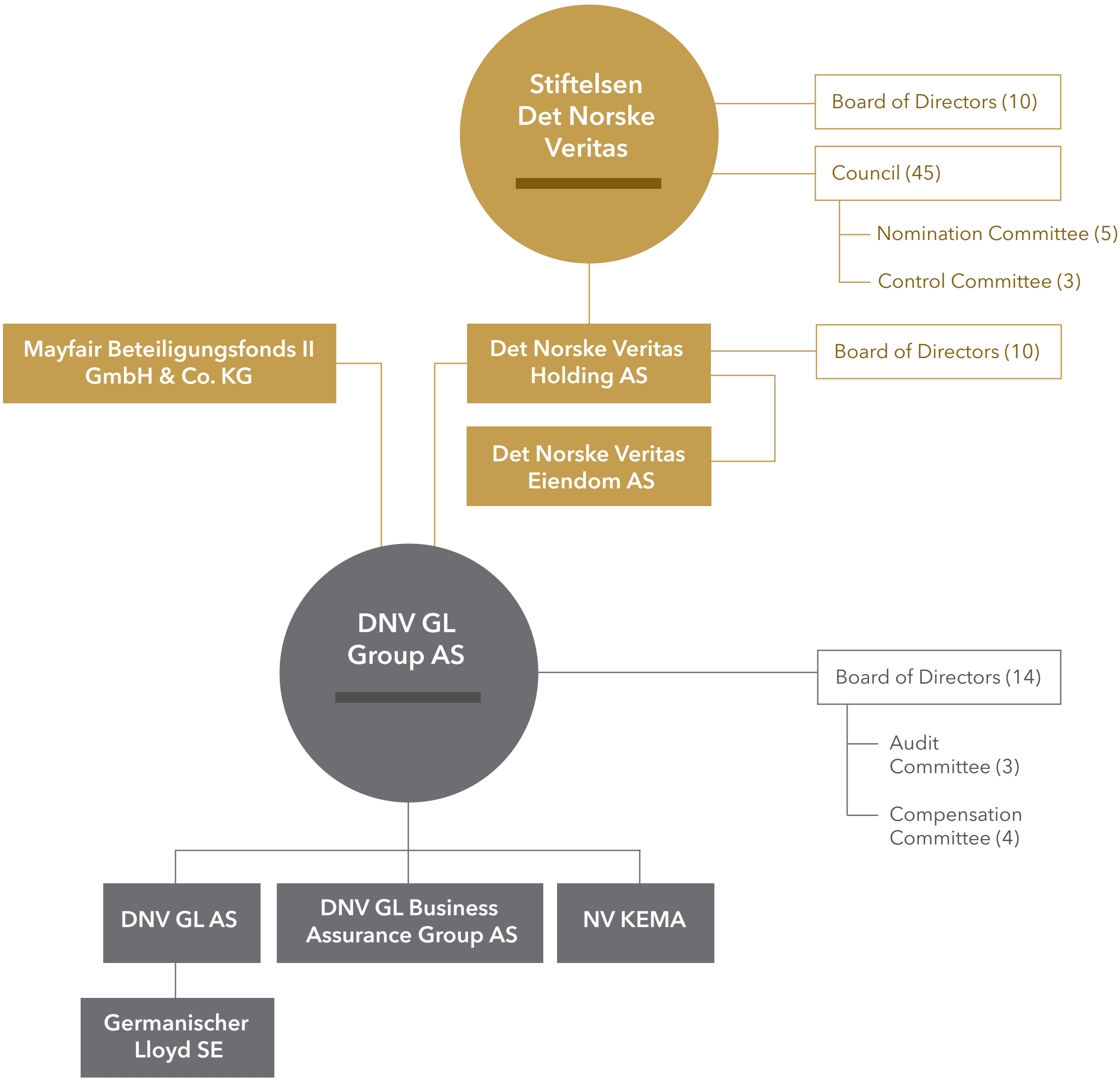
- The 15 sections of the Norwegian Code of Practice for Corporate Governance ("the Code of Practice"). The report includes a detailed discussion of each of the 15 individual sections of the Code of Practice. The Code of Practice provides recommendations and requires that the company describes how it fulfils the recommendations, on which sections it deviates, and an explanation for the deviations. The full Code of Practice with comments is available on the web site of the Norwegian Corporate Governance Board, www.nues.no.
- Norwegian Accounting Act Section 3-3b which holds obligatory requirements for Norwegian listed public limited companies to report on corporate governance.

This report fulfils both of these reporting obligations as if DNV were a listed company.

More details on the reporting requirements for listed companies in the Norwegian Accounting Act (LOV-1998-07-17-56) are included in this report see page 20.

The Norwegian Association of Foundations has also issued guidelines for the governance of foundations, available on http://www.stiftelsesforeningen.no/ (in Norwegian only). These guidelines are based upon the Code of Practice with adjustments to make them suitable for more traditional foundations with a distribution purpose. The corporate governance review of DNV performed in 2012 concluded that the Code of Practice is more comprehensive and more suitable to a large

OVERVIEW OF THE CORPORATE GOVERNANCE STRUCTURE OF DET NORSKE VERITAS



business entity like DNV than the guidelines issued by the Association of Foundations. Therefore, DNV considers that it complies with the guidelines issued by the Association of Foundations as DNV based its practices on a more comprehensive standard.

The Board of Directors (“the Board”) is the principal body of the Foundation. This deviates from the governance of public limited companies where the General Meeting is the principal body. Pursuant to the Norwegian Foundation Act (“Foundation Act”) only tasks and responsibilities which are specifically listed in the Foundation Act may be vested in other bodies than the Board. In DNV, all such tasks and responsibilities to the extent permitted by the Foundation Act have been vested in the DNV Council (“the Council”).

The Council’s main function is to supervise the Board’s management of the Foundation, to elect the members of the Board of Directors and to determine their remuneration, to approve amendments to the DNV Statutes and to state its opinion on the Board’s annual report and financial statements. The Council has 45 members who represent customer industries and other stakeholders. Seven of the members are elected by and among the employees of DNV GL and its subsidiaries worldwide.

The Council and the Board are described in Section 8 herein. The Council’s Control Committee supervises the Board of Director’s management of the Foundation on behalf of the Council. The Control Committee is also described in the same Section 8.

The Council’s Nomination Committee nominates candidates to all elections to be held by the Council, and proposes remunerations to be decided by the Council. The Committee is described in Section 7, “Nomination Committee”.

The statutory auditor is elected by the Council and reports to the Board.

DNV operates through its wholly owned holding company, DNV Holding which is governed by the Norwegian Private Limited Companies Act. The Board of DNV Holding consists of the same members as the Board of the Foundation. These board members are also elected as members of the board of DNV GL Group AS.

B. THE 15 SECTIONS OF THE CODE OF PRACTICE.

1. IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

Corporate Governance Policy – deviations from the Code of Practice
The Board has decided that it will comply with the Code of Practice to the extent relevant for a foundation. As DNV is a foundation and as such has no shareholders, parts of the Code of Practice will not be applicable for DNV, and the reporting will have to be adjusted accordingly.

This report includes information on
- the sections of the Code of Practice to which DNV complies,
- information on where the Code of Practice is not considered as relevant for a foundation, and
- explanations of sections in relation to which DNV deviates from the Code of Practice.

The following sections of the Code of Practice will generally not be applicable;
Section 3 (Equity and Dividends), Section 4 (Equal Treatment of Shareholders), Section 5 (Freely Negotiable Shares), Section 6 (General Meetings), and Section 14 (Take-Overs).

To some extent relevant topics related to these sections of the Code of Practice will still be discussed in the report. For instance, the Code of Practice’s references to “shareholders” may in some cases be replaced with a discussion relating to DNV’s stakeholders. Further, the Code of Practice’s references to the “General Meeting” or “Corporate Assembly” may in some cases be replaced with references to the DNV Council. Some deviations from the Code of Practice are justified where statutory legislation for a foundation deviates from that of a public limited company. All adjustments and deviations are explained in the relevant sections in the report.

DNV has no shareholders, but answers to the purpose of the Foundation and to society at large. Fundamental functions for the corporate governance of DNV are therefore on one hand to protect DNV's independence and integrity to fulfil its purpose and on the other hand to honor the legitimacy it earns from its stakeholders and its moral responsibility towards society.

DNV and other foundations lack the ownership control which is normally embedded in corporate governance for companies with owners. This lack of control is however mitigated by other measures. The Foundation Act prescribes public supervision of foundations by the Norwegian Foundation Authority. This is a supervisory measure not found in relation to limited liability companies. In addition, DNV's corporate governance also includes supervision of the Board's management by the Council and by the Control Committee acting on behalf of the Council.

With the DNV GL merger, DNV's role was changed from being the group managing entity to that of a controlling shareholder. For the sake of completeness, this report may therefore be read in context with the Corporate Governance Report 2015 issued by the board of DNV GL Group AS. In order to maintain proximity between DNV and the DNV GL Group, the DNV Board with support from the Council has established the following measures:

- The directors of the Board of the Foundation participate directly in the group management of DNV GL group as DNV's representatives on the boards of DNV Holding and DNV GL Group AS. DNV is represented with 6 of 9 shareholder-elected directors on the DNV GL Group Board of Directors;
- The Council's Nomination Committee considers the total composition of the DNV GL Group AS Boards taking into account the need for expertise and diversity of background;
- The remunerations for directors on the boards of DNV Holding and DNV GL Group AS are anchored with the Council, and
- An employee representation scheme is established so that the same directors elected by and among the employees serve as directors and/or observer on the boards of the Foundation, DNV Holding and DNV GL Group AS.

These measures are further described in Section 7 and 8 below.

Corporate Values, Ethical Guidelines and Corporate Sustainability

DNV places great emphasis on its corporate values. DNV's purpose is *"to safeguard life, property and the environment"*. The Statutes state that the purpose may be achieved through the ownership in partly-owned companies. Following the DNV GL merger DNV's purpose is fulfilled through the ownership in DNV GL Group AS.

DNV's and DNV GL's shared vision is *"Global impact for a safe and sustainable future"*. The values that support the vision are: *"We build trust and confidence. We never compromise on quality or integrity. We are committed to teamwork and innovation. We care for our customers and each other. We embrace change and deliver results."*

DNV adheres to DNV GL's ethical guidelines. The basis of DNV GL's ethical guidelines is the DNV GL Code of Conduct. The Code of Conduct describes the requirements and expectations for business and personal conduct of employees and officers of the group and its subcontractors while performing work on behalf of DNV GL. The Code of Conduct further describes DNV GL's commitment to its stakeholders, and how the requirements of responsible business practices and ethics are embedded in the core of DNV GL's business.

In 2003, DNV signed the UN Global Compact ("Global Compact"). The Global Compact requires commitment to ten universal principles related to human rights, labor rights, environmental standards and anti-corruption. It requires that the company makes the principles an integral part of its business strategy, day-to-day management and organizational culture, and that the principles are integrated in the decision-making process of the Board. This commitment is carried on in the DNV GL group.

DNV GL has also committed to report according to the Global Reporting Initiative ("GRI"). GRI is a reporting standard created through a multi-stakeholder approach for sustainability reporting. The purpose is to include social and environmental performance in the company's

Annual Report, and to focus on alignment with the goals of society. DNV GL has committed to report according to the GRI G4 Comprehensive level for 2015 and a third party has conducted a limited assurance of the report.

2. BUSINESS

The overall purpose of DNV is *"To safeguard life, property and the environment"*. The business of DNV is stated in the Statutes Section 1 as follows: *"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 complete Statutes are available on DNV's website www.detnorskeveritas.com.

Following the DNV GL merger, the purpose is achieved through the 63.5% ownership in DNV GL Group AS. The business and main functions of the Foundation are therefore to manage the ownership in DNV GL Group AS and its other assets, and in particular to ensure that the purpose of the Foundation is fulfilled through the ownership in the DNV GL Group.

DNV GL Group's main objectives and strategies are described in the DNV GL Group AS' Board of Directors' Annual Report.

3. EQUITY AND DIVIDENDS

As of 31 December 2015, DNV had a total equity of NOK 23 756.6 million. The Board continually reviews DNV's capital situation in light of DNV's objectives, strategies and risk profile. The Board considers the total equity to be satisfactory.

Being a foundation, DNV does not have any owners or any share capital. The Code of Practice's references to dividend policy and board mandates to increase share capital are therefore not relevant for DNV.

Since DNV as a foundation cannot raise capital through issue of shares, prudent management of the capital base is of great importance. The Board has adopted a financial policy to ensure that the capital of DNV is managed in a way that enables DNV to fulfil its purpose as this is stated in DNV's Statutes. DNV GL Group AS has stated that it intends to distribute as dividend 50% of the annual net profits subject to assessment of cash flow, capital expenditure plans, financing requirements and financial flexibility. Received dividends will contribute to DNV's capital base.

The Board is particularly focused on ensuring that the equity and available funds keep DNV in a position where it can maintain its controlling position in the DNV GL Group.

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

As DNV does not have owners, equal treatment of shareholders is not a relevant topic for DNV.

Agreements between the Foundation and a Board member or the Chief Executive Officer, if any, are subject to Board approval. Agreements between the Foundation and third parties in which a Board member or the Chief Executive Officer may have a special interest are also subject to Board approval.

The disqualification rules in the Foundation Act apply to the Board's handling of agreements mentioned above.

The DNV directors are also elected as directors in DNV Holding and DNV GL Group AS. The Board has closely assessed whether, as an alternative governance model, DNV should be governed by a board composed of directors who have no roles in the subsidiaries. The assessments concluded that in the current situation, it is preferable for the fulfilment of DNV's purpose and the management of DNV GL group that there is proximity between the stakeholders as represented in DNV's Council and the group management. This proximity is achieved through the multiple directorship arrangement. The Board has also concluded that the Board's normal exercise of ownership in - and arrangements with these subsidiaries - does not impact the directors' impartiality.

With respect to DNV GL's employees, DNV GL's Code of Conduct sets forth rules for transactions between DNV and DNV GL. With respect to transactions between the Foundation and DNV GL Group AS or other subsidiaries, possible conflicts of interest between the companies, including extraordinary transactions between the entities, are handled with due care to ensure arm's length terms. The Board Instructions for DNV state that the Board shall be aware of possible conflicts of interest in transactions between the Foundation and its subsidiaries on one hand, and DNV GL Group AS and its subsidiaries on the other hand. The Board shall ensure that appropriate measures to mitigate such conflicts of interests are applied, for example, by obtaining independent advice. Examples of such transactions are the lease of office premises in Norway provided by DNV to the DNV GL group, and the management services provided by DNV GL group to DNV. The Council's Control Committee shall monitor such transactions on behalf of the Council.

5. FREELY NEGOTIABLE SHARES

Given that DNV is a foundation without shares or owners, transfer of shares is not relevant.

6. GENERAL MEETING

Given that DNV is a foundation with no owners or shareholders, there is no general meeting in DNV. The Code of Practice, Section 6 (concerning general meeting) is therefore not relevant for DNV.

For the sake of completeness, it is mentioned that the DNV Council has some functions that resemble a general meeting of a limited company, but in fact, the Council has more in common with a corporate assembly (No: "Bedriftsforsamling") regulated by the Public Limited Companies Act. We have therefore chosen to discuss the Council in light of the Code of Practice, Section 8 (see below).

7. NOMINATION COMMITTEE

The DNV Council elects the members of the Board who are not elected by and among the employees and fixes the remuneration for all Board Members. DNV therefore applies the recommendations in the Code of Practice related to nomination committees, adjusted so that reference to "shareholders" in the Code of Practice is replaced by references to DNV's stakeholders, and references to the "General Meeting" in the Code of Practice is replaced by reference to the Council. Further, particular details on the procedure for determining the remuneration to "committee members" in DNV is adjusted as described below.

The Nomination Committee's composition and role is defined in the DNV Statutes (Section 10) and the Committee works under instructions from the Council. The Council has adopted instructions for the Nomination Committee that specify guidelines for the Committee's procedures and considerations. This includes the obligation to present its justified recommendations to the Council. The Chairman of the Nomination Committee shall invite and discuss matters of principle with the Council. Council Members shall be given the opportunity to propose candidates to the Nomination Committee.

The Nomination Committee's mandate is to submit recommendations to the Council with respect to elections and remuneration as further detailed below.

The Nomination Committee submits 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;
- Council Members that according to the Statutes shall be elected by the Council;
- Chairman and Members of the Control Committee, and
- Members of the Nomination Committee.

To promote governance proximity between the Council and DNV GL Group, the directors of the Foundation will be elected directors of both DNV Holding and DNV GL Group AS by the respective general meetings. The Nomination Committee's mandate includes a duty to take this proximity into account in their assessments.

The Committee shall also take into account the total composition of the Board of DNV GL Group AS including the three directors appointed by the minority shareholder. The Committee may communicate with the minority shareholder regarding appointments to the Board of DNV GL Group AS prior to submitting its recommendation to the Council. Based on agreement with the DNV GL Group AS Board, the DNV Nomination Committee also has access to the DNV GL Group AS Board's self-assessments.

In respect of appointments to the Council, the Nomination Committee shall ensure that the Council as a whole has representation from major industry customer groups served by DNV. The Nomination Committee shall communicate with the associations that, according to the Statutes, also appoint members to the Council to ensure that the associations' appointments meet the needs of the Council.

The Nomination Committee shall submit recommendations for the remuneration of members of the Board of Directors as well as members of Council and its Committees. Remuneration of members of the Board of Directors is decided by the Council. With respect to remuneration of members of Council and its Committees, the Council forwards its recommendation to the Board of Directors for the Board's decision.

The Nomination Committee shall make its recommendation for remuneration of directors of the Foundation, DNV Holding and DNV GL Group AS respectively. The Committee shall take into account whether directors are serving on more than one board, the total workload and the commitment expected.

All decisions regarding remunerations to Board members of DNV Holding and DNV GL Group AS are vetted by the Council in order to ensure proximity and a solid decision process.

This process related to remuneration is further described under Chapter 11 Remuneration of the Board of Directors and Council.

The Code of Practice recommends that the general meeting determines the remuneration to "committee members". The Board of the Foundation does not have any committees. Committees in DNV will therefore be the committees of the Council, i.e. the Control Committee and the Nomination Committee. The Foundation Act does not permit the task to determine remuneration to Council Members and Council Committee Members to be vested with other bodies than the Board. The remuneration to the Council Committees is therefore determined by the Board, subsequent to recommendation from the Council.

The Nomination Committee is composed of the chairman and the vice-chairman of the Council, and three additional members elected from and among the Council members. The Committee currently consists of:

- **Walter Qvam,**
  Chairman of the Council and the Nomination Committee,
  CEO, Kongsberg Gruppen ASA,
- **Sturla Henriksen,**
  Vice-Chairman of the Council and the Nomination Committee,
  Director General, Norwegian Ship owners' Association,
- **Wenche Agerup,**
  Member of the Council and the Nomination Committee,
  Exec. Vice President, Corporate Affairs in Telenor Group
- **Karl Erik Kjelstad,**
  Member of the Council and the Nomination Committee,
  Investment Director at Akastor ASA
- **Wenche Nistad,**
  Member of the Council and the Nomination Committee,
  Managing Director at the Norwegian Guarantee Institute for Export Credits (GIEK)

The Statutes provide for a rotation of the members of the Committee at least every second year, so that the elected member of the Committee with the longest service as Committee member may not take re-election.

The Committee Members represent industries with different stakeholder interests in DNV. All members are considered as independent of the Board and executive management.

8. COUNCIL AND BOARD OF DIRECTORS – COMPOSITION AND INDEPENDENCE

The Council
DNV does not have a corporate assembly. The DNV Council in many ways resembles the corporate assembly of a public limited company. The Council is therefore described in this section.

The Council's main functions are to supervise the activities of the Foundation, to elect the Board of Directors, to decide on remuneration for the Board of Directors, to approve amendments to the DNV Statutes and to state its opinion on the Board's Annual Report and financial statements.

The Council has 45 members, of which 27 members are appointed by associations which represent customer industries and other stakeholders, seven members are elected by and among the employees of DNV GL and its subsidiaries worldwide, and up to eleven members are elected by the Council itself.

The Statutes regulate the composition of the Council (Section 6) and ensure that it represents a broad cross-section of DNV's stakeholders.

The Council Members and the associations electing or appointing the Members are (as per April 28th 2016):

Appointed by The Nordic Association of Marine Insurers (Cefor)
Hammer, Helle..Oslo
Hansen, Ståle ....Oslo
Nummedal, Tron K...Oslo
Rhodin, Lars..Gothenburg
Ringbakken, Svein A...Oslo
Roppestad, Rolf Thore... Arendal
Wikborg, Ole ....Oslo

Fiskebåtredernes forbund
(Norwegian Fishing Vessel Owners Association)
Jonny Berfjord...Dønna

Norges Rederiforbund
(Norwegian Ship owners' Association)
Bakken, Karl-Johan...Ålesund
Brandvold, Ivar ....Oslo
Basili, Irene Waage ....Bergen
Henriksen, Sturla ....Oslo
Jebsen, Hans Peter...Oslo
Kleivdal, Trond ....Oslo
Kristoffersen, Lasse ....Oslo
Møkster, Anne Jorunn ....Stavanger
Wilhelmsen, Thomas...Oslo

Norsk Olje og Gass
(Norwegian Oil and Gas Association)
Færøvik, Kristin..Oslo
Halle, Torjer...Oslo
Hersvik, Karl Johnny.. Trondheim
Thorvaldsen, Knut ....Stavanger
Sæther, Ingvild ....Stavanger

Næringslivets Hovedorganisasjon
(Confederation of Norwegian Business and Industry)
Kjelstad, Karl Erik ....Oslo
Lund, Kristin Skogen ....Oslo
Qvam, Walter ....Kongsberg
Rynning-Tønnesen,Christian ....Oslo
Ulstein, Tore ....Ulsteinvik

DNVs råd
(The Council)
Agerup, Wenche ....Oslo
Boersma, M.A.M....................................... Oosterbeek, NL
Henriksen, Berit Ledel ....Lysaker
Fotini, Karamanli...................................... Piraeus, Greece
Lieungh, Simen...Bergen
Michelet, Åse Aulie...Oslo
Nistad, Wenche...Oslo
Reitan, Torgrim .... USA
Reite, Roy...Ålesund
Svenning, Sverre B..Oslo
Wærsted, Gunn ....Oslo

By and among the employees of DNV GL world wide

Bang, Hege Halseth ....Oslo
Bossanyi, Dr. Ervin .... Bristol, UK
Reimer, Thomas ....Hamburg, Germany
Rubin, Michael....................................Augsburg, Germany
Stavridis, Vassilis.. Piraeus, Greece
Yin, Han Jun ....Shanghai, China
Østby, Morten ....Oslo

The DNV GL employees also elect up to seven deputy members.

The term of office for the members of the Council is two years with re-appointment or re-election possible. No member may serve for more than twelve years. The chairman and vice-chairman are elected from and among Council members.

Walter Qvam, Chief Executive Officer of Kongsberg Gruppen ASA, is the Chairman of the Council since 2010. Sturla Henriksen, Director General of the Norwegian Ship Owners' Association is the Vice-Chairman since 2011.

The Statutes regulate the tasks and procedures of the Council. The procedures are to a great extent aligned with those of a corporate assembly of a public limited company. The Council has two committees: the Control Committee which is described below, and the Nomination Committee which is described in Section 7.

Control Committee

The Control Committee's composition and role is defined in the DNV Statutes (Section 9) and the Committee works under instructions from the Council. The Council has adopted instructions for the Control Committee that specify guidelines for the Committee's procedures and considerations.

The Control Committee's mandate is to supervise the Board's management of the Foundation on behalf of the Council. The Control Committee shall in particular oversee that:

- the management is performed in an appropriate and reassuring way, and in accordance with laws, regulations and the Statutes; and
- the Board of Directors has established proper external and internal control and risk management systems.

The Control Committee's function is to oversee the DNV Board's safeguarding of the Foundation's purpose and management of its assets. The Control Committee's functions are further described in Chapter 10 herein, "Risk management and internal control".

The Control Committee consists of a Chairman and two other members elected from and among the Council Members. According to the Council's instructions for the Control Committee, the Committee shall be composed so that it has financial and legal expertise and has general knowledge of the services provided by DNV. Elected by the Council in June 2015, the Committee currently consists of:

- **Ivar Brandvold,**
  Member of the Council and Chairman of the Control Committee,
  Chief Executive Officer of Fred Olsen Energy ASA
- **Sverre B. Svenning,**
  Member of the Council and the Control Committee,
  Director marine research at Astrup Fearnley AS
- **Michelet, Åse Aulie,**
  Member of the Council and the Control Committee,
  Managing Director Michelet Consult AS

All members are considered as independent of the Board and executive management. When nominating the current members for election in June 2015, the Nomination Committee concluded that the lack of legal expertise may be compensated by the fact that the Secretary of the Control Committee is a qualified lawyer and the in-house legal counsel of DNV GL Group, and that the Committee has relevant expertise and knowledge.

The Board of Directors

The Board currently consists of ten members and currently has the following composition:

- **Leif-Arne Langøy,**
  Chairman of the Board of Directors,
  LAPAS AS
- **Morten Ulstein,**
  Vice-Chairman of the Board of Directors,
  Borgstein AS
- **Sille Grjotheim,**
  Member of the Board of Directors,
  DNV GL AS
- **Rebekka Glasser Herlofsen,**
  Member of the Board of Directors,
  Torvald Klaveness Group AS
- **Christelle G. V. Martin,**
  Member of the Board of Directors,
  ENGIE
- **Mette Bandholtz Nielsen,**
  Member of the Board of Directors,
  Det Norske Veritas, Danmark A/S
- **C. Thomas Rehder,**
  Member of the Board of Directors,
  Carsten Rehder GmbH & Co KG
- **Odd E. Sund,**
  Member of the Board of Directors,
  DNV GL AS
- **Hilde M. Tonne,**
  Member of the Board of Directors,
  Telenor Group ASA
- **Clemens Keuer,**
  Member of the Board of Directors,
  DNV GL SE

Following the DNV GL merger, the Statutes were amended to include a board observer. The amendment became effective in February 2014 following the approval from the Norwegian Foundation Authority. Xu, Bei Betty (DNV GL Business Assurance (China) Co. Ltd.) is currently the elected board observer.
More details about the individual directors can be found in the Annual Report of DNV GL Group AS 2015.

The Board is composed in a manner so that it can attend to the common interest of all stakeholders and meet DNV's need for expertise, capacity and diversity. Emphasis is placed on the Board functioning effectively as a collegial body.

The Chairman and Vice-Chairman are elected by the Council. The directors are elected for two-year terms with the possibility for re-election, and directors can according to the Statutes, not be a member beyond twelve years.

Amongst the directors elected by the Council, each gender shall be represented by at least three members. Both genders shall be represented amongst directors and deputy members elected by and among the employees. As a foundation, DNV is not subject to mandatory legislation on gender diversity. However, in accordance with DNV's aim to comply with principles that apply to listed public limited companies in Norway, the DNV Statutes include such requirements.

Being a foundation, DNV does not issue shares, and members of the Board can therefore not own shares in the company. The Code of Practice's recommendation regarding share ownership is therefore not relevant for DNV.

The Board's Independence
All Council-elected directors are considered autonomous and independent of DNV's executive management as well as DNV's material business contacts. The guidelines for the Nomination Committee's work instruct the committee to take into account that the Board should be composed so that no specific industry, stakeholder group or customer group has dominance in the Board. The Board does not include executive personnel.

Election of the Board of Directors
Six members of the Board are elected by the Council. The Nomination Committee makes recommendations according to guidelines set by the Council. The nominations are sent to the Council members prior to the election. Board elections take place with simple majority with a quorum formed with at least half of the Council Members present.

Four members of the Board and one observer are elected by and among the employees of DNV GL worldwide. The elections take place in four separate constituencies and elections are staggered. The role of observer rotates amongst the non-Norwegian employee-elected Board Members according to a rotation scheme agreed between management and the employees and approved by the Norwegian Working Democracy Committee (*i.e. "Bedriftsdemokratinemnda"*).

The constituencies are,

- Norway (elects two members of the Board)
- Germany (elects one member of the Board, alternatively one observer)
- Europe – excluding Norway and Germany (elects one member of the Board alternatively one observer)
- Worldwide – excluding Europe (elects one member of the Board alternatively one observer)

9. THE WORK OF THE BOARD OF DIRECTORS

Board Responsibilities

The Board of Directors is DNV's principal authority and the Board has the authority to make decisions in all matters that are not explicitly vested in the Statutes with the Council or other governing bodies of DNV. The rights, duties and responsibilities of the Board follow from the Foundation Act, the Accounting Act and other relevant legislation, the Statutes of DNV and the Board's own instructions.

The Board directs and oversees the activities of DNV. The Board determines the objectives and strategies for DNV in collaboration with the Chief Executive Officer. The Board approves DNV's business plan, financial plan and budgets, and has established policies and guidelines for DNV's operations. The Board appoints the Chief Executive Officer of the Foundation. Matters to be handled by the Board are further outlined in the Board instructions. The Board's work in 2015 is described in the Board of Director's report.

Following the DNV GL combination, the Board's scope of work was revised to reflect that the DNV GL Group AS Board became the group management board of the DNV GL Group. The Board's main function is now to ensure that the purpose of the Foundation as stated in the Statutes is achieved through the majority ownership in DNV GL Group AS, and that all assets of the foundation are managed in the long term interest of the Foundation. By electing all DNV directors as directors of DNV Holding and DNV GL Group AS, there is proximity between the Foundation and the group management performed through the holding companies.

The Board instructions also cover the following items: instructions for the Chief Executive Officer, Board meeting procedures, and rules on minutes of meetings, working committees, impartiality, confidentiality, Code of Conduct and group governance.

Board Meetings

The Board adopts an annual meeting and activity plan each year. The plan includes agenda items for each meeting. The plan stipulates six ordinary meetings to be held per year. Additional meetings will be held when considered necessary.

In 2015 nine Board meetings were conducted in the months of February, April, June, August, September, October and December, whereof three extraordinary Board meetings were held in February, April and May respectively. The Board held its meetings at the Head office in Høvik (Norway), with the exception of the August meeting held in Gdynia, Poland and the December meeting held in Hamburg, Germany.

Participation in the Board meetings and Board sub-committees in 2015 was close to 100%. Board meetings in DNV Holding are held in parallel with the Board meetings of the Foundation.

Notice of meetings together with the agenda is prepared by the Chief Executive Officer and the Chairman of the Board. Notice of meeting, agenda and supporting documentation, including information on DNV's financial status, are made available to the Board Members well in advance of each meeting. The Board Instructions state that the chairman, at the beginning of each meeting or agenda item, shall inform the Board of discussions he has had with the Chief Executive Officer prior to the Board meeting about relevant issues. In order to ensure a more independent consideration of matters of a material character in which the Chairman of the Board is, or has been, personally involved, the Board considers if the deliberations of such matters should be chaired by some other member of the Board.

In addition to the directors, the Board meetings are attended by the Chief Executive Officer, the Secretary to the Board and other persons from the executive management as designated by the Chairman and the Chief Executive Officer. Normally, the Chief Financial Officer attends the meetings. The chairman may also invite other persons and experts to attend meetings of the Board.

The Board is bound by the rules regarding disqualification/ conflicts of interest as they appear in Section 37 of the Foundation Act. The guidelines for efficient practice of these rules are further specified in the Board's instructions.

Board Committees
The Board has no committees.

The Board's Self-Evaluation
The aim is that the Board shall evaluate its own over-all performance and expertise once per year. No such over-all evaluation was made in 2015. However, the Board regularly conducts self-evaluations at the end of the Board meetings.

The General Manager/Chief Executive Officer
The General Manager/Chief Executive Officer ("CEO") of the Foundation is appointed by the Board of Directors and conducts the day-to-day management of the Foundation. The current arrangement is that the CEO of DNV GL is seconded to also be the CEO of Stiftelsen Det Norske Veritas as well as DNV Holding AS. As the Foundation does not have any employees, management services including the CEO, are provided to DNV by DNV GL AS in accordance with a Management Service Agreement entered into on an arm's-length principle.

There is a clear division of duties between the Board and the CEO. The CEO is responsible for ensuring that DNV is organized, run and developed in accordance with the Foundation Act, the Statutes and decisions adopted by the Board. The overall functions and duties of the CEO are set out in the Board instructions.

10. RISK MANAGEMENT AND INTERNAL CONTROL
Risk Management and internal control are important for DNV in respect of the separate activities of both DNV and the DNV GL Group. The corporate governance report for DNV GL Group describes the risk management and internal control for the group.

As for its own activities, the Foundation has decided to be part of the risk management and internal control system established for the DNV GL Group. DNV adheres to DNV GL's management systems, corporate systems and policy documents including Code of Conduct to the extent relevant. The services provided by DNV GL AS to DNV include the services of the compliance officer, internal auditor and Ombudsman as described in DNV GL Group's Corporate Governance Report. The Board will on an ongoing basis consider whether to establish a separate internal auditor for the Foundation, but has to date not found it necessary.

DNV has significant financial investments and has established a policy document and risk management procedures for the financial management.

The Council's Control Committee's mandate was amended in 2013 to focus on the Board's role as caretaker of the Foundation's specific interests. The role of the Control Committee, as described in Chapter 8 above, is to oversee and supervise the Board of Directors of the Foundation. The supervision from the Control Committee is considered as a tool for the Council to oversee the interests that are specific for the Foundation. The task of the Committee includes particularly overseeing that the Board has established proper external and internal control and risk management systems. The Committee's tasks include:

- monitoring transactions and other possible conflicts of interest between the Foundation and DNV GL, or between the Foundation and other companies in the DNV GL Group, and
- reviewing the following documents from the DNV GL Board: minutes, group risk reports, internal auditor's reports, compliance reports and other documents considered as relevant for the Control Committee's functions.

The oversight and supervisory functions include the Foundation and the companies fully owned by the Foundation.

11. REMUNERATION OF THE BOARD AND THE COUNCIL
Remuneration of the directors of the Board is decided by the Council following a recommendation from the Nomination Committee. Remuneration of the Council leadership and committee members is decided by the Board following a recommendation from the Council, based on input from the Nomination Committee.

According to the Council's instructions for the Nomination Committee, the Nomination Committee shall base its recommendation on information regarding levels of remuneration paid to board and committee members of comparable companies and of comparable scope of work and commitment that the board and committee members are expected to devote to the Foundation and its subsidiaries. The remuneration is not linked to DNV's or DNV GL's performance.

The Chairman and the Vice-Chairman of the Council as well as the Committee Members are remunerated. The Chairman and the Vice-Chairman of the Council receive remuneration in their capacities as such and not in their capacities as Nomination Committee Members. There is also a policy for compensation of Council members' travel.

None of the directors elected by the Council work for DNV outside of their directorships, and none have any agreement regarding pension plan or severance pay from DNV. If such assignments should become relevant, the instructions for the Board's state that any such agreement between the Foundation and a Board member is subject to Board approval.

See Note 7 to the financial statements for a break-down of fees paid to directors in 2015.

12. REMUNERATION OF EXECUTIVE PERSONNEL
Following the DNV GL merger, the Foundation and its fully-owned subsidiaries have no employees or executive personnel. Management services are provided to the Foundation by DNV GL AS pursuant to the Management Services Agreement. The Code of Practice Section 11 on remuneration of executive personnel is therefore not relevant for the Foundation. The DNV GL Board has prepared a declaration on executive management remuneration in accordance with the obligation applicable to Public Limited Companies.

13. INFORMATION AND COMMUNICATIONS
Guidelines for reporting financial and other information to shareholders and the securities market does not apply to a foundation. DNV's long tradition of disclosing a comprehensive publication which includes the Annual Report with externally audited financial reporting is continued also with the annual report for DNV GL Group.

DNV's Annual Report is distributed to the Council and freely available on request.

It is publicly available on DNV's website www.detnorskeveritas.com.

DNV GL Group's Annual Report includes reporting on its social and environmental performance in addition to financial reporting. The Global Reporting Initiative (GRI) Sustainability Reporting Guidelines and the principles of the UN Global Compact are applied in the preparation of the Annual Report.

14. TAKE-OVERS
A foundation has by definition no owners, and as such may not be subject to take-over bids as described in the Code of Practice, Section 14. This section is therefore not relevant for DNV.

As a principle, a foundation may not be subject to any take-over, other than by termination or a conversion of the foundation, which may only take place on certain extremely restricted conditions as further specified in the Foundation Act. Conversion or termination is subject to approval by the Norwegian Foundation Authority and such approval can only be granted on very restrictive conditions specified in the Foundation Act.

According to DNV's Statutes termination would be subject to resolution by the Council with two-thirds majority in two successive ordinary Council meetings and pursuant to proposition by the Board of Directors exclusively.

DNV's purpose as stated in the Statutes bolsters DNV's position as free-standing, autonomous and independent.

15. AUDITOR

The statutory auditor is elected by the Council. The Board shall support the Council in such elections and normally the election will be made based on a proposal from the Board. The Council's Control Committee shall be invited to state its opinion on the Board's proposal regarding the election.

Ernst&Young (EY) was elected as auditor in 2002 and has later been re-elected. As a consequence of internal rotation according to principles in the Statutory Auditors Act, Finn Ole Edstrøm took over as the EY lead auditor in 2009.

The rules in the Statutory Auditors Act, Chapter 5A (regarding entities of public interest as defined in the Act), do not apply to DNV. The Act includes rules on transparency of reporting and rotation of the responsible auditor. However, the auditor applies these rules for DNV, and the Board shall ensure that the requirements are met by the auditor.

Pursuant to the Foundation Act, the auditor shall in its annual audit report provide a statement regarding whether the foundation has been managed and distributions have been made in accordance with legislation, the purpose of the foundation, and the Statutes.

A summary planned by the auditor shall be presented to the Board once a year.

At least one meeting per year will be held between the external auditor and the Board without the presence of the CEO or the executive management.

At least once a year, the auditor presents a review of DNV's internal control procedures to the Board, including identified weaknesses and proposals for improvement.

The auditor submits a written statement to the Board on compliance with the statutory audit and independence requirements in the Statutory Auditors Act.

The Board has not established guidelines in respect of the use of the auditor by the executive management for services other than the audit, but this will be considered in coordination with DNV GL Group AS.

The remuneration of the auditor is determined by the Board in accordance with the Foundation Act. In addition to ordinary auditing of the Foundation and subsidiaries, the statutory auditors provided tax consulting services, other attestation services, and non-audit services. For details, see Note 7 in the 2015 financial statements.

Adopted by the Board of Directors,
Høvik, April 28th 2016

ATTACHMENT 1 – About reporting standards in the Accounting Act.

The reporting requirements of the Accounting Act are included or otherwise taken into account in the individual sections as listed below:

- *"a statement of the code of practice and regulatory framework on corporate governance to which the company is subject, or with which it has elected to comply".*
  Described in Section 1: Implementation and Reporting of Corporate Governance.

- *"information on where the code of practice and regulatory framework mentioned in no 1 is publicly available".*
  Described in Section 1: Implementation and Reporting of Corporate Governance.

- *"the reasons for any non-conformance with recommendations and regulations mentioned in no 1".*
  Described in Section 1: Implementation and Reporting of Corporate Governance.

- *"a description of the main elements of the company's internal control and risk management systems associated with the financial reporting process, and where the entity that is required to prepare accounts also prepares consolidated accounts, the description must include the main elements of the group's internal control and risk management systems associated with the financial reporting process".*
  Described in Section 10: Risk Management and Internal Control.

- *"an account of any provisions in the articles of associations that completely or partially extend or depart from the provisions stipulated in Chapter 5 of the Public Limited Companies Act".*
  Described in Section 6: General Meetings.

- *"the composition of the board of directors, the corporate assembly, the committee of representatives and the control committee, and of any committee of such corporate bodies, and a description of the main elements in the prevailing instructions and guidelines for the work of these corporate bodies and of any committees thereof".*
  Described in Section 8: Council and Board of Directors - composition and independence, and Section 9: The Work of the Board of Directors, Chief Executive Officer and Group Executive Management.

- *"the provisions of the articles of association that regulate the appointment and replacement of members of the board of directors".*
  Described in Section 8: Council and Board of Directors - Composition and Independence.

- *"an account of any provisions in the articles of association or authorizations that allow the board to decide that company is to repurchase or issue its own shares or its own equity certificates".*
  Described in Section 3: Equity and Dividends.

According to the Accounting Act, Section 3-3c large enterprises shall issue a presentation detailing what the enterprise does to integrate considerations relating to human rights, labor rights and social conditions, the external environment and anti-corruption efforts in their business strategies, in their daily operations and in relation to their stakeholders (the "Corporate Sustainability Presentation").

The Corporate Sustainability Presentation as a mandatory rule was introduced in 2013. As DNV GL reports in accordance with existing international reporting schemes such as the United Nations Global Compact the framework of Global Reporting Initiative, it is assumed that DNV GL's reporting is fully compliant with the obligations in the Accounting Act, Section 3-3c.

DNV's Corporate Sustainability Presentation is described in Section 1: Implementation and Reporting on Corporate Governance.

FINANCIAL STATEMENTS

On May 15th 2014 Stiftelsen Det Norske Veritas received formal approval from the Norwegian Ministry of Finance to submit its accounts in English only.

KEY FIGURES

Amounts in NOK million

	2015 IFRS	2014 IFRS	2013[1] IFRS	2012 NGAAP	2011 NGAAP
Income statement:					
Operating revenue	**23 516**	21 659	16 138	12 850	10 156
EBITDA	**2 895**	2 670	2 619	1 433	1 235
Depreciation	**393**	371	306	236	150
EBITA	**2 502**	2 299	2 313	1 198	1 085
Amortization	**536**	592	203	179	64
EBIT/ Operating profit	**1 966**	1 707	2 110	1 018	1 022
Net financial income (expenses)	**39**	165	35	87	66
Profit before tax	**2 006**	1 873	2 144	1 105	1 088
Profit for the year	**1 233**	1 119	1 578	719	730
Balance sheet:					
Non-current assets	**18 269**	17 052	15 476	4 492	2 445
Current assets	**16 860**	15 649	14 016	7 628	7 538
Total assets	**35 129**	32 701	29 492	12 120	9 983
Equity	**23 757**	20 862	19 282	7 349	6 092
Non-current liabilities	**4 105**	4 996	4 288	1 320	1 212
Current liabilities	**7 268**	6 843	5 922	3 451	2 679
Cash flow items, working capital and investments:					
Purchase of tangible fixed assets	**893**	774	610	236	132
Working capital	**9 592**	8 806	8 094	4 177	4 859
Cash flow	**678**	149	682	(895)	754
Number of employees	**14 954**	15 712	16 107	10 532	8 453
Financial ratios:					
Profitability:					
EBITDA margin	**12.3%**	12.3%	16.2%	11.2%	12.2%
EBITA margin	**10.6%**	10.6%	14.3%	9.3%	10.7%
Operating margin	**8.4%**	7.9%	13.1%	7.9%	10.1%
Pre tax profit margin	**8.5%**	8.6%	13.3%	8.6%	10.7%
Net profit margin	**5.2%**	5.2%	9.8%	5.6%	7.2%
Liquidity:					
Liquidity reserves	**7 412**	6 727	6 532	3 179	4 074
Leverage:					
Equity ratio	**67.6%**	63.8%	65.4%	60.6%	61.0%

Definition of ratios:

Profitability:

EBITDA:
Earnings before interest, tax, depreciation and amortization

EBITDA margin:
EBITDA x 100 / Operating revenue

EBITA:
Earnings before interest, tax and amortization

EBITA margin:
EBITA x 100 / Operating revenue

Operating margin:
Operating profit x 100 / Operating revenue

Pre-tax profit margin:
Profit before tax x 100 / Operating revenue

Net profit margin:
Profit for the year x 100 / Operating revenue

Liquidity:

Cash flow:
Net change in liquidity during the year from cash flow statement

Liquidity reserves:
Cash and bank deposits + Short-term financial investments

Leverage:

Equity ratio:
Equity x 100 / Total assets

1. The business combination with GL SE Group was effective from 1 October 2013 and GL SE Group is consolidated from this date onwards

CONSOLIDATED INCOME STATEMENT

Amounts in NOK million

STIFTELSEN DET NORSKE VERITAS					STIFTELSEN DET NORSKE VERITAS CONSOLIDATED		
2015	2014	2013		Note	**2015**	2014	2013[1]
			Operating revenue				
0.0	0.0	0.0	Sales revenue		**23 416.7**	21 659.0	15 501.3
0.0	0.0	0.0	Gain on sale of business activities	3	**99.5**	0.0	636.5
0.0	0.0	0.0	**Total operating revenue**	4	**23 516.2**	21 659.0	16 137.9
			Operating expenses				
0.0	0.0	0.0	Payroll expenses	5,7,8	**13 116.0**	11 597.5	8 536.6
0.0	0.0	0.0	Depreciation	14	**392.7**	370.7	306.0
0.0	0.0	0.0	Amortization and impairment	12	**535.8**	591.5	203.0
6.5	11.3	4.5	Other operating expenses	6,7	**7 505.2**	7 392.0	4 982.7
(6.5)	(11.3)	(4.5)	**Operating profit**		**1 966.5**	1 707.3	2 109.6
			Financial income and expenses				
0.0	0.0	0.0	Income/(loss) from associates	15	**5.6**	22.8	(5.5)
10.8	33.2	35.7	Financial income	9	**150.9**	276.1	109.6
0.0	0.0	0.0	Financial expenses	9	**(117.1)**	(133.6)	(69.4)
10.8	33.2	35.7	Net financial income (expenses)		**39.3**	165.3	34.7
4.3	21.9	31.2	**Profit (loss) before tax**		**2 005.8**	1 872.6	2 144.3
(17.2)	(29.6)	(32.9)	Tax expense	11	**(772.9)**	(753.4)	(565.8)
(12.9)	(7.6)	(1.8)	**Profit (loss) for the year**		**1 232.9**	1 119.2	1 578.4
			Profit for the period attributable to:				
			Non-controlling interest		**381.1**	375.8	17.2
			Equity holders of the parent		**851.8**	743.4	1561.2
			Total		**1 232.9**	1 119.2	1 578.4

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(12.9)	(7.6)	(1.8)	**Profit (loss) for the year**	**1 232.9**	1 119.2	1 578.4
			Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
			Actuarial gains/(losses) on defined benefit pension plans	**540.5**	(920.2)	97.4
			Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
			Currency translation differences/Translation differences foreign operations	**1 335.5**	1 707.0	1 084.5
			Gain/ loss on hedge of net investments in foreign operations	**0.0**	0.0	(198.2)
			Share of other comprehensive income from associates	**(22.7)**	(29.4)	0.0
0.0	0.0	0.0	**Other comprehensive income for the period, net of tax**	**1 853.4**	757.3	983.7
(12.9)	(7.6)	(1.8)	**Total comprehensive income for the period**	**3 086.3**	1 876.5	2 562.2
			Total comprehensive income attributable to:			
			Non-controlling interest	**1 057.6**	652.2	376.3
			Equity holders of the parent	**2 028.7**	1 224.3	2 185.9
			Total	**3 086.3**	1 876.5	2 562.2

1. The business combination with GL SE Group was effective from 1 October 2013 and GL SE Group is consolidated from this date onwards

CONSOLIDATED BALANCE SHEET

Amounts in NOK million

STIFTELSEN DET NORSKE VERITAS					STIFTELSEN DET NORSKE VERITAS CONSOLIDATED		
31 Dec. 2015	31 Dec. 2014	31 Dec. 2013	**ASSETS**	Note	**31 Dec. 2015**	31 Dec. 2014	31 Dec. 2013
			Non-current assets				
			Intangible assets				
0.0	0.0	0.0	Deferred tax assets	11	**1 103.7**	1 196.0	857.0
0.0	0.0	0.0	Goodwill	12,13	**8 758.1**	8 193.7	7 289.2
0.0	0.0	0.0	Other intangible assets	12	**3 313.6**	3 420.7	3 459.1
0.0	0.0	0.0	Total intangible assets		**13 175.5**	12 810.5	11 605.3
			Tangible fixed assets				
6.4	6.4	6.4	Land, buildings and other property		**2 222.8**	2 167.8	1 923.3
0.0	0.0	0.0	Office equipment, fixtures and fittings		**1 656.4**	1 239.3	952.1
6.4	6.4	6.4	Total tangible fixed assets	14	**3 879.2**	3 407.1	2 875.4
			Non-current financial assets				
11.4	11.4	11.4	Investments in subsidiaries	2	**0.0**	0.0	0.0
0.0	0.0	0.0	Investments in associates	15	**130.4**	147.4	8.5
0.0	0.0	0.0	Available for sale investments		**42.4**	42.6	42.4
0.0	0.0	0.0	Net pension asset	8	**283.0**	4.9	283.0
0.0	0.0	0.0	Other long-term receivables	18	**758.8**	639.7	661.3
11.4	11.4	11.4	Total non-current financial assets		**1 214.6**	834.5	995.3
17.8	17.8	17.8	**Total non-current assets**		**18 269.3**	17 052.1	15 476.0
			Current assets				
			Debtors				
0.0	0.0	0.0	Trade debtors	17	**5 242.3**	5 149.3	4 279.7
0.0	0.0	0.0	Work in progress		**3 388.2**	2 881.5	2 501.2
20.7	0.2	0.0	Other receivables group companies		**0.0**	0.0	0.0
0.0	0.0	0.0	Other debtors		**817.0**	891.3	703.2
20.7	0.2	0.0	Total debtors		**9 447.5**	8 922.0	7 484.0
1 181.3	1 218.8	1 233.4	Cash and bank deposits	21	**7 412.2**	6 726.9	6 531.9
1 202.0	1 219.0	1 233.4	**Total current assets**		**16 859.7**	15 648.9	14 015.9
1 219.8	1 236.8	1 251.2	**TOTAL ASSETS**		**35 128.9**	32 701.0	29 491.9

CONSOLIDATED BALANCE SHEET

Amounts in NOK million

STIFTELSEN DET NORSKE VERITAS					STIFTELSEN DET NORSKE VERITAS CONSOLIDATED		
31 Dec. 2015	31 Dec. 2014	31 Dec. 2013	**EQUITY AND LIABILITIES**	Note	**31 Dec. 2015**	31 Dec. 2014	31 Dec. 2013
			Equity				
			Paid-in capital				
283.5	283.5	283.5	Foundation capital		**283.5**	283.5	283.5
			Retained earnings				
907.6	920.5	928.1	Other equity		**16 553.9**	14 525.1	13 300.8
0.0	0.0	0.0	Non-controlling interest		**6 919.2**	6 053.1	5 697.4
1 191.1	1 204.0	1 211.6	**Total equity**		**23 756.6**	20 861.7	19 281.7
			Liabilities				
			Non-current liabilities				
0.0	0.0	0.0	Interest bearing loans and borrowings	22	**100.0**	500.0	0.0
0.0	0.0	0.0	Pension liabilities	8	**2 520.5**	2 824.4	1 952.5
0.1	0.1	0.1	Deferred tax liabilities	11	**1 053.7**	1 045.6	1 038.5
0.0	0.0	0.0	Non-current provisions	19	**106.6**	110.7	161.7
0.0	0.0	0.0	Other non-current liabilities		**323.8**	515.5	1 135.5
0.1	0.1	0.1	Total non-current liabilities		**4 104.7**	4 996.3	4 288.2
			Current liabilities				
0.0	0.0	0.0	Overdrafts		**0.0**	4,5	0.0
0.0	0.3	0.0	Trade creditors		**496.7**	494.0	606.1
17.8	29.5	32.5	Tax payable	11	**796.4**	776.9	497.0
0.0	0.0	0.0	Public duties payable		**501.6**	480.9	430.8
10.8	2.9	7.0	Short-term liabilities group companies		**0.0**	0.0	0.0
0.0	0.0	0.0	Accrued dividend to minority shareholders		**185.0**	183.8	0.0
0.0	0.0	0.0	Current provisions	19	**600.9**	289.8	201.6
0.0	0.0	0.0	Other current liabilities	16	**4 687.1**	4 613.2	4 186.6
28.6	32.7	39.5	Total current liabilities		**7 267.7**	6 843.0	5 922.0
28.7	32.8	39.6	**Total liabilities**		**11 372.4**	11 839.3	10 210.2
1 219.8	1 236.8	1 251.2	**TOTAL EQUITY AND LIABILITIES**		**35 128.9**	32 701.0	29 491.9

The Board of Stiftelsen Det Norske Veritas, Høvik, 28 April 2016

Leif-Arne Langøy
Chairman

Morten Ulstein
Vise-Chairman

Sille Grjotheim

Rebekka Glasser Herlofsen

Clemens Keuer

Christelle G.V. Martin

Mette Bandholtz Nielsen

C.Thomas Rehder

Odd E. Sund

Hilde M. Tonne

Xu Bei Betty
(observer)

Remi Eriksen
Chief Executive Officer

CONSOLIDATED STATEMENT OF CASH FLOW

Amounts in NOK million

STIFTELSEN DET NORSKE VERITAS				STIFTELSEN DET NORSKE VERITAS CONSOLIDATED		
2015	2014	2013		**2015**	2014	2013
			CASH FLOW FROM OPERATIONS			
4.3	21.9	31.2	Profit before tax	**2 005.8**	1 872.6	1 986.4
0.0	0.0	0.0	Gain/loss on disposal of tangible fixed assets	**(24.5)**	(11.3)	(0.1)
0.0	0.0	0.0	Gain on divestments	**(99.5)**	(18.7)	(648.5)
0.0	0.0	0.0	Gain on conversion of loan to associated companies	**0.0**	(26.3)	0.0
0.0	0.0	0.0	Loss (gain) from change of defined benefit pension plans	**30.6**	(175.0)	0.0
0.0	0.0	0.0	Depreciation, amortization and impairment	**928.5**	962.3	760.4
(29.5)	(32.5)	(31.4)	Tax payable	**(917.3)**	(784.5)	(643.7)
0.0	0.3	0.0	Change in work in progress, trade debtors and trade creditors	**39.7**	(708.9)	(725.7)
(12.2)	(4.1)	2.0	Change in accruals, provisions and other	**323.2**	607.5	154.2
(37.5)	(14.5)	1.8	**Net cash flow from operations**	**2 286.5**	1 717.7	882.9
			CASH FLOW FROM INVESTMENTS			
0.0	0.0	0.0	Acquisitions (business combinations)	**(82.4)**	(288.8)	(149.2)
0.0	0.0	0.0	Settlement minority share owners N.V. KEMA	**0.0**	(670.0)	0.0
0.0	0.0	0.0	Settlement minority share owners Marine Cybernetics AS	**(118.0)**	0.0	0.0
0.0	0.0	0.0	Divestments of subsidiaries	**276.0**	12.0	580.0
0.0	0.0	0.0	Investments in tangible fixed assets	**(893.1)**	(773.7)	(609.8)
0.0	0.0	0.0	Investments in intangible assets	**(256.0)**	(175.0)	(48.6)
0.0	0.0	0.0	Sale of tangible fixed assets (sales value)	**53.2**	42.8	26.9
0.0	0.0	0.0	Change in other investments	**0.0**	(98.6)	0.0
0.0	0.0	(1.2)	Contribution in kind to Det Norske Veritas Holding AS	**0.0**	0.0	0.0
0.0	0.0	(1.2)	**Net cash flow from investments**	**(1 020.3)**	(1 951.2)	(200.7)
			CASH FLOW FROM FINANCING ACTIVITIES			
0.0	0.0	0.0	Change in overdraft	**(4.5)**	4.5	0.0
0.0	0.0	0.0	Borrowings	**(400.0)**	500.0	0.0
0.0	0.0	0.0	Dividend paid	**(183.8)**	(122.4)	0.0
0.0	0.0	0.0	**Net cash flow from financing activities**	**(588.3)**	382.1	0.0
			LIQUIDITY			
(37.5)	(14.5)	1.8	Net cash flow from operations	**2 286.5**	1 717.7	882.9
0.0	0.0	(1.2)	Net cash flow from investments	**(1 020.3)**	(1 951.2)	(200.7)
0.0	0.0	0.0	Net cash flow from financing activities	**(588.3)**	382.1	0.0
(37.5)	(14.5)	0.6	**Net change in liquidity during the year**	**677.9**	148.5	682.2
1 218.8	1 233.4	1 232.8	Liquidity at 1 January	**6 726.9**	6 531.9	3 178.9
0.0	0.0	0.0	Cash in acquired companies	**7.4**	46.5	2 670.8
1 181.3	1 218.8	1 233.4	**Liquidity at 31 December**	**7 412.2**	6 726.9	6 531.9

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in NOK million

Changes in equity in Stiftelsen Det Norske Veritas

	Foundation capital	Other equity	Currency translation differences	Non-controlling interest	**Total**
Equity at 31 December 2013	**283.5**	**928.1**	**0.0**	**0.0**	**1 211.6**
Profit for the period		(7.6)			(7.6)
Equity at 31 December 2014	**283.5**	**920.5**	**0.0**	**0.0**	**1 204.0**
Profit for the period		(12.9)			(12.9)
Equity at 31 December 2015	**283.5**	**907.6**	**0.0**	**0.0**	**1 191.1**

Changes in equity in Stiftelsen Det Norske Veritas Consolidated

	Foundation capital	Other equity	Currency translation differences	Non-controlling interest	**Total**
Equity at 31 December 2013	**283.5**	**12 414.5**	**886.3**	**5 697.4**	**19 281.7**
Profit for the period		743.4		375.8	1 119.2
Dividend paid to minority shareholders in DNV GL Group AS				(122.5)	(122.5)
Accrued dividend to minority shareholders in DNV GL Group AS				(183.8)	(183.8)
Actuarial gains/(losses) on defined benefit pension plans		(584.3)		(335.9)	(920.2)
Exchange differences			1 083.9	623.0	1 707.0
Share of other comprehensive income from associates		(18.7)		(10.7)	(29.4)
Other equity changes				9.8	9.8
Equity at 31 December 2014	**283.5**	**12 554.9**	**1 970.2**	**6 053.1**	**20 861.7**
Profit for the period		851.8		381.1	1 232.9
Accrued dividend to minority shareholders in DNV GL Group AS				(185.0)	(185.0)
Actuarial gains/(losses) on defined benefit pension plans		343.2		197.3	540.5
Exchange differences			848.0	487.5	1 335.5
Share of other comprehensive income from associates		(14.4)		(8.3)	(22.7)
Other equity changes				(6.5)	(6.5)
Equity at 31 December 2015	**283.5**	**13 735.6**	**2 818.3**	**6 919.0**	**23 756.6**

NOTES TO THE FINANCIAL STATEMENTS

1. Significant accounting policies

Basis for preparation
The financial statements are prepared in accordance with the Norwegian Accounting Act § 3-9 and Regulations on Simplified IFRS as enacted by the Ministry of Finance 3 November 2014. In all material aspects, Norwegian Simplified IFRS requires that the IFRS recognition and measurement criteria (as adopted by the European Union) are complied with, but disclosure and presentation requirements (the notes) follow the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Standards.

The financial statements are presented in Norwegian Kroner (NOK) and all values are rounded to the nearest million (NOK million), except when otherwise indicated.

Consolidation principles
The consolidated statements include the parent company Stiftelsen Det Norske Veritas and all companies in which the parent company directly or indirectly has controlling interest. The group controls an entity when the group is exposed to, or has rights to, variable return from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group and deconsolidated from the date that control ceases. The group accounts show the Group's consolidated Income statement, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Statement of Cash Flow as a single economic entity. Subsidiaries follow the same accounting principles as the parent company. All intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between Group entities are eliminated in the consolidated accounts.

The consolidated financial statements have been prepared on the basis of going concern.

Business combinations and goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at the acquisition date at fair value. Acquisition-related costs are expensed in Income statement as incurred.

Identifiable assets acquired and liabilities assumed are recognized at their fair value at the acquisition date. Goodwill is recognized as the residual value between fair value of the consideration transferred and the fair value of the identifiable net assets.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

The allocation of costs in a business combination is changed if new information on the fair value becomes available and is applicable on the date when control is assumed. The allocation may be altered within one year from acquisition date.

Subsidiaries
Investments in subsidiaries are recognized at cost in the accounts of the parent company. Investments carried at cost are measured at the lower of their carrying amount and fair value less costs to sell. The fair values of the investments are tested annually based on external and/or internal indicators implying revaluation. If estimated fair value is less than the carrying amount, the investments are impaired in the Balance sheet statement and the corresponding cost is recognized in the income statement. Impairment losses recognized in prior periods are reversed if the basis for the impaired value no longer exists or have decreased.

In the accounts of the parent company, dividends, group contributions and other distributions are recognized in the same year as they are recognized in the financial statement of the subsidiary according to the Norwegian Regulation of simplified IFRS § 3-1. If dividends / group contribution exceed withheld profits after acquisition, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the Balance sheet statement for the parent company.

Dividend to equity holders of the parent company
Dividends declared to shareholders are recognized as a liability at the end of the reporting period according to the Norwegian Regulation of simplified IFRS § 3-1.

NOTES TO THE FINANCIAL STATEMENTS

Investments in associates and joint ventures
An associate is an entity in which the Group has a significant influence but does not control the management of its financial and operating policy decisions (normally when the Group owns 20%-50% of the company).

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control, are similar to those necessary to determine control over subsidiaries.

Investments in associated companies and joint ventures are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The income statement reflects the Group's share of profits after tax of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The aggregate of the Group's share of profits (or losses) of an associate and a joint venture is shown in the income statement as financial items.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group.

The recognized value of the associate or joint venture in the Statement of Financial Position is tested for impairment annually or more frequently when deemed necessary.

Non-controlling interest
The non-controlling interest in the consolidated financial statements, represent the minority's share of the carrying amount of the equity in entities with minority shareholders.

Classification and valuation of assets and liabilities
The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period

or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

Current and non-current liabilities are classified correspondingly.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Current assets are valued at the lower of cost and net realizable value. Short-term debt is recognized at fair value and subsequently measured at amortized cost. Transaction cost on short-term borrowings are usually minor, and the value of short-term debt at amortized cost is therefore normally identical with face value.

Fixed assets are valued at cost. However, if a decline in value is expected not to be temporary, fixed assets are impaired to the recoverable amount. Fixed assets with a limited useful economic life are depreciated in accordance with a linear depreciation plan.

NOTES TO THE FINANCIAL STATEMENTS

Revenue recognition
Revenue is recognized when it is probable that future economic benefits will flow to the Group and the revenue can be measured reliably, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties.

Revenue from services is recognized by reference to the stage of completion (percentage of completion method). Stage of completion is measured by reference to hours incurred/ contract costs incurred to date as a percentage of total estimated hours/ total estimated contract costs for each contract. When the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

When the selling price of a software product includes an identifiable amount for subsequent servicing (e.g. after sales support and product enhancement/ maintenance on the sale of software products), that amount is deferred and recognized as revenue over the period during which the service will be performed. The amount deferred covers the expected costs of the services under the agreement together with a reasonable profit on those services.

Debtors
Trade receivables and other current receivables are recorded in the balance sheet initially at fair value and subsequently measured at amortized cost less provision for impairment. Provisions for doubtful debts are calculated on the basis of individual assessments. Impairments of trade receivables are recognized in the income statement if objective indicators suggest that the due amounts cannot be covered in full.

Taxes
Income tax expense comprises both current tax and deferred tax, including effects of changes in tax rates. Current and deferred tax is recognized in income statement, except to the extent that they relate to items recognized in equity or other comprehensive income, of which the tax is also recognized in equity or other comprehensive income.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The current and deferred income tax is calculated based on tax rates (and tax laws) that have been enacted or substantively enacted, in the countries where the Group operates and generates taxable income at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities and the corresponding tax bases as well as on tax losses carried forward at the reporting date. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets for temporary differences and tax loss carry forwards are recognized to the extent that it is probable that future taxable income will be available at the level of the relevant tax authority for utilization. Tax increasing and tax reducing temporary differences expected to reverse in the same period are offset and calculated on a net basis as far as this relate to the same taxable entity and the same taxation authority.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Foreign currencies
The Group's consolidated financial statements are presented in Norwegian Kroner (NOK), which is also the parent company's functional currency. The functional currency of an entity is the currency of the economic environment in which the company primarily operates. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in the Income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Forward exchange contracts are included at market value at the reporting date.

On consolidation, the assets and liabilities of foreign operations, including goodwill and fair value adjustments are translated into NOK at the rate of exchange prevailing at the reporting date. The Income statements are translated at the average exchange rate for the financial year. Exchange rate differences arising are recognized in other comprehensive income (OCI). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in the Income statement.

Realized and unrealized currency effects not reflected in OCI are included on a net basis in either other financial income or other financial expenses.

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight-line basis over the expected useful life of the assets. The estimated useful life, residual values and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. Periodic maintenance costs are capitalized and depreciated over the expected maintenance period. Other repair and maintenance costs are recognized in the Income statement as incurred. Improvement and upgrading are assigned to the purchase cost/ carrying amount and depreciated along with the asset.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gains or losses is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Leases
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognized as an operating expense in the Income statement on a straight-line basis over the period of lease.

Borrowing costs
Borrowing costs are recognized in the Income statement in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Intangible assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Except for capitalized development costs, all other internally generated intangibles are reflected in the Income statement in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Research and development costs
Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. The asset is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Impairment of non-financial assets
The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Income statement.

Goodwill is tested for impairment annually as part of the Group's annual plan process and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Cash and bank deposits
Cash and bank deposits in the Balance sheet comprise petty cash and cash at bank and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and bank deposits are initially and subsequently measured at fair value.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable (more likely than not) that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a financial expense.

Post employment benefits
The group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

A defined contribution plan is a pension plan under which the Group pays fixed contribution into a separate entity (a fund/ insurance company) and will have no legal or constructive obligation to pay further contributions. The pension cost related to the defined contribution plans is equal to the contributions to the employee's pension savings in the accounting period.

Multi-employer plans are accounted for as defined contribution plans.

A defined benefit plan is a pension plan that is not a defined contribution plan. In the defined benefit plans, the Group's obligation is to provide the agreed benefit to current and former employees, actuarial risk and investment risk fall in substance on the Group. The Group's defined benefit plans are both funded and unfunded.

Actuarial assumptions are made to measure the pension obligation and the pension expense. Actuarial assumptions are mutually compatible and reflect the economic relationship between factors such as inflation, rate of salary increase and discount rate. The actuarial assumptions comprise: demographic assumptions such as mortality and employee turnover and financial assumptions such as discount rate, rate of salary- and pension benefit increase.

The pension obligations are measured on a discounted basis. Pension plan assets are valued at their fair value. The fair value of plan assets is deducted from the present value of the defined benefit obligation when determining the net defined benefit liability or assets.

Actuarial gains and losses are recognized through other comprehensive income (OCI). Actuarial gains and losses are not reclassified to profit or loss in subsequent periods.

Changes to existing defined benefit plans that will lead to changes in pension obligation are recognized in the statement of income as they occur. Gains or losses linked to changes or terminations of pension plans are also recognized in the statement of income when they arise.

Net interest on the net defined benefit/ assets is presented as part of financial items.

Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements is presented as part of payroll expenses.

Use of estimates
The preparation of the Group's consolidated financial statements in accordance with simplified IFRS requires management to make judgements, estimates and assumptions about the carrying amount of assets and liabilities at the end of the reporting period that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Update of accounting estimates are recognized in the period of which the estimate is updated, if the update affects only that period, or in the period of the update if the update affects both current and future periods.

Contingent liabilities and assets
Contingent liabilities are not recognized in the annual accounts. Significant contingent liabilities are disclosed, with the exception of contingent liabilities that are unlikely to be incurred. Contingent assets (unless virtually certain) are not recognized in the annual accounts but are disclosed if the inflow of economic benefits is probable.

Events after the reporting period
New information on the company's financial position on the end of the reporting period which becomes known after the reporting period is recorded in the annual accounts. Events after the reporting period that do not affect the company's financial position on the end of the reporting period but which will affect the company's financial position in the future are disclosed if significant.

Cash flow statement
The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short-term, highly liquid financial assets with maturities of three months or less.

NOTES TO THE FINANCIAL STATEMENTS

Amounts in NOK million

2. Group information

Stiftelsen Det Norske Veritas owns 100% of the shares in Det Norske Veritas Holding AS.

Company	Business office	Share capital in 1000 NOK	Ownership	Book value
Det Norske Veritas Holding AS	Bærum, Norway	10 800	100%	**11.4**
Total investment in subsidiaries				**11.4**

3. Business combinations

Significant changes in group structure 2015

13 February 2015, ISC was acquired (100% of the shares in International Standards Certification Pty Ltd., Australia and 100% of the shares in International Standard Certification Japan Co. Ltd). ISC is an international certification body, with a particular presence in Australia and Asia.

ISC is a full-service international certification and training body accredited by JAS-ANZ (Joint Accreditation System – Australia New Zealand) and Exemplar Global as a certified training organisation. It provides extensive certification and training services for products and systems across key industry sectors, including healthcare and food & beverage.

For the DNV GL Group, the acquisition of ISC will increase DNV GL's presence and growth in key industries such as the healthcare industry. The acquisition is also strengthening the DNV GL brand, positioning and growth within the Assurance sector.

31 August 2015, DNV GL Business Assurance Norway AS acquired 100% of the shares in Noomas Sertifisering AS. Noomas is a leading Norwegian inspection and certification body within fish farming and equipment.

Noomas is Norway's leading inspection and certification body within aquaculture and equipment used within the industry. Their objective is to support aquaculture farms through certification to become safer and more sustainable. Noomas primarily delivers accredited certification services to help the industry meet regulations and requirements for floating fish farms and related equipment.

For the DNV GL Group, the acquisition of Noomas increase the capability in the aquaculture section, in particular in Norway which has a strong position in global marine aquaculture. Noomas' technical services targeting the operations of fish farms compliment the existing portfolio for the aquaculture value chain.

70% of the shares in Marine Cybernetics AS (Norway) were acquired May 2014. In addition, DNV GL AS entered into an agreement with the owners of the remaining 30% of the shares, where DNV GL AS had an obligation to acquire the remaining shares after 3 years at an agreed price. 100% of Marine Cybernetics AS was included in the consolidated accounts from 1 May 2014 with no minority interest. The expected payment for the remaining shares was reflected as a liability. In December 2015 this liability was settled.

Acquisitions 2015

Company/activities	Transaction date	Ownership	Purchase currency	Acquisition cost local currency (thousand)	External revenue incl. in 2015 acct. mill NOK
International Standard Certification Japan Co., Ltd.	13/02/15	100%	JPY	1 046	7.6
International Standards Certification Pty Ltd, Australia	13/02/15	100%	AUD	6 019	21.1
Noomas Sertifisering AS	31/08/15	100%	NOK	43 549	8.5

No material excess values have been identified, the acquisition cost in excess of net book value of the equity has therefore been allocated to goodwill.

Cash flow on acquisition:

Net cash acquired with the subsidiaries	7.4
Consideration paid in cash	(82.4)
Net cash flow on acquisition	(75.0)

Amounts in NOK million

Divestments 2015

Effective 30 November 2015, Det Norske Veritas Holding AS sold the shares in Rosenberggata 101 AS to Nyberg Property Investment Holding AS. The sale generated a gain of NOK 99.5 million which is included in total operating revenue in 2015.

Significant changes in group structure 2014

6 May 2014, DNV GL AS acquired 70% of the shares in Marine Cybernetics AS. In addition, DNV GL AS has entered into an agreement with the owners of the remaining 30% of the shares, where DNV GL AS has an obligation to acquire the remaining shares after three years at an agreed price. 100% of Marine Cybernetics AS has been included in the DNV GL Group AS consolidated accounts from 1 May 2014 with no minority interest. The expected payment for the remaining shares has been reflected as a liability under other non-current liabilities.

Marine Cybernetics is a leading provider of third-party testing and verification of control system software for the maritime and offshore industries. With increasing importance of software-dependent systems in ensuring safe, reliable and efficient operations, the Marine Cybernetics acquisition is a strategic investment in total system quality assurance to further broaden DNV GL's service portfolio.

9 May 2014, DNV GL Group AS acquired the remaining 25.7% of the shares in the N.V. KEMA Group. As part of the acquisition agreement from December 2011, DNV GL Group AS had an agreement with the minority share owners, where DNV GL Group AS had a call option on acquiring the remaining shares after two years. The option structure was such that it was highly unlikely at time of acquisition that an acquisition of the remaining 25.7% of the shares would not take place after two years. 100% of N.V. KEMA has been included in the DNV GL Group AS consolidated accounts from 1 March 2012 with no minority interest and the net present value of the expected payment for the remaining shares has been reflected as a liability under other non-current liabilities. This liability was settled 9 May 2014.

In January 2014, NOK 47 million convertible loan to StormGeo Holding AS, including interest, was converted to equity. In addition, a capital contribution/share issue of NOK 99 million has been made. After these transactions, DNV GL Group ownership (through DNV GL AS) in StormGeo Holding AS is 27%. The investment is recognized in accordance with the equity method in the accounts of DNV GL Group AS.

12 March 2014, KEMA USA Inc. acquired 100% of the shares in PV Evolution Labs LLC (PVEL). The purchase price was NOK 34 million which resulted in a goodwill of NOK 20.7 million. PVEL tests, assesses, and predicts the performance of solar panels and also other PV system components. The acquisition fits well with DNV GL's solar business and vision.

In line with IFRS 3 'Business Combinations', adjustments to the preliminary purchase price allocation for the acquisition of GL SE Group have been reflected as a result of new information about facts and circumstances existing at the date of the acquisition. The adjustments led to a reduction of Technology with NOK 10.4 million, increased liabilities of NOK 45.0 million and increased goodwill of NOK 55.4 million. The adjustments were reflected in 2014.

Acquisitions 2014

Company/activities	Transaction date	Ownership	Purchase currency	Acquisition cost local currency	External revenue incl. in 2014 acct. mill NOK
Marine Cybernetics AS	6 May 2014	70%	NOK	324.1	72.0

The acquisition cost in excess of net book value of the equity has been allocated to goodwill and other intangible assets.

The following table shows the preliminary purchase price allocation (PPA) for the acquisition of 70% of Marine Cybernetics AS.:

	Acquisition cost	of which: Custom. relations	Custom. contracts	Technology	Liabilities	Def. tax	Net assets	Goodwill
PPA (NOK mill)	209.3	10.8	9.8	79.8	(116.8)	(27.1)	53.1	199.8

The fair value of the trade receivables amounts to NOK 36.1 million. None of the trade receivables has been impaired and it is expected that the full contractual amounts can be collected.

From the date of acquisition, Marine Cybernetics AS contributed NOK 72.0 million of revenue and NOK 8.4 million to profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue form continuing operations would have been NOK 104.1 million and the profit before tax from continuing operations for the Group would have been NOK 10.7 million.

The goodwill of NOK 199.8 million comprises the fair value of expected synergies and workforce arised from the acquisition.

Amounts in NOK million

Cash flow on acquisition:	
Net cash acquired with the subsidiary	46.5
Consideration paid in cash	(209.3)
Net cash flow on acquisition	(162.8)

4. External operating revenue

	STIFTELSEN DET NORSKE VERITAS CONSOLIDATED		
	2015	2014	2013
Geographical area:			
Nordic countries	**4 564.3**	4 578.4	4 793.9
Europe and Africa	**7 642.9**	7 387.2	4 392.8
Asia Pacific	**6 710.8**	5 800.6	3 840.3
North and South America	**4 598.1**	3 892.9	3 110.9
Total operating revenue	**23 516.2**	21 659.0	16 137.9
Business areas and business units:			
DNV GL Maritime	**9 789.9**	8 805.7	5 700.3
DNV GL Oil & Gas	**6 053.6**	6 264.2	4 218.7
DNV GL Energy	**3 522.6**	3 122.1	2 612.3
DNV GL Business Assurance	**3 024.0**	2 491.7	2 217.2
DNV GL Software	**823.9**	783.3	445.0
Marine Cybernetics	**96.0**	72.0	0.0
DNV Real Estate companies	**26.4**	36.3	36.5
Gain from sale of Rosenberggata 101 AS	**99.5**	0.0	0.0
Det Norske Veritas Petroleum Services	**0.0**	0.0	867.7
Other	**80.4**	83.7	40.3
Total operating revenue	**23 516.2**	21 659.0	16 137.9

The operating companies in the Group are DNV GL Group and the real estate company. For management purposes, DNV GL Group is organized into business areas based on the industries in which the Group operates. DNV GL is structured into five business areas; Maritime, Oil & Gas, Energy, Business Assurance and Software, and one independent business unit; Marine Cybernetics

5. Payroll expenses

	STIFTELSEN DET NORSKE VERITAS CONSOLIDATED		
	2015	2014	2013
Salaries	**10 309.5**	9 332.6	6 712.1
Payroll tax	**1 244.5**	1 213.7	915.8
Pension costs	**940.5**	820.3	598.4
Effect of pension plan changes	**70.0**	(175.0)	0.0
Other contributions	**551.5**	406.0	310.2
Total payroll expenses	**13 116.0**	11 597.5	8 536.6
Man years (average)	**14 682**	15 428	11 085
Total bonus expenses	**67.0**	451.8	317.0

NOTES TO THE FINANCIAL STATEMENTS

Amounts in NOK million

6. Other operating expenses

STIFTELSEN DET NORSKE VERITAS				STIFTELSEN DET NORSKE VERITAS CONSOLIDATED		
2015	2014	2013		**2015**	2014	2013
0.0	0.0	0.0	Travel expenses	**1 304.5**	1 251.0	881.0
0.0	0.0	0.0	ICT and communication expenses	**889.6**	898.1	420.7
0.0	0.0	0.0	Rent and real estate expenses	**1 032.2**	826.4	527.5
0.0	0.0	0.0	Loss on claim	**98.5**	95.2	44.1
2.3	3.4	4.0	Expenses group companies	**0.0**	0.0	0.0
4.2	7.8	0.5	Other expenses	**4 180.5**	4 321.3	3 109.4
6.5	11.3	4.5	**Total other operating expenses**	**7 505.2**	7 392.0	4 982.7

The Group recognised expenses of NOK 634.8 million in relation to operating leases in 2015. Operating lease relates mainly to office rent, with lease terms between 1–15 years and company cars, with lease terms between 1–5 years.

Minimum lease payments relating to operating lease:	**2015**	2014
Within one year	**517.2**	457.6
After one year but not more than five years	**1 235.4**	941.0
More than five years	**479.0**	513.4
Total	**2 231.6**	1 912.0

7. Remuneration to Board of Directors and auditor fees

Board remuneration paid in 2015:[1]

Name	Stiftelsen Det Norske Veritas	Other Group companies[3]
Leif-Arne Langøy	276	496
Morten Ulstein	171	329
Hilde M. Tonne	69	325
Rebekka Glasser Herlofsen	69	325
C. Thomas Rehder	69	276
Christelle G.V. Martin	69	276
Odd E. Sund	69	276
Sille Grjotheim	69	276
Mette Bandholtz Nielsen	69	276
Clemens Keuer	35	276
Xu Bei Betty	0	140
David McKay[2]	34	136

1) Amounts in NOK thousand
2) Deputy of the Board of Directors until 30 June 2015
3) Includes remunerations for Board Audit Committee and Board Compensation Committee

Remuneration to the Control Committee paid 2015:[1]

Name	Stiftelsen Det Norske Veritas
Ivar Brandvold	122
Gro Brækken	40
Sverre Svenning	81
Åse Aulie Michelet	41

Remuneration to the Nomination Committee paid 2015:[1]

Name	Stiftelsen Det Norske Veritas
Walter Qvam	167
Sturla Henriksen	100
Karl Henrik Kjelstad	47
Helle Hammer	38
Wenche Nistad	38
Wenche Agerup	5

Fees to the auditors for 2015 (amounts in NOK thousand)	Stiftelsen Det Norske Veritas	Group auditor other Norwegian entities	Group auditor non-Norwegian entities	Other auditors	Total
Statutory audit	200	4 984	20 166	2 958	28 308
Tax consulting services		525	6 624	55	7 204
Other audit related services		333	1 139	119	1 591
Non-audit services		258	40	123	421

8. Pension costs, plan assets and defined benefit pension liabilities

The Group has both defined benefit pension plans and defined contribution pension plans. The structure of the pension plans depends on the legal, tax and economic conditions in the respective country, and is usually based on length of service and remuneration of the employee. The defined benefit pension plans are covered through separate pension funds, through arrangements with independent insurance companies or through unfunded plans.

4 140 persons are covered by defined benefit pension plans, while 10 815 employees are covered by the defined contribution pension plans.

The defined benefit pension plans in Norway are financed through a separate pension fund. For defined benefit pension plans in Germany, the major plans are unfunded with the gross liability reflected as a pension liability, however there are also pension plans in Germany financed through independent insurance companies. Of the other defined benefit pension plans, the major UK plans are financed through a separate pension fund, while the other plans are mainly financed through independent administrative funds/insurance companies. The basis for calculating the pension cost and the pension liabilities as included in the accounts and in this note, is based on the presented actuarial assumptions, together with remuneration of the employee and length of service.

Contribution to the Group's pension plans are made in accordance with common actuarial methods in the country where the pension plan is administered. Total pension costs for 2015 are NOK 1 010.5 million of which NOK 317.9 million are related to the defined benefit pension plans, NOK 622.6 million are related to the defined contribution pension plans and NOK 70.0 million are related to closing of pension plans in the Netherlands.

The Norwegian companies in the Group are subject to the Norwegian Pension Act. The companies' pension schemes fulfil the requirements of the law. Norwegian employees are covered either by the Norwegian defined contribution pension plan (mainly employees employed after 1 January 2005), or the defined benefit pension plan organized in one Norwegian pension fund (employees employed before 1 January 2005) and in one unfunded pension plan (employees employed before 1 January 2005). The pension assets in the Norwegian pension fund are invested as follows:

Market value of plan assets in Norway	**31 Dec. 2015**	31 Dec. 2014	31 Dec. 2013
Buildings and property	**290.0**	352.0	330.0
Mutual equity funds and hedge funds	**2 399.9**	2 325.7	2 222.8
Norwegian bonds and bond funds	**1 785.7**	1 166.5	745.4
Non-Norwegian bonds and bond funds	**197.0**	195.0	437.4
Bank accounts, other assets and liabilities	**1 316.5**	1 754.2	1 636.0
Total market value of plan assets Norway (DNV GL Pension fund)	**5 989.0**	5 793.4	5 371.6
Actual return on plan assets	**210.3**	459.8	593.3

NOTES TO THE FINANCIAL STATEMENTS

Amounts in NOK million

Pension cost:

	Funded Norwegian defined benefit pension plans			German defined benefit pension plans			Other defined benefit pension plans		
	2015	2014	2013	**2015**	2014	2013	**2015**	2014	2013
Net present value of this year's pension contribution	**176.6**	169.2	159.8	**50.5**	37.8	11.9	**66.0**	41.5	29.1
Effect of plan changes	**0.0**	(175.0)	0.0	**0.0**	0.0	0.0	**30.6**	0.0	0.0
Payroll tax	**24.9**	48.5	22.6	**0.0**	0.0	0.0	**0.0**	0.0	0.0
Net present value of this year's pension contribution	**201.4**	42.8	182.4	**50.5**	37.8	11.9	**96.6**	41.5	29.1
Net interest on the net defined benefit liability (asset)	**1.6**	(14.3)	(6.2)	**48.6**	58.6	18.3	**6.1**	7.3	(4.2)
Payroll tax	**0.2**	(2.0)	(1.0)	**0.0**	0.0	0.0	**0.0**	0.0	0.0
Net interest on the net defined benefit liability (asset)	**1.9**	(16.3)	(7.2)	**48.6**	58.6	18.3	**6.1**	7.3	(4.2)

Net pension asset (liabilities):

	Funded Norwegian defined benefit pension plans			German defined benefit pension plans			Other defined benefit pension plans		
	31 Dec. 2015	31 Dec. 2014	31 Dec. 2013	**31 Dec. 2015**	31 Dec. 2014	31 Dec. 2013	**31 Dec. 2015**	31 Dec. 2014	31 Dec. 2013
Market value of plan assets	**5 989.0**	5 808.4	5 397.7	**60.7**	61.1	46.1	**2 276.7**	2 018.2	1 445.0
Actuarial present value of pension liabilities	**(5 680.6)**	(5 955.3)	(5 087.6)	**(2 347.7)**	(2 347.3)	(1 784.0)	**(2 506.4)**	(2 311.6)	(1 657.8)
Payroll tax	**(29.3)**	(93.1)	(28.8)	**0.0**	0.0	0.0	**0.0**	0.0	0.0
Net pension asset (liabilities)	**279.1**	(240.0)	281.3	**(2 287.0)**	(2 286.1)	(1 737.9)	**(229.7)**	(293.4)	(212.8)
Hereof recorded as plan assets in balance sheet	**279.1**	0.0	283.0	**0.0**	0.0	0.0	**3.9**	4.9	0.0
Hereof recorded as pension liabilities in balance sheet	**0.0**	(240.0)	(1.7)	**(2 287.0)**	(2 286.1)	(1 737.9)	**(233.6)**	(298.3)	(212.8)

The assumptions for calculation of the pension liabilities in Norway have been changed, including increased discount rate (covered bonds) from 2.3% to 2.6%, salary adjustment from 3% to 2.75%, pension benefit adjustment from 1.8% to 1.75% and Norwegian government basis for pension from 2.5% to 2.25%. The changed assumptions lead to decreased pension liabilities of NOK 444 million in 2015.

The assumptions (salary adjustment) for calculation of the pension liabilities in Germany have been changed from 3.0% to 2.5%, leading to reduced pension liabilities of NOK 122 million in 2015.

End of service benefit schemes in some countries outside Norway, considered to be defined benefit schemes, have been actuarially calculated. The total liability not included in above table amounts to NOK 103 million at year-end (NOK 81 million in 2014 and NOK 61 million in 2013).

In May 2015, the APB pension plan in the Netherlands (Multi Employer Plan) was closed to new entrants. The change in the pension plan led to a non-recurring expense of NOK 39 million, which is included in payroll expenses.

The defined benefit pension plan in the Netherlands has been closed, resulting in a curtailment effect of NOK 31 million refleted in the income statement and an actuarial gain of NOK 46 million reflected in other comprehensive income.

Amounts in NOK million

The calculations of the pension liabilities are based on the following actuarial assumptions:

	Norwegian schemes[2]			German schemes			Other schemes		
	31 Dec. 2015	31 Dec. 2014	31 Dec. 2013	**31 Dec. 2015**	31 Dec. 2014	31 Dec. 2013	**31 Dec. 2015**	31 Dec. 2014	31 Dec. 2013
Discount rate[1]	**2.6%**	2.3%	3.9%	**2.2%**	2.2%	3.5–3.6%	**1.0–9.5%**	2.1–3.7%	3.0–4.7%
Projected annual salary adjustment	**2.75%**	3.0%	4.0%	**2.5%**	3.0%	3.0%	**2.0–10.0%**	2.0–4.0%	3.0–4.3%
Projected annual increase in pension benefit	**1.75%**	1.8%	2.0%	**1.5%**	2.0%	2.0%	**0.0–3.0%**	0.0–3.2%	0.0–3.0%
Projected annual increase of Norwegian government basis pension	**2.25%**	2.5%	3.0%						
Expected annual return on plan assets	**2.6%**	2.3%	3.9%	**2.2%**	2.2%	3.6%	**1.0–9.5%**	2.1–3.7%	3.8–4.7%

1. Covered bond rate for Norwegian schemes

2. Mortality assumptions for the Norwegian defined benefit pension plan has in accordance with IAS 19.81 been determined applying observed actual data and best estimates for the plan members

The retirement age in the group differs from country to country. In the most significant pension plans the ordinary retirement age is 67 years (Norway) and 65–67 years (Germany). To align with German regulations, the major German pension plans are gradually shifting from 65 to 67 years based on the year of birth of the plan members.

Some managers and employees are entitled to early retirement before 67, with full pension rights earned.

Sensitivity analysis of pension calculations

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period. while keeping all other assumptions unchanged.
Sensitivities decrease (increase) defined benefit obligation year-end.

Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity level	**0.5% increase**	**0.5% decrease**	**0.5% increase**	**0.5% decrease**
Impact on defined benefit obligation Norwegian plans	456.6	(519.4)	(164.1)	207.4
Impact on defined benefit obligation German plans	162.5	(166.3)	(20.6)	20.4

9. Financial income and financial expenses

STIFTELSEN DET NORSKE VERITAS				STIFTELSEN DET NORSKE VERITAS CONSOLIDATED		
2015	2014	2013		**2015**	2014	2013
10.7	33.1	35.5	Return on financial investments	**27.8**	76.1	39.5
0.0	0.0	0.0	Profit (loss) from investment in associates (note 15)	**5.6**	22.8	(5.5)
0.0	0.0	0.0	Net interest on the net defined benefit liability (asset) (note 8)	**(56.5)**	(49.5)	(7.0)
0.1	0.1	0.0	Net interest income group companies	**0.0**	0.0	0.0
0.0	0.0	0.1	Other net interest income (expense)	**42.7**	11.4	4.3
0.0	0.0	0.0	Currency gains (losses)	**47.0**	117.9	(6.8)
0.0	0.0	0.0	Other financial items	**(27.3)**	(13.3)	10.1
10.8	33.2	35.7	**Net financial income (expenses)**	**39.3**	165.3	34.7

10. Financial market risk

The Group's main financial market risks are liquidity risk, foreign currency risk, credit risk and interest rate risk.

Liquidity risk
The Group monitors its liquidity risk on an ongoing basis. The liquidity forecasting considers planned investments in non-current assets, financing activities, working capital needs, as well as projected cash flows from operations.

Foreign currency risk
The Group has revenues and expenses in approximately 65 currencies. Of these, six currencies (NOK, EUR, USD, CNY, KRW and GBP) make up for approximately 75% of the total revenue. In many currencies the group has a natural hedge through a balance of revenue and expenses. The policy of the Group is to hedge significant project exposures and future cash flows through forward exchange contracts. As part of the hedging strategy, the Group has forward exchange contracts equivalent to NOK 1 147 million. The Group does not apply hedge accounting and realized and unrealized gains and losses are recognized in the income statement. Unrealized net loss at year end is NOK 35.9 million.

A change in USD exchange rate of +/- 1 percentage point will lead to a change in operating revenue of approximately +/- NOK 37 million and a change in operating profit (EBIT) of approximately +/- NOK 5 million. A change in EUR exchange rate of +/- 1 percentage point will lead to a change in operating revenue of approximately +/- NOK 54 million and a change in operating profit (EBIT) of approximately +/- NOK 1 million.

Credit risk
Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is limited. There are no significant concentrations of credit risk within the Group. With respect to credit risk arising from the other financial assets of the Group, which comprises cash and cash equivalents and certain derivative instruments, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the market value of these instruments.

Interest rate risk
The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's forward exchange contracts and the multi-currency revolving credit facility.

Pension plan risk
The Group is exposed to volatility in the financial market affecting the value of the pension plan assets. The Group is also exposed to interest rate volatility effecting the pension liabilities. In addition, inflation and real wages development will have impact on the pension liabilities.

NOTES TO THE FINANCIAL STATEMENTS

Amounts in NOK million

11. Tax

STIFTELSEN DET NORSKE VERITAS				STIFTELSEN DET NORSKE VERITAS CONSOLIDATED		
2015	2014	2013		**2015**	2014	2013
			Tax expense consists of:			
15.0	23.6	23.6	Norwegian wealth tax	**15.0**	23.6	23.6
2.2	6.0	9.5	Norwegian income tax	**145.7**	164.1	198.0
0.0	0.0	0.0	Income tax outside Norway	**722.0**	656.7	496.6
17.2	29.6	33.1	Total tax payable	**882.7**	844.4	718.1
0.0	0.0	(0.1)	Change in deferred tax in Norway	**(111.4)**	42.6	(28.7)
0.0	0.0	0.0	Effect of changed tax rate	**(13.9)**	0.0	5.9
0.0	0.0	0.0	Change in deferred tax outside Norway	**15.4**	(133.7)	(129.5)
0.0	0.0	(0.1)	Total change in deferred tax	**(109.9)**	(91.1)	(152.3)
17.2	29.6	32.9	**Tax expense**	**772.9**	753.4	565.8
1.2	5.9	8.7	Tax on profit at 27% (28% in 2013)	**541.6**	505.6	600.4
			Tax effect of:			
0.0	0.0	0.0	Foreign tax exempt branches	**1.3**	(24.1)	(28.4)
0.0	0.0	0.0	Non refundable foreign withholding taxes	**60.1**	27.7	44.8
0.0	0.0	0.6	Changes of previous years taxes	**1.0**	141.4	(7.5)
0.0	0.0	0.0	Effect of changed tax rate	**13.9**	0.0	0.0
15.0	23.6	23.6	Norwegian wealth tax	**15.0**	23.6	23.6
0.0	0.0	0.0	Tax assets not recognized current year	**99.9**	21.0	7.9
0.0	0.0	0.0	Differences between tax rates in Norway and abroad	**(6.3)**	(21.2)	13.5
1.0	0.0	0.0	Other permanent differences	**46.4**	79.4	(88.5)
17.2	29.6	32.9	**Tax expense**	**772.9**	753.4	565.8
			Effective tax rate	**39%**	40%	26%
			Net tax-reducing/tax-increasing temporary differences:			
0.3	0.4	0.5	Non-current assets	**2 953.9**	3 353.5	3 446.2
0.0	0.0	0.0	Current assets	**94.4**	149.5	(93.8)
0.0	0.0	0.0	Liabilities including pension liabilities	**(2 474.7)**	(3 139.1)	(1 893.8)
0.0	0.0	0.0	Tax loss to be carried forward	**(1 087.5)**	(1 285.5)	(1 081.7)
0.3	0.4	0.5	**Basis for deferred tax asset/liability**	**(513.9)**	(921.6)	376.9
25%	27%	27%	Tax rates applied	**17%–42%**	17%–42%	17%–42%
0.0	0.0	0.0	**Deferred tax asset**	**1 103.7**	1 196.0	857.0
(0.1)	(0.1)	(0.1)	**Deferred tax liability**	**(1 053.6)**	(1 045.6)	(1 038.5)

The Group has accumulated tax-loss to be carried forward amounting to NOK 926 million. As the future utilization of these tax losses cannot be demonstrated, the related deferred tax asset (DTA) of NOK 187 million, is not recognized in the balance sheet.

Amounts in NOK million

12. Intangible assets

	Goodwill	Customer contracts	Customer relations	Tech-nology	Trade-marks	Other intangible assets	Total
Acquisition cost							
1 January 2014	7 346.3	357.4	1 888.6	721.4	461.1	254.1	11 028.9
Additions	245.2	19.0	10.8	79.8	12.6	182.7	550.1
Adjustment to Purchase Price Allocation GL SE (note 3)	55.4	0.0	0.0	0.0	0.0	(10.4)	45.0
Currency translation differences	606.0	30.1	169.0	61.7	40.8	22.6	930.3
Total acquisition cost 31 Dec. 2014	**8 253.0**	**406.5**	**2 068.4**	**862.8**	**514.5**	**449.0**	**12 554.3**
Additions	79.3	0.0	0.0	0.0	2.1	0.0	81.4
Additions from internal developments	0.0	0.0	0.0	0.0	0.0	253.9	253.9
Disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency translation differences	486.9	25.3	134.0	49.7	33.3	21.5	750.7
Total acquisition cost 31 Dec. 2015	**8 819.2**	**431.8**	**2 202.5**	**912.5**	**549.9**	**724.4**	**13 640.4**
Accumulated amortization and impairment							
1 January 2014	(57.1)	(33.6)	(104.1)	(44.9)	0.0	(40.8)	(280.6)
Amortization	0.0	(129.1)	(194.1)	(163.6)	0.0	(49.2)	(535.9)
Impairment	0.0	0.0	0.0	0.0	0.0	(55.6)	(55.6)
Currency translation differences	(2.2)	(14.2)	(25.9)	(17.1)	0.0	(8.4)	(67.8)
Total accum. amortization and impairment 31 Dec. 2014	**(59.3)**	**(176.9)**	**(324.2)**	**(225.6)**	**0.0**	**(154.0)**	**(939.9)**
Amortization	0.0	(104.5)	(208.3)	(175.6)	0.0	(47.4)	(535.8)
Impairment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency translation differences	(1.8)	(18.8)	(36.5)	(26.3)	0.0	(9.5)	(92.9)
Total accum. amortization and impairment 31 Dec. 2015	**(61.1)**	**(300.1)**	**(569.0)**	**(427.6)**	**0.0**	**(210.9)**	**(1 568.6)**
Net book value							
At 31 December 2015	**8 758.1**	**131.7**	**1 633.5**	**484.9**	**549.9**	**513.6**	**12 071.8**
At 31 December 2014	8 193.7	229.7	1 744.3	637.2	514.5	295.1	11 614.4
At 31 December 2013	7 289.2	323.8	1 784.5	676.4	461.1	213.3	10 748.3
Useful life		1–5 years	6–16 years	5–7 years	Indef.	5–10 years	

Other intangible assets mainly consist of capitalized software development costs and acquired software.

Goodwill is not amortized. but is tested annually for impairment (note 13).

Other intangible assets are amortized linearly. based on evaluation of useful life. Trademarks has an indefinite useful life and are not amortized but tested for impairment annually.

Amounts in NOK million

13. Goodwill

Goodwill obtained through acquisitions is allocated to the Group's business areas and followed up and tested collectively for the group of cash-generating units that constitute the business area. The cash-generating units correspond to DNV GL's business areas Maritime, Oil & Gas, Energy, Business Assurance, Software and Marine Cybernetics. Goodwill is allocated to the business areas as follows:

	2015	**2014**	**2013**
Maritime	**2 903.4**	2 738.3	2 499.3
Oil & Gas	**3 466.6**	3 268.7	2 982.4
Energy	**2 018.3**	1 901.2	1 728.1
Business Assurance	**152.5**	68.2	62.0
Software	**17.4**	17.4	17.4
Marine Cybernetics	**199.8**	199.8	0.0
Total goodwill	**8 758.1**	8 193.7	7 289.2

The Group has used value in use to determine recoverable amounts for the cash-generating units. Value in use is determined by using the discounted cash flow method. The expected cash flows are based on the business areas' budgets and long term plans, which are approved by the Board of Directors and executive management. Budgets and long-term plans cover maximum a five year period. After the five years of explicit plans, the cash flows are stipulated by extrapolation.

Key assumptions per cash-generating unit:	Cost of capital (WACC)	Long-term nominal growth rate
Maritime	7.6%	1.5%
Oil & Gas	7.9%	1.5%
Energy	7.5%	1.5%
Business Assurance	7.1%	1.5%
Software	7.5%	1.5%
Marine Cybernetics	7.5%	1.5%

Sensitivity analysis

In connection with impairment test of goodwill, sensitivity analysis are carried out for each individual cash-generating unit. None of the cash-generating unit will be in an impairment situation before there are material changes in the key assumptions, and these changes are considered to be outside the probable outcome.

NOTES TO THE FINANCIAL STATEMENTS

Amounts in NOK million

14. Fixed assets

	Land, buildings and other property	Office equipment, fixtures and fittings	Total
Acquisition cost			
1 January 2014	2 604.7	2 995.7	5 600.4
Additions	260.6	529.1	789.7
Additions from business combinations	8.6	3.2	11.8
Disposals	(2.8)	(109.8)	(112.6)
Currency translation differences	113.2	274.4	387.6
Total acquisition cost 31 December 2014	**2 984.2**	**3 692.6**	**6 676.8**
Additions	261.7	632.1	893.8
Disposals	(27.4)	(118.1)	(145.5)
Divestment of a subsidiary (note 3)	(161.6)	0.0	(161.6)
Currency translation differences	112.1	226.2	338.3
Total acquisition cost 31 December 2015	**3 169.1**	**4 432.7**	**7 601.8**
Accumulated depreciation and impairment			
1 January 2014	681.4	2 043.6	2 725.0
Depreciation for the year	101.0	269.7	370.7
Disposals	(0.8)	(80.3)	(81.1)
Currency translation differences	34.9	220.3	255.2
Total accumulated depreciation and impairment 31 December 2014	**816.5**	**2 453.3**	**3 269.8**
Depreciation for the year	107.9	279.6	387.5
Impairment for the year	0.2	5.0	5.2
Disposals	(17.8)	(99.0)	(116.8)
Currency translation differences	39.3	137.5	176.8
Total accumulated depreciation and impairment 31 December 2015	**946.2**	**2 776.4**	**3 722.5**
Net book value			
31 December 2015	**2 222.8**	**1 656.4**	**3 879.3**
31 December 2014	2 167.8	1 239.3	3 407.2
31 December 2013	1 923.3	952.1	2 875.4
Useful life	15–100 years	3–15 years	
Depreciation plan	Linear	Linear	

15. Investment in associates

DNV GL Group AS' ownership (through DNV GL AS) in StormGeo Holding AS is 27%. The ownership (through DNV GL Business Assurance Group AS) in DNV Nemko Presafe AS is 50% and the investment is considered to be a joint venture. The investments are recognized in accordance with the equity method in the consolidated financial statements.

Investments in associates:

Company	Business Office	Ownership	Acquisition cost	Share of profit for the year	Book value
DNV Nemko Presafe AS	Oslo	50%	14.1	2.5	**8.8**
StormGeo Holding AS	Bergen	27%	145.5	3.1	**121.6**

Book value in StormGeo Holding has in 2015 been adjusted for a negative change in OCI of NOK 22.7 million.

NOTES TO THE FINANCIAL STATEMENTS

Amounts in NOK million

16. Other current liabilities

	STIFTELSEN DET NORSKE VERITAS CONSOLIDATED		
	31 Dec. 2015	31 Dec. 2014	31 Dec. 2013
Advances from customers	**2 494.5**	2 053.9	1 906.5
Accrued bonus to employees	**253.9**	624.0	620.7
Accrued holiday allowances	**542.2**	558.8	503.0
Unrealized loss (gain) and interest related to forward contracts	**35.7**	58.7	38.1
Accrued expenses and other short-term liabilities	**1 360.8**	1 317.8	1 118.4
Total other current liabilities	**4 687.1**	4 613.2	4 186.6

17. Trade debtors

	STIFTELSEN DET NORSKE VERITAS CONSOLIDATED		
	31 Dec. 2015	31 Dec. 2014	31 Dec. 2013
Gross trade debtors	**5 611.5**	5 493.5	4 586.7
Provision for bad debts	**(369.2)**	(344.2)	(307.0)
Net trade debtors	**5 242.3**	5 149.3	4 279.7

18. Other long-term receivables

	STIFTELSEN DET NORSKE VERITAS CONSOLIDATED		
	31 Dec. 2015	31 Dec. 2014	31 Dec. 2013
Loans to employees	**54.7**	59.0	69.9
Loan to affiliated companies, DNV Nemko Presafe AS	**31.3**	29.8	27.0
Loan to Veritas Petroleum Services BV controlled by IK Investment Partners Ltd.	**322.7**	250.4	185.1
Convertible loan to StormGeo Holding AS	**0.0**	0.0	46.7
Other long-term receivables	**350.1**	300.5	332.6
Total other long-term receivables	**758.8**	639.7	661.3

NOTES TO THE FINANCIAL STATEMENTS

Amounts in NOK million

19. Provisions

	STIFTELSEN DET NORSKE VERITAS CONSOLIDATED			
	Claims and contingencies	**Indemnification**	**Others**	**Total**
Balance at 1 January 2013	**45.1**	**0.0**	**52.4**	**97.5**
Currency translation differences	6.1	0.0	6.7	12.8
Additions	7.5	0.0	20.0	27.5
Additions from business combinations	180.9	99.8	20.1	300.8
Utilization	(23.0)	0.0	(52.3)	(75.3)
Reversal	0.0	0.0	0.0	0.0
Balance at 31 December 2013	**216.6**	**99.8**	**46.9**	**363.3**
Current	66.5	99.8	35.3	201.6
Non-current	150.1	0.0	11.6	161.7
Balance at 1 January 2014	**216.6**	**99.8**	**46.9**	**363.3**
Currency translation differences	14.2	0.0	1.7	16.0
Additions	38.0	25.6	70.4	134.0
Utilization	(23.0)	0.0	(32.6)	(55.7)
Reversal	(57.1)	0.0	0.0	(57.1)
Balance at 31 December 2014	**188.7**	**125.4**	**86.4**	**400.5**
Current	78.0	125.4	86.4	289.8
Non-current	110.7	0.0	0.0	110.7
Balance at 1 January 2015	**188.7**	**125.4**	**86.4**	**400.5**
Currency translation differences	6.9	0.0	0.0	6.9
Additions	50.0	0.0	396.5	446.5
Utilization	(6.0)	0.0	(74.5)	(80.5)
Reversal	(65.8)	0.0	0.0	(65.8)
Balance at 31 December 2015	**173.7**	**125.4**	**408.4**	**707.5**
Current	100.0	125.4	375.5	600.9
Non-current	73.7	0.0	32.9	106.6

Provisions for claims and contingencies concern fair value of pending legal disputes from acquisitions and provisions for other pending legal disputes. Provisions for indemnification are related to the Business Combination Agreement between Stiftelsen Det Norske Veritas and Mayfair. Included in other provisions are provisions for restructuring, termination benefits and onerous contracts.

20. Contingent liabilities, contingent assets and subsequent events

After the merger of DNV and GL in 2013, the two shareholders of DNV GL have had a dispute based on certain representations and warranties in the Business Combination Agreement. Arbitration proceedings were initiated by Det Norske Veritas in the autumn of 2014, and on 21 March 2016, the Arbitration Institute of the Stockholm Chamber of Commerce awarded Det Norske Veritas a total cash compensation of Euro 67 million plus interest and legal costs, which has already been received. The total compensation will be recognized in the financial statements for 2016. There are still some items related to pre-merger events that remain to be clarified and settled in accordance with the Business Combination Agreement.

NOTES TO THE FINANCIAL STATEMENTS

Amounts in NOK million

21. Cash and bank deposits

Det Norske Veritas Holding AS has a cash pool system with DNB ASA, in which Stiftelsen Det Norske Veritas and Det Norske Veritas Eiendom AS participate. This system includes an overdraft facility of NOK 50 million. Balances on bank accounts participating in the cash pooling systems are considered as internal assets or liabilities vis-à-vis other Group participants. For Det Norske Veritas Holding AS on a consolidated basis, the net total balance of NOK 20 million with DNB ASA is included in 'Cash and bank deposits' in the balance sheet at 31 December.

DNV GL Group AS has a cash pool system with DNB ASA, in which most of legacy DNV legal entities participate. This system includes an overdraft facility of NOK 50 million.

DNV GL Group AS has a cash pool system with Handelsbanken, in which all of DNV GL Group AS' legal entities in Sweden, Finland, Estonia, Latvia and Lithuania participate.

DNV GL Group AS has a cash pool system with Citibank, in which some of legacy DNV legal entities in the Euro-countries participate.

DNV GL Group AS has a cash pool system with Danske Bank, in which some of the DNV GL legal entities in Norway, Denmark, Sweden, Iceland, Finland, UK and the Baltics participate. This system includes an overdraft facility of NOK 100 million.

DNV GL Group AS' wholly owned subsidiary in China, Det Norske Veritas China Company Ltd has an agreement for a CNY 10 million credit facility with Citibank in China. The facility is guaranteed by DNV GL AS through a parent company guarantee. The facility is undrawn at year-end 2015.

DNV GL Group AS' wholly owned subsidiary in India, DNV Business Assurance India Private Ltd has an agreement for an INR 250 million credit facility with Citibank in India. The facility is guaranteed by DNV GL Group AS through a parent company guarantee. The facility is undrawn at year-end 2015.

Balances on bank accounts participating in the cash pooling systems are considered as internal assets or liabilities vis-à-vis other Group participants. For DNV GL Group AS on a consolidated basis, the net total balance of NOK 376 million with DNB ASA, NOK 49 million with Handelsbanken, NOK 45 million with Citibank and NOK 6 million with Danske Bank are included in Cash and bank deposits in the balance sheet at 31 December.

Cash and bank deposits in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

22. Long-term loans

Det Norske Veritas Holding AS has an agreement for a NOK 1 500 million multi-currency revolving credit facility with Handelsbanken (Norwegian branch of Svenska Handelsbanken AB) . The facility expires in February 2019. The credit agreement supporting this facility requires that Det Norske Veritas Holding AS Group maintains a certain minimum level of total equity and that the net interest bearing debt does not exceed a set limit. The facility is secured with a pledge in properties belonging to Det Norske Veritas Eiendom AS.

DNV GL Group AS has an agreement for a NOK 1 600 million multi-currency revolving credit facility with Handelsbanken Norwegian branch of Svenska Handelsbanken AB. The facility expires in May 2021 and as per year-end 2015 NOK 100 million was drawn. The credit agreement supporting this facility has certain covenants, including a negative pledge clause, and also restrict DNV GL Group AS' ability to freely dispose of material assets. The credit agreement further requires that DNV GL Group AS on a consolidated basis maintains a certain minimum level of equity and that the net interest bearing debt does not exceed a set level relative to total equity. DNV GL Group AS was well within all covenants at year-end.

23. Guarantees

STIFTELSEN DET NORSKE VERITAS				STIFTELSEN DET NORSKE VERITAS CONSOLIDATED		
31 Dec. 2015	31 Dec. 2014	31 Dec. 2013		**31 Dec. 2015**	31 Dec. 2014	31 Dec. 2013
0.0	0.0	0.0	Guarantee commitments not included in the accounts	**369.8**	293.8	206.1

These guarantees are not secured by mortgage

Amounts in NOK million

24. Related party transactions

DNV GL AS has a lease agreement for the office building in Stavanger, Norway with the related party DNV GL Pension fund, the rent expensed in 2015 amounts to NOK 11.4 million.

DNV GL SE has a lease agreement for the office building in Hamburg, Germany with the related party BTK 18 GmbH (a company controlled by the same shareholders that also control the 36.5% shareholder of DNV GL Group, Mayfair Beteiligungsfonds II GmbH & Co KG), the rent expensed for 2015 amounts to NOK 51.7 million.

DNV GL AS has a service agreement with the related party DNV GL Pension fund for management and administrative services. The revenue recognized for these services in 2015 is NOK 2.7 million.

Several subsidiaries of DNV GL Group AS have business transactions with the related party DNV Nemko Presafe AS (associated company). Total revenue recognized in 2015 was NOK 8.4 million and total purchases amounts to NOK 15.7 million.

25. Financial assets and financial liabilities

	STIFTELSEN DET NORSKE VERITAS CONSOLIDATED			
31 December 2015	Financial instruments at fair value through P&L	Loans and receivables	Available for sale	Other financial liabilities
Assets – non-current assets				
Available for sale investments			42.4	
Loans to employees		54.7		
Other long-term loans		354.0		
Other long-term receivables		350.1		
Assets – current assets				
Cash and bank deposits		7 412.2		
Trade debtors		5 242.3		
Other debtors		817.0		
Financial liabilities – non-current				
Interest bearing loans and borrowings				100.0
Other non-current liabilities				323.8
Financial liabilities – current				
Trade creditors				496.7
Forward contracts	35.7			
31 December 2014				
Assets – non-current assets				
Available for sale investments			42.6	
Loans to employees		59.0		
Other long-term loans		280.2		
Other long-term receivables		300.5		
Assets – current assets				
Cash and bank deposits		6 726.9		
Trade debtors		5 149.3		
Other debtors		891.3		
Financial liabilities – non-current				
Interest bearing loans and borrowings				500.0
Other non-current liabilities				515.5
Financial liabilities – current				
Trade creditors				494.0
Overdrafts				4.5
Forward contracts	58.7			

26. Transition to IFRS

With effect from 2014, including comparable figures from 2013, the Group has transitioned to International Financial Reporting Standards (IFRS) from Norwegian Accounting Standards (NGAAP).

The financial statements are prepared in accordance with the Norwegian Accounting Act § 3-9 and Regulations on Simplified IFRS as enacted by the Ministry of Finance 3 November 2014. In all material aspects, Norwegian Simplified IFRS requires that the IFRS recognition and measurement criteria (as adopted by the European Union) are complied with, but disclosure and presentation requirements (the notes) follow the Norwegian Accounting Act."

The Group has prepared an IFRS opening balance sheet as of 1 January 2013. The IFRS implementation effects identified for the Group are few and mainly related to amortization of goodwill not allowed under IFRS and accounting for periodical maintenance for the Energy laboratories. The same principles used in the opening balance are used throughout the periods presented, therefore there are no changes in accounting principles in these financial statements.

Stiftelsen Det Norske Veritas Group have applied the following exemptions from retrospective application of certain IFRSs:

1. Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 January 2013
2. With the exception of the acquisition of N.V. KEMA late February 2012 and the business combination with GL SE Group in September 2013, the classification of former business combinations under previous NGAAP is maintained, and the carrying amount of goodwill recognized under NGAAP has not been adjusted.
3. Under previous NGAAP, DNV GL Group did not capitalize or measure development expenditures as assumed by IAS 38, and consequently no reliable estimate for development cost to be capitalized existed at 1 January 2013. Based on this, development costs are only recognized as an intangible asset subsequent to the transition to IFRS.

The main effects of transition to IFRS 1 January 2013 for the Group are:

A. Acquisition-related costs incurred in the acquisition of N.V. KEMA and in the Business Combination with GL have under NGAAP been considered part of the acquisition cost, these costs have in line with IFRS been expensed in the period the costs were incurred.

B. Goodwill related to the acquisition of N.V. KEMA and the Business Combination with GL have under NGAAP been amortized over the expected economic lifetime. These goodwill amortizations have been reversed to comply with IFRS. No impairment of Goodwill in excess of impairments reflected under NGAAP has been deemed necessary at 1 January 2013.

C. Periodic maintenance/ overhaul related to the laboratories in BA Energy have under NGAAP been built up as provisions for expected maintenance cost. In the transition to IFRS, the periodic maintenance/ overhaul have been recognized when the costs are incurred and amortized over its useful life. A related deferred tax effect has been recognized to reflect the temporary difference between the IFRS adjustment for periodic maintenance/ overhaul and related tax values.

NOTES TO THE FINANCIAL STATEMENTS

Amounts in NOK million

Reconciliation of transitional effects Stiftelsen Det Norske Veritas Consolidated:

BALANCE SHEET		STIFTELSEN DET NORSKE VERITAS CONSOLIDATED 1 JAN. 2013			STIFTELSEN DET NORSKE VERITAS CONSOLIDATED 31. Dec. 2013		
	Ref.	**NGAAP**	Effect of transition to IFRS	IFRS	NGAAP	Effect of transition to IFRS	IFRS
Intangible assets	A,B,C	1 767.8	30.8	1 798.6	11 407.3	198.1	11 605.3
Tangible fixed assets	C	2 122.3	70.8	2 193.0	2 790.4	85.0	2 875.4
Non-current financial assets		500.6		500.6	995.3		995.3
Trade debtors, work in progress and other receivables		4 448.8		4 448.8	7 484.0		7 484.0
Cash and bank deposits		3 178.9		3 178.9	6 531.9		6 531.9
TOTAL ASSETS		**12 018.4**	**101.6**	**12 120.0**	**29 208.9**	**283.1**	**29 491.9**
Equity	A,B,C	**7 235.5**	113.6	7 349.1	18 987.6	294.0	19 281.7
Provisions		**1 332.3**	(12.0)	1 320.3	4 299.2	(11.0)	4 288.2
Current liabilities		**3 450.6**		3 450.6	5 922.0		5 922.0
TOTAL EQUITY AND LIABILITIES		**12 018.4**	**101.6**	**12 120.0**	**29 208.8**	**283.1**	**29 491.9**

INCOME STATEMENT		STIFTELSEN DET NORSKE VERITAS CONSOLIDATED 1 JAN. – 31 DEC. 2013		
		NGAAP	Effect of transition to IFRS	IFRS
Operating revenue		**16 137.9**		**16 137.9**
Payroll expenses		8 536.6		8 536.6
Depreciation	C	302.3	3.7	306.0
Amortisation and impairment	B	458.1	(255.0)	203.0
Other operating expenses	A, C	4 889.1	93.5	4 982.7
Operating profit		**1 951.8**	**157.8**	**2 109.7**
Net financial income		34.7		34.7
Tax expense	C	(564.8)	(1.1)	(565.8)
Profit for the period		**1 421.8**	**156.8**	**1 578.4**

There are no transitional effects in the parent company Stiftelsen Det Norske Veritas.

Building a better working world

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To the Board of Directors of
Stiftelsen Det Norske Veritas

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of Stiftelsen Det Norske Veritas, comprising the financial statements for the Foundation and the Group. The financial statements for the Foundation and the Group comprise the statement of financial position as at 31 December 2015, the statements of income, comprehensive income, cash flows and changes in equity for the year then ended as well as a summary of significant accounting policies and other explanatory information.

The Board of Directors' and Group President & Chief Executive Officer's responsibility for the financial statements

The Board of Directors and Group President & Chief Executive Officer are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as the Board of Directors and Group President & Chief Executive Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements for the Foundation and the Group.

Opinion

In our opinion, the financial statements of Stiftelsen Det Norske Veritas have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Foundation and the Group as at 31 December 2015 and their financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and Group President & Chief Executive Officer have fulfilled their duty to ensure that the Foundation's accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway.

Opinion on asset management

Based on our audit of the financial statements as described above and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, it is our opinion that the Foundation has been managed in accordance with laws and the Foundation's objectives and articles of association.

Oslo, 29 April 2016
ERNST & YOUNG AS

Finn Ole Edstrøm
State Authorised Public Accountant (Norway)

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