

## INSTRUCTIONS FOR THE BOARD'S AUDIT COMMITTEE

Adopted by the Board of Directors 15 October 2013.

### PREAMBLE

The Audit Committee is a sub-committee of Board of DNV GL Group AS ("DNV GL" or the "Company") and its objective is to act as a preparatory working committee and support in connection with the Board's supervisory roles with respect to financial reporting and the effectiveness of the company's internal control system, and other tasks assigned to Committee in accordance with the provisions herein.

The Company and its subsidiaries are referred to as the "Group".

As a private limited company, DNV GL is not obliged by statutory obligations in the Norwegian Public Limited Companies Act (No.: allmennaksjeloven)("the Act") Chapter 6 V to establish an audit committee. Nevertheless, the Board has decided to establish an audit committee as if the Company was comprised by the Act and the Norwegian Corporate Governance Code of Practice.

These instructions are established by the Board, and may at any time be amended by the Board.

## 1 MANDATE

1.1 The Audit Committee's mandate is to:

- (a) prepare the follow-up of the financial reporting process for the Board;
- (b) monitor the effectiveness of the company's internal control, compliance and risk management systems;
- (c) be the Board's prime point of contact with the statutory auditor regarding the auditing of the annual and consolidated accounts; and
- (d) review and monitor the independence of the internal auditor and the independence of the statutory auditor, ref. the Statutory Auditor Act, chapter 4 and in particular to which extent other services than audits delivered by the statutory auditor or the audit firm represents a threat against the statutory auditor's independence.

1.2 The Audit Committee supervises implementation of, and compliance with the Group's Code of Conduct and supervises the Group's compliance activities including but not limited to anti-corruption and bribery as further described in the provisions herein.

## 2 COMPOSITION

The Board elects at least three of its members to serve on the Committee, and appoints one of these to act as chairman. Elections are held annually or as decided by the Board. The Committee shall be composed so that it can act independently of special interests and it shall collectively have the expertise required to perform the Committee's role. At least one of the members must have accounting or auditing expertise. The members of the Committee will be given an opportunity to participate in internal training in DNV or external training at DNV's expense, if appropriate.

### 3 MEETINGS

- 3.1 The Committee meets as frequently as it finds necessary, but at least quarterly. The Committee shall draw up an annual meeting schedule. At least once a year, the Committee shall have separate meetings with the internal auditor, the statutory auditor and the CEO, respectively.
- 3.2 The chief executive officer (CEO) is entitled to take part in the meetings of the Committee. The head of internal audit shall act as secretary to the Committee and provide support to the Committee. The CFO and internal audit may in his/her own discretion report matters directly to the Committee.
- 3.3 The chief financial officer (CFO) will be the management's main representative in relation to the Committee and shall normally participate in the Committee's meetings. The external auditor will participate in the meetings when matters falling within the external auditor's area of responsibility are considered. The officers responsible for risk and compliance and other officers of the Group will participate when this is deemed to be relevant to the matters under consideration.
- 3.4 Minutes must be kept of the proceedings at the Committee's meetings. The minutes will state time and venue of the meeting, a list of persons attending the meeting, agenda items, a summary of matters discussed and important accounting and internal control matters questioned in the meeting. The minutes shall be signed by those members attending the meeting.

### 4 ACTIVITIES AND TASKS

#### 4.1 Financial reporting

In connection with the presentation of the annual financial statements/Board of Directors' report (and if applicable, interim financial statements/management reports), the Committee shall discuss material issues related to accounting with management and the independent auditor. The Committee shall in particular:

- review with the management and the external auditor
  - (a) critical accounting policies and practices to be used by the Company;
  - (b) alternative accounting treatments; and
  - (c) financial controls.
- review the results of the interim audits, the annual accounts and the work carried out by the external auditor
- discuss with the management and the external auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's annual and if applicable interim financial statements. This includes information on:
  - (a) new accounting principles when a change of principles are made; and
  - (b) all points if any of disagreements between the management and the statutory auditor.

## 4.2 Relations with the statutory auditor

In relation to the auditor, the Committee shall in addition to the activities above:

- ensure that the auditor acts independently relative to management, including recommending the establishment of guidelines regarding management's purchase of additional services from the auditor, review and compliance with such guidelines;
- discuss with the auditor the plans for the audit, including risk assessment and the scope of the audit;
- ensure that the auditor meets the requirements set by legislation and authorities, and that the auditor applies the rules in the Statutory Auditors Act Chapter 5A as for entities of public interest, including transparency reporting and rotation of responsible auditor;
- support the Board and General Meeting in their roles related to election of auditor and approval of the auditor's remuneration;
- hold at least one annual meeting with the auditor at which other management representatives are not present; and
- review the auditor's reports to the Board; and
- review the communication between the auditor and executive management.

## 4.3 Relations to the internal audit function

The Committee shall

- ensure that the internal audit has direct access to the Committee and/or the chair of the Committee;
- review and recommend to the Board for its approval, the internal auditor's plan for internal audits;
- discuss with internal audit the Group's internal control system, processes related to detect material accounting errors and material errors in financial reporting and programs for the prevention and detection of any irregularities;
- quarterly receive from the internal audit a report related to the status of the audit plan, any proposals for change in the audit plan, the specifics of any material findings in any audits the status of closing of actions related to material findings in any audit;
- hold regular meetings with the internal auditor at which other management representatives are not present; and
- make recommendations to the Board for its approval of major employment decisions related to the internal audit, including decisions related to the appointment or dismissal of the internal auditor (remuneration issues are dealt with by the Board's Compensation Committee).

## 4.4 Relations to the compliance function(s)

The Committee shall

- review reporting routines for reporting of misconduct, including the possibility of reporting to the Committee directly;
- quarterly receive a list of reported misconduct and of ongoing investigations related to undesirable incidents;
- immediately receive report from the compliance officer of any extraordinary cases, for instance cases related to fraud or corruption; and
- monitor the implementation of and compliance with the code of conduct.

#### 4.5 Relations to risk management function

The Committee shall review the Group's routines for overall risk management, including reviewing management's procedures for dealing with risk management, the follow up of risk and limit testing of same.

#### 4.6 Other duties

In addition to the duties mentioned above, the Audit Committee shall:

- review transactions between the Company and its shareholders, and transactions between the companies in the Group and members of the Board and the management of the Company or other Group companies;
- On behalf of the Board annually make assessments of the policy documentation within the Committee's scope, i.e. the codes of conduct, compliance policy, internal audit policy, financial policy, and receive reports on amendments to these policies made by the CEO pursuant to his mandate to approve and implement minor and immaterial changes of these.
- assess other matters as identified by the Board of Directors or which the Committee itself or the statutory or internal auditors wish to address; and
- at least once a year, assess its own work and propose potential improvement measures, including amendments to these instructions.

### 5 REPORTING TO THE BOARD

The Audit Committee provides oral reports to the Board on any material matters at the first Board meeting after each meeting of the Audit Committee. The minutes of the meetings of the Audit Committee shall be sent to the Board.

### 6 AUTHORITIES AND RESPONSIBILITIES

#### 6.1 Access to internal information

The Committee may examine all activities and circumstances connected to the operations of the Group in the execution of its tasks. In this connection, the Committee may request the CEO or any other employee to provide access to information, facilities and personnel and such assistance it request.

#### 6.2 Investigation

The Committee is authorized to carry out or instigate such investigations as it deems necessary in order to carry out its tasks and may use the internal audit, the external auditor or other external advice.

#### 6.3 Responsibility of the Committee and the Board

The Committee is responsible to the Board only for the execution of its tasks. The work of the Committee does not change the responsibility of the Board and its individual members, and the Board retains full responsibility for the Committee's tasks.

\*\*\*