

STATEMENT ON GOVERNANCE AND COMPANY MANAGEMENT

Export Credit Norway is wholly owned by the Norwegian state. Section 8.2.3 of the white paper on diverse and productive ownership (Meld. St. 27 (2013–2014)) states that all wholly state-owned companies should comply with the Norwegian Code of Practice for Corporate Governance (NUES) wherever applicable, and as part thereof provide an overall statement on their governance and company management, including an account of any non-conformances with the code.

Export Credit Norway follows the state's principles for good governance and company management, and has prepared a statement on its compliance with NUES.

Sections 1 to 15 below describe the company's observance of the individual parts of NUES. The statement provides an overarching description of fulfilment of the principles, the reasons for any non-conformances and the arrangements made by Export Credit Norway in response to non-conformances.

1. Implementation and reporting on corporate governance

Export Credit Norway was established pursuant to the Export Credit Act. The company is wholly owned by the Norwegian state as represented by the Ministry of Trade, Industry and Fisheries. Good governance and company management help Export Credit Norway to focus on its primary objective of promoting Norwegian exports by providing competitive, accessible and effective export financing.

The company's board of directors ensures that Export Credit Norway engages in good governance and company management, not least by adopting a risk management and internal control framework. The board has clarified the company's values through annual review of the company's strategy document and approval of the company's ethical guidelines and social responsibility policy. The board has also adopted board instructions and instructions for the CEO. Export Credit Norway's ethical guidelines and social responsibility policy are published on its website.

Export Credit Norway has introduced an integrated framework for risk management and internal control. The framework will be fully implemented in 2016.

The company's aim is for all employees to have an awareness of internal control and operational risk management as an integral part of their daily routines.

2. Business

Export Credit Norway's activities and purpose are described in article 3 of its articles of association, which states that:

“The purpose of the company shall be to manage a state scheme for the provision of financial services in connection with Norwegian exports of capital goods and services. To promote this purpose, the company may, in its own name

1. issue officially supported export credits in compliance with international agreements, and
2. issue loans on market terms as an alternative to loans as mentioned in sub-paragraph 1. If special circumstances so indicate, the loans may be issued in the name of the state.”

Export Credit Norway's primary objective is to promote Norwegian exports by providing competitive, accessible and effective export financing. The company's assignment and objective are specified in annual assignment letters the company receives from its owner. Export Credit Norway's values are “responsible”, “enthusiastic” and “dynamic”. The company's board adopts a strategy plan for the company every year. The strategy is discussed in the company's annual report.

Export Credit Norway receives annual grants for the administration of the export credit scheme via the fiscal budget.

3. Equity and dividends

Export Credit Norway's equity totalled NOK 45.4 million as at 31 December 2015, and is considered appropriate in view of the company's needs. The company's operational model provides that loans and loan-related items are recorded directly in the central government accounts, and the company accounts include only grants from the state and costs relating to the company's ordinary operations.

The company's operational model includes annual grants from its owner adjusted in view of the company's cost level, and accordingly no dividends are

normally paid. The general meeting will resolve any dividend distribution, but will not be bound by the board's proposal in this regard; see section 20-4(1) (4) of the Limited Liability Companies Act.

4. Equal treatment of shareholders and transactions with close associates

The company has only one share class. All shares in the company are owned by the Norwegian state and managed by the Ministry of Trade, Industry and Fisheries.

Export Credit Norway does not engage in transactions with close associates.

The company's board instructions state that board members are subject to the disqualification rules in the Limited Liability Companies Act and Public Administration Act. Board members are required to give notice on their own initiative of matters which may entail disqualification. The same is specified in the company's ethical guidelines.

Since all shares in the company are owned by the state, the NUES recommendations in the second and third paragraphs of this section are deemed inapplicable to the company.

5. Freely negotiable shares

Pursuant to section 2 of the Export Credit Act and article 5 of the company's articles of association, all shares in the company must be owned by the state, represented by the Ministry of Trade, Industry and Fisheries. Accordingly, the NUES recommendations in this section are deemed inapplicable to the company.

6. General meetings

The Norwegian state, represented by the Ministry of Trade, Industry and Fisheries, constitutes the general meeting of Export Credit Norway.

A general meeting is held by the end of June every year. The company's auditor attends the general meeting. A representative of the Office of the Auditor General of Norway is also invited to attend the meeting. The board chair and CEO also attend. Other board members are invited and attend if they wish.

The minutes of ordinary general meetings are

published on the company's website.

Section 20-5(1) of the Limited Liability Companies Act provides that the Ministry of Trade, Industry and Fisheries gives notice of both ordinary and extraordinary general meetings, and decides the form of notice. Accordingly, the NUES recommendations relating to the giving of notice of general meetings are deemed inapplicable to the company.

7. Nomination committee

The company has no nomination committee. The selection of board members complies with the procedures adopted by the Ministry of Trade, Industry and Fisheries for the composition of the boards of wholly owned companies. The board is elected by the general meeting in accordance with section 20-4(1) of the Limited Liability Companies Act. One board member and one observer are elected by and from among the employees pursuant to the provisions of the Limited Liability Companies Act. Accordingly, the NUES recommendations in this section are deemed inapplicable to the company.

8. Corporate assembly and board of directors: composition and independence

Export Credit Norway has no corporate assembly. Pursuant to article 6 of the company's articles of association, the company's board shall consist of at least five and no more than seven members, as decided by the general meeting. Members elected by and from among the employees are elected in accordance with the Limited Liability Companies Act and regulations issued pursuant to the provisions of the Limited Liability Companies Act on employees' right to board representation. Other members, including the board chair, are elected by the general meeting. Board members are elected for up to two years at a time.

In 2015, the board consisted of five shareholder-elected members – three women and two men. Overall, the board consists of three women and three men. An employee-elected observer also attends board meetings. There was one change to the board in 2015, when one of the shareholder-elected board members was replaced. The board members possess a broad range of business experience, and the board as a whole thus reflects the company's area of operation and strategic objectives.

The CEO and senior executives at Export Credit Norway are not members of the board. With the exception of representatives elected by and from the employees, all board members are independent of the company and its owner.

The backgrounds of the board members are described in the annual report and on the company's website.

Since the state owns all shares in the company, the NUES recommendation in this section that board members should be encouraged to own shares in the company is deemed inapplicable to Export Credit Norway.

9. The work of the board of directors

The management of Export Credit Norway is the responsibility of the board of directors. The board is mandated to ensure that the company is run in accordance with provisions laid down in or pursuant to legislation, the company's articles of association and general guidelines adopted by the general meeting.

The board normally meets nine times a year. Additional meetings are arranged as needed. Board instructions have been adopted which define, for example, the respective roles and responsibilities of the board and CEO and ensure impartiality in the consideration of matters. The board has adopted instructions for the CEO.

The board prepares a plan for its work every year which gives particular emphasis to objectives, strategy and implementation. The board holds an annual strategy gathering. The CEO prepares background materials for these gatherings.

Export Credit Norway has considered establishing an audit committee. The company has no listed securities and is not required to engage in external reporting other than to the Ministry of Trade, Industry and Fisheries in its capacity and owner and through the issuance of annual accounts in accordance with the Accounting Act. Moreover, the lending scheme administered by the company is subject to the jurisdiction of the Office of the Auditor General of Norway. The company has also established an internal audit function covering both the

lending scheme and the company's operations. The board has therefore concluded that no audit committee is required, and decided that none should be established.

In 2015, the board appointed a remuneration committee comprising the board chair and two other board members (including the employee-elected representative on the board). The employee-elected representative is independent of the company's management. The committee deals with matters relating to remuneration and personnel, including gender equality and diversity, incentive schemes and pension conditions for both senior executives and other employees.

The board evaluates its performance and expertise annually.

10. Risk management and internal control

The board has overall responsibility for ensuring that Export Credit Norway has appropriate, effective risk management and internal control systems in place. The company's internal control and risk management system is based on the internationally recognised COSO framework. The company has established a governance model under which the board issues guidance on matters of principle in the area of risk management and internal control. The board defines risk appetite and principles for dealing with risk. Together with risk-adapted internal control, these measures are designed to provide adequate assurance of target achievement in the following areas, and to minimise the risk of errors:

- Focused, efficient operations
- Reliable financial management
- Compliance with laws and regulations

Detailed policies on implementation of the board's guidance are adopted by the CEO, and implemented in each individual unit. The risk management and internal control framework divides the company's operations into difference process areas, each of which has its own policies, procedures and guidelines setting out framework conditions for risk management and internal control in the process areas in accordance with board guidance. The board adopts ethical principles, including the company's values, guidelines on ethical conduct and social

responsibility. The board also adopts risk management principles, including board guidance on internal control, risk management and compliance.

11. Remuneration of the board of directors

Board remuneration is set by the general meeting. Remuneration is not performance-linked. Board members, and companies with which they are associated, have not accepted specific assignments for the company in addition to the board appointment. Thus far, no separate remuneration has been set for work done on the remuneration committee, and no remuneration has been awarded other than ordinary director's fees. The remuneration received by each board member is detailed in a note to the annual accounts.

12. Remuneration of executive personnel

Export Credit Norway follows the state guidelines of 15 February 2015 relating to salary and other remuneration paid to senior executives in undertakings and companies in which the state has an ownership interest. Pursuant to article 9 of the articles of association, the board prepares an executive remuneration statement as required by section 6-16a of the Public Limited Liability Companies Act, which is considered at the company's ordinary general meeting. A detailed overview of remuneration paid to senior executives is provided in a note to the annual accounts.

Export Credit Norway has a performance-related remuneration programme for all employees. The programme is not linked to valuation creation for shareholders or the company's earnings performance, since the company does not generate ordinary revenues. The maximum achievable individual payment is capped at 1.5 times regular monthly salary. The performance-related remuneration is subject to annual review, and the scale is set by the company's board. Performance-related remuneration is set based on an overall assessment and criteria which the employee can influence and which are linked to the company's objectives, performance and conduct (set at the beginning of the year) in specific areas. The company's objectives are operationalised in the form of scorecards intended to

support the objectives set by the owner. The scheme is the same for all employees.

13. Information and communications

Export Credit Norway is wholly owned by the state. Securities legislation and other regulations relating to the equal treatment of stakeholders in the securities market are thus inapplicable. Accordingly, no financial calendar has been prepared for the company. Export Credit Norway publishes information on received applications, lending figures and the order book quarterly on its website.

The NUES recommendation concerning guidelines on the company's contact with shareholders other than through general meetings is deemed inapplicable to Export Credit Norway.

14. Take-overs

Export Credit Norway's articles of association provide that the shares in the company may only be owned by the state, represented by the Ministry of Trade, Industry and Fisheries. Accordingly, the NUES recommendations in this section are deemed inapplicable to the company.

15. Auditor

Export Credit Norway has an independent external auditor elected by the general meeting. The auditor attends board meetings dealing with the annual accounts and reviews any material changes in the company's accounting principles, accounting estimates and all material matters of disagreement between the auditor and the administration.

The board and the auditor hold at least one meeting a year which is not attended by the CEO or other members of the company's executive management.

The board has adopted guidelines on the ability of the company's executive management to engage the auditor to perform non-audit services.

The board informs the general meeting of the auditor's remuneration, split into fees for audit and other services.