ANNUAL REPORTS 2017
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 companies – of which the most important is the DNV GL Group, a quality assurance and risk management company.

DNV GL Group was formed following the merger between the classification societies DNV and GL in September 2013. Stiftelsen Det Norske Veritas owns 100% of DNV GL through Det Norske Veritas Holding AS.

In addition to its main activity as majority owner of DNV GL Group AS, Stiftelsen Det Norske Veritas also owns real estate, most notably the headquarters premises of both Stiftelsen Det Norske Veritas and DNV GL in Norway.

CEO'S INTRODUCTION

At the end of 2017, Stiftelsen Det Norske Veritas increased its ownership of DNV GL to 100% through the acquisition of the 36.5% stake held by Mayfair Beteiligungsfonds II GmbH & Co KG in DNV GL Group AS. This development was welcomed by DNV GL employees and customers around the world. Stiftelsen Det Norske Veritas' sole purpose is to safeguard life, property and the environment and is realized through the ownership of DNV GL. Profits generated will remain within the group of companies to further develop and position DNV GL internationally.

While the change of ownership is of historical significance in DNV GL's journey, the company and its present strategy of 'Leading towards a digital, agile and efficient future' remains unchanged. The strategy sets ambitious goals for further developing the company as a world leading quality assurance and risk management company within the maritime, oil and gas, and energy industries, as well as within management system certification services and digital solutions across numerous industries.

After successive years of challenging market conditions and shrinking revenues, DNV GL has emerged a leaner organization with a cost base reduced by some 4 billion NOK over the past three years. While management has worked hard at de-risking our cost profile, equal attention has been paid to the opportunity side.

Importantly, the company has become more agile after having invested heavily in its digital transformation journey. There were rapid and step-change developments in digitalization last year in DNV GL, including the official launch of the industry data platform Veracity. Veracity is a secure, scalable, cloud-based solution for data sharing, analytics and co-innovation.

DNV GL's new business area, Digital Solutions, began operating at the beginning of 2018. Digital Solutions is responsible for running our Veracity platform and associated data management, data quality assurance and cyber security services. The business area will maximize the impact of the company's digital investments and its broad portfolio of software ecosystems.

DNV GL is determined to be the leading provider of trust, agility and value for its customers in a fast-digitalizing world, and is backing that ambition by continuing to spend 5% of revenue on research and development, with a special focus on the digital future.

In maritime, demand for newbuildings continued to lag the renewed growth of seaborne trade. DNV GL was among the leaders in order intake and fleet-wise remained the leading class society with a strong contribution from offshore. We continued to invest in innovation to help customers improve safety and vessel efficiency. In the oil and gas and energy markets, customers are increasingly embracing digital technologies, and DNV GL, correspondingly, is increasing its portfolio of digital solutions and software. DNV GL was the fastest-growing solar PV monitoring firm in the first six months of 2017, and has moved from seventh to fourth place in the world rankings over the past 18 months. The innovation push extended to business assurance in 2017, where DNV GL became the first certification body to use blockchain technology when issuing certificates.

2018 will be another challenging year, with signs of growth in maritime and offshore markets only expected to produce a positive effect in 2019. Nevertheless, DNV GL's relevance to its customers remains strong and our ability to serve them with technical and digital expertise continues to gather strength. I am confident that Stiftelsen Det Norske Veritas is well positioned to continue 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 2017

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 DNV GL Group AS, of which it again obtained 100% ownership in 2017. 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 19,591 million in 2017 and a net profit after tax of NOK 284 million.

Through its fully owned subsidiary Det Norske Veritas Holding AS, Stiftelsen Det Norske Veritas increased its shareholding in DNV GL Group AS (DNV GL) from 63.5% to 100% in December 2017 by an acquisition of 36.5% of the shares from Mayfair Beteiligungsfonds II GmbH & Co. KG ("Mayfair"). Mayfair, a German, family-owned investment firm, became the minority shareholder of DNV GL when DNV and GL merged in 2013. The acquisition price for the 36.5 % of the shares in DNV GL Group AS was NOK 12.0 billion and it was financed with NOK 8.0 billion from syndicated bank loans and NOK 4.0 billion from internal sources.

STRATEGY

Stiftelsen Det Norske Veritas' purpose is to safeguard life, property and the environment. The strategy is to realize this purpose through its 100% ownership of DNV GL and to grow and expand the business of DNV GL. The portfolios of financial investments and real estate investments are means to support this strategy. 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 owner of DNV GL.

DNV GL's strategy sets ambitious goals for further developing the company as a world leading quality assurance and risk management company with leadership positions within the maritime, oil & gas and energy industries, and within management system certification services and digital solutions across industries.

Towards the end of 2017, a new business area, DNV GL - Digital Solutions, was established to help achieve several of DNV GL's strategic ambitions. It signals a strong commitment towards customers to strengthen the breadth and depth of the company's digital capabilities. Digital Solutions combines these capabilities with the company's well-established domain expertise to create efficiencies and new revenue streams across all business areas and to maintain DNV GL's leading position in an increasingly digital world. The new organization will also maximize the impact of DNV GL's digital investments, including its open industry data platform Veracity and its rich portfolio of software ecosystems.

DNV GL will continue to invest in R&D and develop the skills and knowledge of DNV GL's employees to stay at the forefront of technology and innovation.

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 is a quality assurance and risk management company enabling 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 management system certification services to customers across a wide range of industries. Operating in more than

100 countries, its more than 12,000 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; Business Assurance, headquartered in London, UK; and Digital Solutions, headquartered in Høvik, Norway. The Global Shared Services unit provides HR, Finance and IT support services to all business units and is headquartered in Høvik, Norway.

DNV GL's key markets are described below.

MARITIME

Although the outlook appeared bleak at the beginning of 2017, by the end of the year, many segments had enjoyed earnings growth and newbuild orders had picked up somewhat from the record lows of 2016. Growth in seaborne trade increased markedly (4.1% in 2017 vs 2.8% in 2016), in line with the global economy.

The global fleet grew by 1% in terms of number of ships and 3% in terms of gross tonnage (GT), in line with the growth seen in 2016, but notably slower than previous years.

DNV GL was again one of the leading classification societies in terms of order intake. At the end of 2017, the DNV GL-classed fleet stood at 12,160 vessels and MOUs, totalling 282.6 million GT. DNV GL retained its leading position in the industry and was honoured by the Lloyd's List newspaper as the top classification society.

OIL & GAS

Signs of increased confidence in the oil and gas industry began to emerge in 2017 amid more stable oil and gas prices. However, market volatility persisted and there was no sharp rebound in capital and operational expenditures across the sector.

In 2017, DNV GL focused on increasing efficiency while maintaining technical competences for long-term growth. Some stability returned to the Oil & Gas business area in 2017, as resizing and restructuring efforts from 2016 began to bear fruit.

Further focus was placed on growing the company's footprint in the mid- and downstream sectors in 2017, while maintaining its market-leading positon in the upstream sector.

DNV GL's digital solutions have seen growth, with an increased market share in all market segments – upstream, midstream and downstream.

ENERGY

Political changes causing uncertainties such as Brexit, subsidy-free windfarm auctions and the withdrawal of the US from the Paris Agreement played a major role in the power and renewables industry in 2017.

Many countries are continuing the shift to more renewables in their energy mix and push the electrification of energy demand. Improving energy efficiency continues to be the best way to save energy and DNV GL runs energy management programmes to free up energy for other uses and to reduce carbon emissions.

Ageing electricity grids and the growth of wind and solar assets continued to drive demand for digital asset management advisory and monitoring services. Consolidation in the wind turbine market slowed the demand for DNV GL's wind certification services, whereas activity increased related to the company's solar-asset monitoring services.

Traditional utilities are under pressure and continue to look for new business models. This drives the need for DNV GL to digitalize its services supporting traditional and new stakeholders. DNV GL opened this year the world's first – and currently only – ultra-high voltage testing facility for super grid components in Arnhem.

BUSINESS ASSURANCE

DNV GL's Business Assurance business area continued to diversify its market exposure by extending its assurance offerings in industry sectors such as aquaculture, agriculture, food and healthcare as well as expanding the scope of services in supply chain assurance and product assurance. Further, the changing face of trade and the adoption of digital technologies is giving rise to a rapidly increasing amount of transactions in various forms. Recognizing that these require trust and new needs for assurance, the company has embarked on building new positions and service offerings for digital assurance. As an example, in 2017 DNV GL started to use and explore the opportunities created by blockchain technologies.

DNV GL is maintaining its position as a leading provider of Management System Certification services. In addition, service offerings beyond Management System Certification such as sustainability assurance, supply chain management and product certification are becoming increasingly important in the service portfolio.

SOFTWARE

The largest markets for DNV GL's software solutions continued to face challenges in 2017, although there are signs of a recovery, with customers planning new projects and a generally more positive outlook for DNV GL's core industries. The shift towards digitalization and cloud-based solutions continued, and DNV GL responded to this by fully restructuring its development and delivery organization in the Software business area - from product lines to digital ecosystems. Software-as-a-Service (SaaS) is outpacing the growth of traditional software licensing in some segments.

From 2018, the Software business unit will be part of the newly created Digital Solutions business area.

INNOVATION

Innovation is a cornerstone of DNV GL's business model. It is also central to the differentiation strategy that enables DNV GL to meet its strategic goals and has made the company a preferred and trusted quality assurance and risk management provider to the maritime, energy and other industries for many decades. Consequently, the company is upholding its significant investment in research and innovation activities, including the strategic research unit, despite ongoing cost-cutting measures.

Of the total investment in research and innovation, totalling 5% of the company's annual revenues, one fifth is allocated to long-term strategic research. To support the company's strategic ambition of becoming a data-smart company, 60% of the total research and innovation activities in the company are dedicated to digitalization.

One of the most significant digital innovations from DNV GL in 2017 was the launch of Veracity, an open industry platform. With this platform, DNV GL will not only accelerate its digital service offerings but also provide a foundation for new revenue streams, business models and co-innovation with customers and partners.

INVESTMENTS IN REAL ESTATE AND FINANCIAL MARKETS

Det Norske Veritas Holding AS is the sole owner of the real estate company Det Norske Veritas Eiendom AS.

Stiftelsen Det Norske Veritas' and DNV GL's headquarters have been co-located in the Veritas Centre at Høvik, just outside Oslo, Norway, since 1976. The headquarters' site is owned by Det Norske Veritas Eiendom AS and DNV GL is the main tenant. The lease agreements have been entered 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. A new office building, Veritas 3, with 10,000m² of offices and conference areas as well as an underground car park for 200 cars was finished in December 2016 and occupied by DNV GL from April 2017.

Stiftelsen Det Norske Veritas and Det Norske Veritas Holding AS had at the end of 2016 a NOK 4.1 billion portfolio of financial investments, mainly in money market funds. Payment of the seller's credit facility from the sale of Veritas Petroleum Services in 2014 and cash flow from Det Norske Veritas Eiendom AS' sale of apartments increased the portfolio during the year, while the acquisition of the 36.5% minority shareholding in DNV GL Group AS in December 2017 reduced the portfolio to NOK 586 million at year-end. The portfolio of financial investments is diversified and highly liquid with a low interest rate risk and low credit risk, and produced a return of NOK 97 million in 2017.

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 19,591 million in 2017, a decline of 6.0% compared to 2016. The negative growth reflects -1.0% currency effects and non-organic growth and a 5.0% decline in business volume.

DNV GL Group AS achieved operating revenues of NOK 19,475 million in 2017, a revenue decline of NOK 1,360 million from 2016. The revenue contraction of 6.5% reflects a decline in business volume from the Maritime and Oil & Gas business areas. Currency-neutral organic growth was -5.1%, while non-organic growth accounted for 0.3%, mainly related to the acquisition of Green Power Monitor in 2016.

The Maritime business area recorded revenues of NOK 7,021 million. That corresponds to a contraction of 14.5% compared to 2016. The Oil & Gas business area reported revenues of NOK 4,594 million, representing a volume contraction of 7.3%. The Energy business area posted revenues of NOK 3,677 million, reflecting nominal growth of 2.6%.

Business Assurance concluded the year with nominal growth of 4.25% and revenues of NOK 3,278 million. Supply Chain Management and Assurance services contributed to significant growth beyond the Management System Certification services. The Software business area delivered external revenues of NOK 835 million which is at par with 2016.

In 2017, total revenues from companies outside the Group for the real estate company, Det Norske Veritas Eiendom AS and from the sale of a company demerged from Det Norske Veritas Eiendom AS in August 2017, amounted to NOK 124 million.

The lower business volume in DNV GL was almost entirely compensated by capacity adjustments and cost reductions. The earnings before interest, tax, amortizations and impairment (EBITA) for Det Norske Veritas reached NOK 1,190 in 2017, compared to NOK 1,389 million in 2016, reflecting an EBITA margin of 6.1%.

After NOK 519 million in amortization of intangible assets, the operating profit (EBIT) increased by NOK 112 million in 2017, from NOK 559 million in 2016 to NOK 671 million in 2017.

The net financial items were NOK -8 million compared to a gain of NOK 834 million in 2016. The 2016 gain mainly originated from an arbitral award related to the financial settlement between Stiftelsen Det Norske Veritas and Mayfair Vermögensverwaltung SE. The 2017 tax expense of NOK 380 million represents an average tax rate of 57%. The net profit for 2017 was NOK 284 million compared to NOK 876 million for 2016.

The net cash flow for the year was negative by NOK 3,393 million. The cash flow from the operations was NOK 779 million in 2017. The cash flow from investments was NOK -12,549 million in 2017, of which NOK 12,000 million is the acquisition of 36.5% of the shares in DNV GL Group AS. Tangible fixed asset net investments of NOK 266 million were mainly in the high-power laboratories in Arnhem, the Netherlands and office-related and IT-equipment investments. NOK 280 million of the NOK 371 million in investments in intangible assets was related to new software platforms. Acquisitions totalled NOK 24 million in 2017. NOK 94 million divestment of subsidiaries was from the sale of the real estate company

Søndre Rød AS. Det Norske Veritas Holding AS received NOK 332 million in seller's credit settlement from the sale of Veritas Petroleum Services in 2014. NOK 8,000 million in cash flow from new borrowings is made up of NOK 6,500 million in a term loan and NOK 1,500 in a revolving credit facility. Both loan facilities have a term of five years from December 2017 with 1+1-year extension options.

At the year-end, Det Norske Veritas had liquidity reserves of NOK 4,395 million and unused credit lines of NOK 1,000 million. The equity ratio is reduced from 71% at year-end 2016 to 42% at year-end 2017, and the reduction is explained by the buy-out of the minority shareholder in DNV GL Group AS.

Due to the weakening of NOK against most currencies where the Group has its major balance sheet exposure, foreign currency gains of NOK 885 million relating to net investments in foreign subsidiaries were reflected in the equity in 2017.

Net actuarial gains of NOK 424 million from defined benefit pension plans were reflected in the equity, primarily from the actual return on the plan assets in the Norwegian pension scheme.

The accounts of the parent company, Stiftelsen Det Norske Veritas, show a loss of NOK 4 million for the year. 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 regards Det Norske Veritas' financial performance and liquidity as satisfactory. Both contribute to a robust platform to achieve its strategic targets and maintain its independence as a financially strong and trusted foundation. The Board also confirms that, to the best of its knowledge, the information presented in the financial statements gives a true and fair view of the assets, liabilities, financial position and results of Det Norske Veritas for the period, and that there are no material events after the stated balance sheet date affecting the 2017 financial statements.

ORGANIZATION

The DNV GL Group makes up the main component of Stiftelsen Det Norske Veritas' consolidated accounts. All people working to fulfil the purpose of Stiftelsen Det Norske Veritas are employed by DNV GL. Management and administrative services for Stiftelsen Det Norske Veritas, Det Norske Veritas Holding AS and Det Norske Veritas Eiendom AS are provided by resources in the Norwegian subsidiary DNV GL AS pursuant to a Management Services Agreement entered on arm's length terms.

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

The total number of employees at year-end 2017 was 12,715. The decline of almost 3,000 employees over the last three years reflects the continued downturn in the maritime and oil and gas markets. The employees represent 112 nationalities, and there are more than 100 employees from 23 of these nationalities. The largest regions in terms of number of employees are the Nordics, West and South-East Europe, North America, Central Europe and Northern Asia.

The Board considers Det Norske Veritas' 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 the 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.

To maintain a lean management structure, Det Norske Veritas applies DNV GL's management system to the extent that this is relevant. For selected areas, the Board has decided on specific management policies for Stiftelsen Det Norske Veritas, Det Norske Veritas Holding AS and Det Norske Veritas Eiendom AS.

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 a high and sustainable value creation in the best interest of Det Norske Veritas' stakeholders.

The Board maintains 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.

When Stiftelsen Det Norske Veritas (through its wholly owned subsidiary Det Norske Veritas Holding AS) acquired the 36.5% minority shareholding in DNV GL Group AS held by Mayfair Beteiligungsfonds II GmbH &. Co. KG ("Mayfair") on 14 December 2017, Stiftelsen Det Norske Veritas again became the 100% owner of DNV GL Group.

As a consequence, it is envisaged that certain corporate governance practices, which were implemented in 2013 to accommodate for the joint ownership with Mayfair, will be amended during 2018. However, the key governance elements, which are described in more detail in the Board's separate corporate governance report, will be maintained.

The Board of Directors of Stiftelsen Det Norske Veritas currently consists of ten Board members - five men and five women. The Board's combined expertise represents a range of stakeholders, markets and disciplines.

The composition of the Board of Directors changed in August 2017 due to new appointments from the Council of Det Norske Veritas and the election of new representatives by employees. Birgit Aagaard-Svendsen, Lasse Kristoffersen and Silvija Seres are welcomed as new Board members appointed by Det Norske Veritas Council and Da Wei Tian and Nikolaos Papanikos (observer) as new Board members elected by and among the DNV GL employees. The Board would like to thank C. Thomas Rehder, Christelle G. V. Martin, Rebekka Glasser Herlofsen, Betty Bei Xu and Mette Bandholtz Nielsen for their past contributions as Directors of the Board.

The Board held six ordinary board meetings and one extraordinary meeting in 2017. The attendance at these board meetings was close to 100%.

The corporate governance report is 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 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 strategy revision process and the annual plan process.

The operational risk related to the activities outside DNV GL is moderate. DNV GL calculates its risk-adjusted equity on an annual basis, taking into consideration the most important risk factors. Based on value-at-risk methodology, the analysis includes potential losses from operations, foreign-exchange exposure, financial investments and pension plan assets and liabilities. The book equity less the maximum calculated loss illustrates DNV GL's total risk exposure and the amount that 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.

Det Norske Veritas' main financial risks are market risk (interest rate and foreign currency risk), credit risk, liquidity risk and political risk related to trade sanctions.

Interest rate risk: Det Norske Veritas has significant external borrowings. To reduce the risk related to a potential increase in interest rates, NOK 3,250 million is hedged against changes in the interest rate level until December 2022. Det Norske Veritas also has exposure to interest rate risk in 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 65 currencies stemming from DNV GL activities. Six currencies (NOK, EUR, USD, CNY, KRW and GBP) make up for 77% of the total revenue. In many currencies, the company has a natural hedge through a balance of revenue and expenses. DNV GL's foreign currency policy focuses on hedging expected cash flows. Det Norske Veritas is exposed to foreign currency risk from the re-evaluation of balance sheet items, including net investments in foreign subsidiaries.

Credit risk: receivable balances are monitored on an ongoing basis. Det Norske Veritas' exposure to bad debts is limited, but increased during 2017 due the difficult market conditions for customers in the maritime and oil and gas markets. There are no significant concentrations of credit risk within Det Norske Veritas. With respect to the 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 amounts available in unused credit facilities and 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 mainly manages corporate sustainability through its ownership of DNV GL. For a complete account of corporate sustainability, including information on the 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.

HEALTH, SAFETY AND ENVIRONMENT

Det Norske Veritas is committed to managing and continually improving its health, safety and environmental performance. DNV GL has been certified according to OHSAS 18001 since 2011 and ISO 14001 since 2008. The overall goal is to ensure zero harm to and a healthy working environment for its workforce. DNV GL's expectations to suppliers include compliance with equivalent health and safety requirements for services rendered on the DNV GL premises and for subcontracted survey-type work outside normal office locations.

In 2017, there were no fatalities involving Det Norske Veritas employees. The long-term trend for injuries and occupational diseases was stable, with a slight improvement. At year-end, the 12-month rolling average was 30.3 (38.4) for the Lost Day Rate, 1.2 (1.4) for the Injury

Rate and 0.9 (1.0) for the Occupational Disease Rate. The number of injuries leading to lost days was 27 (34), the number of occupational disease cases resulting in lost days was 22 (25), the number of injuries with no lost days was 149 (162) and the number of near-accidents was 313 (408). All in all, DNV GL's health and safety performance is average compared with industry benchmarks, and a programme is in place to continuously strengthen the resilience of the workforce and foster a learning health and safety culture.

In 2017, zero cases of non-compliance with environmental regulations and zero fines related to environmental aspects were registered. The recorded energy consumption was 118.0 GWh (87.5 GWh), of which 37.5 GWh (40.6 GWh) was purchased energy with green certificates. The higher reported energy consumption is due to the increased number of locations included in the reporting, up from 73 to 112. DNV GL's carbon footprint was 69,494 tCO2e (29,993 tCO2e).

BUSINESS ETHICS AND COMPLIANCE

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 important 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.

Det Norske Veritas' compliance programme and related instructions are based on the Code of Conduct. Anti-corruption, anti-trust, export controls, sanctions and personal data protection are the programme's focus areas, and respective instructions are in place. Information on how to report potential misconduct is published on the company website and the intranet, and there is also an ethical helpline and anonymous whistle-blowing channel. The Group Compliance Officer reports new developments and case statistics to the DNV GL Audit Committee quarterly and Det Norske Veritas Control Committee annually, as well as to the Executive Committee when relevant.

In 2017, 62 (44) potential compliance cases were reported and handled. No legal action regarding anti-competitive behaviour or violations of antitrust or monopoly legislation in which DNV GL was identified as a participant was pending or completed during the reporting period. No significant fines or non-monetary sanctions for non-compliance with laws and/or regulations in the environmental, social or economic areas were identified.

Relevant measures to achieve a high level of integrity were further implemented in 2017 through communication and improvements of governing documents, taking into consideration the latest legal developments. The company started to finalize risk assessments regarding subcontractors and intermediaries and implement these in the business areas, and an export control network was set up. Code of Conduct training has been completed by 98% of employees, 97% of employees have completed anti-corruption and antitrust training and around 2,500 employees in management and exposed positions received individual training on compliance programme topics.

OUTLOOK

The global economic outlook for 2018 seems slightly more optimistic than 2017 with higher expectations not only for growth and commodity prices but also higher interest rates. However, globalization is being challenged in several major countries and we see a higher level of uncertainty regarding national and regional protection measures being introduced on free trade, the movement of people and the transfer of technology.

The Board sees modest signs of growth in both seaborne trade and energy demand and thereby a slowdown in the company's revenue contraction. 2018 will, however, be another challenging year for DNV GL as the effect from the positive signs in maritime and offshore market is expected only to give positive effect from 2019. Over the past three years, costs restructuring has been implemented across all business areas, the shared services and support organization, thus making DNV GL better prepared to take on the prevailing market conditions.

After a few years of recession, the predicted increase in seaborne trade, coupled with scrapping, means the ship newbuilding order book is finally expected to turn positive during 2018, but too late for a major impact on the financial year. Competition will continue to be fierce, but the company is maintaining its goal of minimizing the transfer of class to other classification societies without compromising quality and safety standards.

In the oil and gas market, the stabilized oil prices and essentially flat gas prices will have a positive impact. Many oil companies expect to slightly increase their capital spend in the upstream sector as they adapt to this new normal. However, the new offshore upstream oil and gas developments are focused on smaller and shorter-payback-time projects. The existing extensive infrastructure across the value chain, including pipelines and refineries, continue to need operations support services. In this low growth market, DNV GL's Oil & Gas business area expects flat revenue developments in 2018. Meanwhile, external revenue of the offshore newbuilding activities is predicted to shrink by more than 50% as the oversupply of drilling rigs and offshore supply vessels continues, accompanied by a drop in new large complex offshore projects.

The energy sector market continues to be demanding in several segments and geographies due to energy and climate politics, but there is an overall trend of continued decarbonization of the world's energy systems which should drive demand for the company's renewables and energy storage services. DNV GL's energy advisory services are expected to stage a recovery and the power testing and certification services are also expected to grow, fuelled by the high-power laboratory in Arnhem, which will see its first full year at its expanded capacity.

Management system certification services will continue to dominate Business Assurance's revenue the coming years. The food and beverage, health and automotive sectors are now the three dominant industry sectors within this business area, and are expected to grow further in 2018. Supply chain assurance services are predicted to have double digit growth. Business Assurance will continue to focus on efficiency measures coupled with investment in its next generation production system as well as digital assurance.

Digitalization is central to the Group's 2020 strategy, and in response to the accelerated pace of digital transformation in the core industries, the company formed the new Digital Solutions business area in late 2017. Digital Solutions will build from the legacy business area Software's solutions for the maritime, oil & gas and energy sectors, coupled with new data management platform services and expanded data analytics and cyber security services. Digital Solutions is also responsible for supporting the rest of the organization to develop digital solutions for their customers.

The Board of Directors believes DNV GL's performance in 2017, against a backdrop of difficult markets, demonstrates that the company has responded well to the challenges posed throughout the year. The company has developed, and will continue to expand, a broad competence and resource base to provide guidance and support to customers in a business environment where the need for technical and digital expertise, trust and risk management is evident.

Høvik
26 April 2018

Leif-Arne Langøy
Chairman

Morten Ulstein
Vice Chairman

Lasse Kristoffersen

Clemens Keuer

Nina Ivarsen

Da Wei Tan

Liv Aune Hagen

Liselott Kilaas

Birgit Aagaard-Svendsen

Silvija Seres

Nikolaos Papanikos
(Observer)

Remi Eriksen
Group President & CEO

REPORT ON CORPORATE GOVERNANCE 2017

A. INTRODUCTION

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

Stiftelsen Det Norske Veritas is incorporated as a Norwegian foundation (No: "Stiftelse").

On 14th December 2017, Stiftelsen Det Norske Veritas (through its wholly owned subsidiary Det Norske Veritas Holding AS ("DNV Holding")) acquired the 36.5 percent shareholding in DNV GL Group AS held by Mayfair Beteiligungsfonds II GmbH &. Co. KG ("Mayfair") to become the 100 percent owner of DNV GL Group AS ("DNV GL Group"). In addition to its ownership in DNV GL Group, Stiftelsen Det Norske Veritas owns financial assets and Det Norske Veritas Eiendom AS whose main asset is real estate in Høvik (Norway).

As a consequence of Stiftelsen Det Norske Veritas again becoming the 100% owner of DNV GL Group, it is envisaged that certain corporate governance practices implemented in 2013 to accommodate for the joint ownership with Mayfair will be amended during 2018. However, the following key governance elements will be maintained:

- 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 per principles that apply to listed public limited companies in Norway and to apply these corporate governance principles to the extent relevant for Stiftelsen Det Norske Veritas as a foundation without shareholders or owners.

This report is based on

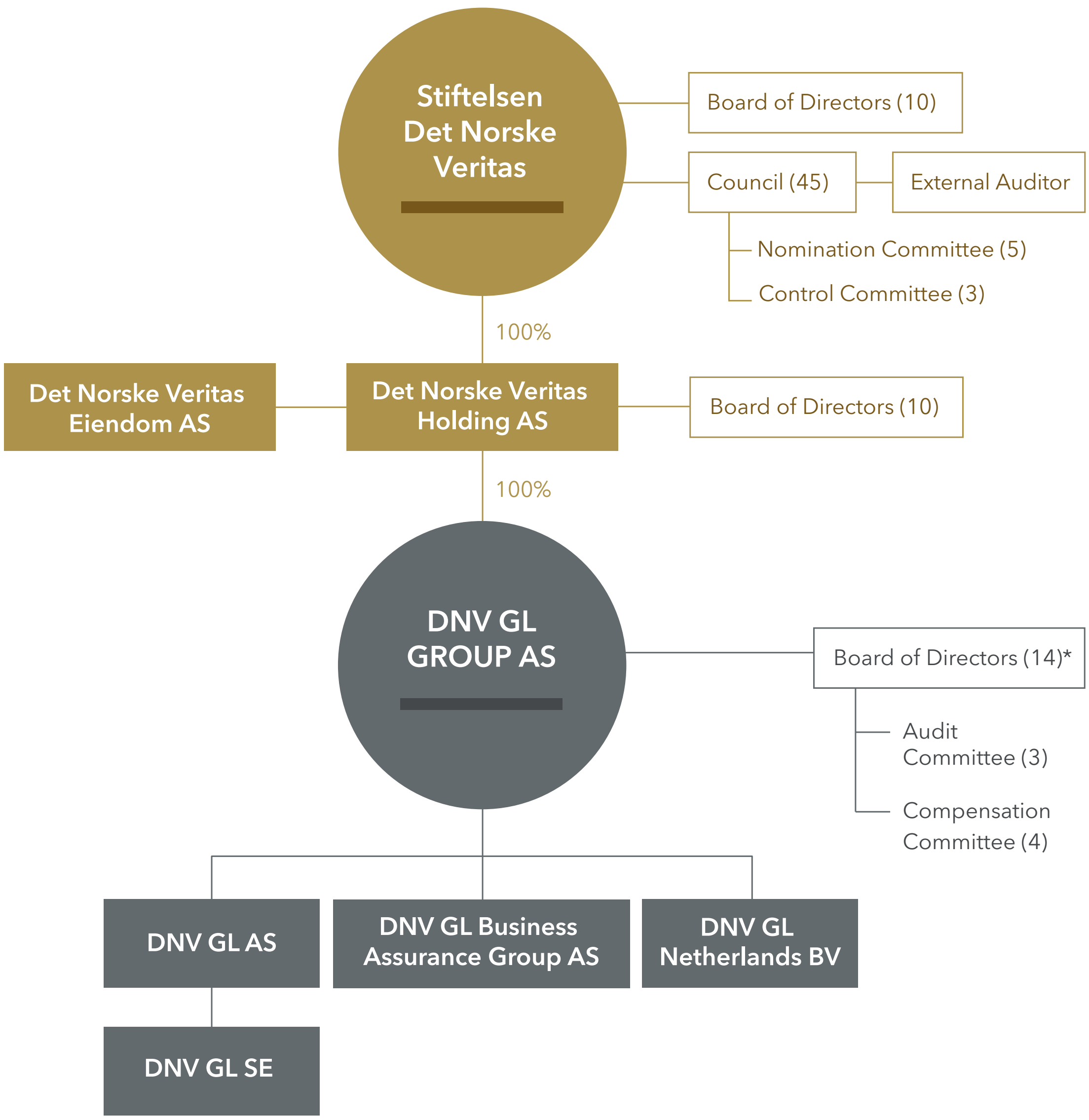
- The 15 sections of the Norwegian Code of Practice for Corporate Governance ("the Code of Practice"). The report includes a detailed discussion of each of the 15 individual sections of the Code of Practice. The Code of Practice provides recommendations and requires that the company describes how it 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 the reporting obligations as if Stiftelsen Det Norske Veritas 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 19.

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 Stiftelsen Det Norske Veritas performed in 2012 concluded that the Code of Practice is more comprehensive and more suitable to a large business entity like Stiftelsen Det Norske Veritas than the guidelines issued by the Association of Foundations. Therefore, Stiftelsen Det Norske Veritas considers that it complies with the guidelines issued by the Association of Foundations as Stiftelsen Det Norske Veritas base its practices on a more comprehensive standard.

OVERVIEW OF THE CORPORATE GOVERNANCE STRUCTURE OF DET NORSKE VERITAS GROUP



**) By the resignation of the three Board members nominated by Mayfair in December 2017, the number of Board members in DNV GL Group AS at year-end was reduced to 11, with an Audit committee of 2 and a compensation committee of 2. Early 2018 one additional member was nominated to the Audit Committee and one additional member was nominated to the Compensation Committee. The future total number of Board members in DNV GL Group AS will be reviewed during the first half of 2018.*

The Board of Directors ("the Board") is the principal body of Stiftelsen Det Norske Veritas. 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 delegated from the Board to 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 Statutes of the Foundation, to appoint the external auditor 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 of the Foundation and its subsidiaries is elected by the Council and reports to the Board.

Stiftelsen Det Norske Veritas 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 Stiftelsen Det Norske Veritas is a foundation and as such has no shareholders, parts of the Code of Practice will not be applicable for DNV, and the reporting is adjusted accordingly.

This report includes information on

- the sections of the Code of Practice to which Stiftelsen Det Norske Veritas complies,
- information on where the Code of Practice is not considered as relevant for a foundation, and
- explanations of sections in relation to which Stiftelsen Det Norske Veritas 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 Stiftelsen Det Norske Veritas' 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 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.

Stiftelsen Det Norske Veritas has no shareholders, but answers to the purpose of the Foundation and to society at large. Fundamental functions for the corporate governance of Stiftelsen Det Norske Veritas are therefore on one hand to protect its 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.

Stiftelsen Det Norske Veritas 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, Stiftelsen Det Norske Veritas' corporate governance also includes supervision of the Board's management by the Council and by the Control Committee acting on behalf of the Council.

Corporate Values, Ethical Guidelines and Corporate Sustainability

Stiftelsen Det Norske Veritas places great emphasis on its corporate values. Stiftelsen Det Norske Veritas' purpose is *"to safeguard life, property and the environment"*. The Statutes state that the purpose may be achieved through the ownership in subsidiaries. Stiftelsen Det Norske Veritas' purpose is fulfilled through the ownership in DNV GL Group AS.

Stiftelsen Det Norske Veritas' 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."*

Stiftelsen Det Norske Veritas 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, Stiftelsen Det Norske Veritas 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.

2. BUSINESS

The overall purpose of Stiftelsen Det Norske Veritas is *"To safeguard life, property and the environment"*. The business of Stiftelsen Det Norske Veritas 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 Stiftelsen Det Norske Veritas' website www.detnorskeveritas.com.

Currently, Stiftelsen Det Norske Veritas' purpose is achieved through the 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.

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, 2017, Stiftelsen Det Norske Veritas had a total equity of NOK 13 035 million, down from NOK 23 507 million in 2016. The Board continually reviews Stiftelsen Det Norske Veritas' capital situation considering its objectives, strategies and risk profile. The Board considers the total equity to be satisfactory.

Being a foundation, Stiftelsen Det Norske Veritas 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.

Since Stiftelsen Det Norske Veritas as a foundation cannot raise capital through issuing 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 Stiftelsen Det Norske Veritas is managed in a way that enables it to fulfil its purpose as this is stated the Statutes. The subsidiaries distribute dividend of the annual net profits based on an assessment of cash flow, capital expenditure plans, financing requirements and financial flexibility. Received dividends contribute to Stiftelsen Det Norske Veritas' capital base.

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES
As Stiftelsen Det Norske Veritas does not have owners, equal treatment of shareholders is not a relevant topic.

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 board members of Stiftelsen Det Norske Veritas are also elected as board members in DNV Holding and DNV GL Group AS. The Board has closely assessed whether, as an alternative governance model, Stiftelsen Det Norske Veritas 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 Stiftelsen Det Norske Veritas' purpose and the management of DNV GL group that there is proximity between the stakeholders as represented in the 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 Stiftelsen Det Norske Veritas 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.

5. FREELY NEGOTIABLE SHARES
Given that Stiftelsen Det Norske Veritas is a foundation without shares or owners, transfer of shares is not relevant.

6. GENERAL MEETING
Given that Stiftelsen Det Norske Veritas is a foundation with no owners or shareholders, there is no general meeting in Stiftelsen Det Norske Veritas. The Code of Practice, Section 6 (concerning general meeting) is therefore not relevant.

For the sake of completeness, it is mentioned that the 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 considering the Code of Practice, Section 8 (see below).

7. NOMINATION COMMITTEE

The Council elects the members of the Board who are not elected by and among the employees and fixes the remuneration for all Board Members. Stiftelsen Det Norske Veritas 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 Stiftelsen Det Norske Veritas’ stakeholders, and references to the “General Meeting” in the Code of Practice is replaced by reference to the Council. Further, details on the procedure for determining the remuneration to “committee members” in Stiftelsen Det Norske Veritas is adjusted as described below.

The Nomination Committee’s composition and role is defined in the Statutes of Stiftelsen Det Norske Veritas (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.

In respect of appointments to the Council, the Nomination Committee shall ensure that the Council has representation from major industry customer groups served by Stiftelsen Det Norske Veritas or its subsidiaries. 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 Stiftelsen Det Norske Veritas, DNV Holding and DNV GL Group AS respectively. The Committee shall consider 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 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 Stiftelsen Det Norske Veritas does not have any committees. Committees in Stiftelsen Det Norske Veritas 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, after 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 Statutes provide for a rotation of one member of the Committee at least every second year. If no other member of the Committee resigns, the member of the Committee elected from and among the Council members with the longest service may not take re-election.

The Committee consisted in 2017 of:

- **Walter Qvam,**
  Chairman of the Council and the Nomination Committee
- **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,
  CEO, Akastor ASA
- **Ingvild Sæther,**
  Member of the Council and the Nomination Committee,
  CEO, Teekay Offshore

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

8. COUNCIL AND BOARD OF DIRECTORS – COMPOSITION AND INDEPENDENCE

The Council

Stiftelsen Det Norske Veritas does not have a corporate assembly. The 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 Statutes and to state its opinion on the Board's Annual Report and financial statements.

The Council has forty-five (45) members, of which twenty-seven (27) members are appointed by associations which represent customer industries and other stakeholders, seven (7) members are elected by and among the employees of DNV GL and its subsidiaries worldwide, and up to eleven (11) 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 end of June 2017):

Appointed by The Nordic Association of Marine Insurers (CEFOR)

Helle Hammer ....Norway
Ståle Hansen ....Norway
Tron K. Nummedal..Norway
Lars Rhodin...Sweden
Svein A. Ringbakken...Norway
Rolf Thore Roppestad...Norway
Hans Christian Seim...Norway

Appointed by The Norwegian Fishing Vessel Owners Association (Fiskebåt)

Jonny Berfjord...Norway

Appointed by The Norwegian Shipowners' Association (Norges Rederiforbund)

Sturla Henriksen...Norway
Thomas Wilhelmsen..Norway
Anne Jorunn Møkster...Norway
Trond Kleivdal ....Norway
Hans Peter Jebsen...Norway
Karl-Johan Bakken..Norway
Ivar Brandvold ....Norway
Synnøve Seglem..Norway
Ann Christin Andersen ....Norway

Appointed by The Norwegian Oil and Gas Association (Norsk Olje og Gass)

Kristin Færøvik	Norway
Torjer Halle	Norway
Karl Johnny Hersvik	Norway
Knut Thorvaldsen	Norway
Ingvild Sæther	Norway

Appointed by The Confederation of Norwegian Enterprise (Næringslivets Hovedorganisasjon)

Kristin Skogen Lund	Norway
Walter Qvam	Norway
Christian Rynning-Tønnesen	Norway
Tore Ulstein	Norway
Karl Erik Kjelstad	Norway

Appointed by The Council

Wenche Agerup	Norway
M.A.M. Boersma	Netherlands
Raymond Carlsen	Norway
Berit Ledel Henriksen	Norway
John Coustas	Greece
Simen Lieungh	Norway
Åse Aulie Michelet	Norway
Wenche Nistad	Norway
Torgrim Reitan	USA
Roy Reite	Norway
Sverre B. Svenning	Norway

Appointed by employees of DNV GL worldwide

Kjersti Aalbu	Norway
Bengt-Olov Andin	Sweden
Hege Halseth Bang	Norway
Dr. Ervin Bossanyi	UK
Deng Ling	China
Thomas Reimer	Germany
Morten Østby	Norway

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, 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 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 Statutes of Stiftelsen Det Norske Veritas (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 Stiftelsen Det Norske Veritas on behalf of the Council. The Control Committee shall 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 Board's safeguarding of the Stiftelsen Det Norske Veritas' 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. Per 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 Stiftelsen Det Norske Veritas. The Control Committee currently consists of:

- **Ivar Brandvold,**
  Member of the Council and Chairman of the Control Committee,
  Chief Executive Officer, Fred Olsen Energy ASA
- **Tore Ulstein,**
  Member of the Council and the Control Committee,
  Chairman of the Board, Ulstein Group,
- **Åse Aulie Michelet,**
  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, the Nomination Committee concluded that the lack of legal expertise in the Committee 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 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
- **Liselott Kilaas,**
  Member of the Board of Directors,
  Professional Board member
- **Lasse Kristoffersen,**
  Member of the Board of Directors
  Klaveness
- **Silvija Seres,**
  Member of the Board of Directors,
  Professional Board member
- **Birgit Aagaard-Svendsen,**
  Member of the Board of Directors,
  Professional Board member
- **Liv Aune Hagen,**
  Member of the Board of Directors,
  DNV GL (Norway)
- **Nina Ivarsen,**
  Member of the Board of Directors
  DNV GL (Norway)
- **Clemens Keuer,**
  Member of the Board of Directors
  DNV GL (Norway)
- **Da Wei Tian,**
  Member of the Board of Directors,
  DNV GL (Norway)

Following the DNV GL merger in 2013, the Statutes were amended to include a board observer. The amendment became effective in February 2014 following the approval from the Norwegian Foundation Authority. Nikolaos Papanikos (DNV GL Maritime Greece) is currently the elected board observer.

More details about the individual board members can be found in the Annual Report of DNV GL Group AS 2017.

The Board is composed in a manner so that it can attend to the common interest of all stakeholders and meet Stiftelsen Det Norske Veritas' 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 board members are elected for two-year terms with the possibility for re-election, and directors can per the Statutes, not be a member beyond twelve years.

Amongst the board members elected by the Council, each gender shall be represented by at least three members. Both genders shall be represented amongst board members and deputy members elected by and among the employees. As a foundation, Stiftelsen Det Norske Veritas is not subject to mandatory legislation on gender diversity. However, in accordance with its aim to comply with principles that apply to listed public limited companies in Norway, the Statutes of Stiftelsen Det Norske Veritas include such requirements. Currently there is a 50/50 gender representation in the Board both among the Council elected members and the Employee elected members.

Being a foundation, Stiftelsen Det Norske Veritas 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.

The Board's Independence
All Council-elected board members are considered autonomous and independent of Stiftelsen Det Norske Veritas' executive management as well as its material business contacts. The guidelines for the Nomination Committee's work instruct the committee to consider 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 per 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 per a rotation scheme agreed between management and the employees and approved by the Norwegian Working Democracy Committee (i.e. *"Bedrifts-demokratinemnda"*).

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 Stiftelsen Det Norske Veritas' 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. The rights, duties and responsibilities of the Board follow from the Foundation Act, the Accounting Act and other relevant legislation, the Statutes of Stiftelsen Det Norske Veritas and the Board's own instructions.

The Board directs and oversees the activities of Stiftelsen Det Norske Veritas. The Board determines the objectives and strategies for Stiftelsen Det Norske Veritas in collaboration with the Chief Executive Officer. The Board approves Stiftelsen Det Norske Veritas' business plan, financial plan and budgets, and has established policies and guidelines for the operations. The Board appoints the Chief Executive Officer of Stiftelsen Det Norske Veritas. Matters to be handled by the Board are further outlined in the Board instructions. The Board's work in 2017 is described in the Board of Director's report.

As a consequence of Stiftelsen Det Norske Veritas, through DNV Holding, in December 2017 purchasing the 36.5% shareholding of Mayfair to again become the sole owner of DNV GL Group AS, it is envisaged that certain of the existing corporate governance practices that reflects a split shareholding will be amended during 2018.

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 2017, six ordinary Board meetings were conducted in the months of February, April, June, August, October and November, and one extraordinary meeting in November. The Board held its meetings at the Head office in Høvik (Norway), except for the February meeting which was held in Piraeus, Greece

In 2017 the participation in the Board 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 Stiftelsen Det Norske Veritas' 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. 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 board members, 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
In the Board meeting on 20 October 2016, the Board concluded that the ownership model based on the Shareholders Agreement with Mayfair had turned out to be challenging with its damaging conflicts and lack of trust between the two shareholders. It was a considerable risk that a continuation of this ownership model could potentially be detrimental to DNV GL and its business. Another ownership and corporate governance of the group may therefore be in the best interest of DNV GL. With the aim of a transaction, the Board nominated a Steering Committee consisting of the Chairman, the Vice-Chairman and member of the Board Rebekka Glasser Herlofsen. Rebekka Glasser Herlofsen resigned from the Board in 2017 and was replaced by Birgit Aagaard-Svendsen.

The Board's Self-Evaluation
The aim is that the Board shall evaluate its own performance and expertise once per year. In 2017 the self-evaluation was performed through individual interviews of each Board Member by an external recruitment consultant in relation to the recruitment process of new Board Members organized by the Nomination Committee. The Board also 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 Stiftelsen Det Norske Veritas in respect of the separate activities of both the Foundation 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, Stiftelsen Det Norske Veritas has decided to be part of the risk management and internal control system established for the DNV GL Group. Stiftelsen Det Norske Veritas 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 Stiftelsen Det Norske Veritas 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.

Stiftelsen Det Norske Veritas 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 Stiftelsen Det Norske Veritas. 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 Stiftelsen Det Norske Veritas and the companies fully owned by it.

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.

Per 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 Stiftelsen Det Norske Veritas' 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 Stiftelsen Det Norske Veritas outside of their directorships, and none have any agreement regarding pension plan or severance pay from Stiftelsen Det Norske Veritas. 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 2017 financial statements for a breakdown of fees paid to directors.

12. REMUNERATION OF EXECUTIVE PERSONNEL
Following the DNV GL merger, Stiftelsen Det Norske Veritas and DNV Holding 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. However, Stiftelsen Det Norske Veritas continues its long tradition of disclosing a comprehensive publication which includes the annual report with externally audited financial reporting.

The annual report of Stiftelsen Det Norske Veritas is distributed to the Council and is freely available on request. The report is publicly available on the website www.detnorskeveritas.com.

14. TAKE-OVERS
A foundation by definition has 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.

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.

Per Stiftelsen Det Norske Veritas' 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.

Stiftelsen Det Norske Veritas purpose as stated in the Statutes bolsters its 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.

Following a tendering process and Board decision, KPMG was appointed new statutory auditor for Stiftelsen Det Norske Veritas as from the financial year 2017, taking over for EY (Ernst&Young) who had been the statutory auditor since 2002.

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.

The appointed auditor will present the result of the planned audit including any internal control deficiencies in the Board of Directors' meeting, in which the statutory financial statements are approved by the Board of Directors.

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.

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 2017 financial statements.

Adopted by the Board of Directors,
Høvik 26th April 2018

ATTACHMENT 1 – About reporting standards in the Accounting Act

The reporting requirements of the Accounting Act are included or otherwise considered 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.

Per 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 annual financial statements in English only.

>

KEY FIGURES

Amounts in NOK million

	2017	2016	2015	2014	2013[1]
Income statement:					
Operating revenue	**19 591**	20 852	23 516	21 659	16 138
EBITDA	**1 562**	1 773	2 895	2 670	2 619
Depreciation	**372**	384	393	371	306
EBITA	**1 190**	1 389	2 502	2 299	2 313
Amortization and impairment	**519**	830	536	592	203
EBIT/ Operating profit	**671**	559	1 966	1 707	2 110
Net financial income (expenses)	**(8)**	834	39	165	35
Profit before tax	**663**	1 393	2 006	1 873	2 144
Profit for the year	**284**	876	1 233	1 119	1 578
Balance sheet:					
Non-current assets	**18 019**	16 906	18 269	17 052	15 476
Current assets	**12 832**	15 999	16 860	15 649	14 016
Total assets	**30 850**	32 904	35 129	32 701	29 492
Equity	**13 035**	23 507	23 757	20 862	19 282
Non-current liabilities	**11 811**	3 600	4 105	4 996	4 288
Current liabilities	**6 005**	5 797	7 268	6 843	5 922
Cash flow items, working capital and investments:					
Purchase of tangible fixed assets	**362**	509	893	774	610
Working capital	**6 827**	10 202	9 592	8 806	8 094
Cash flow	**(3 393)**	314	678	149	682
Number of employees	**12 715**	13 550	14 954	15 712	16 107
Financial ratios:					
Profitability:					
EBITDA margin	**8.0%**	8.5%	12.3%	12.3%	16.2%
EBITA margin	**6.1%**	6.7%	10.6%	10.6%	14.3%
Operating margin	**3.4%**	2.7%	8.4%	7.9%	13.1%
Pre tax profit margin	**3.4%**	6.7%	8.5%	8.6%	13.3%
Net profit margin	**1.4%**	4.2%	5.2%	5.2%	9.8%
Liquidity:					
Liquidity reserves	**4 395**	7 789	7 412	6 727	6 532
Leverage:					
Equity ratio	**42.3%**	71.4%	67.6%	63.8%	65.4%

Definition of ratios:

Profitability:

EBITDA:
Earnings before financial items, tax, depreciation, amortization and impairment

EBITDA margin:
EBITDA x 100 / Operating revenue

EBITA:
Earnings before financial items, tax, amortization and impairment

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 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

PARENT AND CONSOLIDATED INCOME STATEMENT

Amounts in NOK million

STIFTELSEN DET NORSKE VERITAS					STIFTELSEN DET NORSKE VERITAS CONSOLIDATED		
2017	2016	2015		Note	**2017**	2016	2015
			Operating revenue				
0.0	0.0	0.0	Sales revenue		**19 513.1**	20 852.0	23 416.7
0.0	0.0	0.0	Gain on sale of business activities	3	**77.7**	0.0	99.5
0.0	0.0	0.0	**Total operating revenue**	4	**19 590.8**	20 852.0	23 516.2
			Operating expenses				
0.0	0.0	0.0	Payroll expenses	5,7,8	**11 678.3**	12 554.2	13 116.0
0.0	0.0	0.0	Depreciation	14	**372.0**	384.3	392.7
0.0	0.0	0.0	Amortization and impairment	12	**518.7**	829.7	535.8
4.4	8.4	6.5	Other operating expenses	6,7	**6 350.9**	6 524.8	7 505.2
(4.4)	(8.4)	(6.5)	**Operating profit (loss)**		**671.0**	559.1	1 966.5
			Financial income and expenses				
0.0	0.0	0.0	Income/(loss) from associates	15	**(1.1)**	(1.7)	5.6
25.4	32.9	10.8	Financial income	9	**146.2**	950.4	150.9
(0.6)	0.0	0.0	Financial expenses	9	**(152.6)**	(115.2)	(117.1)
24.8	32.9	10.8	Net financial income (expenses)		**(7.6)**	833.6	39.3
20.4	24.6	4.3	**Profit (loss) before tax**		**663.4**	1 392.7	2 005.8
(24.2)	(25.5)	(17.2)	Tax expense	11	**(379.7)**	(516.7)	(772.9)
(3.8)	(0.9)	(12.9)	**Profit (loss) for the year**		**283.7**	876.0	1 232.9
			Profit for the period attributable to:				
			Non-controlling interest		**11.7**	(65.9)	381.1
			Equity holders of the parent		**272.0**	941.9	851.8
			Total		**283.7**	876.0	1 232.9

PARENT AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(3.8)	(0.9)	(12.9)	**Profit (loss) for the year**	**283.7**	876.0	1 232.9
			Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
			Actuarial gains/(losses) on defined benefit pension plans	**423.6**	(85.8)	540.5
			Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
			Currency translation differences/Translation differences foreign operations	**885.1**	(1 056.7)	1 335.5
			Change in fair value of interest rate swap	**4.0**	0.0	0.0
			Share of other comprehensive income from associates	**0.0**	60.8	(22.7)
0.0	0.0	0.0	**Other comprehensive income for the period. net of tax**	**1 308.8**	(1 081.7)	1 853.4
(3.8)	(0.9)	(12.9)	**Total comprehensive income for the period**	**1 592.5**	(205.7)	3 086.3
			Total comprehensive income attributable to:			
			Non-controlling interest	**11.7**	(460.7)	1 057.6
			Equity holders of the parent	**1 580.8**	255.0	2 028.7
			Total	**1 592.5**	(205.7)	3 086.3

PARENT AND CONSOLIDATED BALANCE SHEET

Amounts in NOK million

STIFTELSEN DET NORSKE VERITAS					STIFTELSEN DET NORSKE VERITAS CONSOLIDATED		
31 Dec. 2017	31 Dec. 2016	31 Dec. 2015	**ASSETS**	Note	**31 Dec. 2017**	31 Dec. 2016	31 Dec. 2015
			Non-current assets				
			Intangible assets				
0.0	0.0	0.0	Deferred tax assets	11	**986.8**	1 027.8	1 103.7
0.0	0.0	0.0	Goodwill	12,13	**8 842.1**	8 148.9	8 758.1
0.0	0.0	0.0	Other intangible assets	12	**3 006.2**	2 992.4	3 313.6
0.0	0.0	0.0	Total intangible assets		**12 835.1**	12 169.0	13 175.5
			Tangible fixed assets				
6.4	6.4	6.4	Land, buildings and other property		**2 257.5**	2 279.5	2 222.8
0.0	0.0	0.0	Office equipment, fixtures and fittings		**1 599.4**	1 513.6	1 656.4
6.4	6.4	6.4	Total tangible fixed assets	14	**3 856.9**	3 793.1	3 879.2
			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	**188.3**	189.5	130.4
0.0	0.0	0.0	Available for sale investments		**42.5**	40.7	42.4
0.0	0.0	0.0	Net pension asset	8	**626.7**	321.7	283.0
0.0	0.0	0.0	Other long-term receivables	18	**468.9**	391.7	758.8
11.4	11.4	11.4	Total non-current financial assets		**1 326.6**	943.6	1 214.6
17.8	17.8	17.8	**Total non-current assets**		**18 018.6**	16 905.8	18 269.3
			Current assets				
			Debtors				
0.0	0.0	0.0	Trade debtors	17	**4 314.8**	4 229.1	5 242.3
0.0	0.0	0.0	Work in progress		**3 149.5**	2 668.4	3 388.2
600.0	1.4	20.7	Other receivables group companies		**0.0**	0.0	0.0
0.0	0.0	0.0	Other debtors		**972.1**	1 312.5	817.0
600.0	1.4	20.7	Total debtors		**8 436.4**	8 210.0	9 447.5
602.2	1 198.2	1 181.3	Cash and bank deposits	21	**4 395.3**	7 788.5	7 412.2
1 202.2	1 199.6	1 202.0	**Total current assets**		**12 831.7**	15 998.5	16 859.7
1 219.9	1 217.4	1 219.8	**TOTAL ASSETS**		**30 850.3**	32 904.3	35 128.9

PARENT AND CONSOLIDATED BALANCE SHEET

Amounts in NOK million

STIFTELSEN DET NORSKE VERITAS					STIFTELSEN DET NORSKE VERITAS CONSOLIDATED		
31 Dec. 2017	31 Dec. 2016	31 Dec. 2015	**EQUITY AND LIABILITIES**	Note	**31 Dec. 2017**	31 Dec. 2016	31 Dec. 2015
			Equity				
			Paid-in capital				
283.5	283.5	283.5	Foundation capital		**283.5**	283.5	283.5
			Retained earnings				
902.9	906.6	907.6	Other equity		**12 711.4**	16 793.1	16 553.9
0.0	0.0	0.0	Non-controlling interest		**39.7**	6 430.5	6 919.2
1 186.4	1 190.1	1 191.1	**Total equity**		**13 034.6**	23 507.1	23 756.6
			Liabilities				
			Non-current liabilities				
0.0	0.0	0.0	Interest bearing loans and borrowings	22	**8 000.0**	0.0	100.0
0.0	0.0	0.0	Pension liabilities	8	**2 560.0**	2 451.3	2 408.8
0.0	0.1	0.1	Deferred tax liabilities	11	**601.3**	703.6	1 053.7
0.0	0.0	0.0	Non-current provisions	19	**188.4**	179.0	106.6
0.0	0.0	0.0	Other non-current liabilities		**461.3**	266.3	435.5
0.0	0.1	0.1	Total non-current liabilities		**11 810.9**	3 600.2	4 104.7
			Current liabilities				
0.0	0.0	0.0	Overdrafts		**44.7**	0.0	0.0
0.0	0.0	0.0	Trade creditors		**524.5**	479.5	496.7
24.2	25.1	17.8	Tax payable	11	**477.0**	479.6	796.4
0.0	0.0	0.0	Public duties payable		**379.3**	386.6	501.6
8.5	2.0	10.8	Short-term liabilities group companies		**0.0**	0.0	0.0
0.0	0.0	0.0	Accrued dividend to minority shareholders		**0.0**	0.0	185.0
0.0	0.0	0.0	Current provisions	19	**438.8**	509.0	600.9
0.7	0.0	0.0	Other current liabilities	16	**4 140.5**	3 942.3	4 687.1
33.5	27.2	28.6	Total current liabilities		**6 004.8**	5 797.0	7 267.7
33.5	27.3	28.7	**Total liabilities**		**17 815.8**	9 397.2	11 372.4
1 219.9	1 217.4	1 219.8	**TOTAL EQUITY AND LIABILITIES**		**30 850.3**	32 904.3	35 128.9

The Board of Stiftelsen Det Norske Veritas, Høvik, 26 April 2018

Leif-Arne Langøy
Chairman

Morten Ulstein
Vice Chairman

Liv Aune Hagen

Nina Ivarsen

Clemens Keuer

Liselott Kilaas

Lasse Kristoffersen

Silvija Seres

Birgit Aagaard-Svendsen

Da Wei Tian

Nikolaos Papanikos
(observer)

Remi Eriksen
Group President & CEO

PARENT AND CONSOLIDATED STATEMENT OF CASH FLOW

Amounts in NOK million

STIFTELSEN DET NORSKE VERITAS					STIFTELSEN DET NORSKE VERITAS CONSOLIDATED		
2017	2016	2015		Note	**2017**	2016	2015
			CASH FLOW FROM OPERATIONS				
20.4	24.6	4.3	Profit before tax		**663.4**	1 392.7	2 005.8
0.0	0.0	0.0	Gain/loss on disposal of tangible fixed assets		**(49.0)**	(10.6)	(24.5)
0.0	0.0	0.0	Gain on divestments		**(80.8)**	(131.9)	(99.5)
0.0	0.0	0.0	Net gain from arbitration and merger related settlements		**(6.2)**	(748.0)	0.0
0.0	0.0	0.0	Loss (gain) from change of defined benefit pension plans	8	**(20.3)**	(64.1)	30.6
0.0	0.0	0.0	Depreciation, amortization and impairment	14	**890.6**	1 214.0	928.5
(25.5)	(17.6)	(29.5)	Tax payable		**(553.3)**	(757.4)	(917.3)
0.0	0.0	0.0	Change in work in progress, trade debtors and trade creditors		**(368.9)**	1 285.4	39.7
9.1	9.9	(12.2)	Change in accruals, provisions and other		**304.3**	(1 387.8)	323.2
4.0	16.9	(37.5)	**Net cash flow from operations**		**779.8**	792.2	2 286.5
			CASH FLOW FROM INVESTMENTS				
0.0	0.0	0.0	Acquisitions (business combinations)	3	**(24.0)**	(234.6)	(82.4)
0.0	0.0	0.0	Arbitration and merger related settlements		**6.2**	622.6	0.0
0.0	0.0	0.0	Settlement minority share owners Marine Cybernetics AS		**0.0**	0.0	(118.0)
0.0	0.0	0.0	Acquisition of minority shares DNV GL Group		**(12 000.0)**	0.0	0.0
0.0	0.0	0.0	Divestments of subsidiaries		**94.0**	155.1	276.0
0.0	0.0	0.0	Investments in tangible fixed assets	14	**(361.7)**	(509.3)	(893.1)
0.0	0.0	0.0	Investments in intangible assets	12	**(370.7)**	(327.1)	(256.0)
0.0	0.0	0.0	Sale of tangible fixed assets (sales value)		**95.3**	91.1	53.2
0.0	0.0	0.0	Change in other investments		**11.2**	8.7	0.0
0.0	0.0	0.0	**Net cash flow from investments**		**(12 549.7)**	(193.6)	(1 020.3)
			CASH FLOW FROM FINANCING ACTIVITIES				
0.0	0.0	0.0	Change in overdraft		**44.7**	0.0	(4.5)
0.0	0.0	0.0	Borrowings		**8 000.0**	(100.0)	(400.0)
0.0	0.0	0.0	Repayment of loan to IK Investment Partners		**331.9**	0.0	0.0
(600.0)	0.0	0.0	Group internal loan Det Norske Veritas Holding AS		**0.0**	0.0	0.0
0.0	0.0	0.0	Dividend paid		**0.0**	(185.0)	(183.8)
(600.0)	0.0	0.0	**Net cash flow from financing activities**		**8 376.6**	(285.0)	(588.3)
			LIQUIDITY				
4.0	16.9	(37.5)	Net cash flow from operations		**779.8**	792.2	2 286.5
0.0	0.0	0.0	Net cash flow from investments		**(12 549.7)**	(193.6)	(1 020.3)
(600.0)	0.0	0.0	Net cash flow from financing activities		**8 376.6**	(285.0)	(588.3)
(596.0)	16.9	(37.5)	**Net change in liquidity during the year**		**(3 393.2)**	313.7	677.9
1 198.2	1 181.3	1 218.8	Liquidity at 1 January		**7 788.5**	7 412.2	6 726.9
0.0	0.0	0.0	Cash in acquired companies		**0.0**	62.6	7.4
602.2	1 198.2	1 181.3	**Liquidity at 31 December**		**4 395.3**	7 788.5	7 412.2

PARENT AND 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 2015	**283.5**	**907.6**	**0.0**	**0.0**	**1 191.1**
Profit for the period		(0.9)			(0.9)
Equity at 31 December 2016	**283.5**	**906.6**	**0.0**	**0.0**	**1 190.1**
Profit for the period		(3.8)			(3.8)
Equity at 31 December 2017	**283.5**	**902.9**	**0.0**	**0.0**	**1 186.4**

Changes in equity in Stiftelsen Det Norske Veritas Consolidated

	Foundation capital	Other equity	Currency translation differences	Non-controlling interest	**Total**
Equity at 31 December 2015	**283.5**	**13 735.6**	**2 818.3**	**6 919.0**	**23 756.6**
Profit for the period		941.9		(65.9)	876.0
Actuarial gains/(losses) on defined benefit pension plans		(54.5)		(31.3)	(85.8)
Exchange differences			(671.0)	(385.7)	(1 056.7)
Share of other comprehensive income from associates		38.6		22.2	60.8
Other equity changes		(15.8)		(28.1)	(43.8)
Equity at 31 December 2016	**283.5**	**14 645.8**	**2 147.2**	**6 430.1**	**23 507.1**
Profit/(loss) for the period		272.0		11.7	283.7
Actuarial gains/(losses) on defined benefit pension plans		423.6			423.6
Exchange differences			885.1		885.1
Change in fair value of interst rate swap		4.0			4.0
Buyout non-controlling interest		(5 603.8)		(6 396.2)	(12 000.0)
Adjustment of payroll tax defined benefit pension plans Norway[1]		(63.1)			(63.1)
Other equity changes				(5.9)	(5.9)
Equity at 31 December 2017	**283.5**	**9 678.6**	**3 032.4**	**39.7**	**13 034.6**

1. In previous years, the IAS 19 actuarial calculations have not shown a split between the pension liabilities for the Norwegian funded and unfunded pension plans. Thus, payroll taxes have historically been reflected on the total net pension liabilities for these plans. For 2017, the IAS 19 actuarial calculations have been made for the funded and the unfunded pension liabilities separately resulting in an increase of payroll tax of NOK 63.1 million as per 1 January 2017. The amount has been adjusted to other equity in 2017.

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.

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.

Financial derivatives
The group use financial derivative instruments to hedge its interest-rate risk. Derivatives are recognized at fair value with changes recognized in other comprehensive income.

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.

Restructuring provisions
Restructuring provisions are recognized only when the Group had a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline, and the employees affected have been notified of the plan's main features.

Onerous lease
Provision for onerous lease contracts represents the present value of the future lease payments that the Group is presently obligated to make under non-cancellable onerous operating lease contracts, less revenue expected to be earned on the onerous lease, including estimated future sub-lease revenue, where applicable. The estimate may vary as a result of changes in the utilisation of the leased premises and sub-lease arrangements where applicable.

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 and sale of operations

Significant changes in group structure 2017

Through its fully owned subsidiary Det Norske Veritas Holding AS, Stiftelsen Det Norske Veritas increased its shareholding in DNV GL Group AS (DNV GL) from 63.5% to 100% in December 2017 by an acquisition of 36.5% of the shares from Mayfair Beteiligungsfonds II GmbH & Co. KG The acquisition price for the 36.5% of the shares in DNV GL Group AS was NOK 12.0 billion and it was financed with NOK 8.0 billion from syndicated bank loans and NOK 4.0 billion from internal sources. The acquisition cost in excess of book value of the non-controlling interest has been reflected as NOK 5.6 billion reduction of other equity.

28 September 2017, DNV GL acquired 100% of the shares in Computational Industry Technologies AS ("ComputIT"). ComputIT is a specialist independent company for Computational Fluid Dynamics (CFD) software and R&D with headquarter in Trondheim, Norway. The ComputIT software is used by oil and gas industry worldwide. For DNV GL Group, the acquisition of ComputIT is a good strategic fit in both analytical and sales capabilities in the oil and gas industry.

Acquisitions 2017

Company/activities	Transaction date	Owner-ship	Purchase currency	Acquisition cost local currency *(million)*	External revenue incl. in 2017 acct. mill NOK
ComputIT	28/09/17	100%	NOK	30.0	5.0

The acquisition cost in excess of net book value of the equity, NOK 31 million has been allocated to goodwill.

Cash flow on acquisition:

Net cash acquired with the subsidiaries	0.0
Consideration paid in cash	(24.0)
Net cash flow on acquisition	(24.0)

The difference between NOK 30 million acquisition cost and NOK 24 million consideration paid is consideration to be paid one year after the acquisition date.

Divestments 2017

Effective 29 September 2017, Det Norske Veritas Holding AS sold the shares in the fully owned subsidiary Søndre Rød AS, a real estate company, to Merkantilbygg Holding AS. The sale generated a gain of NOK 77.7 million, included in the income statement as sale of operations in 2017.

Amounts in NOK million

Significant changes in group structure 2016

Significant changes in group structure 2016

18 January 2016, DNV GL acquired 100% of the shares in Gothia Power AB. Gothia Power is an established consulting company with a strong market position and network in the electric power field in Sweden. The company offers advanced analysis and measurements for power production, power transmission and power consumption. For DNV GL Group, the acquisition of Gothia Power establishes DNV GL's technical and strategic power systems in the Swedish and Baltic energy markets and further strengthens DNV GL's leading position worldwide.

In July 2016, DNV GL acquired 100% of the shares in GreenPowerMonitor. GreenPowerMonitor is an international company, with headquarter in Barcelona, that offers products and services in the renewable energy sector, with a specific focus in the photovoltaic space. The company is a leading provider of solar monitoring, control and asset management systems. For DNV GL Group, the acquisition of GreenPowerMonitor fits strategically by bringing together world leading domain knowledge, technical expertise as well as digital delivery platforms and data-driven services.

In October 2016, the Oil & Gas Material & Failure Analysis laboratory in Germany (Germanischer Lloyd Prüflabor GmbH) was sold to Element Materials Technology Herne GmbH. Germanischer Lloyd Prüflabor GmbH offers material testing, metallurgical examinations and failure investigations through its four labs in Germany. A sales gain of NOK 125 million from the transaction is included in the income statement for 2016. The divestment was settled in cash.

Acquisitions 2016

Company/activities	Transaction date	Owner-ship	Purchase currency	Acquisition cost local currency *(million)*	External revenue incl.in 2016 acct. mill NOK
Gothia Power AB	18.01.2016	100%	SEK	83.3	21.9
GreenPowerMonitor	07.07.2016	100%	EUR	16.2	41.5

Preliminary purchase price allocations (PPA):

	Acquisition cost	of which Custom. relations	Custom. contracts	Def. tax	Net assets	Goodwill
Gothia Power AB	84.3	12.7	4.9	(4.7)	6.1	65.7
GreenPowerMonitor	150.3	34.7	3.1	(10.6)	45.4	77.7

Cash flow on acquisition:

Net cash acquired with the subsidiaries	62.6
Consideration paid in cash	(234.6)
Net cash flow on acquisition	(172.0)

NOTES TO THE FINANCIAL STATEMENTS

Amounts in NOK million

Significant changes in group structure 2015

13 February 2015, DNV GL acquired ISC (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 organization. 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 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 three years at an agreed price. 100% of Marine Cybernetics AS was included in the DNV GL Group AS 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 *(million)*	External revenue incl.in 2015 acct. mill NOK
International Standard Certification Japan Co., Ltd.	13.02.2015	100%	JPY	1.0	**7.6**
International Standards Certification Pty Ltd, Australia	13.02.2015	100%	AUD	6.0	**21.1**
Noomas Sertifisering AS	31.08.2015	100%	NOK	43.5	**8.5**

The acquisition cost in excess of net book value of the equity has 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)

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.

NOTES TO THE FINANCIAL STATEMENTS

Amounts in NOK million

4. External operating revenue

	STIFTELSEN DET NORSKE VERITAS CONSOLIDATED		
Geographical area:	**2017**	2016	2015
Nordic countries	**4 083.1**	4 024.8	4 564.3
Europe and Africa	**6 945.9**	7 325.5	7 642.9
Asia Pacific	**4 544.6**	5 349.8	6 710.8
North and South America	**4 017.2**	4 151.9	4 598.1
Total operating revenue	**19 590.8**	20 852.0	23 516.2
Business areas:			
DNV GL Maritime	**7 021.2**	8 216.1	9 885.9
DNV GL Oil & Gas	**4 593.7**	4 954.5	6 053.6
DNV GL Energy	**3 677.0**	3 582.5	3 522.6
DNV GL Business Assurance	**3 278.4**	3 145.9	3 024.0
DNV GL Software	**852.0**	859.1	823.9
DNV Real Estate company - Det Norske Veritas Eiendom AS	**38.1**	18.0	26.4
Gain on sale of business activities (note 3)	**77.7**	0.0	99.5
Other	**52.6**	76.0	80.4
Total operating revenue	**19 590.8**	20 852.0	23 516.2

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.

5. Payroll expenses

	STIFTELSEN DET NORSKE VERITAS CONSOLIDATED		
	2017	2016	2015
Salaries	**9 254.2**	10 030.0	10 309.5
Payroll tax	**1 101.7**	1 233.1	1 244.5
Pension costs	**879.8**	905.5	940.5
Effect of pension plan changes/curtailment effects	**(20.3)**	(64.1)	70.0
Other contributions	**462.9**	449.7	551.5
Total payroll expenses	**11 678.3**	12 554.2	13 116.0
Man years	**12 716**	13 298	14 682
Total bonus expenses	**214.0**	53.0	67.0

NOTES TO THE FINANCIAL STATEMENTS

Amounts in NOK million

6. Other operating expenses

STIFTELSEN DET NORSKE VERITAS				STIFTELSEN DET NORSKE VERITAS CONSOLIDATED		
2017	2016	2015		**2017**	2016	2015
0.0	0.0	0.0	Travel expenses	**1 111.8**	1 164.1	1 304.5
0.0	0.0	0.0	ICT and communication expenses	**748.7**	875.6	889.6
0.0	0.0	0.0	Rent and real estate expenses	**1 022.9**	1 020.8	1 032.2
0.0	0.0	0.0	Losses on accounts receivables	**51.5**	46.9	98.5
0.0	3.6	2.3	Expenses group companies	**0.0**	0.0	0.0
4.4	4.8	4.2	Other expenses	**3 416.0**	3 417.4	4 180.5
4.4	8.4	6.5	**Total other operating expenses**	**6 350.9**	6 524.8	7 505.2

The Group recognized expenses of NOK 369.1 million in relation to operating leases in 2017. 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:	**2017**	2016	2015
Within one year	**543.9**	451.8	517.2
After one year but not more than five years	**1 753.7**	1 015.1	1 235.4
More than five years	**3 796.7**	3 852.5	2 907.9[1]
Total	**6 094.3**	5 319.4	4 660.5

1. Due to more accurate information obtained, the figures for 2015 and 2016 have been updated

7. Remuneration to Board of Directors and auditor fees

Remuneration to Group CEO

Remuneration to Group CEO, Remi Eriksen, is paid from DNV GL AS. Please refer to note 7 in the financial statements for DNV GL Gorup AS for further disclosures.

Board remuneration paid in 2017:[1]

Name	Stiftelsen Det Norske Veritas	Other Group companies[4]
Leif-Arne Langøy	282	455
Morten Ulstein	174	303
Liv Aune Hagen	71	282
Rebekka Glasser Herlofsen [2]	41	189
Nina Ivarsen	71	282
Clemens Keuer	71	282
Liselott Kilaas	71	333
Lasse Kristoffersen [3]	30	119
Christelle G.V. Martin [2]	41	163
Mette Bandholtz Nielsen [2]	41	163
C. Thomas Rehder [2]	41	163
Silvija Seres [3]	30	119
Birgit Aagaard-Svendsen [3]	30	132
Da Wei Tian [3]	30	119
Nikolaos Papanikos [3]	0	119

Remuneration to the Control Committee paid 2017:[1]

Name	Stiftelsen Det Norske Veritas
Ivar Brandvold	124
Åse Aulie Michelet	83
Sverre Svenning	45
Tore Ulstein	45

Remuneration to the Nomination Committee paid 2017:[1]

Name	Stiftelsen Det Norske Veritas
Walter Qvam	171
Sturla Henriksen	102
Karl Henrik Kjelstad	54
Wenche Agerup	54
Wenche Nistad	19
Ingvild Sæther	10

1. Amounts in NOK thousand
2. Member of the Board of Directors until 1 August 2017
3. Member of the Board of Directors from 1 August 2017
4. Includes remunerations for Board Audit Committee and Board Compensation Committee

Fees to the auditors for 2017 (*amounts in NOK thousand*)	Stiftelsen Det Norske Veritas	Group auditor other Norwegian entities	Group auditor non-Norwegian entities	Other auditors	Total
Statutory audit	260	3 732	14 814	2 527	21 333
Tax consulting services		165	2 161	641	2 967
Other audit related services		19	0	290	309
Non-audit services		3 404	559	42	4 005

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

All employees are employed in subsidiaries of DNV Gl Group AS. DNV GL Group AS has both defined contribution pension plans and defined benefit pension plans. 10 299 employees are covered by the defined contribution pension plans while 3 736 persons (employees and pensioneers) are covered by defined benefit pension plans. All defined benefit pension plans are closed for new entrants, however active members still build up their pension rights under these plans. End of service benefit schemes in some countries (mainly Middle East and Asian countries with statutory defined benefit plan requirements) are still open for new entrants. These end of service benefit schemes are required by law and fully settled at retirement or resignation.

The structure of the defined benefit 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.

The defined benefit pension plans in Norway are mainly 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 UK plans (closed in 2017) are financed through a separate pension fund, while the other plans are mainly financed through independent administrative funds/insurance companies. The pension cost and the pension liabilities as included in the accounts and in this note, are 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 and statutory regulations in the country where the pension plan is administered. Total pension costs for 2017 are NOK 859.5 million of which NOK 208.5 million are related to the defined benefit pension plans and NOK 651.0 million are related to the defined contribution pension plans and end of service benefit schemes.

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. 2017**	31 Dec. 2016	31 Dec. 2015
Buildings and property	**181.0**	181.0	290.0
Mutual equity funds and hedge funds	**3 567.1**	3 010.1	2 399.9
Norwegian bonds and bond funds	**1 539.1**	1 693.6	1 785.7
Non-Norwegian bonds and bond funds	**100.5**	208.6	197.0
Bank accounts, other assets and liabilities	**1 039.7**	869.6	1 316.5
Total market value of plan assets Norway (DNV GL Pension fund)	**6 427.4**	5 962.9	5 989.0
Actual return on plan assets	**674.4**	272.9	210.3

NOTES TO THE FINANCIAL STATEMENTS

Amounts in NOK million

Pension cost - defined benefit pension schemes:	Funded Norwegian defined benefit pension plans			German defined benefit pension plans			Other defined benefit pension plans		
	2017	2016	2015	**2017**	2016	2015	**2017**	2016	2015
Net present value of this year's pension contribution	**138.8**	148.7	176.6	**40.1**	47.5	50.5	**30.4**	41.9	51.2
Effect of plan changes/ curtailments	**0.0**	(56.0)	0.0	**0.0**	(8.1)	0.0	**(20.3)**	0.0	30.6
Payroll tax	**19.6**	13.1	24.9	**0.0**	0.0	0.0	**0.0**	0.0	0.0
Net present value of this year's pension contribution	**158.4**	105.8	201.4	**40.1**	39.4	50.5	**10.1**	41.9	81.8
Net interest on the net defined benefit liability (asset)	**(10.4)**	(12.3)	1.6	**41.3**	47.4	48.6	**2.9**	3.0	4.6
Payroll tax	**(1.5)**	(1.7)	0.2	**0.0**	0.0	0.0	**0.0**	0.0	0.0
Net interest on the net defined benefit liability (asset)	**(11.9)**	(14.0)	1.9	**41.3**	47.7	48.6	**2.9**	3.0	4.6

Net pension asset (liabilities)- defined benefit pension schemes:	Funded Norwegian defined benefit pension plans			German defined benefit pension plans			Other defined benefit pension plans		
	31 Dec. 2017	31 Dec. 2016	31 Dec. 2015	**31 Dec. 2017**	31 Dec. 2016	31 Dec. 2015	**31 Dec. 2017**	31 Dec. 2016	31 Dec. 2015
Market value of plan assets	**6 427.4**	5 962.9	5 989.0	**66.1**	62.7	60.7	**2 059.9**	1 857.8	2 276.7
Actuarial present value of pension liabilities	**(5 767.7)**	(5 630.2)	(5 680.6)	**(2 559.3)**	(2 359.0)	(2 347.7)	**(2 060.7)**	(2 012.8)	(2 394.6)
Payroll tax	**(98.8)**	(11.0)	(29.3)	**0.0**	0.0	0.0	**0.0**	0.0	0.0
Net pension asset (liabilities)	**560.9**	321.7	279.1	**(2 493.2)**	(2 296.3)	(2 287.0)	**(0.9)**	(155.0)	(117.9)

End of service benefit schemes:	Norwegian schemes			German schemes			Other schemes		
	31 Dec. 2017	31 Dec. 2016	31 Dec. 2015	**31 Dec. 2017**	31 Dec. 2016	31 Dec. 2015	**31 Dec. 2017**	31 Dec. 2016	31 Dec. 2015 [1]
Net liability	**0.0**	0.0	0.0	**0.0**	0.0	0.0	**(171.1)**	(183.5)	(214.5)
Hereof recorded in the balance sheet as:									
Net pension asset	**560.9**	321.7	279.1	**0.0**	0.0	0.0	**65.9**	3.9	4.9
Pension liabilities	**0.0**	0.0	0.0	**(2 493.2)**	(2 296.3)	(2 287.0)	**(66.7)**	(158.8)	(122.8)
Other non-current liabilities	**0.0**	0.0	0.0	**0.0**	**0.0**	0.0	**(171.1)**	(183.5)	(214.5)

1) Regrouped from pension liabilitites to other non-current liabilities in the balance sheet statement 31 December 2015.

Amounts in NOK million

The assumptions (discount rate, covered bonds) for calculation of the pension liabilities in Norway have been changed from 2.5% to 2.4%. The changed assumptions led to increased pension liabilities of NOK 100 million in 2017.

The defined benefit pension plan in UK was closed in 2017, resulting in a curtailment effect of NOK 20 million reflected in the income statement in 2017.

NOK 423.6 million actuarial gains on defined benefit pension plans has been reflected in other comprehensive income/other equity in 2017.

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

	Norwegian schemes[2]			German schemes			Other schemes		
	31 Dec. 2017	31 Dec. 2016	31 Dec. 2015	**31 Dec. 2017**	31 Dec. 2016	31 Dec. 2015	**31 Dec. 2017**	31 Dec. 2016	31 Dec. 2015
Discount rate[1]	**2.40%**	2.50%	2.60%	**1.8%**	1.8%	2.2%	**1.3–10.5%**	1.0–8.1%	1.0–9.5%
Projected annual salary adjustment	**2.75%**	2.75%	2.75%	**2.5%**	2.5%	2.5%	**2.0–9.0%**	2.5–10.0%	2.0–10.0%
Projected annual increase in pension benefit	**1.75%**	1.75%	1.75%	**1.5%**	1.5%	1.5%	**0.0–2.9%**	0.0–3.1%	0.0–3.0%
Projected annual increase of Norwegian government basis pension	**2.25%**	2.25%	2.25%						
Expected annual return on plan assets	**2.40%**	2.50%	2.60%	**1.8%**	1.8%	2.2%	**1.3–10.5%**	1.0–7.9%	1.0–9.5%

1. Covered bond rate for Norwegian schemes

2. The pension liability calculations for the Norwegian schemes are based on K2013BE (standard best estimate mortality table).

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	473.0	(540.0)	(160.0)	197.0
Impact on defined benefit obligation German plans	174.9	(178.9)	(17.4)	17.3

NOTES TO THE FINANCIAL STATEMENTS

Amounts in NOK million

9. Financial income and financial expenses

STIFTELSEN DET NORSKE VERITAS				STIFTELSEN DET NORSKE VERITAS CONSOLIDATED		
2017	2016	2015		**2017**	2016	2015
24.7	32.4	10.7	Return on financial investments	**97.4**	101.8	27.8
0.0	0.0	0.0	Net arbitration and BCA settlements (note 20)	**6.2**	723.9	0.0
0.0	0.0	0.0	Profit (loss) from investment in associates (note 15)	**(1.1)**	(1.7)	5.6
0.0	0.0	0.0	Gain from sale of avaliable for sale investments	**1.6**	7.2	0.0
0.0	0.0	0.0	Net interest on the net defined benefit liability (asset) (note 8)	**(32.3)**	(38.8)	(56.5)
0.7	0.3	0.1	Net interest income group companies	**0.0**	0.0	0.0
0.0	0.0	0.0	Other net interest income (expense)	**(6.8)**	17.3	42.7
(0.5)	0.2	0.0	Currency gains (losses)	**(38.4)**	49.8	47.0
0.0	0.0	0.0	Other financial items	**(34.2)**	(26.0)	(27.3)
24.8	32.9	10.8	**Net financial income (expenses)**	**(7.6)**	833.6	39.3

10. Financial market risk

The Group's main financial market risks are liquidity risk, foreign currency risk, credit risk, interest rate risk and pension plan 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 (EUR, USD, NOK, GBP, CNY and KRW) make up for 77% 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 968 million. The Group does not apply hedge accounting and realized and unrealized gains and losses are recognized in the income statement. Unrealized net gain at year end is NOK 5.9 million.

A change in USD exchange rate of +/- 1 percentage point will lead to a change in operating revenue of approximately +/- NOK 33 million and a change in operating profit (EBIT) of approximately +/- NOK 2 million. A change in EUR exchange rate of +/- 1 percentage point will lead to a change in operating revenue of approximately +/- NOK 52 million and a change in operating profit (EBIT) of approximately +/- 4 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, the Revolving Credit Facility and the part of the Term Loan not hedged through interest rate swaps. The risks combined are considered to have limited effect.

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.

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Amounts in NOK million

11. Tax

STIFTELSEN DET NORSKE VERITAS				STIFTELSEN DET NORSKE VERITAS CONSOLIDATED		
2017	2016	2015		**2017**	2016	2015
			Tax expense consists of:			
18.7	18.5	15.0	Norwegian wealth tax	**18.7**	18.5	15.0
5.5	7.1	2.2	Norwegian income tax	**110.2**	77.2	145.7
0.0	0.0	0.0	Income tax outside Norway	**422.2**	626.4	722.0
0.0	0.0	0.0	Change in previous years taxes	**(0.1)**	9.2	0.0
24.2	25.5	17.2	Total tax payable	**551.1**	731.2	882.7
0.0	0.0	0.0	Change in deferred tax in Norway	**53.4**	(0.1)	(111.4)
0.0	0.0	0.0	Effect of changed tax rate	**50.0**	12.9	(13.9)
0.0	0.0	0.0	Change in deferred tax outside Norway	**(275.0)**	(227.4)	15.4
0.0	0.0	0.0	Total change in deferred tax	**(171.5)**	(214.6)	(109.9)
24.2	25.5	17.2	**Tax expense**	**379.7**	516.7	772.9
4.9	6.1	1.2	Tax on profit at 24% (25% in 2016, 27% in 2015)	**159.2**	348.2	541.6
			Tax effect of:			
0.0	0.0	0.0	Foreign tax exempt branches	**1.0**	0.0	1.3
0.0	0.0	0.0	Non refundable foreign withholding taxes	**82.0**	153.8	60.1
0.0	0.0	0.0	Gain sale of shares	**(0.4)**	(30.1)	0.0
0.0	0.0	0.0	Impairment of goodwill	**0.0**	74.8	0.0
0.0	0.0	0.0	Changes of previous years taxes	**(12.4)**	0.1	1.0
0.0	0.0	0.0	Effect of changed tax rate	**46.6**	10.5	13.9
18.7	18.5	15.0	Norwegian wealth tax	**18.7**	18.5	15.0
0.0	0.0	0.0	Tax assets not recognized current year	**38.8**	55.3	99.9
0.0	0.0	0.0	Differences between tax rates in Norway and abroad	**7.1**	8.8	(6.3)
0.6	0.9	1.0	Other permanent differences	**38.8**	(123.1)	46.4
24.2	25.5	17.2	**Tax expense**	**379.7**	516.7	772.9
			Effective tax rate	**57%**	37%	39%
			Net tax-reducing/tax-increasing temporary differences:			
0.2	0.3	0.3	Non-current assets	**1 676.6**	1 883.3	2 953.9
0.0	0.0	0.0	Current assets	**357.5**	254.0	94.4
0.0	0.0	0.0	Liabilities including pension liabilities	**(2 264.4)**	(2 363.9)	(2 474.7)
0.0	0.0	0.0	Tax loss to be carried forward	**(993.5)**	(993.4)	(1 087.5)
0.2	0.3	0.3	**Basis for deferred tax asset/liability**	**(1 223.8)**	(1 220.1)	(531.9)
23%	24%	25%	Tax rates applied	**17%–42%**	17%–42%	17%–42%
0.0	0.0	0.0	**Deferred tax asset**	**986.8**	1 027.8	1 103.7
(0.0)	(0.1)	(0.1)	**Deferred tax liability**	**(601.3)**	(703.6)	(1 053.7)

In addition to deferred tax asset of NOK 986.8 million and deferred tax liability of NOK 601.3 million, the Group has accumulated tax-loss to be carried forward amounting to NOK 606 million. As the future utilization of these tax losses cannot be demonstrated, the related deferred tax asset (DTA) of NOK 124 million, is not recognized in the balance sheet.

NOK 123 million deferred tax cost related to actuarial gains on defined benefit pension plans, has been reflected in other comprehensive income/ other equity, together with the related actuarial gain.

NOTES TO THE FINANCIAL STATEMENTS

Amounts in NOK million

12. Intangible assets

	Goodwill	Customer contracts	Customer relations	Tech-nology	Trade-marks	Other intangible assets	Total
Acquisition cost							
1 January 2016	8 819.2	431.8	2 202.5	912.5	549.9	724.4	13 640.4
Additions	143.3	7.9	47.1	0.0	4.7	0.0	203.1
Additions from internal developments	0.0	0.0	0.0	0.0	0.0	322.3	322.3
Disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency translation differences	(456.0)	(22.6)	(133.6)	(48.4)	(36.3)	(19.1)	(715.9)
Total acquisition cost 31 Dec 2016	**8 506.6**	**417.2**	**2 116.0**	**864.1**	**518.3**	**1 027.7**	**13 449.9**
Additions	30.5	0.0	0.0	0.0	0.2	6.0	36.7
Additions from internal developments	0.0	0.0	0.0	0.0	0.0	364.5	364.5
Disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency translation differences	664.2	30.9	176.4	64.9	40.0	27.4	1 003.7
Total acquisition cost 31 Dec 2017	**9 201.4**	**448.1**	**2 292.4**	**929.0**	**558.5**	**1 425.6**	**14 854.9**
Accumulated amortization and impairment							
1 January 2016	(61.1)	(300.1)	(569.0)	(427.6)	0.0	(210.9)	(1 568.6)
Amortization	0.0	(77.7)	(220.6)	(181.8)	0.0	(39.0)	(519.1)
Impairment	(299.0)	0.0	0.0	0.0	0.0	(11.6)	(310.6)
Disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency translation differences	2.3	17.4	35.6	25.7	0.0	8.6	89.6
Total accum. amortization and impairment 31 Dec. 2016	**(357.7)**	**(360.4)**	**(754.1)**	**(583.6)**	**0.0**	**(252.9)**	**(2 308.7)**
Amortization	0.0	(22.3)	(221.8)	(180.5)	0.0	(78.8)	(503.3)
Impairment	0.0	0.0	0.0	0.0	0.0	(15.3)	(15.3)
Disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency translation differences	(1.6)	(30.4)	(76.6)	(56.9)	0.0	(13.8)	(179.2)
Total accum. amortization and impairment 31 Dec. 2017	**(359.3)**	**(413.1)**	**(1 052.4)**	**(821.0)**	**0.0**	**(360.8)**	**(3 006.6)**
Net book value							
At 31 December 2017	**8 842.1**	**35.0**	**1 239.9**	**108.0**	**558.5**	**1 064.8**	**11 848.3**
At 31 December 2016	8 148.9	56.8	1 361.9	280.5	518.3	774.8	11 141.2
At 31 December 2015	8 758.1	131.7	1 633.5	484.9	549.9	513.6	12 071.8
Useful life		1–5 years	6–16 years	5–7 years	Indef.	5–10 years	

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

Amounts in NOK million

13. Impairment testing of 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 and Software. The test is performed at year end. An impairment loss is recognized if the estimated recoverable amount is lower than the carrying amount of the cash generating unit.

Goodwill is allocated to the business areas as follows:	**2017**	2016	2015
Maritime	**3 175.6**	2 951.7	3 103.2
Oil & Gas	**3 553.3**	3 285.0	3 466.6
Energy	**1 914.8**	1 749.4	2 018.3
Business Assurance	**150.4**	145.4	152.5
Software	**47.9**	17.4	17.4
Total goodwill	**8 842.1**	8 148.9	8 758.1

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) Post-tax	Long-term nominal growth rate
Maritime	7.4%	1.5%
Oil & Gas	7.8%	1.5%
Energy	7.7%	1.5%
Business Assurance	7.4%	1.5%
Software	8.4%	1.5%

Sensitivity analysis

In connection with impairment test of goodwill, sensitivity analysis are carried out for each individual cash-generating unit. For Energy a decrease in EBITA-margin of 1.0% or an increase in WACC of 0.7% will leade to impairment. For Oil & Gas a decrease in EBITA-margin of 1.7% or an increase in WACC of 1.4% will lead to impairment.

None of the other cash-generating units 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 2016	3 169.1	4 432.7	7 601.8
Additions	283.7	223.5	507.2
Additions from business combinations	0.0	2.2	2.2
Disposals	(43.6)	(269.7)	(313.4)
Divestment of a subsidiary (note 3)	0.0	(76.2)	(76.2)
Currency translation differences	(107.7)	(138.6)	(246.3)
Total acquisition cost 31 December 2016	**3 301.4**	**4 173.9**	**7 475.3**
Additions	92.6	264.3	356.9
Additions from business combinations	0.4	4.4	4.8
Disposals	(38.1)	(159.2)	(197.3)
Divestment of a subsidiary (note 3)	(15.2)	0.0	(15.2)
Currency translation differences	76.9	143.5	220.3
Total acquisition cost 31 December 2017	**3 418.0**	**4 426.8**	**7 844.8**
Accumulated depreciation and impairment			
1 January 2016	946.2	2 776.4	3 722.5
Depreciation	114.6	265.3	379.9
Impairment	0.7	3.7	4.4
Disposals	(12.5)	(243.1)	(255.7)
Divestment of a subsidiary (note 3)	0.0	(53.4)	(53.4)
Currency translation differences	(27.1)	(88.6)	(115.6)
Total accumulated depreciation and impairment 31 December 2016	**1 021.8**	**2 660.3**	**3 682.1**
Depreciation	123.6	234.4	358.0
Impairment	13.9	0.0	13.9
Disposals	(18.6)	(132.4)	(151.0)
Currency translation differences	19.6	65.1	84.7
Total accumulated depreciation and impairment 31 December 2017	**1 160.4**	**2 827.4**	**3 987.8**
Net book value			
31 December 2017	**2 257.5**	**1 599.4**	**3 856.9**
31 December 2016	2 279.5	1 513.6	3 793.1
31 December 2015	2 222.8	1 656.4	3 879.2
Useful life	15–67 years/ indefinite (land)	3–15 years	
Depreciation plan	Linear	Linear	

NOTES TO THE FINANCIAL STATEMENTS

Amounts in NOK million

15. Investment in associates

Stiftelsen Det Norske Veritas' 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	(4.0)	**4.3**
StormGeo Holding AS	Bergen	27%	145.5	2.9	**184.1**
Total investment in associates				**(1.1)**	**188.4**

16. Other current liabilities

	STIFTELSEN DET NORSKE VERITAS CONSOLIDATED		
	31 Dec. 2017	31 Dec. 2016	31 Dec. 2015
Advances from customers	**2 257.8**	1 996.8	2 494.5
Accrued bonus to employees	**262.8**	120.7	253.9
Accrued holiday allowances	**415.8**	495.4	542.2
Unrealized loss (gain) and interest related to forward contracts	**0.0**	25.2	35.7
Accrued expenses and other short-term liabilities	**1 204.1**	1 304.1	1 360.8
Total other current liabilities	**4 140.5**	3 942.3	4 687.1

17. Trade debtors

	STIFTELSEN DET NORSKE VERITAS CONSOLIDATED		
	31 Dec. 2017	31 Dec. 2016	31 Dec. 2015
Gross trade debtors	**4 484.7**	4 409.6	5 611.5
Provision for bad debts	**(169.9)**	(180.5)	(369.2)
Net trade debtors	**4 314.8**	4 229.1	5 242.3

18. Other long-term receivables

	STIFTELSEN DET NORSKE VERITAS CONSOLIDATED		
	31 Dec. 2017	31 Dec. 2016	31 Dec. 2015
Loans to employees	**42.5**	46.4	54.7
Loan to affiliated companies, DNV Nemko Presafe AS	**34.5**	32.8	31.3
Loan to Veritas Petroleum Services BV controlled by IK Investment Partners Ltd.	**0.0**[1]	0.0[1]	322.7
Other long-term receivables	**392.0**	312.5	350.1
Total other long-term receivables	**468.9**	391.7	758.8

1) The loan is repaid in 2017 and reclassified to other debtors under other current assets in 2016

NOTES TO THE FINANCIAL STATEMENTS

Amounts in NOK million

19. Provisions

STIFTELSEN DET NORSKE VERITAS CONSOLIDATED

	Claims and contingencies	Indemni-fication	Onerous lease	Others	Total
Balance at 1 January 2015	188.7	125.4	0.0	86.4	400.5
Currency translation differences	6.9	0.0	0.0	0.0	6.9
Additions	50.0	0.0	0.0	396.5	446.5
Utilization	(6.0)	0.0	0.0	(74.5)	(80.5)
Reversal	(65.8)	0.0	0.0	0.0	(65.8)
Balance at 31 December 2015	**173.7**	**125.4**	**0.0**	**408.4**	**707.5**
Current	100.0	125.4	0.0	375.5	600.9
Non-current	73.7	0.0	0.0	32.9	106.6
Balance at 1 January 2016	**173.7**	**125.4**	**0.0**	**408.4**	**707.5**
Currency translation differences	(4.0)	0.0	0.0	(7.6)	(11.5)
Additions	3.0	0.0	110.3	354.7	468.0
Utilization	0.0	(125.4)	0.0	(343.9)	(469.3)
Reversal	0.0	0.0	0.0	(6.7)	(6.7)
Balance at 31 December 2016	**172.8**	**0.0**	**110.3**	**404.9**	**688.0**
Current	103.0	0.0	39.5	366.5	509.0
Non-current	69.8	0.0	70.9	38.4	179.0
Balance at 1 January 2017	**172.8**	**0.0**	**110.3**	**404.9**	**688.0**
Currency translation differences	5.9	0.0	2.9	22.7	31.4
Additions	0.0	0.0	65.7	261.7	327.5
Utilization	(32.0)	0.0	(36.7)	(311.3)	(380.0)
Reversal	(25.0)	0.0	(5.8)	(8.8)	(39.6)
Balance at 31 December 2017	**121.6**	**0.0**	**136.4**	**369.1**	**627.2**
Current	46.0	0.0	64.2	328.6	438.8
Non-current	75.6	0.0	72.2	40.6	188.4

Provisions for claims and contingencies concern fair value of pending legal disputes from acquisitions and provisions for other pending legal disputes.
Provisions for indemnification 1 January 2016 were related to the Business Combination Agreement between Stiftelsen Det Norske Veritas and Mayfair. The provision was settled in 2016.
Onerous lease provisions represent best estimates of the net lease obligations (net of incoming cash flows expected from sub-lease) under the onerous lease contracts at year-end 2017. The provisions have been discounted.
Included in other provisions are provisions for restructuring, termination benefits and onerous contracts.

20. Settlements with the minority shareholder in DNV GL Group AS

After the merger of DNV and GL in 2013, the two shareholders of DNV GL Group AS have had a dispute based on certain representations and warranties in the Business Combination Agreement. In 2016 the Arbitration Institute of the Stockholm Chamber of Commerce awarded Det Norske Veritas a total cash compensation plus interest and legal costs.

The Business Combination Agreement from 2013 includes indemnification clauses related to tax from the pre-merger period and other pre-merger events. As per 31 December 2017 all cases have been settled.

Arbitration and Business Combination Agreement settlements included in income statement for 2017 and 2016:

	2017	2016
Reimbursement of legal costs (included in other operating expenses)		24.1
Net financial income	6.2	723.9
Net gain from arbitration and Business Combination Agreement settlements	**6.2**	**748.0**

The net cash flow from arbitration and Business Combination Agreement settlements was NOK 6.2 millon in 2017 (NOK 622.6 million in 2016).

21. Cash and bank deposits

Det Norske Veritas Holding AS has the following cash pool system:

Bank	Overdraft facility	Participating entities	Balance 31 Dec 2017 NOK million
DNB ASA	NOK 50 million	Stiftelsen DNV, Det Norske Veritas Eiendom AS	147

DNV GL Group AS has the following cash pool systems:

Bank	Overdraft facility	Participating entities	Balance 31 Dec 2017 NOK million
Danske Bank	NOK 100 million	Most of the DNV GL subsidiaries in Norway, Denmark, Sweden, Finland, UK, Ireland, Faroe Islands, and the Baltics	447
Deutsche Bank	EUR 10 million	Some subsidiaries in Europe	267
Bank of America	USD 10 million	Most of the DNV GL subsidiaries in US	442
DNB ASA	NOK 50 million	Most of legacy DNV legal entities	312
Handelsbanken		Some DNV GL subsidiaries in Sweden, Poland, Finland, Estonia, Latvia, Lithuania and Germany	24
Citibank		Some legacy DNV legal entities in the Euro-countries	-19

Balances on bank accounts participating in the cash pooling systems are considered as internal assets or liabilities vis-à-vis other Group participants.
Cash pool balances 31 December are included in Cash and bank deposits in the balance sheet at 31 December.

The following wholly owned subsidiaries have the following local credit facilities guaranteed by DNV GL Group AS or DNV GL AS through parent company guarantees:

Bank	Overdraft facility	Participating entities	Balance 31 Dec 2017 NOK million
Citibank China	CNY 50 million	Det Norske Veritas China Company Ltd	Undrawn
Citibank India	INR 40 + 30 INR million	DNV GL Business Assurance India Private Ltd	INR 9.7 million
Citibank India	INR 200 million	Garrad Hassan India Private Ltd	INR 200 million
Citibank Korea	KRW 17 000 million	DNV GL Korea Ltd	Undrawn
Citibank Brazil	BRL 15 million	DNV GL Classificacao Certificacao e Consultoria Brasil Ltda	BRL 7.2 million

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.

NOTES TO THE FINANCIAL STATEMENTS

Amounts in NOK million

22. Long-term loans

Det Norske Veritas Holding AS has an agreement for a NOK 1 500 million multi-currency revolving credit facility and a 6 500 million term loan facility with a bank syndicate consisting of Danske Bank, Handelsbanken Norwegian branch of Svenska Handelsbanken AB and Nordea. The facilities expire in December 2022 and were fully drawn per year-end 2017. The credit agreement supporting these facilities has certain covenants. Det Norske Veritas Holding AS was well within all covenants at year-end. The facilites are secured with a pledge in properties belonging to Det Norske Veritas Eiendom AS.

DNV GL Group AS has an agreement for a NOK 1 000 million multi-currency revolving credit facility with Handelsbanken Norwegian branch of Svenska Handelsbanken AB. The facility expires in May 2022 and was undrawn per year-end 2017. 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 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. 2017	31 Dec. 2016	31 Dec. 2015		**31 Dec. 2017**	31 Dec. 2016	31 Dec. 2015
0.0	0.0	0.0	Guarantee commitments not included in the accounts	**268.8**	272.6	369.8

These guarantees are not secured by mortgage
Guarantee commitments are mainly related to customer contracts entered into by DNV GL Group subsidiary companies.

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 2017 amounts to NOK 7.7 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 2017 is NOK 0.3 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 2017 was NOK 10.8 million and total purchases amount to NOK 20.7 million.

Amounts in NOK million

25. Financial assets and financial liabilities

31 December 2017	STIFTELSEN DET NORSKE VERITAS CONSOLIDATED Financial instruments at fair value through OCI	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				42.5	
Loans to employees			42.5		
Other long-term loans			34.5		
Other long-term receivables			392.0		
Assets – current assets					
Cash and bank deposits			4 395.3		
Trade debtors			4 314.8		
Other debtors			972.1		
Forward contracts		3.0			
Interest rate swap	5.2				
Financial liabilities – non-current					
Other non-current liabilities					461.3
Financial liabilities – current					
Trade creditors					524.5

31 December 2016	Financial instruments at fair value through OCI	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				40.7	
Loans to employees			46.4		
Other long-term loans			32.8		
Other long-term receivables			312.5		
Assets – current assets					
Cash and bank deposits			7 788.5		
Trade debtors			4 229.1		
Other debtors			1 312.5		
Financial liabilities – non-current					
Other non-current liabilities					266.3
Financial liabilities – current					
Trade creditors					479.5
Forward contracts		25.2			

26. Long-term loans

Cash flow hedges

Det Norske Veritas Holding AS entered a NOK 6 500 million Term Loan and a NOK 1 500 million Revolving Credit Facility in December 2017. The interest on the facilities consist of a floating interest element of NIBOR plus a margin. Hence, Det Norske Veritas Holding AS will have risk related to the variability in the cash flows caused by fluctuations in NIBOR. To limit the variations in the future cash flows NOK 3 250 million of the Term Loan Facility was hedged at a fixed NIBOR rate for 5 years. The interest rate swaps are measured at fair value through Other Comprehensive Income (OCI). Changes in fair value recognized in OCI in 2017 is NOK 4 million (after tax) gain.

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Stiftelsen Det Norske Veritas (Foundation), which comprise the financial statements for the Foundation and the Group. The financial statements for the Foundation and the Group comprise the balance sheet as at 31 December 2017, the statement of income, statement of comprehensive income, statements of cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements are prepared in accordance with law and regulations and present fairly, in all material aspects, the financial position of the Foundation and the Group as at 31 December 2017, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion
We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to the audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information
Other information consists of the information included in the Foundation's annual report other than the financial statements and our auditors report thereon. The Board of Directors and Group President & CEO (management) are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements
Management is responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern as basis of accounting, unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 Board of Directors' report concerning the financial statements, the going concern assumption and proposal for the allocation of 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 management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted 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, 26 April 2018
KPMG AS

Mona Irene Larsen
State Authorised Public Accountant

NOTES

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