

Circular No. 1/2014

OFFICE TRANSLATION

To: Issuers of shares and equity certificates listed on
Oslo Børs and Oslo Axess

10. June 2014

Our ref: 928026

<http://www.oslobors.no/Oslo-Boers/Regelverk/Boerssirkulaerer>

Changes to the Code of Practice for Reporting IR Information

1. Introduction

This Circular sets out the changes made to the Oslo Børs Code of Practice for Reporting IR Information, which will now be known as the Oslo Børs Code of Practice for IR.

The changes that have been approved correspond in all material respects to the proposed changes set out in the consultation document of 22 January 2014, although some other minor changes and clarifications have been made to the original proposals in response to the responses received to the consultation document.

Oslo Børs received responses to the consultation document from Geelmuyden.Kiese, Norske Skog, PwC and Telenor.

For the sake of good order please note that this revision does not comprise changes to the Oslo Børs Code of Practice for legal provisions of relevance for investors to be provided on the company website. The Code of Practice for legal provisions of relevance for investors to be provided on the company website is available on the Oslo Børs website at http://www.oslobors.no/ob_eng/Oslo-Boers/Listing/Shares-equity-certificates-and-rights-to-shares/Code-of-Practice-for-legal-provisions-of-relevance-for-investors-on-the-website.

Section 2 provides a summarised description of the changes to the Code of Practice for Reporting IR Information. The new version of the Code of Practice is attached.

Companies should apply the revised Code of Practice dated 10 June 2014 for their reporting by 1 September 2014.

2. Changes

A description of the changes to the Code of Practice is provided below:

- The title of the Code of Practice has been changed from “Code of Practice for Reporting IR Information” to “Oslo Børs Code of Practice for IR” (hereinafter the “Code of Practice for IR”).

- New section 2.3. A new section has been added to the Code of Practice for IR in relation to information on future prospects /guiding with wording as follows:

2.3 Information on future prospects/guiding etc.

Future prospects/guiding normally relates to information about circumstances that have not yet happened or are not yet finalised. For companies that provide information on future prospects/guiding, this information may create expectations in the market. Some listed companies also elect to provide guidance to the market in respect of target figures, indicators etc. within a specified period before the complete information is available, for example during the period after the end of the quarter, but before the final quarterly report has been finalised and published.

It is important to be aware that differences between the actual financial results and the indications that the company has previously communicated, as well as changes a company makes to future prospects/guiding it has previously published, may be information that is subject to the duty of disclosure. This must be evaluated on a case-by-case basis, and changes in relation to information that has previously been published about future prospects/ guiding that are price sensitive must be publicly disclosed without delay.

The company should have a policy that specifies whether, and if so to what extent, it will provide information on future prospects/guiding, and that ensures that it is consistent in the information it releases. The company should publicly communicate any changes to its policy in this respect.

- Section 3.5 has been moved to a new Section 3.1. In addition, the order of the topics listed in the former Section 3.5 has been changed, so that Investor Relations is now the first topic. The background for this change is that the “comply or explain principle” is now described in the introductory paragraph in Section 3, which is considered a more appropriate position. This has caused changes to the numbering of all the sub-paragraphs in Section 3.

New wording has been added to the last bullet point of new Section 3.1 on Investor Relations to provide more detail on the application of the “comply or explain” principle. The change to this wording is as follows (with the changes to the wording marked):

If the company chooses to deviate from any section of the Oslo Børs Code of Practice for reporting IR information, any such deviation must be stated and the reason for the deviation must be explained in the Investor Relations section.

- The following wording has been added to Section 3.2 (previously Section 3.1) in the topic “The share/equity certificate” (change underlined):

We recommend, depending on the proportion of shares that is registered through nominee accounts, that the company should consider whether it would be appropriate to publish a list of beneficial owners based on the 20 largest shareholders on a regular basis, and at least once each year.

- In Section 3.2 (previously Section 3.1) in the topic “Analyst coverage and consensus estimates” the second and third bullet points have been merged. The former Code of

Practice recommended that if a company elects to publish investment research and estimates, all the estimates it has collected should be included in the average consensus estimate. This has been changed to a requirement for the company to explain what methodology it has used to produce the consensus estimates. The background to this change is that Oslo Børs has received feedback pointing out that some companies receive a large number of research reports, and because some of the estimates they contain can differ very considerably this can affect the consensus estimates in an unrepresentative manner. In addition, the word 'average' has been removed from the wording, in part because it may be appropriate to report the median value instead of or in addition to the average consensus estimate. The following change has been made to the wording of Section 3.2 (formerly Section 3.1) (with the changes to the wording marked):

Investment research and estimates are prepared by broking firms/analysts for a number of companies. ~~If~~To the extent that the company chooses to publish investment research and estimates it should be clearly indicated that these are not the company's own estimates, and that the company ~~is not vouching for the contents thereof~~has not processed the content. ~~All estimates that have been obtained should be included in average the consensus estimates,~~ ~~and~~The company should explain what methodology it has used to produce the consensus estimates. ~~The~~ company should also state which broking firms/analysts are included in the computation if the company publishes such estimates.

- In Section 3.2 (previously Section 3.1) in the topic "General information about the share/equity certificate" a new bullet point has been added stipulating that the company should also provide information on its website on the number of shares/equity certificates owned by the company or by other group companies.
- New Section 3.4. A new Section 3.4 on external capital has been added. The background for this is that in our experience there is increasing investor interest in information on this topic. This new section has caused renumbering of the subsequent sections starting from Section 3.4 onwards. The wording of the new Section 3.4 is as follows:

3.4 External capital

Financial strategy

- *The company should provide a description of its financial strategy, e.g. information on its capital structure, sources of financing, collateral pledged/guarantees, gearing, and its policy for listing bond loans. The information should, at a minimum, be the same as is provided in the annual report.*
- *If the company does not have a financial strategy, this should be stated.*

Information on the company's debt financing

The company should provide information on its debt financing as described below:

- *List of the company's various sources of financing, identifying the amounts outstanding in each case. The listing should specify listed bond loans, unlisted bond loans, bank financing and any other source of financing.*

- *Terms of the interest rates payable on debt financing, including the interest margins on each loan.*
- *The major financial covenants that apply to debt financing.*
- *The official credit rating if the company, or any of its individual bonds, has been credit rated.*

The information mentioned above should, at a minimum, be the same as is provided in the annual report.

- A new Section 4 has been added on communication using other channels, with a subsection, Section 4.1, on social media. The background for this addition is the growing use of other communication channels, including social media, leading to a recognised need to provide some guidance on the use of social media. The wording of the new Section 4.1 is as follows:

4.1 Social media

It is recommended that companies which use social media in their communication with the market should have clear internal guidelines for how this shall take place that include the individuals who are chosen to speak in public on behalf of the company. These guidelines should also focus on the difference between private and company information. The tone and form of communication through social media typically differs from other channels and is less formal. The companies must therefore ensure that the information given is not shared in such a way that it may be misleading. Notifiable information must always be published in accordance with applicable regulations prior to being published in social media or via other channels.

- In addition to the changes presented above, certain minor editing changes have been made.

Yours sincerely
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