



EITZEN GROUP
Est. 1883

Eitzen Maritime Services ASA

Corporate Governance

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0. Brief Description of the Norwegian Code of Practice

Number	Headline	Brief insight
1	Implementation and reporting on corporate governance	The Board of Directors should ensure that the company implements sound corporate governance. The Board of Directors should define the company's basic corporate values and formulate ethical guidelines in accordance with these values.
2	Business	The company's business should be clearly defined in its articles of association.
3	Equity and dividends	The company should have equity capital at a level appropriate to its objectives, strategy and risk profile.
4	Equal treatment of shareholders and transactions with close associates	The company should only have one class of shares
5	Freely negotiable shares	Shares in listed companies must, in principle, be freely negotiable. Therefore, no form of restriction on negotiability should be included in a company's articles of association.
6	General meetings	Any deadline for shareholders to give notice of their intention to attend the general meeting should be as close to the date of the meeting as possible, and all relevant material should be enclosed to the notice.
7	Nomination committee (for selection of board members)	The company should have a nomination committee elected by the general meeting. The members of the nomination committee should be selected to ensure board representation of shareholders' interests.
8	Board of directors, composition and independence.	The composition of the Board of Directors should ensure that the board can attend to the common interests of all shareholders and meets the company's need for independence, expertise, capacity and diversity. The annual report should provide information that illustrates the above.
9	The work of the Board of Directors	The Board of Directors should generate an annual plan for its work, with emphasis on objectives, strategy and implementation. The board should also issue instructions for its own and the executive management's work, and consider the use of board committees. The Board of Directors should evaluate its performance and expertise annually.
10	Risk management and internal control	The Board of Directors must ensure that the company has sound internal control and risk management systems, which are related to the extent and nature of the company's activities
11	Remuneration of the Board of Directors	The remuneration of the Board of Directors should reflect the board's responsibility, expertise, time commitment and the complexity of the company's activities. The remuneration should not be linked to the company's performance.
12	Remuneration of executive management	The annual report should provide details of all elements of the chief executive's remuneration, together with composite figures for the remuneration of other members of the executive management.
13	Information and communication	The Board of Directors should establish guidelines for the company's contact with shareholders other than through general meetings. All information should be based on openness and taking into account the requirement for equal treatment of all shareholders/participants in the securities market.
14	Takeovers	In the event of a takeover bid for the company's shares, the company's Board of Directors should not exercise mandates or pass any resolutions that obstruct the takeover bid unless this is approved by the general meeting following announcement of the bid.
15	Auditor	The Board of Directors should establish guidelines in respect of the use of the auditor by the company's executive management for services other than the audit. The board should receive annual written confirmation from the auditor that the auditor continues to satisfy the requirements for independence. The auditor should also provide the board with a summary of all services in addition to audit work that have been undertaken for the company. An Audit Committee is required.

1. Board responsibility & working procedures

The main objective for Eitzen Maritime Services ASA's (EMS) Corporate Governance is to develop a strong, sustainable and competitive company in the best interest of the shareholders, employees, business associates, third parties and society at large. The Board of Directors ("the Board") and management aim for a controlled and profitable development and long-term creation of shareholder value through well-founded governance principles, operational procedures and risk management.

Successful value-added business depends upon transparency and internal and external trust. The Board believes that this is achieved by building a reputation based on EMS' solid financial performance, corporate values and business practices and our communication to the market.

The Board gives high priority to finding the most appropriate working procedures to ensure that the objectives covered by these Corporate Governance guidelines and principles are implemented.

Strategic planning and business development, financial and internal control - all according to the EMS business idea and vision and within applicable laws and regulations - are the Board's responsibility and the essence of the Board's work.

The Board should work as an active forum, acting in the best interest of EMS and all its shareholders maintaining ethical standards and objectivity. The responsibility of the Chairman of the Board is to lead the work of the Board, and to ensure that it is in accordance with Norwegian law and the Corporate Governance directives.

The Board recognises the varied expertise and background of its members, as important factors in creating a dynamic working environment in the Board meetings – and hence contribute to value added decisions and developments for EMS.

Both as a forum and individuals, the Board identifies itself with the EMS culture and the Code of Conduct and encourages the continuous development of an ethical corporate environment.

The Board ensures that the timeliness and quality of the information flow from Chief Executive Officer ("CEO") and management is such that the Board is provided with the information needed to follow and analyse the financial position, planning and development of EMS.

The Board acknowledges the Norwegian Code of Practice for Corporate Governance and the principle of "comply or explain". The Norwegian Code is revised once a year, and the Board will continue to work on implementing this Code and use its recommendations as guidelines for the Board's governance duties.

EMS Board of Directors, February, 2008

2. Business

The company's business is set out in the Company's Articles of Association.

The Annual Report will include the business activities clause from the Articles of Association and describe the Company's objectives and principal strategies.

3. Equity and dividend policy

- The Board of Directors (*the Board*) should strive to assure that EMS has an equity capital at a level appropriate to its objectives, strategy and risk profile.
- EMS focuses on establishing good financial planning and control – with robust risk control systems and reporting routines.
- EMS' objective is to create lasting value and to provide a competitive return to its shareholders through profitability and growth.
- The value created in EMS should be reflected in long-term returns to shareholders in the form of increased share price and dividends.

4. Equal treatment of shareholders and transactions with close associates

- EMS has only one class of shares, and the shares are equal in all respects.
- Any acquisition of own shares will be at market price through the Oslo Stock Exchange, and the Company will not deviate from the principle of equal treatment of all shareholders.
- The Board of Directors may seek a power of attorney by the General Meeting to acquire the Company's own shares. Any such authorisation will be valid according to GM's decision.
- All transactions with closely-related parties are regulated in accordance with applicable laws, the Norwegian Code of Practice and the rules of the Oslo Stock Exchange.
- Furthermore, any transactions with closely related parties, primary insiders or employees wishing to trade in EMS shares, are firmly regulated in EMS' own Directives for Insider Trading.

5. Freely negotiable shares

- EMS is listed on the Oslo Stock Exchange, and it is an objective of the Company to continue to remain listed.
- The EMS shares are freely negotiable, and there is no form of restriction on negotiability as regards EMS shares in EMS' Articles of Association.
- Furthermore there are no restrictions when it comes to buying or selling shares in Norway, other than those required by the Norwegian legislation.

6. General meetings

1. Deadline for sending notice to the shareholders of the general meeting

Pursuant to the Norwegian Public Limited Liability Companies Act, Section 5-20, the notice shall be sent to the shareholders no later than two weeks prior to the General Meeting.

2. Duty to send notice

The Company's Board of Directors (*the Board*) summons the shareholders to the General Meeting, and the notice shall be approved by the Board in a Board meeting. The Board may authorise the Chairman or others to send the notice to the shareholders.

3. Requirements with respect to notice

The notice shall be in writing and it shall clearly state time and place for the General Meeting. The notice shall be sent to all shareholders who have a registered address, minimum 14 days prior to the general meeting.

The matters to be discussed in the General Meeting shall also be clearly stated in the notice. The shareholders shall be able to decide on each matter based on the attached background material for each case.

4. Attendance at the General Meeting

The Board shall endeavour to arrange for the presence and/or voting by as many shareholders as possible.

The deadline for the shareholders' registration of their attendance shall be as close to the meeting date as possible. An attendance slip will be attached to the notice.

Shareholders will have the opportunity to vote by proxy and a proxy slip shall also be attached to the notice.

Shareholders may elect to receive the agenda, and also supporting documents, in English.

7. Nomination committee

- The Company has a nomination committee, elected by the General Meeting. The General Meeting will also determine the committee's remuneration.
- The nomination committee consists of two to three members, preferably one member being proposed by the major shareholder in EMS, the other member(s) by other shareholders. One of the members may be a Board member.
- The nomination committee proposes candidates to the Board, well in advance of the Annual General Meeting when an election is on the agenda.
- When applicable, the recommendation of the nomination committee will be sent to the shareholders attached to the notice of the general meeting.

8. Composition and independence of the Board of Directors

- The composition of the Board of Directors (*the Board*) should ensure that the Board can attend the common interests of all shareholders.
- EMS appreciates the need for diversity in terms of its board members' expertise, experience, independence and networks, in order to add value and to best serve the common interests of EMS' shareholders. The members of the Board should also have the necessary time available to do a proper job, and should identify with the EMS values.
- At least two of the members of the board shall be independent of the company's main shareholder(s). Furthermore, fifty percent should be independent of the administration and main business associates.
- The Board should work as a forum in the best interest of EMS and all its stakeholders.
- Generally, it will be proposed to the General Meeting that Board members will be elected for a two year period.
- The Board will elect its own Vice Chairman, to ensure a properly functioning Board, if questions should arise in which Chairman is disqualified to act.

9. The work of the Board of Directors

Separate document.

10. Risk management and internal control

Effective risk management and good internal control are vital to securing shareholders' investment in the company and the company's assets and reputation.

The Board is responsible for the overall management and internal control of EMS. This includes financial and internal control, short- and long-term strategic planning and business development that are all aligned with EMS' business idea, vision and applicable laws and regulations.

Consequently the Board of Directors will from time to time review the company's internal control and risk management systems and reporting routines to ensure that these are proper and well functioning. Further, that they are appropriate in relation to the extent and nature of the company's activities and its chosen risk level. Internal control systems should also reflect the company's corporate values and ethical guidelines/code of conduct.

11. Remuneration to the Board of Directors

- Remuneration to the Board of Directors (*the Board*) will be decided by the Annual General Meeting each year.
- EMS is a complex and diversified company, and the remuneration should reflect the Board's responsibility, expertise, the complexity and scope of work as well as numbers of board meetings and time commitment.
- The remuneration to the Board will not be directly linked to the company's performance.
- Generally, members of the Board will not take on separately paid assignments for the company, but if so the Board will be informed about the scope of work and remuneration.
- The Annual Report will provide information on total remuneration paid to each member of the Board of Directors. Any remuneration in addition to normal directors' fees will be specifically identified.

12. Remuneration of management

The Board of Directors has established guidelines for the remuneration of the members of the executive management. These guidelines will be communicated to the general meeting for information annually.

1. Wages to and other remuneration of the Chief Executive Officer (CEO)

Wages to and remuneration of the CEO is to be decided by the Board of Directors (*the Board*) in a Board meeting. Remuneration of the CEO will be at market terms and reviewed by the Board every year.

2. Wages to and other remuneration of other members of management

Wages to and other remuneration of other members of the executive management will be decided by the CEO. The principles of remuneration shall be based on relevant directions approved by the Board. The CEO shall inform the Board of the remuneration of members of management.

3. Criteria to be emphasized when determining the remuneration of the management

The remuneration, both with respect to the type of remuneration and the amount, is set to encourage growth in long-term shareholder value in line with the Company's values and general shareholder interests.

Any performance related bonus will be linked to increased shareholder value over a period of time. Circumstances that may have substantial effect on the results and/or share price, but over which management has limited influence, will not be considered as criteria for such a bonus.

4. Information on remuneration of management in the Annual Report

The Annual Report will provide information on the guidelines for the remuneration of the members of the executive management. Furthermore, the Annual Report will state the management's regular wages, payment in kind, bonus-schemes, options agreements, pension schemes and redundancy pay.

13. Information and communication

All external communication takes place in accordance with Company guidelines.

External communication to financial markets and shareholders:

- EMS' information policy is based on transparency and on providing the shareholders and the financial market with correct and timely information, in a way which safeguards the principle of equal treatment of all shareholders, and satisfies the regulations and practice applicable to listed companies.
- Oslo Stock Exchange is used as discussion partner regarding information requirements in order to provide the market with the most appropriate information.
- EMS gives presentations to shareholders, financial markets and analysts, specifically in connection with the Quarterly Reports and Annual Accounts. Quarterly reports, annual accounts and annual reports are published on the EMS website www.ems-asa.com. In addition a copy of the Annual Report is sent to all shareholders.
- EMS' website contains comprehensive information regarding EMS, its activities and contact information. The website is updated on a regular basis. In addition all presentation materials are made available on the website, and when live web cast from the presentation is made, it can be viewed on the web site simultaneously.
- EMS distributes all press releases and Quarterly Reports according to the EU Regulatory News Distribution Transparency Directive, and the Norwegian Securities Trading Act § 5-2, 5-12 and regulation § 5-9.

14. Takeovers

- A takeover bid has major consequences for the employees, Board of Directors and shareholders of both the bidder and the target company. The Board will use its best endeavour to ensure that there is openness in respect of takeover situations that will help to ensure equal treatment of all shareholders.
- As of today, the Board of Directors do not hold any authorisations as set forth in Section 4-17 of the Securities Trading Act, to effectuate defence measures if a takeover bid is launched on EMS.
- The Board can be authorised by the General Meeting to acquire own shares, but will not be able to utilise this authorisation in order to obstruct a takeover bid, unless such measures are approved by the General Meeting following the announcement of a takeover bid.

15. Auditor

The Auditor will be appointed by the General Meeting every year.

- The auditor should submit the main features of the audit plan to the Board of Directors annually.
- The auditor will participate in meetings of the Board of Directors that deal with the annual accounts, as well as once a year present a review of the company's internal control procedures, including strengths and possible weaknesses. On an annual basis one of these joint meetings should be without the presence of the executive management (including the CEO).
- EMS has appointed an Audit Committee (AC), which will meet with the auditor at least twice a year. The objective of the committee is to focus on internal control, risk management and the financial standing, including the quarterly and annual financial statements. In this respect members of the Board will be able to receive information on a more continuous basis, and improve its internal control routines.
- The auditors will each year, present a complete Management Letter/Report to the Board – which is a summary report with comments from the auditors including suggestions of any improvements if needed. This is an important tool for the Board in order to get a better overview and fulfil the control duties.
- In addition, the Board should receive an annual written confirmation from the auditor stating that the auditor continues to satisfy the requirements for independence. The auditor should provide the Board, for its consideration, a summary of all services that have been undertaken for the Company, in addition to the audit work.