

We in add energy



September 2010

This document defines the common platform for how we manage our business by setting standards for our behavior, our performance and our leadership. It is intended to help us operate as one team with common goals – as we execute our business and develop towards our defined ambitions and targets.

For add energy group as
Stavanger, 1st September 2010

PER ARNE JENSEN
CHAIRMAN OF THE BOARD

STIG H. CHRISTIANSEN
CEO

Table of Content

1.0	Introduction	4	
2.0	Management system	5	
3.0	Corporate governance	6	
	3.1	Background and purpose	6
	3.2	Governing bodies and governance	6
	3.3	Authorities and control in add energy	7
4.0	Management philosophies	9	
	4.1	Vision and Mission	9
	4.2	Business concept	9
	4.3	Core values	9
	4.4	Operating model	9
5.0	Policies	12	
	5.1	People & Organisation	12
	5.2	Employee representative	12
	5.3	Q & HSE goals in add energy	12
	5.4	Emergency response management	13
	5.5	Information Management	13
	5.6	Ethics and moral	14
	5.7	Gift and entertainment policy	14
	5.8	Working regulations	14

Our vision is to be a preferred supplier of competence and innovative solutions in niches of the energy market. Our ability to achieve this ambition must rest on a solid and value-based performance culture with the right standards, clear behavioural principles and an efficient management system. This document is therefore prepared in order to consolidate all the fundamental core values and policies in the add energy group.

In whatever business we conduct we are always abiding by the acts and regulations in the country we operate. As importantly, we make sure to implement our own minimum standards as we seek to support the industry's efforts for continuous improvement when it comes to HSEQ, ethics and operational efficiency.

At add energy the way we deliver is as important as the results we deliver.

The information contained herein shall be known to all personnel in the group.

2.0 Management system

Our management system outlines our main work processes to reflect our organisational structure and what we do, how we operate and how we manage our operations.

Our management system has three main objectives:

- ✓ To ensure that we operate in accordance with our vision and values
- ✓ To ensure that we comply with formal external and internal requirements
- ✓ To drive business performance and continuous improvement through efficient and quality operations and execution

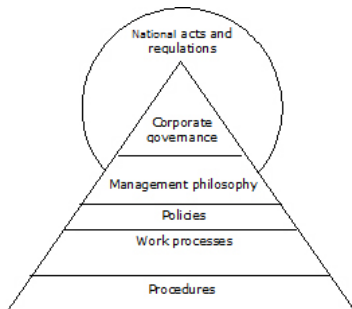
Commitment and compliance to our management system is a requirement.

AIMS - ADD ENERGY INTEGRATED MANAGEMENT SYSTEM

The management system in add energy is called "aims" and is a flow-chart based and software supported system. It is readily available, highly intuitive and user friendly.

The management system includes:

- **CORPORATE GOVERNANCE**
The top level document with fundamental rules laid down by the Board for the Company.
- **MANAGEMENT PHILOSOPHY**
a collection of statements describing the ambitions and core values of the company - our culture.
- **POLICIES**
verbal fundamental description of matters where it is not beneficial to present the content as a flow diagram.
- **WORK PROCESSES**
the preferred method used to convey descriptions to the employees on how to conduct our business on a day to day basis. The flow-chart based system uses roles to identify who is responsible for the various activities in a work process. The roles will be assigned to positions in the current organisation so that the organisational structure can change without affecting the work processes.



Detailed procedures, guidelines, learning material and user handbooks that are not part of the management system are found in archives maintained by the various companies and departments.

3.0 Corporate governance

3.1 Background and purpose

The guidelines for corporate governance are intended to clarify the division of roles between shareholders, the board of directors and general management beyond what follows from legislation and the Rules of Procedure.

3.2 Governing bodies and governance

IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

The board of directors must ensure that the Company implements sound corporate governance.

The board of directors defines the Company's basic corporate values and formulates ethical guidelines in accordance with these values.

GENERAL MEETINGS

The board of directors shall:

- send the supporting information to Company's shareholders on the resolutions to be considered at the general meeting by the statutory deadlines for ordinary and extraordinary general meetings, respectively,
- ensure that the resolutions and supporting information are sufficiently detailed and comprehensive to allow shareholders to form a view on all matters to be considered at the meeting.
- set the deadline for shareholders to give notice of their intention to attend the meeting as close to the date of the meeting as possible.
- provide shareholders the opportunity to vote by proxy pursuant to the rules in the Limited Liability Companies Act and the proxy signed when the Company was founded.
- ensure that the rules in the Limited Liability Companies Act apply with regard to the presence of the board of directors and general manager at the Company's general meetings. The auditor shall be present if the chairman of the board so wishes, or if the auditor deems it necessary.
- determine the chairman of the Company's general meeting in accordance with the Limited Liability Companies Act.

ELECTION OF THE COMPANY'S BOARD OF DIRECTORS

In view of the Company's size, the Company shall not have a separate nomination committee. The board and its chairman are elected by the Company's general meeting, in accordance with the Company's Articles of Association and current Limited Liability Companies Act.

THE WORK OF THE BOARD OF DIRECTORS

The board of directors shall:

- issue instructions for its own work as well as for the executive management with particular emphasis on clear internal allocation of responsibilities and duties.
- elect a deputy chairman be elected for the purpose of chairing the board in the event that the chairman cannot or should not lead the work of the board.
- evaluate its performance and expertise annually.

AUDITOR

The auditor shall:

- present the main features of the plan for the audit of the Company to the chairman of the board of directors. The plan shall have been reviewed with the general manager, but the meeting with the chairman of the board shall take place without the executive management being present.
- attend the meeting of the board of directors that deals with the annual accounts and at this meeting shall report material uncertainty regarding the annual accounts and all material matters on which there has been disagreement between the auditor and the executive management.

In connection with submitting the annual accounts the auditor may be asked to comment on the Company's internal control procedures, including weaknesses and proposals for improvement identified during the conduct of the audit.

The auditor may be engaged to provide services to the Company within the rules that apply to the auditor's independence. In case of doubt the matter shall be submitted to the chairman of the board.

The Company's annual report shall specify the services provided by the auditor beyond ordinary auditing. Audit fees shall be reported to the general meeting.

3.3 Authorities and control in add energy

AUTHORITIES

The CEO and the management team operate according to formal authorities defined and approved by the board of directors. The CFO and the Controller have a right and a duty to report directly to the board of directors if they consider that there are grounds justifying this that which are not sufficiently acknowledged by the CEO.

RISK MANAGEMENT

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 and ethical guidelines.

The board shall also set requirements for sound internal control and appropriate systems for risk reporting and risk management in the Company.

By working together, using our arenas and performance follow-up according to the risk management process, we make ourselves able to manage risks in everything we do.

RISK ASSESSMENTS

In order to control and mitigate risk, one needs an accurate picture of what the risks actually are. The documentation that the board is to base its decisions on must be prepared with this in mind.

An understanding of the inherent risk in the Company's processes and a description of risk to the board of the Company will be crucial for reaching correct decisions and achieving the Company's paramount objectives.

The general manager will draw up guidelines for presenting items of business, documentation and processes and present them to the Company's board.

INTERNAL CONTROL

Internal control includes activities and measures implemented to balance the relationship between achieving business objectives and related risks to an acceptable level. Furthermore, internal control may include requirements for processes, systems and documentation.

The following guidelines shall apply to internal control in the areas of defined risk components:

CONTROL ENVIRONMENT

The board's periodic review of risk and preparation of corporate governance and ethics guidelines contributes to a sound control environment and provides guidance that will lay the foundation for proper internal control in the Company.

CONTROL ACTIVITIES

The following central control activities shall be put in place:

- All investment decisions relating to new investment shall be made by the Company's board of directors.

MONITORING CONTROL ACTIVITIES

Monitoring control activities is a process for assessing whether control activities are effective and work appropriately over time.

Periodically the board of directors may ask the general manager to have an evaluation of internal control conducted by the auditor and submitted to the board.

These guidelines for corporate governance and internal control have been adopted at a meeting of the board of directors of 1 September 2008.

All amendments shall be approved at meetings of the board, after which revised guidelines will be distributed.

4.0 Management philosophies

4.1 Vision and Mission

VISION:

add energy shall be the preferred supplier of competence and innovative solutions in niches of the energy market.

MISSION:

We add value to our stakeholders by providing solutions that supports increased recovery, improved regularity, reduced emissions, cost-efficiency and safe and compliant operations.

4.2 Business concept

add energy is a competence based services and solutions provider to the energy industry. We combine people and software to provide high quality and unique services and solutions. Our clients are new and established oil companies, service industry and governmental entities, all seeking consultants, training, studies, projects and software to enhance and secure their core processes.

Our business is organised in business segments – each representing the combination of the most complementary businesses within the group.

add energy provides an integrated management system – and requires that each company in the group operates accordingly.

We believe that by bringing people together – across companies and across borders – we will over time integrate naturally, build a common and strong culture and find new and innovative ways to combine our competencies and thereby add value to all our stakeholders.

4.3 Core values

Our values represent our culture, the way we are and what we are about.

- Value focused: we in add energy are value based in our efforts to create value for our stakeholders
- Innovative: we in add energy seek continuous improvement and development
- Clear: we in add energy act with integrity, walk the talk and deliver as promised

Our values are at the core of our management system and lead us in our behaviour and decision-making.

4.4 Operating model

The operating model is about how we manage our business and performance and consists of organizational principles, the "strategy to execution (S2E)" process – the cycle from setting ambitions through execution to evaluating performance, process owners who are responsible for the work processes in our management system, business reviews, bid reviews and monitoring activities.

ORGANISATIONAL PRINCIPLES

Our organisational principles define how we structure and manage our organisation to achieve operational excellence, synergies, strategic goals and continuous improvement.

We strive for a simple and efficient business model where our main organisational principles are:

1. We achieve operational efficiency and create value by keeping our main companies as self-contained units with a clear strategy and mandate within the corporate framework and requirements defined. Each company is headed up by a MD with direct report to the CEO
2. The companies therefore have clear responsibilities, and there are two well-defined roles – respectively line and support
3. Support functions are typically finance, HSEQ, HR and resource management, marketing, sales & communication and process owners
4. The business segments in add energy group serve as structural combinations of the most complementary companies based on competence and deliverable
5. Single point of accountability applies
6. Responsibilities and authorities are established through the process of delegation in the line, and through the assignment of tasks to support roles

Strategy to Execution (S2E) - planning and performance management

Performance is about delivering on promises, outperforming competitors and continuously improving and developing. And at add energy the way we deliver is as important as the results we deliver. The precise one-page strategy to execution (S2E) concept covers the five most important dimensions to our business:

- **People & Organisation**
- **HSEQ & Ethics**
- **Market**
- **Operations**
- **Finance**

and ties numbers and KPIs directly to strategic goals and actions.

The strategy to execution (S2E) constitutes the main agenda in the senior management meetings, as well as in the quarterly business review follow-up meetings with each business.

The strategy to execution (S2E) is directly reflected in the guidelines to the add appraisals in order to ensure consistency and a holistic team approach, as well as fair appraisal in terms of what and how we deliver according to roles, responsibilities and goals defined.

Business follow-up/business review

Business follow-up is a monitoring activity primarily based on the Strategy to Execution (S2E) per company. The business reviews are held quarterly and results in an updated S2E per company. The five dimensions are therefore the key focus areas in the business review. Similarly is status and progress as per the annual HSEQ plan and audit plans established.

MANAGEMENT MEETINGS

The purpose of the management meetings are:

- Set direction and drive strategy
- Ensure execution according to S2E and follow-up
- Share and capture lessons learned and drive innovation and improvement
- Inform and cooperate
- Build stronger networks and continuously develop business and leadership

Arenas / add groups

The purpose of the arenas are to ensure integration, sharing, innovation and quality by bringing people together from different parts of the group companies on a regular or project basis: There are seven arenas as follows:

- add it (software innovation and IT strategy)
- add focus (information, communication and conferences)
- add ministration (efficient administration and transfer of best practice)
- add fun (social arrangement and welfare)
- add market (market intelligence and transfer of best practice)
- add value (innovation and transfer of best practice)
- bid review board (go/no-go, cooperation and QC on bids)

Each arena consists of a leader and other relevant line and support members. Lessons learned and ideas captured are evaluated and developed and brought to the executive committee for support and decision as and if required.

5.0 Policies

5.1 People & Organisation

We strive to:

- be an excellent place to grow and contribute
- provide room to manoeuvre within our vision and value set and set of requirements, authorities and action plans (S2E)
- be brutally honest in a constructive way as we believe that is how we best mobilize the organisation, provide opportunities and enable ourselves to progress.
- provide constructive feedback and we respect and support our colleagues.
- act as One Team with Common Goals.
- follow a system for performance evaluation and target setting (add appraisal), and it is as important how we deliver as what we deliver.

add energy has prepared a personnel handbook which makes it easier for employees with and without personnel responsibility to find the right answers to personnel questions.

Performance interviews at add energy group are called the add appraisal, to underline that this is a planning and development dialogue.

Refer to Corporate or local personnel handbooks and the add appraisal guidelines for further information.

5.2 Employee representative

As a requirement in Norway, an employee representative (Verneombud) shall be elected for a period of two years. This requirement must be evaluated locally and allowed for local adaptations according to local laws and requirements.

The employee representative shall ascertain that the interest of the employees with respect to health, environment and safety is taken care of in the best possible manner.

5.3 Q & HSE goals in add energy

Zero tolerance - full compliance. No compromise!

QUALITY:

add energy group wants to provide first class quality according to agreed scope. This is why we build a competence based power house with specialized skills and the power to perform.

Our goal is satisfied and customers who come to us again and again.

HEALTH:

A sound mind and a healthy body is an asset for the employee and thus for the group and for our clients. We want people to have fun at work. We want add energy group to be regarded as an excellent place to grow and contribute.

Our goal is to achieve the lowest absence levels in the industry.

SAFETY:

Our mindset is zero accidents and zero harm. Safety has first priority. No compromise. Risk assessment and a continuous focus on safety planning and awareness during execution of work is therefore central in add energy group.

Our goal is zero accidents, zero harm and full compliance with applicable laws and regulations.

ENVIRONMENT:

In add energy group we want to build a sustainable business model that rests on respect for resources and environment.

Our goal is therefore to continuously reduce the environmental impacts from our business operations.

Social responsibility and sustainability:

By combining our Quality and HSE goals, our vision, value set and management system with our ambition to build a socially responsible and sustainable company, we manage to balance the expectations and requirements from our stakeholders.

5.4 Emergency response management

The well being of the add energy employees, consultants and their families are of fundamental concern to our organisation. Plans and emergency duty teams shall be set up to handle any emergency incidents involving any add energy employees or consultants.

5.5 Information Management

INFORMATION AND REPORTING

Public information about the Company shall only be furnished by the Company's CEO unless otherwise agreed. No employee or contract personnel shall speak or convey information in any forum where public media is present without prior approval from Company management or the information officer. All information from the Company shall be reliable, correct and comply with a high, professional and ethical standard.

The Company's reports shall provide complete, adequate and correct information.

5.6 Ethics and moral

add energy group's reputation and public trust in us depend on our employees' professionalism and competence and on a high level of ethical conduct.

This applies to both the Company's business operations and the conduct of each and every one of us. We therefore expect every member of the staff to act with due care, integrity and objectiveness and to refrain from any actions that could undermine confidence in the Company.

add energy group has prepared ethical guidelines. This is intended to be a set of standards and principles for the conduct of add energy group's employees and consultants. In add energy we encourage employees and consultants to report any non-compliance to these standards and principles to his/her line manager.

In add energy we comply with national and international laws and regulations as well as company specific requirements. We are for fair trade and competition, and we abide by international standards for operations, HSEQ, human rights and anti-trust. We want to be perceived as a company that adds value by acting with integrity and professionalism in everything we do.

5.7 Gift and entertainment policy

In add energy we take utmost care when it comes to entertainment, gifts and other events when the company is in a tendering phase. We shall never compromise the reputation of add energy, any representative of ours or any clients or otherwise, and we shall encourage openness and transparency in order to ensure compliance. In add energy we always speak openly and we check with our line managers and colleagues when in doubt.

Refer to Corporate or local personnel handbooks for further information.

5.8 Working regulations

In add energy we have working regulations applicable to Norwegian subsidiaries and with local adaptations internationally. Please refer to separate documents for details.



add energy

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Visiting address: Ipark
Prof. Olav Hanssensvei 7A
4021 Stavanger, Norway
Postal address: Pb 8034
4068 Stavanger, Norway
tel +47 51 87 44 80
fax +47 51 87 44 51
addenergy@addenergy.no

www.addenergy.no