

We have not been given any contract between OT/Haico Halbesma and Pos and/or her companies from 2007 and 2008.

OT's Corporate counsel has stated that:

“Pos and Hill did not have other written agreements before the ones entered into in 2016 which are with effect from 1 January 2015. The payments to the directors done before the effective date of the agreements are based on their statutory function and the authorisation granted by the AGM”⁵⁰.

Catharina Petronella Pos was a Board Member in OT in the period from 16 January 2007 to March 2018.

According to Haico Halbesma, Pos was what they were looking for to supplement the Board because he found that she was looking at things completely different. He points out that she was also an entrepreneur with an interesting CV.

We register that a former Board member in OT stated the following in interview:

“I was quite surprised that Pos was friend with the chairman, which in turn was the father of the CEO. I also discussed her competences. She said her added value was supporting the HR activities, and for example she was supporting the company when people resigned.

I discussed the valuation issue with Pos, and she said she did not understand it. I said she had to understand it as she was a board member of a listed company. I therefore warned her, and said she had to consider resigning or taking a course in order to understand it. She indicated that at her age taking a course was not what she wanted and that she was considering to resign due to age shortly. In practice she always agreed with the chairman.”

3.4.3.1 Overview of transactions

We have not received any agreements regulating the fees for Pos's services before the agreement dated 1 November 2016. We have been informed that Board Members in OT could receive EUR 80,000 per year in 2015-2017.

On the invoices from Cenzo, the amounts are denoted as “board fees” for each year. In principle, this is not a Board fee, as she already received the Board fee of NOK 200,000. According to minutes from general meetings, the amounts should be compensation for additional consultancy services provided by Mrs. Pos.

There is a conflict between the information on the invoices from Cenzo, Pos' understanding of her services, and what others say she delivered. It is unclear if Pos has understood the arrangement with OT and the decisions made at annual meetings.

⁵⁰ Email from OT's Corporate counsel 7 December 2018

We register that OT's Finance department has noted "contractor's fee" next to "board fee" on some of the invoices from Cenzo. With reference to an agreement from 1 November 2016, the registered fees seem to be in line with the agreed amounts. Fees before that are not possible to control if is correct. These are the figures regarding salaries to Pos:

Salaries, Catharina Pos, EUR	2013	2014	2015	2016	2017	Total
Extra services, contractor's fee	70,000	70,000	70,000	90,000	77,584	377,584
Board committee fee	25,612	23,942	22,339	21,529	21,443	114,865
Phantom Share Incentive ⁵¹	0	7,219	14,986	11,650	-4,987	28,868
Total salaries	95,612	101,161	107,325	123,179	94,041	521,318

The totals above differ from the numbers in the table presented in chapter 3.3.1 because of currency (table in 3.3.1 is in USD) and because the table above does not include travel costs.

We register that OT's Corporate counsel has stated the following:

"We are not aware of timesheets, issued by Pos and Hill in the period 2013-2016. The agreements from 2016 and effective from 1 January 2015 explicitly state that no timesheets are required for the ordinary services as defined in the agreements. Pursuant to the terms of these agreements, for extraordinary services timesheets were required, however, there were no extraordinary services provided."⁵²

Timesheets

Pos never provided timesheets for her work. However, it is explicitly stated that timesheets should not be provided by Cenzo in the agreement from 2016 unless the issued work order above stated 160 hours.

We register that services were provided without timesheets; the Board Members would not be able to know when 160 hours have been used up.

We register that there was no fixed fee agreed in any written agreement before the agreement of 1 November 2016, which was effective from 1 January 2015. Based on the aforementioned, fees before the agreement dated 1 November 2016 are not possible to control the correctness of.

3.4.3.2 Payments

From the received overview from OT's finance department, we can see that about EUR 380,000 has been invoiced from Cenzo B.V. in total for the period 2013-2017. About EUR 267,000 has been paid out or recharged to the company, hereunder Catharina Pos. This means that about EUR 113,000 was outstanding to Cenzo B.V. at the end of 2017.

The invoiced amount of EUR 380,000 is significantly lower than the registered costs presented in the table above, in chapter 3.4.3.1. The difference of approximately EUR 140,000 is mainly because the Board

⁵¹ Only stated and booked in USD, EUR amount is calculated based on a yearly average for exchange rate USD/NOK and EUR/NOK.

⁵² Email from OT's Corporate counsel 7 December 2018

committee fees (about EUR 115,000) are not included in the table below, since these fees were paid out by payroll to Pos directly and not invoiced from Cenzo B.V.

We have reviewed an overview from OT of board fees. OT has informed us that all board fees were paid out, except for 2017. Only Q3 was paid out as normal for Pos in 2017, as payments for the other quarters this year were settled into shares. Board fees paid in 2013-2017 are in line with decided fees of NOK 200,000. No deviations were uncovered with regards to this.

The invoiced amount in 2017 of EUR 80,003 differs slightly from the figure in the table in chapter 3.4.3.1 regarding the contractor's fee of EUR 77,584. This seems to be caused by a correction that is not fully eliminated in the NAV data set. For 2013-2016, the invoiced amounts in the table below are equivalent to our findings in chapter 3.4.3.1.

Vendor list, EUR	Invoices	Payments	Conversion to shares	Written off	Outstanding	Cumulative outstanding
AA5126 Cenzo B.V.						
2013	- 70,000	70,000			-	-
2014	- 70,000	70,000			-	-
2015	- 70,000	70,000			-	-
2016	- 90,000	18,771			- 71,229	- 71,229
2017	- 80,003	38,000			- 42,003	- 113,232
Total	- 380,003	266,771	-	-	- 113,232	

According to Pos, OT still owes her EUR 160,000, as she never received the fees for the last two years. As presented in the table above, our investigation shows that the outstanding amount is more precisely EUR 113,000, which is about EUR 47,000 lower than what Pos claimed.

3.4.3.3 Service agreements

We have requested agreements between OT and Cenzo B.V. in the relevant period (2013, 2014, 2015, 2016 and 2017). OT has informed us that no written agreement existed before 2016 although Pos has delivered services through Cenzo for many years.

General service agreement 1 November 2016

We have received an agreement entered into on 1 November 2016 between OT and Cenzo Holding B.V., a company registered in the Netherlands with company registration number 332604061. Note that in all annual reports, the company Cenzo B.V. has been mentioned, but not Cenzo Holding B.V. Also, the registration numbers differ. We have been informed that the agreement is written by OT's Corporate counsel.

According to the agreement, this agreement should be effective as of 1 January 2015. We note that this is nearly two years before the date of the agreement.

We have requested, but have not received any agreements for the years 2013 and 2014. According to OT, agreements from this period do not exist. This could be supported by the following statement in the agreement: "The purpose of the agreement is to formalise the continuing engagement of the Service

Provider (Cenzo Holding BV) and the Company (OT)", indicating that Cenzo has been engaged for some time before 1 November 2016. However, we register that Pos has invoiced OT since 2013.

In email correspondence, OT has also stated that *"The payments to the directors done before the effective date of the agreements are based on their statutory function and the authorisation granted by the AGM."*

We register Pos' statement in interview regarding the agreement from 2016; hereunder:

"I cannot remember an agreement from 2016. Maybe there was an agreement of 80 000 EUR instead of 70 000 EUR at that stage.

Nicolai shows the agreement between OT and Cenzo dated November 1 2016.

It is my signature on this agreement. I do not remember why we did this."

We register that the agreement with Cenzo Holding B.V. is dated 1 November 2016. This date seems to conflict with the date of the Board meeting where the agreement was voted for. The Board meeting took place on 13 December 2016, which is almost 1,5 months after the date of the agreement. The agreement with Pos was already signed by OT's Board Members Hill and Hessel Halbesma, who are the same persons voting for the agreement in the Board meeting. From the minutes of the Board meeting, we register the following:

58/16	R*	Approval of services agreement with Cenzo Holding BV is granted.	The involved board member has left the room and James Hill and Hessel Halbesma have approved entering into the presented agreement
59/16	R*	Approval of services agreement with Groom Hill SARL is granted.	The involved board member has left the room and Int Pos and Hessel Halbesma have approved entering into the agreement
60/16	R*	Approval of work order for 2017 for Feastwood Holding Ltd. and entering into a novation agreement, novating the rights and obligations from Feastwood Holding Ltd to a newly incorporated company Feastwood Holdings Ltd. is granted.	The involved board member has left the room and James Hill and Int Pos have approved the placement of the work order for 2017.

Services

In the agreement, it is stated that OT has limited management and continued need for advice and assistance in areas such as HR, recruitment, training etc. The agreement further states that:

“The Service Provider is highly experienced with considerable knowledge of the Company and its business and business opportunities and has therefore been selected to provide a variety of services in the above mentioned areas to the Company and its subsidiaries and associated companies (the "Group").”

“The Service Provider shall act as independent consultant to the Company in performing the Services.”

In the agreement, the following services are described under the section “Scope of services”:

- (i) General corporate and HR advice;*
- (ii) Advice on group personnel policies and personnel insurance advice;*
- (iii) Advice related to assessment, selection and training of personnel;*
- (iv) Mediation in HR disputes and dispute resolution;*
- (v) Any other services related to the Group, that at the discretion of the Company, may appear suitable to be performed by the Service Provider.*

3.4.3.4 Performed work

In OT's annual reports in the relevant period, it is stated that transactions consist mainly of invoicing of Board services at hourly rates and recharges related to disbursements. In 2016 specifically, it was stated that transactions consisted mainly of invoicing board fees and other consulting services. However, according to Pos, she believes she only worked as a Board member. Pos stated in our interview:

“I did not work for OT as a consultant. For me it was all in the game of being a board member. I did not invoice anything beside the board fee as accepted by the shareholders. I got 80 000 EUR every year for being a board member and therefore I did the job. I never invoiced more than this amount.”

“I got both 200 000 NOK and 80 000 EUR. The board work was split up because we needed to have salary in Norway”

We register a conflict between Pos' understanding of her work, hereunder the description of board fee in her invoices from Cenzo Holding B.V., the agreement OT made for her as a service provider, and decisions made in general meetings.

Pos described her work as Board Member in OT inter alia in the following way:

“As board members we were informed every month by management information. The management information was extensive and contained among other things: Finance and Legal

updates, Developments about the daughter organizations like. It took me about 3 or 4 days to read the information.

We have been informed that Pos also delivered various HR services, which included follow-up on HR issues and employees. KPMG confirms that Pos contributed within HR, organisational development and establishment of routines.

We are informed that Pos worked on a HR system. The purpose was to develop a system that found a solution for how all employees should be paid, including pensions and education. Pos thinks they developed it over 1,5 years and implemented it all over the OT group.

According to minutes from board meeting 24/25 November 2014, “...the company has assigned Monique to work on strengthening the HR function into the group, and that she will work closely with Mrs. Int Pos & Management to align the HR procedures in the Group.” Pos stated that Monique Hoenderdos did the operational job and Pos controlled her. Pos states that this was finalised in the beginning of 2015.

Pos furthermore stated that:

“Within HR: if there were HR problems, I was involved. If management employees did not function as they should, I was involved. I had personal discussions with amongst others B , B and B . I had contact with the people, and sometimes I went to the office to check that everything was alright. I know them all and they know me.

I had a closing conversation with everyone who was leaving the company. Whenever new employees were recruited I had the conversation with them. (...) Haico also discussed salaries for employees with me.”

Pos states that in the last year, OT was a daily job, and she states that she worked about 15 hours a week for the company.

Pos has pointed out that OT found her entrepreneurial side her strength:

“Before me two professional board members[name] and [name] sat in the board. Hessel told me that they did it professional, but that they were afraid, not entrepreneurial enough. He said that they wanted a real business woman in the board. He said that my entrepreneurial side was my strength”

According to Haico Halbesma, he was always extremely happy with her, she was accessible when these complicated issues came up. Haico Halbesma also stated interview that (SANDS' questions in *italic*):

“If someone had private issues she was the “go to” person.

Were there many conflict?

We had several conflicts , e.g. B (2017), B (2016-2017) and B (2017-2018).”

“We note that people tell us to ask other people when asked about Pos’ deliveries. As a CEO, what is your impression?”

I have been travelling extensively to keep the pipeline filled in the company. I have not been continuously in the office.”

OT’s Corporate counsel pointed out that:

“Hessel was on the phone every day, whereas Hill and Pos was acting in the background and had less interaction with the staff.”

We have also been informed that one could question the value of her service. We register that an employee from OT’s Finance department stated in interview (SANDS’ question in *italic*):

“The board is basically Hessel. Pos always just agree, and Hill was Hessel’s lawyer. They are all linked to each other.”

Furthermore, it is stated:

“I know she had the function of HR, but what she did I really do not know. The only thing I know that she was involved with was the case with B .

We register that she was paid 200 000 NOK + 80 000 EUR. What was the value of her services? I think her services are not valuable of this sum. The sum is like having two employees. It is the same for James Hill.”

Former CEO and Board Member of OT has in interview stated the following:

“Pos og Hessel sa at de ikke kjente hverandre og at han hun var uavhengig da hun kom inn som styremedlem. Det viser seg at de har eid et selskap sammen. Hun gjorde aldri noe som styremedlem. Hun har ikke peiling. Mitt inntrykk er at hun er kjøpt og betalt for å støtte Hessel. Hun har aldri stemt i mot Hessel på et eneste styremøte. Pos vet knapt hvor Mexico er. Det ser ut som det er ordentlig corporate governance her, men det er det ikke.”

Unofficial translation:

“Pos and Hessel said that they did not know each other and that he she was independent when she came in as a board member. It turns out they owned a company together. She never did anything as a board member. She has no clue. My impression is that she was bought and paid to support Hessel. She has never voted against Hessel in a single board meeting. Pos hardly knows where Mexico is. It looks like there is proper corporate governance here, but there is not.”

3.4.3.5 General meeting treatment

The agreement with Cenzo/Pos has not been presented nor approved in the general meetings in 2013-2017.

3.4.4 Groom Hill (services from James Wingett Hill)

According to OT's annual reports, Groom Hill delivered services to OT in 2013, 2014, 2015, 2016 and 2017. Hill owned one-third of the law firm Groom Hill and received his board fees through this company.

According to annual reports, Groom Hill is 33% owned by James Wingett Hill. According to searches performed by EY, the company is registered in Monaco, and Hill is listed as founding partner/solicitor. EY found no information regarding the year of establishment. Registration number is according to EY 353532 (SRA ID). PwC did not find the company in global company registries.

3.4.4.1 Overview of transactions

Board members could receive EUR 80,000 per year in 2015-2017, besides the regular board fee of NOK 200,000. OT's Corporate counsel has confirmed that *"Pos and Hill did not have other written agreements before the ones entered into in 2016 which are with effect from 1 January 2015. The payments to the directors done before the effective date of the agreements are based on their statutory function and the authorisation granted by the AGM."*⁵³

On the invoices from Groom Hill, the amounts are denoted as "monthly fee notes" regarding *"Professional Charges for advice and assistance given in connection with the Oceanteam Shipping group of companies and to include all correspondence, attendances and telephone attendances over the period"*.

We have registered the following salaries to James Hill:

Salaries, James Hill, EUR	2013	2014	2015	2016	2017	Total
Extra services, contractor's fee	56,341	68,750	75,000	85,676	34,690	320,456
Board committee fee	28,814	23,942	22,339	21,529	10,780	107,404
Phantom Share Incentive ⁵⁴	0	7,219	14,986	11,650	-4,987	28,868
Total salaries	85,155	99,911	112,325	118,855	40,483	456,729

The totals above differ from the numbers in the table presented in chapter 3.3.1 because of the currency (table in 3.3.1 is in USD) and because the table above does not include travel costs.

Timesheets

Hill never produced timesheets, with the consequence that the received invoices do not include timesheets.

⁵³ Email from OT's Corporate counsel 7 December 2018

⁵⁴ Only stated and booked in USD. EUR amount is calculated based on a yearly average for exchange rate USD/NOK and EUR/NOK.

We register that it is explicitly stated that timesheets should not be provided by Groom Hill S.A.R.L. in the agreement from 1 November 2016, unless he issued work orders above the stated 160 hours.

We register that services were provided without timesheets; the Board Members would not be able to know when 160 hours have been used up.

We register that there was no fixed fee agreed in any written agreement before the agreement of 1 November 2016, which was effective from 1 January 2015. Based on the aforementioned, fees before the agreement dated 1 November 2016 are not possible to control the correctness of.

We register the following statements from interviewing an employee of OT's Finance department:

"I do not know if timesheets or statements were brought to the board for approval and/or review.

It is a circle as far as I know. The three of them accept each other's timesheets"

Furthermore, the following was stated:

"I have never seen timesheet specifications of Hill/Pos. They got paid without having to show timesheets."

3.4.4.2 Payments

From the overview received from OT's finance department, we can see that about EUR 320,000 has been invoiced from Groom Hill in total for the period 2013-2017. EUR 255,000 has been paid out or recharged to the company, hereunder James Hill. This means that about EUR 65,000 was outstanding at the end of 2017, in favour of Groom Hill.

The invoiced amount of EUR 320,000 is lower than the registered costs presented in the table above, in chapter 3.4.4.1. The difference of about EUR 135,000 is mainly because the Board committee fees (about EUR 107,000) are not included in the table below, since these fees were paid out by payroll to Hill directly and not invoiced from Groom Hill.

We have reviewed an overview from OT of consultancy fees. OT has informed us that all board fees for James Hill were paid out, except for Q3 2017. Board fees paid in 2013-2017 is within the maximum limit of NOK 200,000. No significant deviations were uncovered with regards to this.

The invoiced amounts in each year in the period 2013-2017 of EUR 320,635 differ slightly from the figure in the table in chapter 3.4.4.1 regarding the contractor's fee of EUR 320,456. This is because of accruals, as one can see that the totals of the two tables (EUR 320,456 and EUR 320,635) are approximately equal.

Vendor list, EUR	Invoices	Payments	Conversion to shares	Written off	Outstanding	Cumulative outstanding
AA5189 Groom Hill						
2013	- 50,242	43,992			- 6,250	- 6,250
2014	- 75,145	75,145			-	- 6,250
2015	- 68,750	68,750			-	- 6,250
2016	- 77,916	18,321			- 59,595	- 65,845
2017	- 48,582	49,200			618	- 65,227
Total	- <u>320,635</u>	<u>255,408</u>	-	-	- <u>65,227</u>	

3.4.4.3 Service agreement

We have requested agreements between OT and Groom Hill in the relevant period (2013, 2014, 2015, 2016 and 2017). OT has informed us that no written agreement existed before the 1 November 2016 agreement, although Hill has delivered services through Groom Hill for years before.

General service agreement dated 1 November 2016

We have received an agreement entered into on 1 November 2016 between OT and Groom Hill S.A.R.L., a company registered in Monaco with company registration number RCI 00 S 03816. Note that in all annual reports, the company Groom Hill has been mentioned, but not Groom Hill S.A.R.L. Also, the registration numbers differ with information found by EY, where Groom Hill S.A.R.L., Monaco, has company ID 353532.

It is stated in the agreement that the agreement should be effective as of 1 January 2015. We note that this is nearly two years before the date of the agreement.

We have requested, but have not received any agreements for the years 2013 and 2014. According to OT, agreements from this period do not exist. This could be supported by the following statement in the agreement: *“The purpose of the agreement is to formalise the continuing engagement of the Service Provider (Groom Hill SARL) and the Company (OT)”*, indicating that Groom Hill S.A.R.L. has been engaged for some time before 1 November 2016.

Hill further confirms this: *“No contract was written for this agreement until 2016 when it was suggested that the agreement should be formalised in a written document and this was done. However, it was stated in the annual accounts under the related party section each year.”*

Furthermore, Hill states that: *“It was suggested that the agreements for the additional services provided by the board members through their respective companies should be put in writing and we made written agreements in 2016. This was done for all three at the same time. Before nobody felt the need to formalize the arrangement. It was the auditor who, having been satisfied with the position previously, determined that we needed to put it in writing”*.

OT has in writing stated⁵⁵:

“The payments to the directors done before the effective date of the agreements are based on their statutory function and the authorisation granted by the AGM.”

We register that the agreement with Groom Hill S.A.R.L. is dated 1 November 2016. This date seems to conflict with the date of the Board meeting where the agreement was voted for. The Board meeting took place on 13 December 2016, which is almost 1,5 months after the date of the agreement. The agreement with Hill was already signed by OT's Board Members Pos and Hessel Halbesma, who are the same persons voting for the agreement in the Board meeting. From the minutes of the Board meeting, we register the following:

58/16	R*	Approval of services agreement with Cenzo Holding BV is granted.	The involved board member has left the room and James Hill and Hessel Halbesma have approved entering into the presented agreement
59/16	R*	Approval of services agreement with Groom Hill SARL is granted.	The involved board member has left the room and Int Pos and Hessel Halbesma have approved entering into the agreement
60/16	R*	Approval of work order for 2017 for Feastwood Holding Ltd. and entering into a novation agreement, novating the rights and obligations from Feastwood Holding Ltd to a newly incorporated company Feastwood Holdings Ltd. is granted.	The involved board member has left the room and James Hill and Int Pos have approved the placement of the work order for 2017

3.4.4.4 Role and performed work

Hill's role in OT was acting as Board Member, but also providing extra work outside the Board.

According to Hill: *“The basic board fee consisted of basic board activities such as attending board meetings. Work we were required to undertake specifically in our capacity as members of the board was included in the NOK fee. This sum was subject to Norwegian tax.”*

He furthermore describes the nature of the extra services:

“When I was asked to join the board it was made clear that I would be expected to do extra things besides the work strictly required of a board member. This extra work would be invoiced by Groom Hill. 75 000 EUR a year was the agreed fee. After several years it went up to 80 000 EUR a year. That would cover the extra work. In the 80 000 EUR a lot more work was expected of us beside the regular board work. We were involved in day to day issues.”

⁵⁵ cf. Email OT's Corporate counsel 7 December 2018

Hill states: “The work outside the specific role of a director included reviewing litigation, analyzing, development etc.. I looked at a lot of litigation and claims and lot of issues that were not within my defined tasks as a director. I did not «handle» legal cases. These were dealt with by internal and/or external counsel at all times. I did however review cases with a view to giving a second opinion to the board and to internal counsel on the desirability of say pursuing or settling such cases. For example I spent time with internal counsel at the time B on the Alpha Ventus claims and of course Sawicon. The EUR fee covered this work. It was presented to me as the legal way to do it. The auditor controlled and approved it and it was fully disclosed.”

Hill states that “Work to be undertaken was determined as matters arose by the board and the management. As advised a work order would have been required if an additional fee was to be paid. This did not arise. As also advised no time sheets were required, this being for a pre-agreed fixed fee.”

According to Pos: “James Hill was responsible for all the agreements. He always brought up contracts in the board meetings. If there were any issues or questions he brought it up, and we discussed.”

Interviewees have brought up that Hill supported B regularly, inter alia to make it easier to understand and simplify the financial reporting in the last period when B was CFO. They had regular sessions together in Monaco, where they both lived. Furthermore, KPMG states that Hill assisted when OT had liquidity challenges. He was to follow up forecasts and developments.

3.4.4.5 General meeting treatment

The agreement with Groom Hill has not been presented nor approved in the general meeting in 2013-2017.

3.4.5 Oceanteam Holding B.V.

Although Oceanteam Holding B.V. is similar in name as OT, the company is not part of OT’s organisation map. OT has confirmed that “this is not a company of the Oceanteam Group and appears to have been a private company of the Halbesma family (we do not have records of it and it does not appear in the public registry anymore)”.

Note that the invoice from Oceanteam Holding B.V. has the same logo as rest of the OT Group.

According to OT’s annual reports, Oceanteam Holding B.V. is controlled by the CEO, Haico Halbesma, and Chairman, Hessel Halbesma, of Oceanteam Shipping ASA. Oceanteam Holding B.V. is stated as related party in 2013 and 2014.

According to the annual reports, there were no services provided by Oceanteam Holding B.V. The company only acted as guarantor for Oceanteam II B.V. on the Amstel Lease financing of the Mexican Fast Support Vessels. Oceanteam Shipping ASA paid a fee for this guarantee equal to 5% of the outstanding guarantee amount. The financing ended in Q1 2014. We have requested agreements between OT and Oceanteam Holding B.V. regarding this in the relevant period (2013 and 2014), but we have not received any. According to information from interviews, an agreement with Oceanteam Holding B.V. regarding this was never entered into directly.

According to the Group's P&L, the following costs are related to Oceanteam Holding BV:

Oceanteam Holding B.V., EUR	2013	2014	2015	2016	2017	Total
Other costs	28,505	11,069	-	-	-	39,574
Office costs	31,858	-	-	-	-	31,858
Service costs	12,245	14,062	-	-	-	26,307
Travel costs	-1,219	-	-	-	-	-1,219
Total costs	71,390	25,131	-	-	-	96,521

However, in a table under *Note 20. Related parties* in the annual report for 2014, the following is stated related to Oceanteam Holding B.V.:

Oceanteam Holding B.V., USD	2013	2014	Total	
Income/recharge exp.	2	9	11	Other services than Board committee and Amstel Lease guarantee (ending 2014)
Cost	-36	-136	-172	

The type of services "Other services than Board committee and Amstel Lease guarantee (ending 2014)" is not described or stated.

Herengracht 209

Although not disclosed in any annual reports or through other formal processes, we have been informed that the office location (prior to Herengracht 179A) in **Herengracht 209** was also rented out by Halbesma, but through Oceanteam Holding B.V. Our understanding is that G was the landlord for Herengracht 209 and leased it out to Oceanteam Holding B.V. (owned by the Halbesma family and not part of the OT group) who thereafter subleased it to OT.

We have received the contract regarding Herengracht 209 between Oceanteam Holding B.V. represented by H. Halbesma, which rented the premises from G dated 7 January 2008 (can be seen in folder 9 provided to Bergen District Court).

Oceanteam Holding B.V. subleased the premises to OT. We have received the contract between Oceanteam Holding B.V. and Oceanteam ASA regarding Herengracht 209 (can be seen in folder 9 provided to Bergen District Court). The agreement is signed by "H. Halbesma" on behalf of Oceanteam Holding B.V. and Oceanteam ASA and is dated 18 February 2008. Our understanding of the signature of H. Halbesma is that it belongs to Haico Halbesma.

According to the agreement, amongst others the following is stated:

- The office space rented by OT is stated in the agreement as 249 m² rentable floorspace.
- The rental agreement was entered into for a period of 5 years from 1 February 2008 to 31 January 2013. After the expiry of this period, the agreement would continue for a consecutive period of 5 years until 31 January 2018. Term of notice is 12 months before the end of the rental period.
- The initial rental price of the property amounts to EUR 65,000 per year.

The sublease agreement was prolonged from 1 February 2013 to 1 February 2015 (can be seen in folder 9 provided to Bergen District Court). The lease fee was EUR 59,800 from 2013 – 2015, even though the space was larger.

From the table above showing OT's payments to Oceanteam Holding B.V., we see that an office cost of EUR 31,858 has been paid in 2013. Nothing has been paid Oceanteam Holding B.V. in 2014 and 2015 related to office rent. Furthermore, we register that the lease agreement regarding the office in Herengracht 209 was entered into with OT ASA, but the payments are booked in OT Shipping B.V.

According to our analysis, this does not correspond with the agreed annual amount of EUR 65,000/EUR 59,800. However, during our investigation we have seen that Toha received payments related to office rent in both 2013 and 2014, although they did not have any rental agreements with OT at the time. This is further described in chapter 3.4.6 about Toha Invest B.V.

As mentioned, nothing is disclosed about any related party transaction with Oceanteam Holding B.V. concerning rental in 2013 and 2014 in annual reports.

Furthermore, we cannot see that the rental agreement with Herengracht 209 is treated in board meetings or in the general meeting.

Although Oceanteam Holding B.V. is similar in name as OT, the company is not part of OT's organisation map. OT has confirmed that *"this is not a company of the Oceanteam Group and appears to have been a private company of the Halbesma family (we do not have records of it and it does not appear in the public registry anymore)"*.

Note that the invoice from Oceanteam Holding B.V. has the same logo as rest of the OT Group.

3.4.6 Toha Invest B.V.

Toha Invest BV (Toha) is stated as related party in the annual report for 2016 and 2017 for office rental. Toha is owned by the Halbesmas.

OT rented an office location in **Herengracht 179A** in the period from January 2015 to March 2017⁵⁶ from the landlord Toha. We have been informed that the Halbesmas charged OT for potential private expenses related to the office location Herengracht 179A, including renovation of Herengracht 179A and a «termination fee». The allegation is also that the rental price paid by OT is way above market price.

OT's Corporate counsel has stated the following:

"The first office space in Herengracht 209: There were not a direct rental agreement OT with the landlord; Oceanteam Holding BV, a company owned by the Halbesma family rented it to Toha Invest, a company owned by the Halbesma Family, and then rented out to OT. Toha Invest

⁵⁶ Email from Corporate counsel dated 9 September 2019

had just one employee, so she sat at the same place as OT. We found the rental agreement in the second round of searching.

The second one in Herengracht 179A was directly owned by the Halbesma family.”

We have asked for more documents confirming the sublease to Toha, but we have not received any documentation.

Furthermore, Toha had just one employee, so she sat at the same place as OT in the entire period from 2013 to 2017. This is described further in chapter 3.4.6.5. We point out that we are not informed about any equipment installed so this external person is prevented from receiving stock exchange sensitive information regarding OT.

3.4.6.1 Rental agreements

We have requested agreements between OT and third parties for all lease of Herengracht 179A (can be seen in folder 8 provided to Bergen District Court)

We have been informed that in 2014, it was decided to change office locations in Amsterdam to a more “upscale” area to reflect OT’s new strategic direction.

According to information from Haico Halbesma, the contract OT had with their current office locations on Herengracht 209 ended in 2015 so they had to find a new location. Haico Halbesma states that it was a prime location and significantly bigger, had its own entry, parking places, proper meeting rooms and space to grow. It was an old bank building, with three apartments connected to each other in a complex. Haico Halbesma states that OT did not have that many options that met the company’s requirements, and that this was a good spot.

However, we have by an employee in OT’s Finance department been informed about the following:

“Moving to Herengracht was not according to the strategy of the company. The only reason why we moved to Herengracht 179A was that the contract we had in the office at the moment was cancelled because they wanted to build apartments there. The company that hired Herengracht 179 moved out, so it was empty and Toha had no income anymore.”

We have received 2 versions of the rental agreement with Toha. The signatures differ from each other and only one of the agreements is dated. As regards content, there seems not to be any differences in this agreement. The agreement is written in Dutch.

The dated rental agreement with Toha regarding Herengracht 179A is signed on 5 September 2014 by “H. Halbesma”, which we understand is Haico Halbesma’s signature. Haico Halbesma signs on behalf of both Toha Invest B.V. and Oceanteam Shipping B.V. Another signature also appears on behalf of Toha, but the signature is unreadable.

According to the agreement, amongst others the following is stated:

- The office space rented by OT Shipping B.V. is stated in the agreement as 575 m².
- The agreement was been entered into for a period of 5 years, commencing on 1 January 2015 and pending until 31 December 2020. Based on the time frame, the lease period is six years, not five. After the expiry of the period mentioned, this agreement would continue for one subsequent period of 5 years, therefore up to and including 31 December 2025. This agreement was then to be continued for subsequent periods of one year each. Termination of this agreement by tenant or landlord would take place by cancellation with due regard to a term of at least one year.
- The initial rental price of the property amounts to EUR 270,000 (excl. VAT) on an annual basis.

Note that Toha is stated as related party in annual reports in 2016 and 2017, but not in annual report 2015 when the agreement came into effect.

We register that we have only been given minutes from one board meeting in OT Shipping B.V. for the years 2013-2017. The minutes given us are signed 25 June 2015. We are given minutes from annual meetings 2015, 2016 and 2017.

We note that the rental agreement has not been treated in the Board of Directors or at general meetings; neither in OT Shipping B.V. nor OT.

In interview, we register that Pos stated the following:

“When the company went well, we had office locations in Hessel’s place. It was very representative for the company. When the company went worse, we told Haico, that this apartment was too expensive for the company. The company then moved.

Do you remember who negotiated the rental agreement with Herengracht 179A?

I do not think we negotiated the rental price. I think they just presented the deal and we agreed.

22 500 EUR in monthly rental cost seemed fair, as I lived nearby and I could get 7 000 EUR each month for mine, according to my accountant.

We never negotiated the rental price. I think Feastwood presented it in the board.

We never discussed in the general assembly.”

Prior to moving in to Herengracht 179A, we have been informed that OT paid renovation costs related to the office. This is further described in the chapters below.

The rental agreement was terminated 10 January 2017 and the termination letter was signed by Haico Halbesma. This is further described in the chapters below. A termination fee for the remaining rental period 11 January 2017 to 31 December 2019 was charged OT. This is further described in chapters below.

After renting the premises in Herengracht 179A, Oceanteam Shipping moved to the current location in Westerdoksdijk 473.

3.4.6.2 Overview of transactions

According to the Group's P&L, the following costs are related to Toha in the period 2013-2017 (all costs are booked in OT Shipping B.V.):

Toha Invest, EUR	2013	2014	2015	2016	2017	Total
Other costs	4,417	-	2,365	-	969	7,751
Office rent	17,372	74,081	276,022	276,225	324,223	967,923
Office costs	-	2,209	304	-	-	2,513
Service costs	-	-	3,871	3,870	4,676	12,416
Communication costs	-	-	291	1,142	79	1,512
Transportation costs	2,097	949	984	555	-	4,584
Travel costs	-	-	-	3,885	701	4,586
Total costs	23,886	77,239	283,836	285,677	330,648	1,001,285

The rental agreement with Toha was entered into on 1 January 2015 (as described above), even though first reporting of related party was in 2016.

Furthermore, from the table we can see that office costs have been registered under the vendor name of Toha already in 2013 and 2014, before moving to Herengracht 179A, and in 2015 before the related party is stated in the annual report.

In the period 2013 to 1 February 2015, OT ASA had an office rental agreement with Oceanteam Holding B.V., as mentioned in chapter 3.4.5. For 2013, some office rental costs have been booked to Toha (not only Oceanteam Holding B.V.), and for 2014 all office rent costs have been booked to Toha (nothing to Oceanteam Holding B.V.).

There seems to be little consistency between the contractual rent amount and the booked rent costs in OT Shipping B.V.'s accounts in the year 2013-2014. According to the rental agreement with Oceanteam Holding B.V., for Herengracht 209 monthly rent was agreed to be EUR 4,983. From OT Shipping B.V.'s accounts, we see that three quarters have been booked to Toha in 2013 (Q2-Q4), each EUR 5,791/quarter which includes rent of parking space (EUR 634). For 2014, all four quarters have been booked to Toha, but with different amounts. The charge for first quarter is EUR 17,791 and EUR 1,267 for parking space while the charge for second quarter is EUR 18,249 and EUR 643 for parking space. For the third and fourth quarter, EUR 18,066 has been charged for each quarter.

We stress that neither of the rental agreement parties are involved in the actual transaction. Toha receives payments for what Oceanteam Holding should receive according to contract. Similarly, the costs are booked in OT Shipping B.V., and not OT ASA, which is the contractual party.

We have not received any documents, including agreements, showing that any of these rental costs should be booked to Toha.

Rental price level

Monthly rental rate increased substantially when moving from Herengracht 209 to Herengracht 179A. In Herengracht 209, OT paid EUR 18,065 per quarter (around EUR 6,000 per month) including a 15% handling fee, and in 179A OT Shipping B.V. paid EUR 22,500 per month including service costs. This means that after moving location, rental costs went up 275%.

According to Haico Halbesma, “the price seemed fair” for Herengracht 179A. Pos states that EUR 22,500 in monthly rental cost seemed fair, as she lived nearby and could get EUR 7,000 each month for hers, according to her accountant. However, when the company experienced liquidity problems and OT had to dismiss people, it was decided in the Board that OT Shipping B.V. could not rent this anymore and had to find something smaller and cheaper.

According to information from other interviewees, the rental price for Herengracht 179A was over market price.

There seems to be more consistency between the contractual rent amount and the booked rent costs in OT Shipping B.V.’s accounts in the years 2015-2017. According to the rental agreement for Herengracht 179A, monthly rent was agreed to be EUR 20,750 (EUR 27,225 incl. taxes and other services). From OT Shipping B.V.’s accounts, we see that twelve months have been charged in 2015 (Jan-Dec), each EUR 22,500/month. There is one extra invoice for January 2015 concerning “Office rent” of EUR 6,022, that we have no further information about. Furthermore, 12 months have been charged in 2016, each EUR 23,019. Only 2 months have been charged in 2017 (February and March), each EUR 23,550. There is one extra invoice for February 2017 concerning “Office rent” of EUR 26,787, which we have no further information about.

3.4.6.3 Renovation of Herengracht 179A

Besides from regular rental payments, we have been informed that OT paid renovation costs for about EUR 150,000 for renovating Herengracht 179A before OT moved in January 2015 (also referred to as the *facelift*).

We have requested any agreement regulating the facelift of the office space in the Netherlands (Herengracht 179A), but no such agreement exists according to OT.

According to Haico Halbesma, OT had to do renovation work before moving in to make it representative. He believes the renovation was paid by OT.

The table presented in attachment 17 has been provided by OT and shows the costs for what we believe, by looking at the underlying documents, OT spent to renovate the office/apartment owned by Hessel Halbesma and Haico Halbesma through their company Toha. According to this list, EUR 123,350 has been invested in the renovation of the office in Herengracht 179A. The invoices are from different craftsmen that have performed the renovation work and are addressed directly to OT Shipping B.V. The amount is booked in OT Shipping B.V.

According to OT, there were several suppliers doing jobs on the office space. An employee in OT’s Finance department stated the following in interview:

“There were a lot of suppliers doing a job on the office space. They spent a lot of money on it, and at that time there was a lack of money”.

OT's accounting department estimates that OT paid about EUR 81,000 for the facelift and EUR 42,000 for furniture. We are informed that the furniture is still used by OT in the current office.

3.4.6.4 Termination fee for Herengracht 179A

As mentioned, the rental agreement between OT Shipping B.V. and Toha for Herengracht 179A was signed for the period 1 January 2015 to 31 December 2020. The rental agreement was terminated 10 January 2017 and the termination letter was signed by Haico Halbesma.

OT paid Toha a termination fee of EUR 302,500 incl. VAT (EUR 250,000 excl. VAT) when the rental agreement was terminated in 2017. We have requested information and documentation from OT and received an invoice regarding the termination fee from Toha to OT stating that the termination fee was according to board meeting protocols, as will be described in the paragraph below. This invoice can be seen in attachment 18.

Board approval

OT's Corporate counsel remembers the Board negotiating a termination fee. The Corporate counsel supposedly consulted a broker to investigate what was customary on the market if the tenant terminates for convenience before being entitled to do so, and the broker said that if the rental agreement was terminated, the total amount until the end of the rental agreement was due to be paid.

In relation to the evaluation of termination fee, Haico Halbesma and OT's Corporate counsel wrote an OT memo 2 February 2017, where it was pointed out that the rest of the rent under the rental agreement would be EUR 739,188. They suggested a settlement with Toha set at EUR 450,000.

The OT Board members Pos and Hill disagreed with this and they diminished the proposed amount. The Corporate counsel does not remember how the Halbesmas reacted when Pos and Hill disagreed with the total sum to be paid as the Corporate counsel was not present at the discussion. We have not been presented with any written claim for the rest of the lease payments from Toha.

In our review of minutes from the Board meeting 13/14 February 2017, we register the following information:

“Rental Agreement Herengracht termination and settlement

The directors agreed with the proposal made by the management that given the current financial state of the company, it is prudent to move offices to a cheaper and less prominent area, with fewer square meters and fewer staff located in Amsterdam and move the Solutions' staff to be located in Velsen.

Settlement agreement proposal for the rental agreement is considered too high and it is proposed to settle the termination of the rental agreement in an amount of EUR 250,000

payable in Q 1 2017, which is considered reasonable taking into account the early termination of the rental agreement and the customary practice in the real estate market in Amsterdam to settle rental agreements terminated in breach with a calculation based on the outstanding rental obligations”

The date of the termination and the date of the Board meeting, hereunder the information in the minutes; *“The directors agreed with the proposal made by the management”*, seems to conflict with the date of the termination letter, since OT represented by Haico Halbesma had already terminated the contract more than one month earlier, on 10 January 2017.

The protocol states that the matter was voted for by Hill and Pos.

Transactions/payments

Out of the NAV data set, we can see that only EUR 223,038 (incl. VAT) of the termination fee of EUR 302,500 has been paid.

The remaining EUR 79,462 seem to have been offset against OT’s outstanding receivables on Toha/debit amounts (primarily for rent, as OT had been renting out an office to Toha and therefore OT had issued invoices for rental fee). This has been confirmed by OT’s Corporate counsel⁵⁷.

We can see that some of the payments of the termination fee have gone to other parties than Toha, for example to a person named M. Klerks. According to OT, they paid this person’s salary on behalf of Toha and reclaimed the amount back from Toha subsequently. According to OT’s Corporate counsel: *“This is a one- off transfer due to cash constraints”*.

We have challenges following OT’s argument. We register that OT gives financial assistance to a company outside the group and to a company owned by Hessel Halbesma and Haico Halbesma.

From the NAV data set and underlying documents, we can see that another payment has been made to Feastwood. We requested information from OT about this, where OT replied: *“Part of the termination fee has been paid to Feastwood upon request of the management”*. No further information has been provided regarding this payment to Feastwood instead of to Toha. We have difficulties following this argument, cf. the *“cash constraints”* argument above.

The termination fee was agreed by the Board. We have tried to see who approved the invoice(s) regarding the termination fee in OT’s financial system. However, the invoice and following payments are booked as BAV/BAP-documents. According to OT’s finance department:

“BAP are payments and therefore is not an approval required in Navision. The booking is coming from a bank statement. The payments are already approved (signed) by the CFO or CEO before we do the payments. BAV are memo bookings to reconcile debit and credit amounts,

⁵⁷ Email from Corporate counsel dated 21 May 2019

so that the outstanding amounts are correct. There is no approval required. Only invoices (start with BAI) are required for approval in Navision as I mentioned earlier.”

According to the interview with Haico Halbesma, Toha had the office empty for close to a year after OT moved out. They looked for a different tenant and other alternatives, and decided they wanted to sell it. Haico Halbesma informed us that the property was sold in 2018.

We have also been informed of a VAT charge on the termination fee payment. According to OT's Corporate counsel, you have to pay VAT for all services to companies that are registered for VAT according to Dutch legislation.

According to the invoice, the fee concerns “Settlement termination rental agreement Herengracht 179a (Board meeting 13/14 of February)”. When asked if OT has done an assessment of whether VAT is appropriate on such a fee, OT replied that “*the assessment is done internally based on the conditions of the rental agreement and case law on the matter...*”⁵⁸

3.4.6.5 Toha's lease of OT's office space

Throughout the investigation we have been informed that the Halbesmas' private accountant employed by Toha used OT's office space, both in Herengracht 209 (2013 - December 2014), in Herengracht 179A (January 2015-March 2017) and in the current office space in Westerdoksdijk 473 (April 2017-current).

Agreements

We have requested lease agreements between Toha and OT for the abovementioned offices (can be seen in folder 8 provided to Bergen District Court).

OT has provided us with the following rental agreements:

- Rental agreement for the office used by Toha in the offices of OT at *Herengracht 179A* (in Dutch)
- Rental agreement for the office used by Toha in the offices of OT at *Westerdoksdiijk 473* and the respective invoice (in Dutch)

During this investigation, we have been informed that there supposedly was a rental agreement between OT and Toha for the offices at Herengracht 209. We have requested such agreement, but OT has been unable to locate a copy of a rental agreement between OT and Toha for the offices at *Herengracht 209* where OT had their offices until 2015, which OT rented from Oceanteam Holding.

The agreement concerning **Herengracht 179A** is entered into between Toha Invest B.V. and Oceanteam Shipping B.V. The agreement is not dated, and signed by “H.Halbesma” on behalf of both Toha Invest B.V. and Oceanteam Shipping B.V. Our understanding of the signature of H. Halbesma is that it belongs to Haico Halbesma.

According to the agreement amongst others the following is stated:

- The office space rented by Toha is stated in the agreement as 25 m².

⁵⁸ Corporate counsel in email 21 May 2019

- Furthermore, it was entered into for a period of 5 years, commencing on 1 January 2015 and pending until 31 December 2020. After the expiry of the period mentioned, this agreement will continue for one subsequent period of 5 years, therefore up to and including 31 December 2025. This agreement is then continued for subsequent periods of one year each.
- The initial rental price is EUR 11,700 (excl. VAT) on an annual basis.

We have not received any invoices from OT related to Herengracht 179A.

The agreement concerning **Westerdoksdiijk 473** is entered into between Toha Invest B.V. and Oceanteam Shipping B.V. The agreement is signed 24 March 2017 by “H. Halbesma” on behalf of both Toha Invest B.V. and Oceanteam Shipping B.V. Our understanding of the signature of H. Halbesma is that it belongs to Haico Halbesma.

According to the agreement, amongst others the following is stated:

- The office space rented by Toha is stated in the agreement as 12 m².
- Furthermore, it was entered into for the duration of 1 year, starting on 3 April 2017 and is ongoing until 2 April 2018. After the expiry of the period mentioned, this agreement will continue for one subsequent period of 1 year, therefore up to and including 2 April 2019. This agreement is then continued for subsequent periods of one year each.
- The initial rental price is EUR 3,000 (excl. VAT) on an annual basis, including all additional supplies and services.

We have received the invoice for the rental fee for the period 1 April 2017 to 31 March 2018, due on 22 April 2018. The invoice states “Recharges rent office 1st of April 2017 t/m 31st of March 2018 250 euro per month”. The amounts are excl. VAT, therefore the amount to be paid is EUR 3,630 incl VAT.

Payments

While OT rented offices of Toha, Toha simultaneously rented an office space from OT, including parking space in 2013 and 2014.

The payment from Toha regarding this was offset against OT's rental cost to Toha, so that the payment from OT to Toha was reduced by the corresponding amounts below. The figures in the table below are invoiced amounts for the office space registered in OT's books and records during 2013-2017.

Toha Invest, EUR	2013	2014	2015	2016	2017	Total
Invoiced amounts for office space	6,500	6,000	11,225	3,990	-	27,715

Board approval

Board minutes from OT Shipping BV are limited and contain no information about the topic of lease of office space to Toha. We have reviewed all board memos for ASA in the period, and the topic is not mentioned before the autumn of 2017. In minutes from the Board meeting 18 September 2017, the following information is stated:

“2) Rental agreement between Oceanteam Shipping BV and TOHA Invest BV for the lease by TOHA Invest of two office rooms, a storage container and some auxiliary services as well as formalising the loan of art and furniture free of charge by TOHA to Oceanteam.

The terms of the rental agreement are found to be on market terms and therefore entering into the agreement has been approved subject to final version to be sent to Int and Diederik for approval and execution, which is to include the property leased by TOHA to Oceanteam Shipping BV.

KPMG's progress on the finalisation of the related parties investigation is unsatisfactory. All information requested from Oceanteam has been provided in July and KPMG has not been able to revert with conclusion so far.”

The action decided was that:

“ E and/ or Diederik to contact KPMG in order to bring the related parties discussion to an end”.

Note that board approval in September 2017 happened after the rental agreement regarding Westerdoksdij 473 already was signed 24 March 2017 between OT and Toha. We register that the rental agreement is part of the OT board meeting event though the contract is between Oceanteam Shipping and Toha.

3.4.7

In annual reports, it is disclosed that C , who is Haico Halbesma’s partner, has rented out her private apartment to two Mexican OT employees from 1 April 2015.

According to information from Haico Halbesma, there was no availability in the market at that time. The apartment was 85 square metres and was rented out on market terms.

We have received the agreement between Oceanteam Shipping and C , where inter alia the following is stated (can be seen in folder 8 provided to Bergen District Court):

- The size of the facilities rented by Oceanteam Shipping is not defined in square metres.
- Furthermore, it was entered into for a period of 1 year, commencing on 1 April 2015 and pending until 31 March 2016. After the expiry of the period mentioned, this agreement will continue with 3 months period of notice.
- The initial rental price is EUR 1,875 per month.

Payments

C , EUR	2013	2014	2015	2016	2017	Total
Rent	-	-	30,400	11,250	15,000	56,650
Total costs	-	-	30,400	11,250	15,000	56,650

The table shows varying amounts from year to year due to inter alia missing payments:

- Rent for 2015 should have been EUR 16,875 (EUR 1,875 times 9 months). The difference of EUR 13,525 relates to a deposit payment (EUR 7,700), the rent for June has been paid twice (EUR 1,875) and a payment regarding “ C borg F payment” (EUR 3,950). We have no further information about these transactions.
- Rent for 6 months has been registered in 2016 (EUR 11,250). We have no further information why rent has been paid for only 6 months.
- Rent for 8 months has been registered in 2017 (EUR 15,000). We have no further information why rent has been paid for only 8 months.

3.4.8 Challenger Management Services S.A.M.

According to the annual report of 2013, Challenger Management Services S.A.M was controlled by B until 16 November 2012, and after that by Hessel Halbesma and Haico Halbesma. The company is stated as a related party in the annual reports for 2013, 2015, 2016 and 2017.

We have been informed that former Board Member B received his board fees through Challenger. Note that he ended his engagement in November 2012, but his successor James Hill formally started in his position on 19 February 2013. According to the annual report for 2013, transactions to Challenger consist mainly of invoicing Board services at hourly rates and recharges related to disbursements. The relation has been formally ended in Q1 2013.

We have also been informed that transactions to Challenger were related to OT's Monaco office from 2013 and onwards.

According to the annual report for 2016, it is stated that the transactions consist of invoicing for communication services and rental of office space (2016). We have not managed to get a clarifying answer to what is meant by communication services. OT's Corporate counsel states that the office looked like an apartment, but with several working stations. She says that a commercial company rented it out. The company Challenger owned by the Halbesma family was renting it, and then renting it out to OT. She thinks it was the same rental level, and that Challenger did not take a mark-up. She thinks OT needed a Monaco company in the office space for registration of telephone services, such as phone/internet.

According to OT, they have no physical location in Monaco now, but the company in Monaco itself is not yet closed. However, OT is in the process of liquidating the company in Monaco and we have been informed that OT is finishing the annual accounts and the liquidation accounts soon.

We have requested agreements between OT and Challenger in the relevant period, but have not received any. OT's Corporate counsel does not know whether there was an agreement with B with regards to office rental in Monaco.

The following costs related to Challenger have been registered in the Group's P&L in the period from 2013 to 2017:

Challenger Management Services, EUR	2013	2014	2015	2016	2017	Total
Other costs	6,747	-	-	-	-	6,747
Office costs	27,880	10,416	16,526	33,727	9,461	98,009
Travel costs	-	3,237	-	-	-	3,237
Total costs	34,627	13,653	16,526	33,727	9,461	107,994

As shown in the above table, Challenger has received in total EUR 107,994 over the period. Transactions have been made with Challenger every year in the period 2013 to 2017, even though Challenger is not listed as a related party in 2014.

The transactions concerning rent have been of various sizes. Four quarters have been paid for in 2013 (EUR 6,380 each), only Q1 in 2015 (EUR 6,560) and Q3-Q4 in 2016 (EUR 20,236 each). OT has issued a credit note for December 2016 of EUR 6,745. The reason for this credit note is unknown.

3.4.9 4C Offshore Ltd.

4C Offshore Ltd. (4C) is controlled by Hessel Halbesma, Chairman of the Board in Oceanteam ASA and Haico Halbesma, CEO of Oceanteam ASA. 4C was stated as a related party in 2016 and 2017. We have been informed that 4C provided database services related to Lotus Notes.

According to minutes from the Board meeting of 30/31 March 2015, 4C was a topic already in 2015. The following is stated:

“4C Offshore is used to provide sales, market analyses and find the target clients, track down key persons in client’s organization to find the right arena to meet them. The market plan to be deducted into planned exhibitions based on the market analyses and then contact face for the various target markets”

According to information presented in interviews, the Halbesmas have held shares in 4C. 4C was founded by C who used to be an employee of Seateam and OT. He worked with Hessel Halbesma for before he started 4C. Furthermore, we have been informed that the background for hiring 4C in relation to KCI and OT for IT and QHSE services in 2015 was to modernize the business. They also wanted to have an IT platform to provide relevant data within offshore and needed “the Lotus notes system” to run efficiently. The 4C system is still in KCI and partly in OT according to Haico Halbesma.

4C was not declared as a related party prior to 2016, even though 4C has been a service provider every year in the period from 2013 to 2017^{59 60}.

In OT’s annual report 2017, OT has stated the following:

⁵⁹ We have been provided with a loan agreement of approx. EUR 300,000, where OT is lender and 4C Offshore Ltd. is borrower. Since this loan agreement from March 2010 is outside our scope (2013-2017), we have not investigated this further.

⁶⁰ We have been provided with a Management System Certification agreement between 4C offshore Limited (Customer) and DNV Certification Ltd., where Haico Halbesma has signed as CEO for 4C Offshore Limited 14 September 2009. Since this agreement is outside our scope (2013-2017), we have not investigated this further. We register that Haico Halbesma was CEO in Oceanteam ASA and signed as CEO for 4C Offshore.

“4C Offshore Ltd is controlled by Hessel Halbesma, former chairman of Oceanteam ASA and Haico Halbesma, former CEO of Oceanteam ASA. The transactions with 4C Offshore Ltd consist mainly of invoices for consultancy work, IT maintenance and licensing fees.”

We register through background check done by EY, the following information:

“According to UK Companies House, Haico Halbesma is the co-owner of UK-registered 4C Offshore Limited through his Cypriot company Feastwood Projects Limited”

We note that according to a letter from KPMG on 15 July 2017, KPMG approves the 4C transactions. They stated the following:

“4C Offshore Limited is a vendor to Oceanteam ASA, KCI the Engineers BV and Oceanteam Shipping BV. 4C Offshore Ltd is controlled by Hessel Halbesma, Chairman of Oceanteam ASA and Haico Halbesma, CEO of Oceanteam ASA. The transactions with 4C Offshore Ltd consist mainly of invoices for consultancy work, IT maintenance and licensing fees. Based on the information provided by Oceanteam ASA and the procedures performed as part of our audit, we concluded that the transactions with 4C Offshore Limited were carried out on an arm lengths basis.”

We have not received any documentation confirming that the services from 4C were carried out on an arm length's basis.

In interview, we register the following statement from a previous employee in OT:

“Do you know of any companies related to Halbesmas or board members that delivered services to OT?”

We always worked close with 4C. They were very expensive. They offered software that also gathered information. I know Halbesmas were close with Chris Anderson, the CEO in 4C.

In KCI they also changed to the 4C software. I thought Halbesmas were doing it as a friendship to C I was surprised when I later learned that they were owners of 4C. They said they were stepping out as owners, but they did not.”

The former employee further stated the following:

“In the beginning I thought it was great value, but when we kept on paying enormous amounts of money for those reports I started to think it was strange. On the software side really good options existed, e.g. Microsoft, and we were still sticking with this 4C system.

In KCI they were forced to switch to 4C even though they had used another system for many years. This system was world renowned. This gave a lot of resistance. We were all forced to use this although there were many alternatives on the market.”

A former Board member has stated the following regarding Haico and the use of 4C as service provider:

“The related party 4C was also an issue. Halbesma was owner of this firm. We discussed this in board meetings. Their software was used by OT. Haico said OT would go under if we cancelled the agreement. I could not understand how we could be so reliant on one data system provider.”

We have received a presentation from 4C Offshore dated 3 February 2016, which was prepared for Haico Halbesma, where inter alia is stated:

“4C Offshore is a market research and consultancy organisation targeting the offshore energy markets. 4 C Offshore’s activities typically fall into two complementary topic areas:

- 1. Provision of market information products and advisory services to a wide range of global clients in the energy markets, notably offshore wind and subsea power cables.*
- 2 . Provision of consulting services to the offshore power cable installation market.*

Underlying these services is a core competence in managing, analysing and presenting information as well as an understanding of the key drivers influencing the development of the offshore energy sector.

4C Offshore’s market information services includes a standardised subscription for the most comprehensive and maintained knowledge base on offshore wind, including details of over 1,300 global offshore wind projects, over 11,000 company roles, a complete inventory of future turbine developments, comprehensive vessel listings, geodatabases of project infrastructure and offshore wind resources. Other services such as detailed port metrics are also available.

Subscribers of its services include established industry leaders plus prospective entrants from across the supply chain.”

We register a handwriting stating “Start 01.03.2016” at the presentation’s first side and the presentation has been signed by Haico Halbesma on the last page.

We register inter alia a monthly fee of EUR 3,659 excl. VAT:

Option	Description	Cost monthly (ex. VAT)
1	<p>Provision of maintenance of data on the Mexican O&G market and reporting on the market</p> <p>Market intelligence research, collation and input to existing systems.</p> <ul style="list-style-type: none"> • Vessel specification data and availability information • Contract and tender information • Relevant market news <p>Preparation of presentation materials and market overview context reports.</p> <p>Ad hoc research projects (subject to time availability).</p> <p>Travel and associated costs to Oceanteam and DOT Shipping to be paid by Oceanteam</p>	£ 3659.00
2	<p>Travel and sustenance is additional to any fees above - If paid by 4C Offshore</p> <p>Oceanteam of course may pay for such directly</p>	£ @cost + 5% late payment if incurred.

Payments

The following costs related to 4C have been registered in the Group's P&L in the period 2013-2017:

4C Offshore, EUR	2013	2014	2015	2016	2017	Total
Other costs	40,895	51,919	6,374	-	772	99,961
Contractor's fee	-	3,820	-	-	-	3,820
Office costs	-	669	26,895	55,965	42,819	126,349
Service costs	288,399	254,214	294,207	181,921	169,746	1,188,487
Travel costs	908	3,949	784	-	563	6,203
Total costs	330,203	314,572	328,260	237,886	213,900	1,424,820

3.4.10 Heleos Energy B.V.

Hessel Halbesma, Chairman of the Board in Oceanteam ASA, is a director of Heleos Energy B.V. Heleos is stated as a related party in 2016. However, according to a letter from KPMG on 15 July 2017, Heleos is not considered a related party:

"Heleos Energy BV is a customer of KCI the Engineers BV. Hessel Halbesma, Chairman of Oceanteam ASA, is a shareholder and director of Heleos Energy BV. The income received from this company relates to the usage of KCI the Engineers BV's engineering services. Subsequent to the finalization of the annual report for 2016, Oceanteam ASA has provided information that supports that Heleos Energy BV is not a related party according to IFRS and the Norwegian Public Limited Liability Act."

Transactions to Heleos in the period from 2013 - 2017 only consist of EUR 2,000 in 2016 as shown in the table below.

Heleos Energy Holding, EUR	2013	2014	2015	2016	2017	Total
Costs	-	-	-	2,000	-	2,000
Total costs	-	-	-	2,000	-	2,000

3.4.11 Other identified related parties

In addition to the related party transactions stated in the annual reports in the relevant time, we have performed various independent searches and analyses in order to identify whether other related party transactions have occurred (described further under chapter 1.3.4), and we have identified potential related party transactions to *Imera N.V* and to *Florine B.V.*

3.4.11.1 Florine B.V.

The following costs related to Florine have been registered in the Group's P&L in the period from 2013 to 2017:

Transactions Florine, EUR	2013	2014	2015	2016	2017	Total
Membership etc.	16,280	560	-	-	-	16,840

The amounts listed in the table above relates to “annual fee” according to the invoices. According to OT, “*Florine is a contract regarding preferential treatment in connection with care. It ends in 2013.*”

According to global corporate registries, Hessel Halbesma is the former director of Florine B.V. in the period from 10 June 2013 to 8 December 2014. C is also a former shareholder and director in several companies in the Florine group in 2015 and 2016.

The following has been stated in interview by a former employee in OT:

“I knew that they were busy with other companies. I know Hessel and Haico were using the OT office in Amsterdam & Monaco to start the company Florine, Florine was a company related to Halbesma and was doing something in the health care. They made all OTS and KCI personnel a member of Florine. They also used personnel and computers from OT.”

According to a Dutch article in magazine Quote⁶¹, Cenzo (controlled by Catharina Int Pos) is a partner⁶² of Florine, together with B. The article also states that one of Florine’s shareholders is D, who is also OT’s second largest shareholder through a Cypriot company by name Naktovia/Clearstream banking and is considered/described as a friend of the Halbesmas. Note that the article does not state anything about Hessel Halbesma or Vonk’s ownership, as stated in global corporate registries. The company is according to an interviewee in the healthcare business.

3.4.11.2 Imera N.V.

According to background checks, Haico Halbesma and Hessel Halbesma have been former directors/executive managers in the company. Furthermore, the company merged with Oceanteam II B.V. on 17 March 2015 and deregistered on 18 March 2015.

According to OT’s Finance department:

“Imera N.V. (holding company) is a part of the Oceanteam Group and merged with Oceanteam II B.V. in March 2015. It owns the shares of Oceanteam Equipment Base Ltd. which is closed in 2011-2012.”

Based on background checks, we register the following: Hessel Halbesma was former Executive Manager from date unknown to 26 March 2015 and Haico Halbesma was Former Director from 20 May 2009 to 26 March 2015.

Payment

We register the following amounts registered in OT’s books and records:

⁶¹ Article in Dutch magazine retrieved 31 January 2019: <https://blendle.com/i/quote/schipbrok/bnl-quote-20180619-f3bba2c9a3f?sharer=eyJ2ZXJzaW9uIjoiMSIsInVpZCI6ImluZ3JpZGxvdmNldGgiLCJpdGVtX2lkIjoiYm5sLXF1b3RILTlwMTgwNjE5LWYzYmJhMmM5YTNmIno%3D>

⁶² We also register the partner information in the following sites: <https://florine.nu/> and <https://www.centraalnetwerkzorg.nl/florine/>

Transactions Imera, EUR	2013	2014	2015	2016	2017	Total
Intercompany transactions	5,173	4,954	1,690	-	-	11,818
Internal interest	382	-	-	-	-	382
Management fee cost reduction	903	-	-	-	-	903
Total	6,458	4,954	1,690	-	-	13,103

3.5 Review of invoices and timesheets from related parties

As part of our investigation, we have reviewed invoices from related parties. Due to high amounts of payments to Feastwood and Heer Holland for the services that Hessel Halbesma and Haico Halbesma provided to OT, we have chosen to focus on invoices from these two companies and individuals.

3.5.1 Review of timesheets

We requested all underlying documents posted to the contractors' fee account in the period 2013-2017 from OT and received copies of the invoices and the underlying agreements with Feastwood Holding Ltd. and Heer Holland B.V.

OT also uploaded the timesheets for the fees of Hessel Halbesma invoiced through Feastwood Holding Ltd. and the timesheets submitted by Haico Halbesma for his services, even though he was not required to issue timesheets based under the Heer Holland agreement.

3.5.1.1 Hessel Halbesma

We register the following from the agreement with Feastwood:

"The Service Provider shall together with each invoice submit to the Company a time sheet recording the time for the actions that have been performed by the Service Provider for the respective part of the Services in order for the Company on a continuing basis to be able to assess the value of the Services."

We register that the information about the work done is close to non-existing. It is not possible to understand or control what kind of work Hessel Halbesma has supposedly done.

As we considered the timesheets generic, we requested more detailed descriptions of the timesheets, including asking OT if they had further information about the content of the delivered services from those who had prepared timesheets, hereunder Hessel Halbesma and Haico Halbesma. OT's reply was that they do not have any further information of the time spent, *"however, in the timesheets the projects on which Hessel Halbesma was working are indicated"*⁶³.

As described in chapter 3.1, it was determined that Board Members may invoice EUR 300 per hour, maximum EUR 2,400/day for extraordinary work for 2013 and 2014. This is equivalent to maximum 8 hours per day. For 2015-2017, there was no equivalent limitation, only that Board Members could invoice

⁶³ Email from Corporate counsel of 7 December 2018

EUR 500 per hour. We have reviewed all the received timesheets to see if they looked legitimate and if the number of hours seemed realistic and within set limits.

The following findings sum up our comments after the review of Hessel Halbesma's invoices and associated timesheets:

Review 2013

In 2013, Hessel Halbesma invoiced a total of 1,630 hours, but only provided timesheets for 1,626 hours (table can be seen in folder 4 provided to Bergen District Court) amounting to EUR 513,000 (USD 688,494/NOK 4,058,159).

Observations from the review of timesheets:

- Three cases where the stated number of hours for a week exceeds the maximum limit of 8 hours per day, in other words more than EUR 2,400/day. Also uncovered what seems to be minor errors related to the booking of accruals and reversal of these.
- 192 hours were invoiced/registered in December 2013. We find this to be a high number of hours considering Christmas holidays.

Review 2014

In 2014, Hessel Halbesma invoiced a total of 3,066 hours, but only provided timesheets for 2,916 hours (as shown in the tables below) amounting to EUR 919,800 (USD 1,200,412/NOK 7,805,212).

Regular hours invoiced amount to a total of 2,066 hours as shown in the table below.

Number of hours	Week 1	Week 2	Week 3	Week 4	Total	Comment
January	84	48	20	18	170	
February	54	54	28	52	188	
March	58	52	56	78	244	
April					-	<i>Missing timesheet</i>
May	36	56	62	36	190	
June	53	53	35	58	199	
July	26	48	50	68	192	
August	42	80	38	64	224	
September	16	14	76	54	160	
October	46	51	74	36	207	
November	35	27	33	35	130	
December	44	44	44	30	162	
Total					2,066	

In addition to regular invoicing, there have been two bookings described as "Rectification for January till December 2014" where Hessel Halbesma has invoiced an additional 850 hours at EUR 300 per hour, EUR 255,000 in total.

Number of hours	Week 1	Week 2	Week 3	Week 4	Total
"Rectification for January till June 2014", 400 hours/300 EUR	140	60	140	60	400
"Rectification for July till December 2014", 450 hours/300 EUR	140	60	90	160	450
Total					850

Observations from the review of timesheets:

- Total invoiced amount of EUR 919,800 exceeds the maximum possible amount for a whole year (EUR 2,400 * 365 = EUR 876,000).
- Seven cases where the stated number of hours for a week exceeds the maximum limit of 8 hours per day, in other words more than EUR 2,400/day.
- Timesheets show that Hessel Halbesma worked 44 hours three weeks in a row in December 2014.

Review 2015

In 2015, Hessel Halbesma invoiced a total of 5,952 hours, amounting to EUR 813,669 (USD 1,005,038/NOK 7,535,579).

Regular hours invoiced amounts to a total of 2,352 hours as shown in the table below.

Number of hours	Week 1	Week 2	Week 3	Week 4	Total
January	59	59	54	30	202
February	50	50	50	50	200
March	50	50	50	50	200
April	60	50	50	40	200
May	60	50	50	40	200
June	50	50	55	50	205
July	70	50	50	30	200
August	40	45	55	60	200
September	25	75	50	55	205
October	55	45	70	35	205
November	40	45	70	40	195
December	30	45	45	20	140
Total					2,352

We observe that there is a remarkable system in hours invoiced, e.g. that:

- From February and onward, Hessel Halbesma only invoiced round numbers
- Hessel Halbesma registered 50 hours every week in February-March 2015
- Timesheets show that Hessel Halbesma worked 60, 50, 50 and 40 hours in both April and May 2015. The order (60, 50, 50 and 40) is the same for both months.
- After January 2015, there are only round figures concerning number of hours for the rest of the year, e.g. 50 or 55 etc.

In addition to regular invoicing, illustrated in the table above, Hessel Halbesma invoiced extra hours quarterly.

	Month 1	Month 2	Month 3	Total
Adjustment hours Jan-March 2015	180	180	180	540
Adjustment hours Apr-June 2015	340	340	340	1,020
Adjustment hours July-Sept 2015	340	340	340	1,020
Adjustment hours Oct-Dec 2015	340	340	340	1,020
Total				3,600

As a result of the commitment agreement not going through, Hessel Halbesma charged an additional 3,600 hours of a total of EUR 1,080,000. This was disputed by OT's auditor KPMG and a credit note of EUR 873,000 was issued in 2016. Even though the invoices regarding the 3,600 hours add up to EUR 1,080,000, the accounting done by OT amounts to approximately EUR 1,097,000.

We have challenged OT regarding this, but we have not received any clarifying information. Therefore, we do not know the reason for these differences or why the credit note of EUR 873,000 does not cover the originally invoiced amount (EUR 1,097,000). OT states that these invoices and credit note are not related, even though the credit note says "Credit on fees charged in 2015". Despite of this, OT has not been able to provide us with an answer to what this credit note is related to.

Review 2016

In 2016, Hessel Halbesma invoiced a total of 1,774 hours amounting to EUR 887,000 (USD 923,568/NOK 7,725,254) (table can be seen in folder 4 provided to Bergen District Court).

Additionally, due to the increase in hourly fees from EUR 300 to EUR 500, Hessel Halbesma charged an additional EUR 608,400 for already invoiced hours concerning 2015 (retroactive effect).

Most months, Hessel Halbesma has invoiced between 130 and 190 hours.

Review 2017

In 2016, Hessel Halbesma invoiced a total of 891 hours, but only provided timesheets for 569 hours (as shown in the table below), amounting to EUR 284,912 (USD 323,355/NOK 2,668,000). The final invoiced number of EUR 284,912 was reduced from EUR 445,500 as a consequence of amongst others the reversing of a charged lawsuit.

Number of hours	Week 1	Week 2	Week 3	Week 4	Total	Comment
January	6	32	36	32	106	
February	14	30	34	26	104	
March	34	22	30	12	98	
April						- <i>Missing timesheet</i>
May	16	15	24	36	91	
June	20	14	14	10	58	
July						- <i>Missing timesheet</i>
August						- <i>Missing timesheet</i>
September						- <i>Missing timesheet</i>

October					- Missing timesheet
November					- Missing timesheet
December	44	46	8	14	112
Total					569

We never received two of the invoices (and associated timesheets) and four of the invoices did not have associated timesheets.

Overall, the observations of number of hours invoiced seem systematised, indicating that Hessel Halbesma has systematically maximised the limits as much as he could:

Pos describes Hessel Halbesma as follows: *“Hessel is absolutely a straight business man. He is always going on the line, but always just on the right side - never on the wrong side. Regarding paying tax: When he can, he makes it cheaper for himself. He is always on the right side. I have never had the feeling that anything was not right.”*

According to an interview with an employee in OT’s Finance department:

“I know Hessel wrote 40 hours a week, and KPMG said he had to specify his hours more. In the beginning the timesheets were produced after invoicing. KPMG was really not happy with this. At some time the timesheet was a part of the invoice.”

Regarding the Feastwood invoices, the employee in OT’s Finance department stated:

“He invoiced about the same amount of hours each month. It was fake invoices. That he did so much work for OT, I do not believe.”

When we during interview showed the spreadsheet of payments and Hessel Halbesma’s hours of work each month, the employee in OT’s Finance department stated:

“In 2013 it was my first year in OT. At this time we had four vessels. Business was normal. I do not know what Hessel was doing at this time. It does not state anything in the timesheets. Maybe Hessel was busy with DOT.”

According to the authority matrix from 2014 presented in chapter 3.2.1.1 *“all advisory and legal costs should be budgeted”*. Since OT had to issue a credit note in 2016 in order to get KPMG to approve the annual accounts for 2015, this indicates that OT did not budget all advisory costs or at least did not stay within budget limits.

In addition to this, the guidelines to the authority matrix state that *“all related party transactions need prior approval by the board”*.

The review of the agreements presented in chapter 3.4 shows that the aforementioned criterias were not implemented in practice.

We also register that Hill stated in interview that:

“I have never seen any timesheet of Mr. Halbesma. It was not my role as a non-executive director and I did not ask for his timesheets.”

An employee in OT’s Finance department has in interview stated the following when he was shown a spreadsheet of payments and Hessel’s hours of work each month:

“I do not believe that Hessel have worked this much. I think he did a reversed calculation– he wanted an amount, calculated how many hours he needed to get this amount, and then invoiced this many hours.”

3.5.1.2 Haico Halbesma

The limitations described in the previous paragraphs regarding documenting work performed concern the Board Members. Haico Halbesma as CEO submitted timesheets even though he was not required to do this based on the underlying agreement between OT and Heer Holland.

During our interview of Haico Halbesma, he stated the following (SANDS’ question in *italic*):

“What the company and accountant wanted was that we should allocate our hours to the different internal companies and different OT projects. Internal accountant was B and his team...I did the timesheets as instructed, and my privately employed secretary/accountant took care of my invoices. She made sure everything was ok with controller A and everyone internally. They said they wanted to allocate the hours correctly internally. I only had the contract with OT ASA – not the other companies in the group – they wanted it to be a service contract instead of an employment arrangement. The internal account department together with KPMG and other external advisors decided this.”

“Is the number of hours worked on each stated company and on each project a reality?”

It is probably not correct by the minute, but I tried to keep a good log of the hours spend. It is relatively general. On specific projects I spent a lot of time, e.g. in Mexico. In the end the CEO job is quite global, working on executing the strategy throughout and delegating different tasks. Sometimes it is in relation to a specific contract, project, a client and sometimes a new opportunity. It varies.

I think the timesheets and hours allocated to different projects are relatively real and correct, but on a high level. During the interview we have not gone into detail here. They, B and his team and KPMG have never requested me to report on a more detailed level”.

We register the following statement from an employee in OT’s Finance department:

“Heer Holland’s invoices are sent to ASA. The hours stated on the timesheets is related to internal projects. The payments for all invoices come from ASA and OT BV.”

Maybe he had to invoice on different projects in order to be employed through a management company. I do not know Norwegian law on this matter.

On the invoice the number of hours is the same every month with or without timesheets. The number of hours is related to the fixed amounts which he invoiced every month.. No one questioned or challenged him on this."

Our overall impression of Haico Halbesma's timesheets is that there is little information about work performed, thus making it difficult to identify or verify the amount and what kind of work he performed. However, as Haico Halbesma has no obligation to provide timesheets as a consultant hired out from Heer Holland to take the position as CEO in OT, and that he charged a monthly fixed management fee to OT, we have not done a similar review of Haico Halbesma's invoices and associated timesheets as we have done regarding Hessel Halbesma.

3.5.2 Control and approval of invoices

According to OT's Finance department, it was the CFO that controlled invoices from Feastwood. However, B , as former CFO in OT, pointed out in interview that:

"Haico and I represented the company externally, but all costs were incurred by the board. Above this level, it was the general meeting that was to take."

According to B , the Board and Haico Halbesma were not operative in the administrative systems on an ongoing basis. Approval or confirmation of an expense therefore typically came via email.

To control the approval of the invoices from Feastwood and Heer Holland, we searched for the table "Posted Approval Entry" in the NAV server file that we received from Pilaro/Imemo. This is described in more detail in chapter 4.2.3.

We performed a sample test of 5 invoices for each year in the period 2013-2017, in total 25 invoices, for both Haico Halbesma and for Hessel Halbesma. Since the costs for extra services have mainly been invoiced to OT ASA, only this company has been the subject of our control. A list of the reviewed invoices for both Hessel Halbesma and Haico Halbesma can be seen in attachment 19.

Controlled invoices from **Hessel Halbesma**/Feastwood:

- From 2013 to May 2016, the invoices have been approved by B /B/B/ B (accountant) and B B .
- From May 2016, when Haico Halbesma took B 's position as CFO, the invoices have been approved by B (accountant)/ B /B and Haico Halbesma.

Based on an interview with OT's Finance department, the following was stated:

"In the beginning it was CFO that controlled invoices from Feastwood. Up to May 2016 B approved all the invoices from Feastwood. After that Haico approved it. B was never

involved in this process. CFO after B was Haico (see invoices which he sent). B was Head of Control and Accounting, but I do not think he was involved. Even though B was hired as Haico still approved.

Nobody could check the declarations for accuracy. After B left the company the invoices were approved by Haico. I think everything has to do with the fees that Hessel wanted to charge by applying the Oceanteam Diavaz combination.”

The results are similar for invoices from **Haico Halbesma**/Heer Holland:

- From 2013 to May 2016, the invoices have been approved by B /Kjersti/Gunnhild/ B and B .
- From May 2016, when Haico Halbesma took B 's position as CFO, the invoices have been approved by B / B /B and Haico Halbesma.

The sample test shows that at least two persons are always involved in the approval of invoices. But, according to interviews and an overall perception of the company culture, it is our understanding that no one would oppose to the Halbesmas even though expenses seemed private or fees were high.

Based on our sample test, we see that two persons approve the different expenses, but in reality, it is a son approving his father's expenses and one more person that does not really have a choice. We register what B , as former CFO in OT, stated in interview (unofficial translation):

“Halbesma said that they threatened to take away all my goods. I said there was unfair pressure. They insinuated that I could lose my job if I did not approve.”

It was the responsibility of the Board to approve e.g. Hessel Halbesma's consultancy work. However, we have in our review of the approval of invoices not observed their names. This is confirmed by information from an interview with Hill. It is therefore our understanding that the approval routine of invoices regarding extra services from Hessel Halbesma (Feastwood) and Haico Halbesma (Heer Holland) appears weak and inconsistent. The weaknesses of the approval routine indicate lack of internal control.

3.5.3 Control of work orders

During our review of invoiced services, we have examined whether «work orders issued by the Company in advance with a clear specification of the services to be provided and an indication of estimated costs» appears as it should according to the service agreements with the Board Members.

We register that we have not been given any work orders before the agreements were made with the Board members 1 November 2016. We have not received any work orders regarding Pos and Hill. We have seen 2 work orders regarding service from Hessel Halbesma. We find the work orders very general and long-lasting; hereunder:

Work order 1: “The Services shall be performed from 1 November 2016 to 31 December 2016”.

And the detailed description of services is very general:

“The Service Provider shall provide to the Company the following Services:

- (i) Proactively giving the Company exclusive access to the Service Providers' network and long-time business partners including, but not limited to Bourbon, Diavaz, McDermott, Pacific Radiance and business development activities for the various businesses of the Group (including but not limited to Project numbers 0020, 0060, 0069, 0071);*
- (ii) Activities related to the sourcing of financing, negotiations and strategy development related to the long term refinancing of the Group and in particular the project Challenger (Project Number 4834);*
- (iii) Services related to further development of the design of the vessel North Ocean 300 series (Project number 4863);*
- (iv) Maintenance and development of the partnership DOT with stakeholders of Diavaz;*
- (v) Maintenance and development of the partnership Oceanteam -Bourbon with stakeholders of Bourbon;*
- (vi) Maintenance and development of the partnership with stakeholders of Fugro TSMarine/ Shelf Subsea (Project numbers 4859 and 5373);*
- (vii) Business development activities and IP expansion strategy for KCI the Engineers BV including but not limited to Project number 5383);*
- (viii) General support and coaching to various management functions within the Group and participation in brainstorm sessions, process improvement projects, restructuring and increasing of the efficiency and synergy between the various business segments (KCI, Solutions, Shipping, Corporate) and in particular the synergy of the various business units, the introduction of one identical management system throughout the various business segments; initiation and steering of change management in the various business units in order to implement the synergy between them.”*

There are no provisions in the work order describing expected hours to be spent, except for this information:

“The Services shall be reimbursed based on an hourly rate of EUR 500 per hour in accordance with the provisions of the Agreement.”

The wording in the General Service Agreement is general; hereunder:

“Parties herewith agree that from 2016 onwards the total sum to be invoiced by the Services Provider for the services to the Company under this Agreement shall not exceed 2,000 hours per annum.”

Work order 2: “The Services shall be performed from 1 January 2017 to 31 December 2017”.

And the detailed description of services is very general:

“The Service Provider shall provide to the Company the following Services:

- (i) Proactively giving the Company exclusive access to the Service Providers' network and longtime business partners including, but not limited to Bourbon, Diavaz, McDermott, Pacific*

Radiance and business development activities for the various businesses of the Group (including but not limited to Project numbers 0020, 0060, 0069, 0071);

(ii) Activities related to the sourcing of financing, negotiations and strategy development related to the Long term re-financing of the Group and in particular the project Challenger (Project Number 4834);

(iii) Services related to further development of the design of the vessel North Ocean 300 series (Project number 4863);

(iv) Maintenance and development of the partnership DOT with stakeholders of Diavaz;

(v) Maintenance and development of the partnership Oceanteam -Bourbon with stakeholders of Bourbon;

(vi) Maintenance and development of the partnership with stakeholders of Fugro TSMarine/ Shelf Subsea (Project numbers 4859 and 5373);

(vii) Business development activities and IP expansion strategy for KCI the Engineers BV including but not limited to Project number 5383);

(viii) General support and coaching to various management functions within the Group and participation in brainstorm sessions, process improvement projects, restructuring and increasing of the efficiency and synergy between the various business segments (KCI, Solutions, Shipping, Corporate) and in particular the synergy of the various business units, the introduction of one identical management system throughout the various business segments; initiation and steering of change management in the various business units in order to implement the synergy between them.”

There are no provisions in the work order describing expected hours to be spent, except for this information:

“The Services shall be reimbursed based on an hourly rate of EUR 500 per hour in accordance with the provisions of the Agreement.”

The General Service Agreement with Feastwood was in May 2017 amended with the following information:

“Parties herewith agree that from 1 May 2017 onwards the total maximum amount to be invoiced by the Services Provider for the Services (both Ordinary and Extraordinary Services) to the Company under this Agreement shall not exceed 380 hours for any 12 months’ period.”

As one can see, the work orders are general and do not represent more details other than the wording in the agreement, hereunder no information about hours to be spent on each project.

Based on our information, Hessel Halbesma has invoiced for 485 hours from May till December 2017, which is more than the amount regulated in the Agreement. There are inter alia no timesheets following the invoices from Feastwood from July till December 2017.

We register that Hill stated the following in interview:

“I have no recollection of seeing any specific work orders for Mr Halbesma or Mrs Pos.”

Based on the hours invoiced, we register Pos’ statement in interview (SANDS’ question in *italic*):

“Was it ever discussed, that Hessel could be an employee?”

It was never discussed that he could be an employee of OT.”

We register that there are no work orders before 1 November 2016, which is a period without any fixed fee arrangements and where one normally would expect that all three Board members would normally invoice as other consultants; hereunder based on detailed work orders and timesheets proving work done.

3.6 Auditor’s role and follow-up

According to laws and regulations⁶⁴, certain tasks and responsibilities lie in the role of an auditor, including the topic of related party transactions.

We understand that OT has been a challenging group to audit. KPMG has struggled with gathering and receiving all the requested documentation from OT. Our impression is that KPMG has gradually focused and followed up on important topics and red flags in OT’s business, but it can be claimed that some highly relevant and expected reactions came surprisingly late. We also observe amongst others that:

- KPMG has accepted agreements with related parties that have not been handled in general meetings, despite having previously stated that they need something to confirm that this has been handled in accordance with the Norwegian Public Limited Liabilities Act (Allmennaksjeloven)
- KPMG accepted payments of millions of NOK without any agreements and relevant supporting documents
- KPMG accepted that the fictive invoices for additional 3,600 hours of a total of EUR 1,080,000 from Hessel Halbesma was solved by credit note, even though the invoices were clearly wrong and without any basis in reality
- KPMG accepted that the company’s newly established related party agreements had retroactive effect from 2015, almost 2 years after the date of the agreements
- Although receiving strong signals that something might not be right when minority shareholders reacted to the 2014 annual accounts and related topics in general meetings in 2015, we cannot see any reactions and response from KPMG until late 2015

In interview with B , former CFO in OT, we register the following statement:

⁶⁴The auditor’s task is to express an opinion on the financial statements based on his audit. The audit shall be conducted in accordance with laws, regulations and auditing standards. The auditing standards require the auditor to comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements do not contain material misstatements.

⁶⁵An auditor of a listed company has to undergo a full review of the reporting for the different quarters of the fiscal year. An interim audit is preliminary audit work that is done prior to the fiscal year-end of a client.

“Det var en hendelse hvor jeg rev i stykker brevet fra KPMG høsten 2015 og ba dem om hjelp fordi Hessel fakturerte for mye. Dette var i møte med revisjonsmanager/ - partner, E og E . Jeg fikk ingen reaksjon før langt ut i mai 2016.”

Unofficial translation:

“There was an event where I tore apart the letter from KPMG in the fall of 2015 and asked them for help because Hessel billed too much. This was in the meeting with the audit manager/ partner, E and E . I got no reaction until far out in May 2016.”

Furthermore, he stated (SANDS' question in *italic*):

*“Kan du beskrive hvilken informasjon KPMG har mottatt og hvordan de har agert?
KPMG fikk hele datavarehuset (kopi av alle underliggende transaksjoner i et excel regneark ved hjelp av Pivot-tabeller) og alle detaljer fortløpende.”*

Unofficial translation:

*“Can you describe what information KPMG has received and how they have acted?
KPMG received the entire data warehouse (copy of all underlying transactions in an Excel spreadsheet using Pivot tables) and all details consecutively.”*

Regarding the general meeting in 2015 regarding inter alia annual report 2014, B stated in interview (SANDS' question in *italic*):

*“Ble det debatt på generalforsamling når Storm og flere var tilstede?
Ja, det ble debatt på generalforsamlingen. Referatet ble veldig forenklet i forhold til diskusjonen. KPMG var tilstede. De har vært tilstede på alle generalforsamlingene så vidt jeg vet, men dette fremkommer av GF protokollene.*

*Ble det et tema at de ville se avtaler for konsulent tjenester?
Det husker jeg ikke. Det var mye munnhuggeri. Jeg tror ikke vi kom til det saklige nivået, men det var helt klart stor uenighet i forhold til nærstående transaksjoner.”*

Unofficial translation:

*“Did the General Assembly debate when Storm and others were present?
Yes, there was debate at the general meeting. The minutes were very simplified in relation to the discussion. KPMG was present. They have been present at all the general meetings as far as I know, but this is stated in the GF minutes.*

Did it become a topic that they would see consulting services deals?

I do not remember. There was a lot of bickering. I don't think we got to the factual level, but there was clearly a great deal of disagreement over related transactions.”

Furthermore, B states in interview:

“Jeg og Karlsen diskuterte spesielt at Hessel fakturerte mye og at det var urimelig at han skulle ta ut så mye. Men Revisor går liksom ikke videre med det. Det står bare en liten notis om det i Management Letters.

Når Fardal kommer inn i 2015 ba jeg om hjelp på nærstående-transaksjoner, men de tar ikke tak. De sitter på gjerdet, helt frem til siste slutt rett før regnskapet skal avlegges.”

Unofficial translation:

“Karlsen and I discussed in particular that Hessel invoiced a lot and that it was unreasonable for him to charge so much. But the Auditor didn't go any further with that. There is only a small note about it in the Management Letters.

When Fardal came in 2015, I asked for help on related transactions, but they did not take hold. They sat on the fence, right up until the very end just before the accounts were to be presented.”

B also points out that:

«Av revisor ville jeg ha hjelp til å se på Hessels kostnader, særlig høst 2015 fordi da tok det helt av – både reiseregninger og nærstående-transaksjoner. Hessel og Haico kunne dra når de ville. De hadde ingen rapporteringsplikt til styret utover normale. Mitt inntrykk er at Hessel dro alt på selskapets regning. Det var melkekuen hans.

En annen ekstern revisor ville sett motivene til Hessel og sendt et nummerert brev om at policy måtte strammes inn og beskyttet minoritetsaksjonærene».

Unofficial translation:

“By the accountant, I wanted help looking at Hessel's costs, especially in the fall of 2015 because at that time it completely took off - both travel bills and related transactions. Hessel and Haico could go whenever they wanted. They had no reporting obligation to the Board beyond what is normal. My impression is that Hessel pulled everything at the company's expense. It was his cash cow.

Another external auditor would have seen Hessel's motives and sent a numbered letter stating that policy had to be tightened and protected minority shareholders.”

In interview, KPMG has stated the following:

“Vi har kontrollert følgende:

- 1. at det foreligger avtale for de leverte tjenestene*
- 2. at avtalen er behandlet av riktig selskapsorgan*
- 3. at det er beskrevet hva som er levert i de tilfellene hvor det er levert basert på medgått tid*
- 4. at det som er levert er relevant for selskapet*
- 5. at timepriser og andre vederlag er basert på markedsmessige vilkår (f eks timepriser som er vurdert av uavhengige tredjeparter og husleie som er vurdert av lokal revisor i Nederland)*
- 6. at det er gitt fullstendige og dekkende opplysninger i noter til konsernregnskap og selskapsregnskap*

Videre hadde selskapet etablerte rutiner for behandling og godkjenning av inngående fakturaer og utbetalinger.

For årene 2014-2016 ble så vidt jeg vet alle avtaler vurdert og godkjent av styret.»

Unofficial translation:

“We have checked the following:

- 1. that there is an agreement for the services provided*
- 2. that the agreement has been dealt with by the appropriate corporate body*
- 3. that it is described what was delivered in the cases where it was delivered based on time spent*
- 4. that what is delivered is relevant to the company*
- 5. that hourly rates and other remuneration are based on market conditions (e.g. hourly rates assessed by independent third parties and rents assessed by a local auditor in the Netherlands)*
- 6. that complete and comprehensive information has been provided in notes to consolidated and company accounts*

Furthermore, the company had established routines for processing and approving incoming invoices and payments.

For the years 2014-2016, as far as I know, all agreements were reviewed and approved by the Board.”

In interview, KPMG has inter alia stated the following (SANDS' question in *italic*):

“Er dere nede i detaljene og sjekker bilag og utfordrer økonomiavdelingen i en vanlig revisjon eller overlater dere dette til økonomiavdeling og CFO?

Det er selskapet som må ta stilling til om de skulle honoreres eller ikke.

Når vi skal revidere tar vi utgangspunktet i hva som ligger i regnskapet, ser på hva som er grunnlaget for dette, hva som er kostnadsført. Vi starter med avtalen og underlagsdokumentasjon som faktura og på timelister. Det er regnskapsavdeling og CFO som har godkjent, og de har sine kontrollfunksjoner i selskapet.

Vi sjekker at timelister er der og at de gjelder aktive prosjekt. Om det er krav til timelister og hvordan timene man har brukt blir dokumentert, husker jeg ikke. Jeg burde kanskje huske fordi det er krav til dette iht bokføringsloven, men jeg husker ikke dette i farten.

Det er litt vanskelig å huske tilbake til alle detaljene siden dette er såpass lenge siden. Det vi har gjort er at vi har tatt utgangspunktet i avtalene, regnskapet og at timelistene er kontrollert og godkjent av administrasjonen. CFO som er i selskapet er ansvarlig. Vi vet at selskapet har en tynn administrasjon. Vi registrerer at når vi tar kontakt får vi rask tilbakemelding fra Haico. Av Hessel også de gangene vi trenger han. Vi har CFO som har signert fullstendighetserklæringer. CFO deler kontor med Hessel.”

Unofficial translation:

*“Are you down to the details and checking the documentation and challenging the finance department in a regular audit or are you leaving this to the finance department and CFO?
It is the company that has to decide whether they should be paid or not.*

When we are going to audit, we start with what is in the accounts, look at what is the basis for this, what is expensed. We start with the agreement and supporting documentation such as invoices and time lists. The accounting department and the CFO have approved and they have their control functions in the company.

We check that timesheets are there and that they apply to active projects. I do not remember if there are requirements for timesheets and how the hours used have been documented. Maybe I should remember because there are requirements for this in accordance with the Accounting Act, but I do not remember this on the fly.

It is a little difficult to remember all the details since this is so long ago. What we have done is that we have based ourselves on the agreements, the accounts and that the time lists are checked and approved by the administration. The CFO of the company is responsible. We know that the company has a thin administration. We register that when we contact the company, we get quick feedback from Haico. From Hessel, the times we need him as well. We have the CFO who has signed declarations of completeness. The CFO shares office with Hessel.”

KPMG has also stated that:

“Vi er nede i detaljene, sjekker bilagene og utfordrer økonomiavdelingen”

“I fullstendighetserklæringen er det tatt inn egne avsnitt som omhandler transaksjoner med nærstående parter. CFO har bekreftet disse opplysningene uten forbehold”

Unofficial translation:

“We are down to the details, checking the supporting documents and challenging the finance department”

“The declaration of completeness includes separate sections dealing with transactions with related parties. The CFO has confirmed this information without reservation”

We cannot understand that these statements represent reality, since one of the issues in this investigation is lack of relevant information and documentation.

We register that KPMG did not want to give us all requested documentation and their argument was that the documents were internal documents.

KPMG also stated the following in interview:

“Vår oppgave her er å gjøre en revisjon av selskapet. Vi bygger på at selskapet har kontroller og har gjort sine vurderinger. Vi skal etterprøve dette. Et moment her er at vi ikke jobber frem mot å finne den absolutte sannhet. Vi opererer med en vesentlighetsgrense, og vi skal ha nok dokumentasjon på at det ikke er vesentlige avvik i selskapet.”

Unofficial translation:

“Our job here is to do an audit of the company. We build on the fact that the company has controls and has done its reviews. We will test this. One factor here is that we are not working towards finding the absolute truth. We operate with a materiality limit, and we must have enough documentation that there are no significant deviations in the company.”

We register that it is still not possible to understand how KPMG has managed to do a proper audit of OT's millions of NOK regarding inter alia consultancy deliveries without having e.g. written agreements, timesheets and supporting documents with relevant information.

3.6.1 Follow-up 2013-2017

Over the time from 2013 to 2017, KPMG has followed up on the following topics (all management letters can be seen in folder 9 provided to Bergen District Court):

2013 and 2014

We note that the topic of related party transactions was not raised as an issue prior to Fardal's era. This is confirmed by the Board and management in OT in 2013 and 2014, as well as from management letters, where we see that the topic is not raised as an issue these years.

2015

KPMG states in interviews that the related party transactions issue was raised for the first time in 2015. This is confirmed by our review of management letters, where we see the topic being raised for the first time in October 2015. KPMG has stated that there were two reasons for the increased focus on related party transactions: 1) the volume of transactions increased compared to previous years and 2) KPMG did a renewed assessment of how they chose to manage these transactions.

According to the CFO at the time, B , he requested help in 2015 from KPMG to manage the increasing related party transactions before KPMG formally raised the issue to the company. B claims that KPMG did not react to these requests before well into May 2016. Even though KPMG brought up the related party transactions in letters or feedback to OT, B still felt that they did not proceed with specific actions regarding this. At least not until KPMG had the audit report in hand and then they suddenly had to have underlying agreements etc. before they could sign and submit the report.

2016

In 2016, several letters from KPMG are issued, requesting agreements and follow-up from OT regarding related parties. Also note that KPMG's audit process in both 2015 and 2016 was delayed due to pending matters and related documentation.

In a letter dated 17 February 2016, KPMG points out that transactions with related parties have increased significantly compared to 2015. They state that Hessel Halbesma has invoiced 5,952 hours at a rate of 300 EUR per hour. No current agreement is regulating this and the fees for 2015 have not yet been approved by the General meeting. They point to the risk factor that this might be in breach of the Norwegian Public Limited Liability Companies Act § 3-8, and if the payments are found not to be in accordance with Public Limited Liability Companies Act § 3-8, there is a risk that these payments are considered as dividends, which is in breach of the bond agreement. KPMG also states that their understanding is that related party agreements have not been finalized in 2015, but that they will be finalized in 2016 with effect from 2016. This is contrary to the actual outcome, where the agreements ended up having effect from 1 January 2015.

In a letter dated 28 April 2016, KPMG states that they still have not received any legal opinion from Thommessen concluding that the related party transactions from Feastwood are not in violation of the § 3-8 as well as the covenant in the bond agreement. Note that OT received the mentioned legal opinion from Thommessen two days before this, stating that the agreement must be treated under § 3-8. Bahr was requested to provide the same opinion and concluded in memo 28 April 2016 that Hessel Halbesma's services should be treated as board services, and tax should be payable to Norway.

KPMG delivered a qualified opinion on 30 April 2016 due to the abovementioned issues.

In Management Letter dated 1 May 2016, KPMG states that:

“We have not received the legal opinion from Advokatfirmaet Thommessen AS or Bahr that concludes that the transactions with related parties and the receivable due from Feastwood Holding LTD of MUSD 0,5 are not in violation with the covenants in the bond agreement and the Norwegian Public Limited Liability Act sections 3 and 8.

If we receive a legal opinion from Advokatfirmaet Thommessen AS supporting that there is not a risk that these transactions and receivable are in violation with the bond agreement and the Norwegian Public Limited Liability Act section 3 and 8, we would be able to perform our assessment of the matter and reach a conclusion.”

We register that both Bahr and Thommessen have delivered their legal opinions to OT, but KPMG has not been provided with these.

In Management Letter dated 18 July 2016, KPMG inter alia states the following:

“Transactions with related parties have increased significantly in 2015 compared to 2014. Among others, Feastwood Holding Limited has invoiced OTS ASA for services provided by Hessel Halbesma. Currently, there are no written agreements regulating these transactions, the basis for the fees are not documented, and it has not been assessed whether or not the transactions are in compliance with the Norwegian Public Limited act chapter 3 and 8.

Furthermore, travel costs of a personal nature have been paid by OTS ASA and subsequently invoiced to Feastwood Holding Limited.

Risk / Consequence

According to the Norwegian Public Limited Liability Companies Act §3-8 Agreements with shareholders or members of the company’s administration etc., certain agreements is not binding for the company unless the general meeting has approved the agreement. If the transactions are found not to be in accordance with Public Limited Liability Companies Act § 3- 8, there is a risk that these payments are considered dividends which might be in breach with the bond agreement.

Recommendation

The agreements between OTS and related parties must be finalized, include the description and assessment of the services provided, the basis for the valuation of the transaction and an assessment of whether the agreements are in accordance with the Norwegian Public Limited Liability Companies Act, tax legislation and covenants in the bond agreement.

Once the agreements are in place, the company also needs to assess whether there are transactions under the agreements that needs to be approved by the general meeting in order to be binding for the company, cfr the Norwegian Public Limited Liability Companies Act (asal) §3-8.”

We register that it is pointed out that: *“there are no written agreements regulating these transactions, the basis for the fees are not documented, and it has not been assessed whether or not the transactions are in compliance with the Norwegian Public Limited act chapter 3 and 8”.*

They request feedback on amongst others this issue within 5 September 2016. Response was not provided, and KPMG once again requested a response on the raised issues in a letter dated 6 October 2016, with deadline 21 October 2016.

In a letter of 23 November 2016, KPMG states that OT has now presented a written agreement with Feastwood and a legal opinion. However, they will not co-sign the trading statement (Næringsoppgave). KPMG stated the following:

“Related parties' transactions

Hessel Halbesma is the Chairman of the Board of Directors of the Company and also controls Feastwood Holding Ltd. Mr Halbesma has during 2015 provided consulting services to Oceanteam ASA through Feastwood Holding Ltd. During 2015 there were no written agreements regulating these consulting services and it had not been assessed whether or not the

consulting agreements were in compliance with the Norwegian Public Limited Act chapter 3. Due to this, we will not co-sign the "Næringsoppgave". In 2016 this agreement has been formalized and an assessment has been performed which supports the assessment that the agreements were in compliance with Norwegian Public Limited Liabilities Act §3-8.

Furthermore, during 2015 Feastwood Holding Ltd issued invoices to Oceanteam ASA under a proposed incentive agreement. The agreement was never formalized however payments of these invoices were made during 2015. As a consequence of these payments, Oceanteam ASA as of 31 December 2015 had a receivable with Feastwood Holding Ltd of approximately MUSD 0,5. This receivable has been settled in 2016. In our view, these transactions under the proposed incentive agreement and resulting receivable were not in accordance with the Norwegian Public Limited Liabilities Act chapter 3 and 8. Due to this, we will not co-sign the "Næringsoppgave" and "Lønn og Pensjonskostnader".

In Management Letter dated 9 December 2016, KPMG inter alia states:

"During 2016 the company have formalized the agreement on consulting services provided by Feastwood Holding Ltd to Oceanteam ASA. However, we recommend you to assess whether or not the payments made under the planned incentive agreement in 2015 were a breach of covenants and assess whether or not it is needed to restate previous quarterly and year end reporting."

In 2016, there is also correspondence from KPMG related to the lack of payment of invoices from KPMG.

2017

In Management letters in the period from January to May 2017, KPMG requests documentation in connection with related parties, such as documentation regarding the service agreement with Feastwood where the hourly rate is 500 EUR, identify all related parties, provide an overview of all related party transactions from OT and the assessment of the transactions, travel remuneration and the Board assessment.

In a Management Letter dated 11 April 2017, KPMG points out that they have not been presented with sufficient documentation related to several areas, amongst other transactions with related parties. They state that they consider this critical.

In a Management Letter dated 25 April 2017, KPMG states that they have not yet received documentation for the hourly rate of EUR 500. KPMG inter alia states the following:

*"Supporting documentation on the hourly rate of additional services
The service agreement with related party Feastwood Holding was formalized in November 2016. Supporting documentation for the hourly rate of € 500 has not been provided to KPMG. If we do not receive this it may be determined to impact the auditors report as a qualification on the validity of part of the costs recognized by Oceanteam under the agreement. In the 'other matter' section we will include a paragraph describing the possible breach of the Norwegian Public Limited Liability Act sections 3 and 8 related to the agreements with related parties."*

We register that Loyens & Loeff delivered a draft opinion dated 25 April 2017 and EY delivered a memo 26 April 2017 to OT, shortly after KPMG pointed out in a Management Letter dated 25 April 2017 that:

“Supporting documentation for the hourly rate of € 500 has not been provided to KPMG. If we do not receive this it may be determined to impact the auditors report as a qualification on the validity of part of the costs recognized by Oceanteam under the agreement.”

We register KPMG’s statement in Management Letter dated 24 May 2017, inter alia that:

“We have been informed that Oceanteam ASA during 2016 and 2017 on a regular basis has paid for travel costs and other costs of a personal nature and subsequently invoiced to Feastwood Holding Limited. We ask for the Boards assessment of whether or not these payments are in accordance with the Norwegian Public Limited Liabilities Act and in particular in relation to the current difficult financial position of the company.

Furthermore, we have not been presented with documentation supporting the valuation of services provided from all related parties and hence, we have not been able to conclude on whether the services are valued on an arms-length principle”

We point out that it is written in the 1 November 2016 agreements with both Hessel Halbesma, Hill and Pos that:

“EUR 500,- per hour. This hourly rate is based on an evaluation of the rate charged by comparable, experienced international business and management consultants in Monaco, the Netherlands and Norway”

We have during the investigation requested these evaluations from OT, but OT has not given these to us.

KPMG also describes audit procedures to identify potential other related parties, and that they have identified two potential related parties not mentioned by OT; hereunder Heleos and 4C Offshore Limited, and requests feedback on this, cf. Management Letter dated 25 April 2017.

In Management Letter dated 24 May 2017, KPMG inter alia states the following:

“Related parties

As described in Management Letter no 27 the identification of related parties that were previously undisclosed has raised an additional information request.

In order for Oceanteam ASA to be able to meet the requirements of IFRS, the Norwegian Public Limited Liabilities Act, The Norwegian Accounting Act and the tax regulations, Oceanteam needs to:

- *Identify all related parties*
- *Provide a list of all transactions and balances between the group and the related parties*

- Provide a list of all transactions and balances between the group and the shareholders, directors or managers of Oceanteam ASA.
- For all identified related party transactions, we ask that Oceanteam provide an assessment of the valuation of the services provided (as described in section 6.2 of the Corporate Governance policy) either by a third party or by the company itself.

The identified related parties must be clearly identifiable and the list should include the name, company identification number and residence. If the related party is a corporate body, the name of Directors, management and shareholders of the entity should be disclosed. In order to ascertain whether an entity is a related party it may also be relevant to consider shareholder agreements, other types of agreements and options as well as other derivative instruments.

We are in the process of deciding on the required audit procedure to obtain assurance over completeness of related party transactions. As communicated earlier, when considering the time available and the inherent obstacles in identifying ownership in certain jurisdictions, a positive conclusion on this within 30 May is not possible.

We have been informed that Oceanteam ASA during 2016 and 2017 on a regular basis has paid for travel costs and other costs of a personal nature and subsequently invoiced to Feastwood Holding Limited. We ask for the Boards assessment of whether or not these payments are in accordance with the Norwegian Public Limited Liabilities Act and in particular in relation to the current difficult financial position of the company.

Furthermore, we have not been presented with documentation supporting the valuation of services provided from all related parties and hence, we have not been able to conclude on whether the services are valued on an arms-length principle.”

According to an email from KPMG to OT dated 22 June 2017⁶⁶, KPMG states amongst others that they have not been able to obtain sufficient audit evidence over the completeness of the statement from management regarding transactions with related parties. This is mentioned again in Management Letter no. 30, dated 23 June 2017.

In the qualified Independent Audit’s report 2016 dated 23 June 2017, KPMG amongst others states:

“Non-disclosure of related party transactions represents a breach in the Norwegian Public Limited Liability Companies Act chapters 3 and 8. This may in our opinion result in the Board of Directors and/or the Managing Director being liable for damages”

In Management Letter dated 10 July 2017, KPMG reached a conclusion that they were not able to obtain sufficient audit evidence over the completeness of the statement from management regarding transactions with related parties.

In Management Letter dated 5 October 2017, KPMG will not co-sign the Næringsoppgave, partly because:

⁶⁶ Appears in attachment 4 to pleading of 3 January 2018 from Grette