

# **RULES OF PROCEDURE FOR NORWAY ROYAL SALMON ASA'S AUDIT COMMITTEE**

(Adopted at the Board meeting of 2 September 2010)

## **1. PURPOSE**

The Audit Committee ("**the Committee**") at Norway Royal Salmon ASA ("**the Company**") is a subcommittee of the Company's Board ("**the Board**") and shall serve as a preparatory and advisory body for the Board and assist the Board in the exercise of its responsibilities regarding the preparation of financial statements, and internal controls and risk management.

## **2. AUTHORITY AND DUTIES**

The Committee shall

- (i) Assist the Board in its work regarding preparation of the Company's financial statements and serve as a preparatory body for the Board with regard to the financial reporting process;
- (ii) Review and discuss the Company's annual and interim financial statements with management and the Company's external auditor;
- (iii) Maintain an ongoing dialogue with the Company's external auditor with regard to the audit of the Company's annual financial statements;
- (iv) Review and discuss material issues in connection with the financial statements and auditing with management and the Company's external auditor, including issues where the external auditor disagrees with management or has expressed considerable uncertainty;
- (v) Review the external auditor's reports to management and the Board;
- (vi) Assess and monitor the external auditor's independence, including which type of and the extent to which consultancy services and other non-auditing services are performed, along with compliance with the requirements of §§ 4 and 5a of the Norwegian Auditors Act;
- (vii) Assess the external auditor's competence and work;
- (viii) Provide recommendations to the Board with regard to the appointment or removal from office of the Company's external auditor and his remuneration and other terms of engagement;
- (ix) Monitor and evaluate the Company's systems for internal control, internal audit and risk management;
- (x) Perform other duties and assignments allocated to the Committee by the Board at any time or any assignments which the Committee deems appropriate and commensurate with its authority.

## **3. COMPOSITION OF THE COMMITTEE**

- 3.1** The Committee shall comprise at least three members, who shall all be members of the Board.
- 3.2** The members of the Committee shall be appointed by the Board. The Board shall also appoint a Committee Chair.

- 3.3** The composition of the Committee shall satisfy the requirements of § 6-42 of the Norwegian Public Limited Liability Companies' Act. The Committee's members shall together possess the expertise required to perform the assignments allocated to the Committee. At least one member shall have expertise within auditing and financial accounting.

#### **4. MEETINGS AND PROCEDURE**

- 4.1** The Committee shall meet at least four times a year and otherwise at the request of the Committee Chair. The Committee shall prepare an annual meeting plan. Notice of the Committee's meetings shall be issued in writing.

- 4.2** Only the Committee's members have the right to participate in the Committee's meetings. However, other parties, for example the CEO, CFO, the Company's external auditor and external advisors shall participate in all or parts of meetings when the Committee deems such appropriate.

- 4.3** The Committee's meetings shall be minuted. The minutes of the meeting shall be signed by the members who have attended the meeting. The minutes of the meeting shall be sent to the Board.

#### **5. EVALUATION**

The Committee shall perform an assessment of its own work and its rules of procedure at least once a year in order to ensure that the Committee is functioning as effectively as possible. The Committee makes recommendations to the Board with regard to any changes it deems necessary.

#### **6. EXTERNAL ADVISORS**

The Committee shall have the authority to engage external advisors if it deems such appropriate.

#### **7. RELATIONSHIP WITH THE BOARD AND REPORTING**

- 7.1** The Committee shall report to the Board. The Committee shall not make decisions on behalf of the Board.

- 7.2** The Committee may request such information from the Company's employees as it needs to perform its assignments.

- 7.3** The work performed by the Committee members in no way alters the tasks performed by the Board or individual Board members.