

INSTRUCTION FOR THE BOARD OF DIRECTORS OF EIDESVIK OFFSHORE ASA

2. Main task and decision-making authority of the Board of Directors

2.1.1 The task of the Board of Directors follows from current legislation, the Company's articles of association, power of attorneys and these instructions for the Board of Directors.

2.1.2 Pursuant to the Norwegian Limited Liability Companies Act, the Board of Directors shall have the overall management responsibility for the operation, which is conducted by the Company in its capacity as parent company in the Eidesvik offshore ASA group (the Group) and which the Company shall supervise and control together with the General management. The Board of Directors shall also have the overall management responsibility for the Group's activities.

2.1.3 The Board of Directors shall generally make decisions in all cases, which given the Company's situation are of unusual nature or key importance.

2.1.4 Targets and strategy for the Company

The Board of Directors outlines the Group's overall targets and strategy. The strategy plan is revised annually and is normally processed in the first half year before the budget process in the group.

In strategy-related matters, the Board of Directors shall be a driving force for the administration, especially in the restructuring and/or reorganising of the operation.

2.1.5 Budget

The Board of Directors shall determine the Company's and the Group's budget for the coming year not later than December every year. Budget proposals shall be prepared and presented by the administration and shall include:

- Consolidated profit and loss budget for the group
- Profit and loss, and budget for the different business areas/companies
- Balance budgets
- Liquidity budgets
- Investment budgets
- Action plans for the year
- Rolling 5-year forecast

2.1.6 Dividends

The Board of Directors determines the Company's dividends policy and presents proposals for dividend allocation at the shareholders' meeting.

2.2 Financial management and control

2.2.1 The Board of Directors shall keep up-to-date with the Company's financial standing, and shall undertake to ensure that the Company's operation, accounts and asset management are subject to adequate control.

Before the 20th of the current month, the administration shall inform the Board of Directors about the results achieved in the previous month, so far in the year and shall provide a forecast for the rest of the year. The information shall be submitted in writing.

Operational and financial reporting shall contain:

- HSE report
- Market and operation report
- Profit and loss statement and balance sheet for the previous month, accumulated and compared to the budget and to the previous year
- Overview of investments made
- Liquidity
- Forecast for the rest of the year

2.2.3 Annual balance of accounts and annual report

The annual balance of accounts and the annual report shall be presented by the Board of Directors for approval before the deadline set by the Board of Directors in the financial calendar. The Board of Directors shall submit an annual statement that provides information about the results achieved and future prospects. The administration presents a draft annual report to the Board of Directors.

2.2.4 Control with sound equity

The Board of Directors shall ensure that the Company at all times has sound equity considering the risks involved and the scope of the Company's operation.

2.2.5 Reporting of HSE matters

The Board of Directors shall have a HSE briefing at each meeting and every year the administration shall submit an annual HSE report.

2.3 Company's ownership in other companies

2.3.1 Shareholders' meetings in subsidiaries and other companies

The Group CEO shall represent the Company at the shareholders' meetings in subsidiaries and affiliated companies.

Cases of unusual nature or of key importance to the Company, which are to be processed at such shareholders' meetings, shall be reviewed by the Board of Directors. When it comes to companies co-owned with third parties or to shareholders' agreement or any other understanding on how the owners are to act at the shareholders' meeting, the Board of Directors of the Company shall approve all such agreements.

2.3.2 Composition of the Board of Directors in subsidiaries

The Board of Directors in subsidiaries shall normally comprise the Group CEO as chairperson with one or several of his/her closest employees as board members in addition to employee representatives, where necessary. When capacity, competence or any other reasons so dictate, members of the Company's Board of Directors or outside persons can also be used in the boards in question.

2.3.3 Budgeting, reporting and financial management in subsidiaries

The Board of Directors in the Company shall approve the subsidiaries' budgets and business plans according to common rules as listed in Section 1 above.

The Group CEO shall ensure that the Board of Directors in the Company receives information about any special circumstances in the subsidiaries on a monthly basis.

2.3.4 Board of Directors' resolutions in subsidiaries

The Board of Directors' resolutions in subsidiaries, which are of unusual nature or of key importance to the group as a whole, shall be presented to the Company's Board of Directors for approval before a final decision is made by the Board of Directors of the subsidiary.

2.4 The Board of Directors' procedure

2.4.1 Procedure at meetings

The Board of Directors shall deal with matters in meetings unless the Chairperson of the Board of Directors finds that the matter can be submitted in writing or dealt with in some other adequate manner. The Chairperson of the Board of Directors shall ensure that, wherever possible, the board members can participate in the collective consideration of matters that are dealt with during meetings. The board members and the Group CEO may require the matter to be dealt with at a meeting. Annual balance of accounts and the annual report shall be dealt with at a meeting.

The Group CEO is subject to both a right and an obligation to participate in the Board of Directors' dealing with matters and to speak, except as otherwise decided by the Board of Directors in each case.

2.4.2 Meeting schedule

Normally, 6-8 ordinary board meetings are held per year, including extended meetings for discussing the strategy and budget of the Group. The dates of ordinary meetings are scheduled for one year at a time in connection with adopting:

Management plan

Financial calendar

2.4.3 Notice to meeting proceedings

The Chairperson of the Board of Directors shall ensure dealing with matters pertaining to the Board of Directors and shall be responsible for notices to such Board meetings. The administration shall handle the invitation to the Board meetings. The Board members and the Group CEO can demand that the Board of Directors deal with certain matters.

Or email and, if possible, stating the agenda, time and date of the meeting. Notices by phone shall be confirmed in writing.

Other documents for Board meetings are sent out one week prior to the board meeting.

Extraordinary Board meetings should be called by a notice of at least one week, but the Board of Directors can be called in at a shorter notice if the nature of the case requires immediate Board of Directors' proceedings.

If none of the Board members has objections, representatives from the management, experts or other persons with relevant information can be invited to the Board meetings.

2.4.4 Minutes of the Board of Directors and materials for Board of Directors' proceedings

Minutes shall be kept of the Board of Directors' proceedings. They shall at least provide the time and place, name the participants, the mode of procedure and the Board of Directors' resolutions. It shall also be evident whether the Board of Directors' proceedings meet the quorum-related provisions pursuant to the Norwegian Limited Liability Companies Act (subsection 6-24 of the Norwegian Limited Liability Companies Act).

If the Board of Directors' resolution is not unanimous, the names of those having voted for and against shall be stated. Board members and CEO who do not agree on a resolution may require their opinion to be entered in the minutes.

The minutes shall be signed by all the members of the Board of Directors who have participated in the proceedings. Other Board members sign to confirm that they are familiar with the content of the minutes.

The minutes together with the other documents sent to the Board members or handed out at the meeting, and the other data used for the presentation shall be stored together and in a systematic manner.

The Chairperson of the Board of Directors shall ensure that draft minutes are sent to the Board members within 7 days after a Board meeting, stating a deadline for comments. The Board of Directors' minutes shall normally be signed at the next meeting unless they need to be signed earlier.

2.4.5 Disqualification

A member of the Board of Directors may not participate in the discussion or decision of any matter which is of such particular importance to him/herself or any related party that s/he must be deemed to have a special and prominent personal or financial interest in the matter. This provision is similarly applicable to the Group CEO.

Nor may a member of the Board of Directors or the Group CEO participate in any decision to grant a loan or other credit to him/herself or to issue security for his/her own debt.

2.4.6 Confidentiality

All Board members are subject to the confidentiality obligation with regard to confidential company matters of which they become aware and with regard to the negotiations and votes in the Board of Directors and its committee. Information to third parties may only be given by the Chairperson of the Board of Directors or by the Group CEO or a person designated by the Group CEO.

2.5 External representation

The Chairman of the Board of Directors together with another Board member sign on behalf of the Company.

The Group CEO has authority to bind the Company.