Austevoll Seafood ASA

Corporate Governance 2014

Corporate Governance

1. INTRODUCTION

1.1 Background

AUSTEVOLL SEAFOOD ASA ("AUSS" or the "Company"), the parent company in AUSS' group of companies ("The Group"), is established and registered in Norway and subject to Norwegian law, hereunder corporate and other laws and regulations. The Company's aim is to observe all relevant laws and regulations, and the Norwegian recommendation for corporate governance. This also applies for all other companies within the Group, and consequently this document applies to the extent reasonable for all companies therein.

The Company's Board of Directors adopted in its meeting held on 29 August 2006 a document which largely and in principle adhered to the then applicable Corporate Governance standard, with a few deviations. The Board of Directors have later examined revised versions of the Corporate Governance standard, published by the Norwegian Committee for Corporate Governance (NUES), latest standard published on 30 October, 2014. The Board has approved and adopted this document as the Company's Corporate Governance Policy to reflect the will of AUSS to fully comply with the Corporate Governance recommendations from NUES. The Company will act in compliance with laws and regulations as applicable from time to time in respect of handling and control of insider trading rules and information to the shareholders and the market.

1.2 Objective

This governing document contains measures which have been and will be implemented to secure efficient management and control of the activities of the Company. The main objective is to establish and maintain systems for communication, surveillance and incentives which will increase and maximize the financial results of the Company, its long term soundness and overall success, and investment return for its shareholders. The development and improvement of the Company's Corporate Governance is a continuous and important process, on which the Board of Directors and the Executive Management keep a keen focus.

1.3 Rules and regulations

The Company is a public limited company listed on the Oslo Stock Exchange.

In that respect the Company is subject to the corporate governance regulations contained in the Public Limited Companies Act 1997 (asal.), the Securities Trading Act 2007 (vphl), the Stock Exchange Act with regulations (børsreg) and other applicable legislation and regulations, including the NUES recommendations.

1.4 Management of the Company

Management of and control over the Company is divided between the shareholders, represented through the general meeting of the shareholders, the Board of Directors and the Managing Director (CEO) in accordance with applicable legislation. The Company has an external and independent auditor.

1.5 Implementation and reporting on Corporate Governance

The Board of Directors must ensure that the company implements sound corporate governance.

The Board of Directors must provide a report on the company's corporate governance in the directors` report or in a document that is referred to in the directors` report. The report on the Company`s corporate governance must cover every section of the Code of Practice. If the Company does not fully comply with this Code of Practice, the Company must provide an explanation of the reason for the deviation and what alternative solution it has selected.

The Board of Directors should define the company's basic corporate values and formulate ethical guidelines and guidelines for corporate social responsibility in accordance with these values.

The Board has decided to follow the Norwegian Recommendation for Corporate Governance and the Group has drawn up a separate policy for Corporate Governance.

AUSS takes a very conscious approach to its responsibility for ethical conduct, society at large and the environment. The Company has prepared a set of ethical guidelines for Group employees, aiming to establish common principles and regulations which govern all employees within AUSS and its subsidiaries. The Group`s ethical guidelines for conduct reflect the values represented by the Group and guide the employees to make use of the correct principles for business conduct, impartiality, conflict of interest, political activity, entertaining customers, processing information and duty of confidentiality, relationships with business partners, corruption, whistle blowing, bribes etc. Each employee is individually responsible for practising the ethical guidelines. The Company has prepared an Ethics Test for employees which will help them to make the right decisions whenever needed. The company management is responsible for ensuring compliance with the regulations.

The Company's goal is to contribute towards improving human rights, labour rights and environmental protection, both within the Group, in relation to suppliers and subcontractors; in addition The Board of Directors report has a paragraph on Social, health, safety and the environment. In the Company's annual report content of the environmental and social responsibility for the largest subsidiaries can be found in the chapter Environmental and Social responsibility.

Deviation from the Recommendations: None.

2. BUSINESS

The Company's business shall be clearly defined in its Articles of Association.

The Company should have clear objectives and strategies for its business within the scope of the definition of its business in its articles of association.

The annual report should include the business activities clause from the Articles of Association and describe the company's objectives and principal strategies.

The objective of the company is to be engaged in production, trade and service industry, including fish farming, fishing operations and ship owning business and any business related thereto, including investments in other companies with similar objects.

These statements appear in § 3 of Austevoll Seafood ASA's articles of associations.

Deviations from the Recommendations: None

3. EQUITY AND DIVIDENDS

The company should have an equity capital at a level appropriate to its objectives, strategy and risk profile.

The Board of Directors should establish a clear and predictable dividend policy as the basis for the proposals on dividend payments that it makes to the general meeting. The dividend policy should be disclosed.

The background to any proposal for the Board of Directors to be given a mandate to approve the distribution of dividends should be explained.

Mandates granted to the Board of Directors to increase the Company's share capital should be restricted to defined purposes. If the general meeting is to consider mandates to the Board of Directors for the issue of shares for different purposes, each mandate should be considered separately by the meeting. Mandates granted to the Board should be limited in time to no later than the date of the next annual general meeting. This should also apply to mandates granted to the Board for the Company to purchase its own shares.

Equity:
The company's need for financial strength is considered at any time in the light of its objective, strategy and risk profile. The Board of Directors considers consolidated equity to be satisfactory.

Dividend policy:
The goal is, over time, to pay out 20% to 40% of the Group's net profit (ex. fair value adjustment of biological assets) as dividends.

Capital Increase:
The Board has the authority until the ordinary general meeting in 2015 to increase the share capital by issuing up to 20,271,737 shares.

Purchase of treasury shares:
The Board has the authority, until the ordinary general meeting in 2015, to purchase treasury shares in Austevoll Seafood ASA limited to 10% of the company's share capital. Shares may not be purchased for less than NOK 20 per share, and no more than NOK 150 per share.

At 31 December 2014, AUSS directly owned no treasury shares. Through its ownership of 49.99% in Br Birkeland AS, AUSS indirectly owns treasury shares by 31 December 2014. Br Birkeland AS owns 1,722,223 shares in AUSS.

Deviations from the Recommendations: None

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

The company should only have one class of shares.

Any decision to waive the pre-emption rights of existing shareholders to subscribe for shares in the event of an increase in share capital should be justified. Where the Board of Directors resolves to carry out an increase in share capital and waive the pre-emption rights of existing shareholders on the basis of a mandate granted to the Board, the justification should be publicly disclosed in a stock exchange announcement issued in connection with the increase in share capital.

Any transactions the company carries out in its own shares should be carried out either through the stock exchange or at prevailing stock exchange prices if carried out in any other way. If there is limited liquidity in the Company`s shares, the Company should consider other ways to ensure equal treatment of all shareholders.

In the event of any not immaterial transactions between the Company and shareholders, a shareholder`s parent company, members of the Board of Directors, Executive Personnel or close associates of any such parties, the Board should arrange for valuation to be obtained from an independent third party. This will not apply if the transaction requires the approval of the general meeting pursuant to the requirements of the Public Companies Act. Independent valuations should also be arranged in respect of transactions between companies in the same group where any of the companies involved have minority shareholders.

The Company should operate guidelines to ensure that Members of the Board of Directors and Executive Personnel notify the Board if they have any material direct or indirect interest in any transaction entered into by the Company.

Class of shares:
Austevoll Seafood ASA has only one class of shares. The articles of associations place no restrictions on voting rights. All shares are equal.

Trading in treasury shares:
The Board's authorisation to acquire treasury shares is based on the assumption that the acquisition will take place in the open market. Acquired shares may be disposed in the market or used as payments for acquisitions.

Transactions between related parties:
See note 32 for related party transactions.

Deviations from the Recommendations: None

5. FREELY NEGOTIABLE SHARES

The Company`s shares must, in principle, be freely negotiable. Therefore, no form of restriction on negotiability should be included in a company's articles of association.

The articles of association place no restrictions on negotiability. The shares are freely negotiable.

Deviations from the Recommendations: None

6. GENERAL MEETINGS

The Board of Directors should take steps to ensure that as many shareholders as possible may exercise their rights by participating in general meetings of the company, and that general meetings are an effective forum for the views of shareholders and the board.

Such steps should include:

- making the notice calling the general meeting and the support information on the resolutions to be considered at the general meeting, including the recommendations of the nomination committee, available on the company's website no later than 21 days prior to the date of the general meeting.
- ensuring that the resolutions and supporting information distributed are sufficiently detailed and comprehensive to allow shareholders to form a view on all matters to be considered at the meeting
- setting any deadline for shareholders to give notice of their intention to attend the meeting as close to the date of the meeting as possible
- the Board of Directors and the person chairing the meeting making appropriate arrangements for the general meeting to vote separately on each candidate nominated for election to the Company`s corporate bodies
- ensuring that the members of the Board of Directors and the nomination committees and the auditor are present at the general meeting
- making arrangement to ensure an independent chairman for the general meeting.

Shareholders who cannot attend the meeting in person should be given the opportunity to vote. The Company should:

- provide information on the procedure for representation at the meeting through a proxy,
- nominate a person who will be available to vote on behalf of shareholders as their proxy
- to the extent possible prepare a form for the appointment of a proxy, which allows separate voting instructions to be given for each matter to be considered by the meeting and for each of the candidates nominated for election.

By virtue of the Annual General Meeting, the shareholders are guaranteed participation in the Groups supreme governing body. The following matters shall be discussed and resolved at the annual general meeting:

- Adoption of the annual financial statement and the annual report, including distribution of dividends.
- Any other matters which by virtue of law or the articles pertain to the general meeting.

Notification:
The annual general meeting shall be held each year no later than six months after the end of each financial year. Notification shall be sent out within the deadlines in the Code of practice and relevant documentation is available on the Group's website at least 21 days prior to the general meeting. The Financial Calendar is published on the internet and through a notification to Oslo Stock Exchange.

Participation:
It is possible to register by post, telefax or e-mail. Shareholders who cannot attend the meeting can authorise a proxy, and the system facilitates the use of proxies on each individual item for discussion.

Deviations from the Recommendations: In 2014 four out of the six Board members attended the General meeting. In 2014 none of the members of the nomination committee attended the General meeting.

7. NOMINATION COMMITTEE

The company should have a nomination committee, and the general meeting should elect the chairperson and members of the nomination committee and should determine the committee's remuneration.

The nomination committee should have contact with shareholders, the Board of Directors and the company`s executive personnel as part of its work on proposing candidates for election to the Board.

The nomination committee should be laid down in the Company's Articles of Association. The general meeting should stipulate guidelines for the duties of the nomination committee.

The members of the nomination committee should be selected to take into account the interests of shareholders in general. The majority of the committee should be independent of the Board of Directors and the executive personnel. At least one member of the nomination committee should not be a member of the corporate assembly, committee of representatives or the Board. No more than one member of the nomination committee should be a member of the Board of Directors, and any such member should not offer himself for re-election to the Board. The nomination committee should not include the company's chief executive or any other executive personnel.

The nomination committee's duties are to propose candidates for election to the corporate assembly and the Board of Directors and to propose the fees to be paid to members of these bodies.

The nomination committee should justify its recommendations.

The company should provide information on the membership of the committee and provide suitable arrangements for shareholders to submit proposals to the committee for candidates for election.

According to the Articles of Association § 6 the company shall have a nomination committee. The nomination committee shall issue a proposal to the general meeting regarding the election of shareholder elected Board members. The nomination committee shall consist of three members. The members of the committee shall be elected by the company's annual general meeting, which also appoints the committee's chairman. The members of the nomination committee are elected by the general meeting for terms of two years at a time. The general meeting determines the remuneration of the committee's members.

Composition:
The current committee was elected on the AGM on May 23rd 2014 and consists of:

Harald Eikesdal, Mr. Eikesdal is a lawyer with the firm Eikesdal. Harald Eikesdal previously held a position as Divisional Head with the Norwegian Ministry of Finance and as a deputy judge and notary public at Haugesund Magistrates Court. Mr. Eikesdal is the Deputy Chairman of Laco AS.

Nils Petter Hollekim, Mr. Hollekim has a degree in Business Administration and has worked as an administrator/analyst for Norwegian fund management companies for 29 years. He has spent the past 15 years working as a portfolio manager for ODIN Forvaltning AS. The last 4 years Mr. Hollekim has been a self-employed consultant and investment manager.

Anne Sofie Utne. Ms. Utne holds a Master of Economy from the Norwegian University of Life Science (Universitetet for Miljø- og Biovitenskap). She holds the position as Senior Advisor for BDO Midt Norge, where she is a national resource within BDO's strategy to target consultation for the fish farming/seafood industry. Most recently Ms. Utne worked as a business advisor for seven years within the Norwegian aquaculture industry through her fully owned consulting company Kauna AS. Previously she held the position as head of the Aquaculture department of a branch specialist unit in DNB Bank ASA. Ms. Utne has extensive experience in financial transactions related to national and international corporations within the aquaculture industry.

The company has not yet established specific guidelines for the nomination committee. However, the composition of the nomination committee is such that the interests of the shareholders in general are taken into account in that the majority within the committee is independent of the Board and other executive personnel.

Deviations from the Recommendations: None.

8. BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

Where a company has corporate assembly, the composition of the corporate assembly should be determined with a view to ensuring that it represents a broad cross-section of the Company`s shareholders.

The composition of the Board of Directors should ensure that the Board can attend to the common interests of all shareholders and meets the company's need for expertise, capacity and diversity. Attention should be paid to ensuring that the Board can function effectively as a collegiate body.

The composition of the Board of Directors should ensure that it can operate independently of any special interests. The majority of the shareholder-elected members of the board should be independent of the company's executive personnel and material business contacts. At least two of the members of the board elected by shareholders should be independent of the company's main shareholder(s).

The Board of Directors should not include executive personnel. If the Board does include executive personnel, the Company should provide an explanation for this and implement consequential adjustments to the organisation of the work of the Board, including the use of board committees to help ensure more independent preparations of matters for discussion by the Board, cf. Section 9.

The Chairman of the Board of Directors should be elected by the general meeting so long as the Public Companies Act does not require that the Chairman must be appointed either by the corporate assembly or by the Board of Directors as a consequence of an agreement that the Company shall not have a corporate assembly.

The term of office for members of the Board of Directors should not be longer than two years at a time.

The annual report should provide information to illustrate the expertise of the members of the Board of Directors, and information on their record of attendance at board meetings. In addition, the annual report should identify which members are considered to be independent.

Members of the Board of Directors should be encouraged to own shares in the Company.

Composition of Board of Directors:
According to the Articles of Association § 6 The Company's Board of Directors shall consist of 5 – 7 directors elected by the shareholders. Austevoll Seafood ASA has endeavoured to adapt directors' backgrounds, competence, capacity and affiliation to the Group's business activities and its need for diversity.

The Board of Directors consists of the following persons:

Helge Singelstad, Chairman. Mr. Singelstad has been member of the Board since May 2008. The first two years he was the Deputy Chairman of the Board and since May 2010 he has been the Chairman of the Board. Helge Singelstad is CEO in Laco AS. He holds a degree in computer engineering from Bergen Ingeniørskole, a degree in Business Administration from the Norwegian School of Economics and Administration (NHH) and a 1st degree of law from the University of Bergen. Mr. Singelstad chairs and serves on numerous Boards of Directors, including being the Chairman of the Board in Lerøy Seafood Group ASA and Pelagia Holding AS and as deputy chairman in DOF ASA. He has extensive experience from various types of businesses: oil companies, ship equipment and the seafood sector.

Oddvar Skjegstad, Deputy Chairman. Mr. Skjegstad became member of the Board June 2006, and has been the Deputy Chairman since May 2010. Oddvar Skjegstad has a degree as Master of Business and Administration from NHH. Mr. Skjegstad is self employed and has wide experience from executive positions in public administration, bank and industrial activity and holds board positions in companies within several different business sectors.

Helge Møgster, Mr. Møgster has been member of the Board since the company was founded in April 1981. Helge Møgster was the Chairman of the Board until May 2006.Mr. Møgster is one of the main owners in Laco AS, the main shareholder of Austevoll Seafood ASA and DOF ASA. Mr. Møgster has extensive experience from the offshore service sector and all aspects of the fisheries sector. He is holding board positions in several companies.

Inga Lise L. Moldestad. Ms. Moldestad has been member of the Board since June 2006. Inga Lise L. Moldestad is educated as Master in Business and Economics and State Authorised Public Accountant from Norwegian School of Economic (NHH). Ms. Moldestad holds the position as Executive Vice President and partner in Holberg Fondsforvaltning, a Bergen based fund management company. She has extensive experience from the asset management industry within Holberg, Unibank, Skandia and Vesta and experience from auditing and consulting from Arthur Andersen and Ernst & Young.

Lill Maren Møgster. Ms. Møgster has been member of the Board since May 2012. Lill Maren Møgster is educated Bachelor of Management from BI Norwegian Business School and she holds the position as controller in Hallvard Lerøy AS. Ms. Møgster has been working in various subsidiaries of Laco AS since 2007, and has experience from sales and economy.

Siren M. Grønhaug Ms. Grønhaug has been member of the Board since May 2014. Siren M. Grønhaug is educated Corporate Economist from the Norwegian School of Economics (NHH), and has i.a. additional education through the AFF Solstrand Programme and BI Norwegian Business School. She has a broad knowledge from seafood sector due to many years of experience at executive level in Hallvard Lerøy AS (LSG ASA). Today she is employed as CFO in Hallvard Lerøy AS, and has a wide board experience from various companies in LSG ASA.

Leif Teksum. Mr. Teksum has been member of the Board since August 2014. Leif Teksum holds a masters degree in Economics and Business Administration from the Norwegian School of Economics (NHH). Mr Teksum has retired from DNB Bank ASA after 33 years of service of which 22 years as a member of the Group Management holding various positions. Most recently he was for more than 10 years responsible for the banks large corporates and for the international business areas. Mr. Teksum is now a professional board member in a variety of companies and has also during his employment with DNB Bank ASA extensive experience from holding board positions mainly in the financial sector.

The Boards autonomy:
Except for the Chairman Helge Singelstad, Lill Maren Møgster and Helge Møgster, all members of the Board are independent of the Company's major shareholders, the Company's management and the Company's main business relations. There are no conflicts of interest between any duties to the Company of the members of the Board or the Company's management, and their private interests or other duties.

No members of Group management are Directors.

Directors' ownership of shares:

- Oddvar Skjegstad owns, through Rehua AS, 55,000 shares in the company.
- Helge Møgster owns shares indirectly through Laco AS.
- Helge Singelstad owns 50,000 shares in the company.
- Inga Lise L. Moldestad owns, through Ingasset AS, 40,000 shares in the company.
- Lill Maren Møgster owns shares indirectly through Laco AS.

Deviations from the Recommendations: None.

9. THE WORK OF THE BOARD OF DIRECTORS

The Board of Directors should produce an annual plan for its work, with particular emphasis on objectives, strategy and implementation.

The Board of Directors should issue instructions for its own work as well as for the executive management with particular emphasis on clear internal allocation of responsibilities and duties.

In order to ensure a more independent consideration of matters of a material character in which the Chairman of the Board is, or has been, personally involved, the Board`s consideration of such matters should be chaired by some other member of the Board.

The Public Companies Act stipulates that large companies must have an audit committee. The entire Board of Directors should not act as the company`s audit committee. Smaller companies should give consideration to establishing an audit committee. In addition to the legal requirements on the composition of the audit committee etc., the majority of the members of the committee should be independent.

The Board of Directors should also consider appointing a remuneration committee in order to help ensure thorough and independent preparation of matters relating to compensation paid to the executive personnel. Membership of such a committee should be restricted to members of the Board who are independent of the company's Executive personnel.

The Board of Directors should provide details in the annual report of any board committees appointed.

The Board of Directors should evaluate its performance and expertise annually.

In total 6 ordinary Board meetings have been arranged during 2014. Helge Singelstad, Oddvar Skjegstad, Lill Maren Møgster and Inga Lise L. Moldestad have attended all meetings. Helge Møgster attended five Board meetings. Siren M. Grønhaug and Leif Teksum were elected as Board Members in the general meeting in May 2014, and have attended three Board meetings each this year.

Board responsibilities:
Norwegian law lays down the tasks and responsibilities of the Board of directors. These include overall management and supervision for the company. Towards the end of each year the Board adopts a detailed plan for the following financial year. This plan covers the follow-up of the company's operations, internal control, strategy development and other issues. The company complies with the deadlines issued by Oslo Stock Exchange with regards to interim reports.

Instructions to the Board of Directors:
The Board's instructions are extensive and were last revised on 28.03.2008. The instructions cover the following points: the Boards responsibly and obligations, the CEO's information obligations to the Board, and the procedures of the Board.

Use of Board committees:
The Nomination Committee is governed by the Articles of Association. The Board established an Audit Committee at the end of 2008. The committees are solely responsible to the full corporate Board and their authority is limited to making recommendations to the Board, however the Nomination Committee makes recommendations for election of Board Members to the general meeting of shareholders.

Audit committee:
The Audit committee has responsibilities related to financial reporting, the independent auditor and risk management and consists of two Board members. The independent auditor usually attends the meetings. The CEO and other directors are entitled to attend if the audit committee so desire.

Members: Oddvar Skjegstad and Inga Lise L. Moldestad

The Board's self-evaluation:
Each year, a special Board meeting shall be organised on topics related to the Groups operations and the Board's duties and working methods.

Deviations from the Recommendations: None.

10. RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors must ensure that the company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the company's activities. Internal control and the systems should also encompass the company's corporate values, ethical guidelines and guidelines for social responsibility.

The Board of Directors should carry out an annual review of the Company's most important areas of exposure to risk and its internal control arrangements.

Internal control and risk management:
The Group's activities are varied, depending on each unit's position in the value chain, and consequently require differentiated forms of management and follow-up. Good internal management systems are essential for success, and these must be continuously developed in order to accommodate changing economic conditions. The internal control is based on daily and weekly reports that are summarised into monthly reports tailored to the individual company, while at the same time providing satisfactory reporting at Group level. There is an emphasis on the importance of uniform reporting procedures and formats in order to ensure correct reporting from all units and up to an aggregate level.

Review by the Board of Directors
A significant volume of the work of the Board of Directors is ensuring that the company management is familiar with and understands the Group's risk areas and that risk is managed by means of appropriate internal control. Frequent valuations and assessments are conducted of both the management's and Board's understanding of risk and internal control. The audit committee plays an important role in these valuations and assessments.

Description of the main elements of risk management and internal control related to financial reports
Internal control within the Group is based on the recommendation from the "Committee of Sponsoring Organizations of the Treadway Commissions" (COSO), and covers control environment, risk assessment, control activities, information and communication, and monitoring. The content of these different elements is described in detail below.

Control environment
The core of an enterprise is the employees' individual skills, ethical values and competence, in addition to the environment in which they work.

Guidelines for financial reporting
On behalf of the CFO, the Chief Accountant for the Group provides guidelines to entities within the Group. These guidelines place requirements on both the content of and process for financial reporting.

Organisation and responsibility
The Chief Accountant for the Group reports to the CFO and is responsible for areas such as financial reporting, budgets and internal control of financial reporting within the Group.

The Directors of the entities which issue the reports are responsible for continuous financial monitoring and reporting. The entities all have management groups and financial functions which are adapted to their organisations and business activities. The entity managers shall ensure implementation of an appropriate and efficient internal control and are responsible for compliance with requirements.

The audit committee shall monitor the process of financial reporting and ensure that the Group's internal control and risk management systems function efficiently. The audit committee shall also ensure that the Group has an independent and efficient external auditor.

The financial statements for all companies in the Group are audited by an external auditor, within the framework established in international standards for auditing and quality control.

Risk assessment
The Chief Accountant for the Group and the CFO identify, assess and monitor the risk of errors in the Group's financial reports, together with the managers of each entity.

Control activities
Entities which issue reports are responsible for the implementation of sufficient control actions in order to prevent errors in the financial reports.

Processes and control measures have been established to ensure quality assurance of financial reports. These measures comprise mandates, division of work, reconciliation/documentation, IT controls, analyses, management reviews and Board representation within subsidiaries.

The Chief Accountant for the Group provides guidelines for financial reporting to the different Group entities.

The Chief Accountant for the Group ensures that reporting takes place in accordance with prevailing legislation, accounting standards, established accounting principles and the Board's guidelines.

The Chief Accountant and the CFO continuously assess the Group's and the segments' financial reports. Analyses are carried out in relation to previous periods, between different entities and in relation to other companies within the same industry.

Review by the Group management
The Group management reviews the financial reports on a monthly basis, with the review including the development in figures for profit/loss and balance sheet.

Reviews by the audit committee, Board and general meeting
The audit committee and Board review the Group's financial reports on a quarterly basis. During such reviews, the audit committee has discussions with the management and external auditor. At least once a year, the Board holds a meeting with the external auditor, without the presence of the administration.

The Board reviews the interim accounts per quarter and the proposal for the financial statements. The financial statements are adopted by the general meeting.

Information and communications
The Group strongly emphasises correct and open information to shareholders, potential shareholders and other interested parties. Ref. item 13 "Information and communications" for more detailed information.

MONITORING
Reporting entities
Those persons responsible for reporting entities shall ensure appropriate and efficient internal control in accordance with requirements, and are responsible for compliance with such requirements.

Group level
The Chief Accountant and CFO review the financial reports issued by the entities and the Group, and assess any errors, omissions and required improvements.

External auditor
The external auditor shall provide the audit committee with a description of the main elements of the audit from the previous financial year, including and in particular significant weak points identified during internal control related to the process of financial reporting.

The Board of Directors
The Board, represented by the audit committee, monitors the process of financial reporting.

Deviations from the Recommendations: None

11. REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration of the Board of Directors should reflect the Board's responsibility, expertise, time commitment and the complexity of the Company's activities.

The remuneration of the Board of Directors should not be linked to the Company's performance. The company should not grant share options to members of its board.

Members of the Board of Directors and/or companies with which they are associated should not take on specific assignments for the company in addition to their appointment as a member of the board. If they do nonetheless take on such assignments this should be disclosed to the full board. The remuneration for such additional duties should be approved by the Board.

Any remuneration in addition to normal directors' fees should be specifically identified in the annual report.

The Directors fees are decided by the AGM. The Directors' fees are not linked to the company's performance.

None of the Board members have during 2014 had assignments for the company in addition to being members of the board.

Deviations from the Recommendations: None

12. REMUNERATION OF THE EXECUTIVE MANAGEMENT

The Board of Directors is required by law to prepare guidelines for the remuneration of the executive personnel. These guidelines are communicated to the annual general meeting. The Board of Directors statement on the remuneration of executive personnel should be a separate appendix to the agenda for the general meeting. It should also be clear which aspects of the guidelines are advisory and which, if any, are binding. The general meeting should vote separately on each of these aspects of the guidelines.

The guidelines for the remuneration of the executive personnel should set out the main principles applied in determining the salary and other remuneration of the executive personnel. The guidelines should help to ensure convergence of the financial interests of the executive personnel and the shareholders.

Performance-related remuneration of the executive personnel in the form of share options, bonus programmes or the like should be linked to value creation for shareholders or the Company's earnings performance over time. Such arrangements, including share option arrangements, should incentivise performance and be based on quantifiable factors over which the employee in question can have influence. Performance-related remuneration should be subject to an absolute limit.

The remuneration policy for the executive management is determined by the Board of Directors and communicated to the annual general meeting. The guidelines regarding the remuneration are approved by the AGM. See note 27 for guidelines for remuneration to executive management.

The existing remuneration policy, each year subject to approval by guiding vote in the AGM, allows performance-related remuneration. The executive management has currently no such remuneration.

Deviations from the Recommendations: None

13. INFORMATION AND COMMUNICATIONS

The Board of Directors should establish guidelines for the company's reporting of financial and other information based on openness and taking into account the requirement for equal treatment of all participants in the securities market.

The company should publish an overview each year of the dates for major events such as its annual general meeting, publication of interim reports, public presentations, dividend payment date if appropriate etc.

All information distributed to the company's shareholders should be published on the company's web site at the same time as it is sent to shareholders.

The Board of Directors should establish guidelines for the company's contact with shareholders other than through general meetings.

The Company strongly emphasises correct and open information to shareholders, potential shareholders and other interested parties. The Company has presented quarterly reports with financial information since 2006.

The Company`s most important medium for distributing information will be the Oslo Stock Exchange reporting system, but the Company also aims to present such information directly to investors and analysts.

The Company aims to keep its shareholders informed via annual reports, quarterly reports and at appropriate presentations. In addition, press releases will be sent out regarding important events.

Every year, the Company publishes the company`s financial calendar, showing the dates for presentation of the interim financial statements and the date of the annual general meeting.

The Company`s website is updated constantly with information distributed to shareholders. The Company`s website is at: www.auss.no.

Deviations from the Recommendations: None.

14. TAKE-OVERS

The Board of Directors should establish guiding principles for how it will act in the event of a take-over bid.

In a bid situation, the company`s Board of Directors and management have an independent responsibility to help ensure that shareholders are treated equally, and that the company's business activities are not disrupted unnecessarily. The Board has a particular responsibility to ensure that shareholders are given sufficient information and time to form view of the offer.

The Board of Directors should not hinder or obstruct take-over bids for the Company's activities or shares.

Any agreement with the bidder that acts to limit the company`s ability to arrange other bids for the company`s shares should only be entered into where it is self-evident that such an agreement is in the common interest of the company and its shareholders. This provision shall also apply to any agreement on the payment of financial compensation to the bidder if the bid does not proceed. Any financial compensation should be limited to the costs the bidder has incurred in making the bid.

Agreements entered into between the company and the bidder that are material to the market`s evaluation of the bid should be publicly disclosed no later than at the same time as the announcement that the bid will be made is published.

In the event of a take-over bid for the Company's shares, the Company's Board of Directors should not exercise mandates or pass any resolutions with the intention of obstructing the take-over bid unless this is approved by the general meeting following announcement of the bid.

If an offer is made for a Company's shares, the Company's Board of Directors should issue a statement making a recommendation as to whether shareholders should or should not accept the offer. The Board's statement on the offer should make it clear whether the views expressed are unanimous, and if this is not the case it should explain the basis on which specific members of the Board have excluded themselves from the Board's statement. The board should arrange a valuation from an independent expert. The valuation should include an explanation, and should be made public no later than at the time of the public disclosure of the board`s statement.

Any transaction that is in effect a disposal of the Company's activities should be decided by a general meeting, except in cases where such decisions are required by law to be decided by the corporate assembly.

Austevoll Seafood ASA's Articles of Association contain no limitation with regard to share acquisition. The shares are freely transferable. Transparency and equal treatment of shareholders is a fundamental policy. Should a bid be made for the company, the Board of Directors will make a thorough evaluation of the bid.

Deviations from the Recommendations: None

15. AUDITOR

The auditor should submit the main features of the plan for the audit of the company to the Audit committee annually.

The auditor should participate in meetings of the Board of Directors that deal with the annual accounts. At these meetings the auditor should review any material changes in the Company's accounting principles, comment on any material estimated accounting figures and report all material matters on which there has been disagreement between the auditor and the executive management of the company.

The auditor should at least once a year present to the Audit committee a review of the company's internal control procedures, including identified weaknesses and proposals for improvement.

The Board of Directors shall hold a meeting with the auditor at least once a year at which neither the Chief Executive nor any other member of the executive management is present.

The Board of Directors should establish guidelines in respect of the use of the auditor by the Company's executive management for services other than the audit.

The Board of directors must report the remuneration paid to the auditor at the annual general meeting, including details of the fee paid for audit work and any fees paid for other specific assignments.

Deviations from the Recommendations: None