

CORPORATE GOVERNANCE POLICY

I - PRINCIPLES AND VALUES

1 GOVERNANCE PRINCIPLES

Saferoad Holding ASA (“Saferoad” or the “Company”) considers good corporate governance to be a prerequisite for value creation and trustworthiness and for access to capital.

In order to secure strong and sustainable corporate governance, it is important that Saferoad ensures good and healthy business practices, reliable financial reporting and an environment of compliance with legislation and regulations across the Company and its subsidiaries (the “Group”).

Saferoad’s governance documents are built on Saferoad Values and set out principles for how business should be conducted. These apply to all Saferoad units. References to certain more specific policies are included in this corporate governance policy where relevant. The Saferoad governance regime is approved by the board of directors in the Company (the “Board of Directors”).

2 SAFEROAD VALUES

Saferoad has four values that express its shared understanding of what Saferoad employees believe and how they aim to behave. They shape the character of the organisation; they guide decisions and actions and provide a framework for how Saferoad interacts and communicates with customers and stakeholders.

- **Respect** :Respecting people and organizations is fundamental. Respect generates openness, honesty and security in the working environment. Equality and fairness will characterize the way Saferoad deals with employees and partners.
- **Care**: A caring culture makes a strong company. Through modesty, support and a constructive response we can all contribute. Colleagues at all levels have the right to be seen and heard. The free exchange of views and ideas is crucial if we are to make the best use of our available resources.
- **Drive**: Enthusiasm and drive are essential to achieve results and success. These qualities release the necessary creativity, courage and will that it takes to build a winning team and a great company. Drive attracts the most demanding customers and the brightest colleagues. We need them both.
- **Integrity**: Integrity and credibility can only be earned through the behaviour, competence and performance of each and every one of us. We deal with people in a professional way, whether they are customers, partners, colleagues or other stakeholders.

3 APPLICABLE RULES AND REGULATIONS

Saferoad is incorporated and registered in Norway and is subject to Norwegian law. The Saferoad shares are listed on Oslo Børs. As an issuer of shares, the Company must comply with rules regarding Oslo Børs and rules regarding public limited companies.

The Company endorses the Norwegian Code of Practice for Corporate Governance (*Nw.: Norsk anbefaling for eierstyring og selskapsledelse*), issued by the Norwegian Corporate Governance Board, most recently revised on 30 October 2014 (the "Code").

4 MAIN OBJECTIVES FOR CORPORATE GOVERNANCE IN SAFEROAD

Saferoad's corporate governance policy is based on the Code and build on Saferoad Values, and as such is designed to establish a basis for a management model, to support achievement of the Company's core objectives.

Our purpose is to make life on the roads safer – this is what we do, and it's a meaningful cause that benefits all of us individually, our families and the societies we live in. To be effective in executing our mission, we rely on trust from all stakeholders. Our employees should trust that we do everything we can to make sure that you can come home from work safe, our customers trust that we deliver our products and services as agreed, investors and owners should trust that we focus on creating value long term and the societies where we do business should trust that we operate in compliance with laws and regulations.

Saferoad believes good corporate governance involves transparent and trustful cooperation between all parties involved in the Group: the shareholders, the Board of Directors and executive management, employees, customers, suppliers, public authorities and society in general.

By pursuing the principles of corporate governance, approved by the Board of Directors, the Board of Directors and management shall contribute to achieving the following objectives:

- Transparency and Trust. Communication with the interest groups of Saferoad shall be based on openness in issues relevant to the evaluation of the development and position of the Company.
- Independence. The relationship between the Board of Directors, the management and the shareholders shall be based on independence. Independence shall ensure that decisions are made on an unbiased and neutral basis.
- Equal treatment. One of Saferoad's prime objectives is equal treatment and equal rights for all shareholders.
- Control and management. Good control and corporate governance mechanisms shall contribute to achieving predictability and reducing the level of risks for owners and other interest groups.

The development of, and improvements in, the Company's corporate governance principles are an on-going and important process that the Board of Directors intends to focus on.

References:

- » Norwegian Code of Practice for Corporate Governance, "The Code", as published at <http://www.nues.no>
- » The Saferoad Values <http://www.Saferoad.com/about-us/the-Saferoad-values/>
- » Saferoad Code of Conduct <https://view.publitas.com/Saferoad-rrs-gmbh/code-of-conduct/page/1>

II - COMPANY AND OWNERS

5 BUSINESS

The operations of the Company and its subsidiaries shall be in compliance with the licenses from the Financial Supervisory Authority of Norway (the “NFSA”) and the business objective set forth in its Articles of Association, which shall be stated in the Company’s annual report together with the Group’s primary objectives and strategies.

The Company’s business purpose reads as follows: “The Company’s objective is to conduct business related to products and services for roads or which improve road safety, as well as other business operations that are naturally related therewith. The business can also be conducted through participation in or in cooperation with other companies.”

6 EQUITY AND DIVIDENDS

6.1 CAPITAL ADEQUACY

The Board of Directors is responsible for ensuring that the Group is adequately capitalized relative to the risk and scope of operations and that the capital requirements set forth in laws, regulations and NFSA licenses are met.

The Group’s capitalisation guidelines shall ensure that the Group’s equity is adapted to the scope and risk profile of operations, based on the authorities’ capital adequacy requirements and Saferoad’s internal estimated capital requirements.

The Board of Directors shall continuously monitor the Group’s capital situation and shall immediately take adequate steps should it be apparent at any time that the Company’s equity or liquidity is less than adequate.

6.2 DIVIDEND POLICY

The Company shall, at all times, have a clear and predictable dividend policy established by the Board of Directors. The dividend policy forms the basis for the Board of Directors’ proposals on dividend payments to the Company’s general meeting and shall be disclosed.

6.3 AUTHORISATIONS TO THE BOARD OF DIRECTORS

Any authorisations granted to the Board of Directors to increase the Company’s share capital shall be restricted to defined purposes. When the general meeting of the Company is to pass resolutions on authorisations to the Board of Directors for the increase of share capital for different purposes, each such authorisation shall be considered and resolved separately by the general meeting. Authorisations granted to the Board of Directors to increase the share capital or purchase treasury shares shall be limited in time, and shall in no event last longer than until the Company’s next annual general meeting.

7 EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

7.1 BASIC PRINCIPLES

The Company has only one class of share. Each share in the Company carries one vote, and all shares carry equal rights, including the right to participate in general meetings. All shareholders shall be treated on an equal basis, unless there is just cause for treating them differently.

7.1.1 Share issues without pre-emption rights for existing shareholders

In the event of a share capital increase through the issue of new shares, a decision to waive the existing shareholders' pre-emptive rights to subscribe for shares shall be justified. Where the Board of Directors resolves to issue shares and waive the pre-emptive rights of existing shareholders pursuant to an authorisation granted to the Board of Directors by the general meeting, the justification will be publicly disclosed in a stock exchange announcement issued in connection with the shares issuance.

7.1.2 Transactions in treasury shares

Any transactions carried out by the Company in its treasury shares shall be carried out through Oslo Børs, and in any case to prevailing stock exchange prices. In the event that there is limited liquidity in the Company's shares, the Company will consider other ways to cater for equal treatment of shareholders.

7.2 APPROVAL OF AGREEMENTS WITH SHAREHOLDERS AND OTHER CLOSE ASSOCIATES

In the event of transactions that are considered to be not immaterial between the Company and its shareholders, a shareholder's parent company, members of the Board of Directors, executive personnel or close associates to any such party, the Board of Directors shall arrange for an independent third-party valuation. This will, however, not apply for transactions that are subject to the approval of the general meeting pursuant to the provisions in the Norwegian Public Limited Companies Act. Independent valuations shall also be procured for transactions between companies within the Group if any of the companies involved have minority shareholders.

Members of the Board of Directors and executive personnel must notify the Board of Directors when such members have any significant, direct or indirect, interest in a transaction carried out by the Company.

8 FREELY NEGOTIABLE SHARES

The shares of the Company are freely negotiable.

9 GENERAL MEETINGS

9.1 GENERAL MEETINGS

9.1.1 Exercising rights

The Board of Directors shall ensure that as many of the Company's shareholders as possible are able to exercise their voting rights in the Company's general meetings, and that the general meetings are an effective forum for shareholders and the Board of Directors, which shall be facilitated through the following:

- » the notice to the general meeting and any supporting documents, including the recommendation by the nomination committee, as well as information on the resolutions to be considered in the general meeting shall be available on the Company's website no later than 21 days prior to the date of the general meeting;
- » the resolutions and any supporting documentation shall be sufficiently detailed and comprehensive allowing shareholders to understand and form a view on all matters to be considered at the general meeting;
- » deadlines for shareholders to give notice of their attendance at the general meeting shall be set as close to the date of the general meeting as practically possible;
- » the Board of Directors and the chairperson of the general meeting shall ensure that the shareholders are able to vote separately on each candidate nominated for election to the Board of Directors and other corporate bodies (if applicable);

- » representatives of the Board of Directors shall be present at general meetings, including representatives of the nomination committee, the remuneration committee and the audit committee, as well as the auditor should be present at general meetings in order to present matters of relevance for such committees/persons; and
- » the Board of Directors shall make arrangements to ensure an independent chairperson for the general meeting.

9.1.2 Participation without being present

Shareholders who are unable to be present at the general meeting must be given the opportunity to vote by proxy. The Company shall in this respect:

- » provide information on the procedure for attending by proxy;
- » nominate a person who will be available to vote on behalf of shareholders as their proxy; and
- » prepare a proxy form, which shall, insofar as this is possible, be set up so that it is possible to vote on each of the items on the agenda and candidates that are nominated for election.

10 NOMINATION COMMITTEE

10.1 COMPOSITION

The Company shall have a nomination committee, cf. also section 8 of the Company's articles of association. The Company's general meeting elects the members and the chairman of the nomination committee and determines their remuneration.

The majority of the members of the nomination committee shall be independent of the Company's Board of Directors and executive management.

Members of the Board of Directors, the Company's Chief Executive Officer and other members of executive management are not eligible as candidates for the nomination committee.

The objectives, responsibilities and functions of the committees shall be in compliance with rules and standards applicable to the Group and are described in the Company's "Guidelines for the nomination committee". The general meeting shall adopt the guidelines for the nomination committee. The Company shall provide information regarding the members of the nomination committee and deadlines for submitting proposals to the nomination committee.

10.2 TASKS

The nomination committee shall recommend candidates for the election of members and chairman of the Board of Directors, candidates for the election of members and chairman of the nomination committee, and remuneration of the Board of Directors and the nomination committee.

The nomination committee's recommendation of candidates to the nomination committee shall ensure that they represent a broad cross-section of the Company's shareholders. The nomination committee's recommendation of candidates to the Board of Directors shall ensure that the Board of Directors is composed to comply with legal requirements and principles of corporate governance (cf. clause 10 below).

The proposals from the nomination committee shall include a reasoning for its proposal.

References:

- » Saferoad ASA Articles of Association
- » Instructions for the nomination committee

III – MANAGEMENT AND AUTHORISATIONS

11 BOARD OF DIRECTORS; COMPOSITION AND INDEPENDENCE

The composition of the Board of Directors should consider expertise, capacity and diversity appropriate to attend to the Company's goals, main challenges and the common interests of all shareholders. Further, individuals of the Board of Directors should be willing and able to work as a team, resulting in the Board of Directors working effectively as a collegiate body.

The Board of Directors should be composed so that it can act independently of any special interests. A majority of the shareholder-elected members of the Board of Directors should be independent of the executive management and material business connections of the Company. Further, at least two of the members of the Board of Directors should be independent of the Company's major shareholder(s). For the purposes of this corporate governance policy, a major shareholder shall mean a shareholder that owns or controls 10% or more of the Company's shares or votes, and independence shall entail that there are no circumstances or relations that may be expected to be able to influence independent assessments of the person in question.

No member of the Company's executive management should be members of the Board of Directors. The chairman of the Board of Directors is elected by the general meeting.

The term of office for members of the Board of Directors shall not be longer than two years at a time. Members of the Board of Directors may be re-elected.

The Company's annual report will provide information regarding the expertise of the members of the Board of Directors, as well as information on their history of attendance at board meetings. Further, the annual report will identify the members of the Board of Directors that are considered to be independent.

Members of the Board of Directors can own shares in the Company.

12 THE WORK OF THE BOARD OF DIRECTORS

12.1 GENERAL

The Board of Directors will produce an annual schedule for its work, with particular focus on objectives, strategy and implementation. The Board of Directors will implement instructions for the Board of Directors and the executive management, focusing on determining allocation of internal responsibilities and duties. The objectives, responsibilities and functions of the Board of Directors and the Chief Executive Officer shall be in compliance with rules and standards applicable to the Group and are described in the Company's "Instructions for the board of directors" and "Instructions for the CEO".

The Board of Directors shall provide details of the appointment of board committees in the Company's annual report.

12.2 AUDIT COMMITTEE

The Board of Directors shall have an audit committee. The duties and composition of the audit committee shall be in compliance with the Norwegian Public Limited Companies Act. The committee is a working committee for the Board of Directors, preparing matters and acting in an advisory capacity.

The members of the audit committee are elected by and amongst the members of the Board of Directors for a term of up to two years. The committee members must have the overall competence required to fulfil their duties based on the organisation and operations of the Group. The entire Board of Directors shall not act as the Company's audit

committee. At least one member of the audit committee should be competent in respect of finance and audit and be independent of the Company.

The objectives, responsibilities and functions of the audit committee shall be in compliance with rules and standards applicable to the Group and are described in the Company's "Charter for the audit committee".

12.3 REMUNERATION COMMITTEE

The Board of Directors shall have a remuneration committee as a preparatory and advisory committee for the Board of Directors in questions relating to the Company's remuneration of the executive management. The purpose of the remuneration committee is to ensure thorough and independent preparation of matters relating to remuneration to the executive personnel. The remuneration committee puts forth a recommendation for the Board of Directors' guidelines for remuneration to senior executives in accordance with Section 6-16a of the Norwegian Public Limited Companies Act.

The members of the remuneration committee are elected by and amongst the members of the Board of Directors for a term of up to two years and shall be independent of the Company's executive management.

See the Company's "Charter for the remuneration committee".

12.3.1 Annual evaluations

The Board of Directors shall annually evaluate its performance and expertise in the previous year.

13 RISK MANAGEMENT AND INTERNAL CONTROL

13.1 GENERAL

At Saferoad, sound management model is a tool to create trust and enhance value creation. Internal control mechanisms and functions should through focus on collaboration and transparency ensure effective operations and prudent management. Internal controls and systems should also cover the Saferoad's Values, ethical guidelines as described in our Code of Conduct and principles of corporate social responsibility as described in our CSR Guidelines.

Saferoad Risk Management Policy addresses significant risks that could prevent the Group from attaining its goals: risks of strategic, operational, reputational and financial character.

13.2 RESPONSIBILITY, ANNUAL REVIEW AND RISK MANAGEMENT IN THE ANNUAL REPORT

It is ultimately the responsibility of the Board of Directors to ensure that the Company has sound and appropriate risk management model and internal control systems reflecting the extent and nature of the Company's activities. The Board of Directors shall conduct an annual review of the Company's most important areas of exposure to risk and such areas' internal control arrangements.

The Board of Directors will describe the main features of the Company's internal control and risk management systems connected to the Company's financial reporting in the Company's annual report. This covers the culture of control, risk assessment, controlling activities and culture information, communication and follow-up. The Board of Directors is obligated to ensure that it is updated on the Company's financial situation, and continuously evaluate whether the Company's equity and liquidity are adequate in terms of the risk from, and scope of, the Company's activities, and shall immediately take the necessary action if it is demonstrated at any time that the Company's capital or liquidity is inadequate. The Company shall focus on frequent and relevant management reporting to the Board of Directors of both operational and financial matters with the purpose of ensuring that the Board of Directors has sufficient information for decision-making and is able to respond quickly to changing conditions.

Board meetings shall be held frequently. Management reports, including financial performance report, shall be provided to the Board of Directors minimum on a quarterly basis.

13.3 POLICIES

The Company shall have a comprehensive set of relevant corporate policies, guidelines and manuals providing that substantiate risk management model. The procedures and guidelines are continuously revised by members of internal network of specialists to reflect best practice derived from experience or adopted through regulations.

14 REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration of the Board of Directors is determined by the shareholders at the annual general meeting of the Company based on the proposal from the nomination committee. The level of remuneration of the Board of Directors should reflect the Board of Directors' responsibility, expertise, the complexity of the Company, as well as time spent and the level of activity in both the Board of Directors and any board committees.

The remuneration of the Board of Directors shall not be linked to the Company's performance and share options shall not be granted to members of the Board of Directors.

Members of the Board of Directors, or companies associated with members of the Board of Directors, shall not engage in specific assignments for the Company in addition to their appointments as members of the Board of Directors. If they, nonetheless, do take on such assignments the entire Board of Directors must be informed and the consideration for such additional duties is subject to approved by the Board of Directors.

Any consideration paid to members of the Board of Directors in addition to their board remuneration shall be specifically identified in the annual report.

15 REMUNERATION OF EXECUTIVE MANAGEMENT

The Company's guidelines for determining remunerations to the Chief Executive Officer and other members of the Company's management team should, at all times, support prevailing strategy and values.

Performance-related remuneration of the executive management in the form of share options, bonus programmes or similar shall be linked to value creation for shareholders or the Company's profit over time. Such arrangements, including share option arrangements, shall incentivise performance and be based on quantifiable factors that the employee may influence. A cap should be set on performance-related remuneration.

The Board of Directors prepares guidelines for the remuneration of executive management. Such guidelines shall include the main principles for the Company's remuneration policy and should contribute to aligning the interests of shareholders and executive management. These guidelines shall be communicated to the annual general meeting.

16 INFORMATION AND COMMUNICATIONS

16.1 GENERAL INFORMATION

The Company shall continuously provide its shareholders, Oslo Børs and the financial markets in general (through Oslo Børs' information system) with timely and precise information about the Company and its operations. Relevant information will be given in the form of annual reports, quarterly reports, press releases, notices to the stock exchange and investor presentations in accordance with what is deemed appropriate from time to time. The Company should clarify its long-term potential, including strategies, value drivers and risk factors. The Company shall maintain an open and proactive policy for investor relations, a website designed to incorporate "sound practices", and shall give regular presentations in connection with annual and provisional results.

The Company shall publish an annual, electronic financial calendar with an overview of dates for important events, such as the annual general meeting, interim financial reports, public presentations and payment of dividends, if applicable.

Unless exceptions apply and are invoked, Saferoad shall promptly disclose all inside information (as defined by the Norwegian Securities Trading Act). In all circumstances, Saferoad will provide information about certain events, e.g. by the Board of Directors and the general meeting concerning dividends, amalgamations, mergers/demergers or changes to the share capital, the issuing of subscription rights, convertible loans and all agreements of major importance that are entered into by Saferoad and related parties.

Separate guidelines have been drawn up for financial reporting and handling of inside information, see "Financial reporting guidelines", "Instructions for handling of inside information" and "Instructions for primary insiders".

16.2 INFORMATION TO SHAREHOLDERS

In addition to the Board of Directors' dialogue with the Company's shareholders in the general meetings, the Board of Directors should make suitable arrangements for shareholders to communicate with the Company at other times to enable the Board of Directors to develop a understand which matters affecting the Company from time to time are of particular concern to its shareholders. Communications with the shareholders should always be in compliance with the provisions of applicable laws and regulations and in consideration of the principle of equal treatment of the Company's shareholders.

Information to Saferoad's shareholders will be published on its website simultaneous with being sent to the shareholders.

17 TAKEOVERS

17.1 GENERAL

The Board of Directors shall have set out the main principles for its actions in the event of a takeover offer. The Board of Directors shall not hinder or obstruct any takeover.

In a takeover process, the Board of Directors and executive management each have an individual responsibility to ensure that the Company's shareholders are treated equally and that there are no unnecessary interruptions to the Company's business activities. The Board of Directors has a particular responsibility in ensuring that the shareholders have sufficient information and time to assess the offer.

17.2 MAIN PRINCIPLES FOR ACTION IN THE EVENT OF A TAKEOVER BID

In the event of a takeover process, the Board of Directors shall abide by the principles of the Code, and also ensure that the following take place:

- » the Board of Directors will not seek to hinder or obstruct any takeover bid for the Company's operations or shares unless there are particular reasons for doing so;
- » the Board of Directors shall not undertake any actions intended to give shareholders or others an unreasonable advantage at the expense of other shareholders or the Company;
- » the Board of Directors shall not institute measures with the intention of protecting the personal interests of its members at the expense of the interests of the shareholders; and
- » the Board of Directors must be aware of the particular duty it has for ensuring that the values and interests of the shareholders are protected.

In the event of a takeover bid, the Board of Directors will, in addition to complying with relevant legislation and regulations, seek to comply with the recommendations in the Code. This includes obtaining a valuation from an independent expert. On this basis, the Board of Directors will make a recommendation as to whether or not the shareholders should accept the bid.

There are no other written guidelines for procedures to be followed in the event of a takeover bid. The Group has not found it appropriate to draw up any explicit basic principles for Saferoad's conduct in the event of a takeover bid, other than the actions described above. The Board of Directors otherwise concurs with what is stated in the Code regarding this issue.

18 STATUTORY AUDITOR

The Company's auditor shall annually present the main features of the plan for work with the audit of the Company to the Board of Directors or the audit committee.

The auditor shall participate in meeting(s) of the Board of Directors where any of the following is on the agenda: the annual accounts, accounting principles, assessment of any important accounting estimates and matters of importance on which there has been disagreement between the auditor and the Company's executive management and/or the audit committee.

The auditor shall at least once a year present to the Board of Directors or the audit committee a review of the Company's internal control procedures, including identification of weaknesses and proposals for improvement.

The audit committee shall hold a meeting with the auditor at least once a year at which no representative of the executive management is present.

The Board of Directors shall specify the executive management's right to use the auditor for other purposes than auditing.

The Board of Directors must report the remuneration paid to the auditor to the shareholders at the annual general meeting, including a break-down of the fee paid for audit work and fees paid for other specific assignments, if any.

References:

- » Instructions for the Board of Directors
- » Instructions for the CEO
- » Charter for Audit Committee (pdf)
- » Charter for Remuneration Committee (pdf)
- » Authorization Policy

- » Risk Management Policy
- » Contract Management Policy
- » Instruction for Contract Committee
- » Corporate Insurance Policy & Guidelines (Non-life insurances)

- » Group reporting Policy *
- » Bank and Treasury Policy *
- » Transfer Pricing Policy
- » Hedging Policy *
- » Accounting and Finance procedures *
- » Annual closing of books procedure

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