

James Hill						
NAV Data set (Excel)	108,729	132,516	124,225	131,128	44,464	541,061
Note 3	109,000	123,000	124,000	125,000	50,000	531,000
<i>Deviation</i>	<i>-271</i>	<i>9,516</i>	<i>225</i>	<i>6,128</i>	<i>-5,536</i>	<i>10,061</i>
Bote De Vries						
NAV Data set (Excel)	-	-	-	-	25,520	25,520
Note 3	-	-	-	-	26,000	26,000
<i>Deviation</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-480</i>	<i>-480</i>
Diederik Legger						
NAV Data set (Excel)	-	-	-	-	67,055	67,055
Note 3	-	-	-	-	67,000	67,000
<i>Deviation</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>55</i>	<i>55</i>
NAV Data set, ASA (EUR)	2013	2014	2015	2016	2017	Total
Hessel Halbesma	551,419	962,932	945,859	1,760,347	312,089	4,532,647
Haico Halbesma	494,703	430,228	549,326	870,201	441,903	2,786,362
Catharina Pos	95,612	101,161	107,325	123,179	94,041	521,318
James Hill	85,155	99,911	112,325	118,855	40,483	456,729
Bote De Vries					21,470	21,470
Diederik Legger					58,296	58,296

The table shows several deviations for all years except 2015, and particularly for Hessel Halbesma and Haico Halbesma. We have made inquiries about these deviations to OT. They have sought to find explanations and have given us the following information:

- **2013:** The reason for the deviation here is mainly that the CEO incentive to Haico Halbesma of USD 224,582 is mistakenly included twice for Haico Halbesma in note 3 to the annual report resulting in the note presenting a higher and incorrect figure. The deviation for the note concerning Hessel Halbesma is equivalent. According to OT, something must have happened during the transformation of the notes from NOK in annual report 2013 to USD in annual report 2014 (switch of reporting currency in 2014). Note 3 is in other words incorrect for Hessel Halbesma and Haico Halbesma for 2013.
- **2014:** OT is unable to explain the deviation, but it seems to them that they have changed the annual report manually and excluded the phantom shares.
- **2015:** OT is unable to explain the deviation. The note for this year includes the phantom shares.
- **2016-2017:** Our understanding of OT's explanation to the deviations these years is that they are mainly results of accruals. The sum of the deviations these years for both Hessel Halbesma and Haico Halbesma are approximately USD 50,000 and comes from a booking made under a general resource code. This has therefore not been captured by our sorting of numbers as we have only sorted by individual resources, e.g. HEH (Hessel Halbesma) and HAH (Haico Halbesma).

Note that the amounts above differ from the actual payments to the related parties, since they do not cover transactions with related parties beyond remuneration, e.g. rent costs to the company Toha Invest owned by Hessel Halbesma and Haico Halbesma and reimbursement of travel expenses.

A more detailed table for each related party, including all related parties not functioning as management/service company for one of the six individuals (such as Toha Invest), will be described in chapter 3.4.

3.3.2 Examination of the financial data set

This chapter describes the approach in our work to verify both the completeness and accuracy of the figures in the NAV data set received from OT. This process is relevant, since it is necessary to find out if the numbers are complete or not. It has also been relevant to control if it is possible to confirm what has been paid to the various parties and if the amount invoiced is the same as amount paid.

3.3.2.1 Ensuring completeness

First, we made an overview of transactions with related parties from the NAV data set we received from OT. To make sure we had complete financial information, we also made an overview from the copy of the NAV server file that we received from the external party, Imemo (via Pilaro). When comparing the two overviews, we found no deviations.

Then, we reconciled these numbers regarding related party transactions with notes to the annual reports in the period 2013-2017. As shown in the table above, several deviations are discovered between the notes in the annual reports and our findings in the NAV data set. (Parts of) these deviations may be because we have different perceptions/definitions of the terms “wages” and “other remuneration”. Since the numbers in the annual reports are reported in USD, the table above is therefore in USD.

During our investigation, we have seen that not all transactions with one party, e.g. James Hill (Groom Hill), are included when filtering vendor names on the different related companies. In other words, the vendor name approach gives an incomplete result, and this may be because OT has not been consistent in inserting the vendor names. The tables for the related individuals in the following paragraphs show all the transactions posted in the financial system with one specific person as "resource", e.g. Hessel Halbesma is HEH and James Hill is JAH. The allocation to one resource includes both transactions directly to the related person's company (e.g. Groom Hill) and the person himself/herself (e.g. James Hill). According to our understanding and discretion, this shows the most complete picture of the related party transactions, as some transactions are not captured when only sorting on the vendor name.

3.3.2.2 Verification of payments to related parties

Even though the payments to related parties as presented in the table above, e.g. management service fees and board fees, are booked in the financial system of OT Group's books and records, it is essential to verify if these have been paid out to the respective persons/companies. This is important because it may be the case that large parts of the fees have never been paid out, and that there is a significant outstanding balance between OT and the related party instead. Only payments to Hessel Halbesma, Haico Halbesma Halbesma, Catharina Pos and James Hill have been included in this review, as they appear to have received the significant amounts in the period 2013-2017.

The investigation team's efforts to map the actual payments to related parties have been demanding due to several factors described in the following and the paragraph below. Furthermore, it has been demanding to understand the Group's accounting routines and registration of data. The scope of our investigation includes the time period from 2013 to 2017, which also means that we have to focus on potential changes of the routines that may have happened during the investigation period. The settlement of costs is done in a complicated manner that is not always easy for persons outside OT to understand; e.g. an amount due can be offset against another transaction with the related party, and/or the amount can be split up so that it is difficult to track the booking further or it can be paid together with other amounts due. In addition to this, the Group reports financial data both in USD and NOK. The overviews and assistance we have gotten from OT have been in EUR, even though the data set is set to be in USD. All these challenges combined have made this review more demanding than normal.

The investigation team challenged OT to present an overview of the registered payments to the related parties. We received overviews prepared by OT regarding Heer Holland (Haico Halbesma), Feastwood (Hessel Halbesma), Cenzo (Catharina Pos) and Groom Hill (James Hill), that show the invoices registered in the vendor list and associated payments/recharged expenses. We asked OT if the different payments have been charged to one specific bank account in OT or also to bank accounts in other group companies, as we wanted to know which accounts were mostly used for these payments. According to OT: *"...in the beginning only a bank account from OT ASA. Later (2016-2017) also bank account from other group companies. Mostly we used the ING and Rabobank in the Netherlands (OT Shipping BV) and SMN in Norway (OT ASA)."*⁴⁰

We have also been told to be aware that OT paid from several companies and almost never the full amount of the invoice. We make a reservation that we have not reviewed bank statements for the period to confirm the outgoing payments, inter alia since the bank statements do not give enough information about the receivers or senders of the payments.

The overviews from OT have been subject to our review. Outstanding amounts for the four related parties in OT's overviews essentially correspond to outstanding amounts according to the supplier accounts (an independent document). As far as we have been able to verify, the overviews from OT present transactions and payments to related parties in a way that invites confidence.

3.4 Description of all related parties

3.4.1 Feastwood Holding Ltd. (services from Hessel Halbesma)

Feastwood Holding Ltd. (Feastwood) was Hessel Halbesma's service company. Feastwood has also been a majority shareholder in OT for several years.

According to OT's annual report, Feastwood Holding Ltd. delivered services to OT in 2013, 2014, 2015, 2016 and 2017. However, according to the annual report for 2017, CEO Haico Halbesma was also related to Feastwood Holding Ltd., as he received incentive payments for his CEO work through this company as well as CFO salary for a period in 2016.

⁴⁰ Email received from the Finance department 7 June 2019

Note that two companies with the name Feastwood Holding Ltd. controlled by the Halbesma family exist: One in Cyprus with the name Feastwood Holding Ltd., and one in the British Virgin Islands (BVI) named Feastwood Holdings Ltd. The only difference is the s in Holdings. According to Hessel Halbesma, the Cyprus firm was operative in the first years of the relevant time period from 2013-2017, and the contractual party was thereby changed to the BVI company following a restructuring in his private affairs late 2016. This is outlined more in the chapter below.

3.4.1.1 Overview of transactions

The table below shows all costs associated with Hessel Halbesma and his company Feastwood, found in the Group's P&L when sorting on resource (HEH).

Salaries, Hessel Halbesma, EUR	2013	2014	2015	2016	2017	Total
Extra services, contractors fee	513,000	919,800	897,364	1,716,404	284,912	4,331,480
Board committee fee	38,419	35,914	33,508	32,293	32,164	172,298
Phantom Share Incentive ⁴¹	0	7,219	14,986	11,650	-4,987	28,868
Total salaries	551,419	962,932	945,859	1,760,347	312,089	4,532,647

Over MEUR 4,5 in total has been registered in the Group's P&L in 2013-2017 as payments related to Hessel Halbesma and his consultant services, including board services. This differs 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.

The Board committee fees have been NOK 300,000 (equivalent to about EUR 32,000-38,000 depending on exchange rate) each year. This is according to the agreed amount, cf. decisions made at annual meetings.

For 2013 and 2014, it was decided that Board Members may invoice EUR 300 per hour, maximum EUR 2,400 per day for extraordinary work, e.g. extra services. Without any day off, this maximum is equivalent to EUR 876,000 per year which Hessel Halbesma exceeded in 2014, cf. table above. In this year, Hessel Halbesma invoiced for "Rectification for January till December 2014", in what seems to be an attempt to exploit the maximum amount limits. A credit note of about EUR 873,000 with the description "Credit on fees charges in 2015"⁴² was booked in 2015, and this was to enable KPMG to approve the annual accounts for 2015 as previously described in this report. However, when we asked OT about the link to the quarterly invoices related to the commitment agreement, OT first stated that there is no link, but when challenging OT on that statement, OT stated that they do not know.

The fees in 2016 were high, inter alia because of the Feastwood agreement of 1 November 2016 that raised the hourly fee from EUR 300 to 500 and shall apply from 1 January 2015. From the annual report 2016, the following is described:

⁴¹ Only stated and booked in USD. EUR amount is calculated based on a yearly average for exchange rate USD/NOK and EUR/NOK.

⁴² Book-keeping material: AAV6262

*“Hessel Halbesma has a service agreement and charged fees of EUR 1,759,588 (USD 1,818,648) through Feastwood Holding Ltd. The current year expense includes a backdated increase in the hourly rate charged from EUR 300 to EUR 500 for work performed in 2015 which totals EUR 608,400 (USD 693,000)”.*⁴³

We register that the wording in the decision from the annual general meeting in May 2016 is as follows:

*“In the event of any extraordinary work in addition thereto, to be determined on a case by case basis in advance, board members may invoice **€500 per hour.**”*

The agreement with Feastwood 1 November 2016, which is the first one in writing, shall apply from 1 January 2015 and OT has paid Hessel Halbesma for the change from EUR 300 to EUR 500. Notwithstanding, we register that the wording in the decision from the annual meeting points out “*in advance*” and “*on a case by case*”. The consequence is that remuneration of invoices for already delivered services 1 January 2015 till 19 May 2016, which is the date for the general meeting, is directly contrary to the wording of the decision in the general meeting.

Feastwood, by Hessel Halbesma, invoiced EUR 80,000 as a “lump sum” for 2015 and 2016. There are no timesheets attached to these invoices (AAI5040 and AAI5041). This seems to be in violation of the mentioned Feastwood agreement from 2016, which applies back to 1 January 2015. The fixed fee shall cover work done before Hessel Halbesma as a consultant shall invoice for extraordinary work. Feastwood, by Hessel Halbesma, has been invoicing for all his time spent; cf. timesheets. We have not been provided with information or documentation, e.g. timesheets, that verify that he first has spent the 160 hours that this fixed fee was supposed to cover before invoicing. Since this has not been made or presented, this means that Feastwood/Hessel Halbesma received EUR 80,000 in both 2015 and 2016, in total EUR 160,000, too much, because of Feastwood/Hessel Halbesma’s consecutive invoicing of hours spent.

The Phantom share incentive presented in the table above is described in detail in chapter 3.1.4 in this report.

3.4.1.2 Payments

As described in chapter 3.3.2, we have tried to verify the payments to related parties. Our main objective with this was to see if there were differences between the invoiced amounts from the related parties and the outgoing bank payments to the same parties.

As shown below, nearly MEUR 5,4 has been invoiced from the two Feastwood companies in total. About MEUR 4,8 has been paid out or recharged to the companies, hereunder Hessel Halbesma. This means that about EUR 600,000 was outstanding at the end of 2017, which OT presumably owed Feastwood.

The invoiced amount of almost MEUR 5,4 is higher than the registered costs presented in the table in chapter 3.4.1.1. The difference of EUR 860,000 is mainly because the costs concerning Haico Halbesma’s CEO/CFO services (about MEUR 1,1) are not included in the table in chapter 3.4.1.1. There are also some

⁴³ Oceanteam Annual report 2016

deviations between invoices and bookings where OT has not been able to explain the differences. It is our understanding that a part of the difference also relates to different entries in accruals.

Furthermore, the Board committee fees (about EUR 172,000) are not included in the table below, since these fees were paid out by payroll. We have received and 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 Hessel Halbesma in 2017, as payments for the other quarters were settled into shares. Board fees paid in 2013-2017 is within the maximum limit of NOK 300,000. No deviations were uncovered with regards to this.

Vendor list, EUR	Invoices	Charged Expenses	Payments	Recharged expenses to Feastwood	Other corrections	Outstanding	Cumulative outstanding
<u>AA5137 Feastwood Holding Limited (Cyprus)</u>							
2013	- 673,500	- 3,234	354,583	149,677		- 172,475	- 33,522
2014	- 979,400		1,111,930	80,832		213,362	205,997
2015	- 1,974,200		1,498,129	118,719	- 60,000	- 417,352	7,365
2016	- 1,176,900		994,464	172,500	0	- 9,936	- 409,987
2017	- 373,408		96,700	34,089	107,542	- 135,077	- 419,922
Total	- 5,177,408	- 3,234	4,055,806	555,816	47,542	-	555,000
<u>AA5262 Feastwood Holdings Ltd. (BVI)</u>							
2017	- 214,950		139,500	115,530	- 88,375	- 48,295	- 48,295
Total	- 214,950	-	139,500	115,530	- 88,375	-	48,295
Total Feastwood	- 5,392,358	- 3,234	4,195,306	671,346	- 40,833	-	603,295

3.4.1.3 Service agreements

We have requested agreements between OT and Feastwood Holding Ltd. in the relevant period from 2013 to 2017, and our understanding is that the following agreements have been entered into between OT and Feastwood:

We challenged OT regarding the timing of writing the service agreements. In interview, the Corporate counsel stated:

“We had to provide an extensive package of documentation and information to FSA, such as invoices of all payments, agreements and other supporting documents upon request of FSA, which have started investigation after we had notified them about the qualified opinion of KPMG. The process with FSA is the background of why the agreement with Feastwood was in the end formalized in November 2016. The agreements with Pos and Hill also were formalized around that time. KPMG supported us in the FSA process, and came with us to meet them. The board was also present, as well as E from Grette.”

Later in the interview, OT’s Corporate counsel stated the following:

"You asked if we drafted the agreements to comply with the requirements of FSA, but I can see that we have drafts existing and ongoing before this, from September 2016.

The work orders from Feastwood I believe are per year.

If we go to the work order provisions in the agreement with Feastwood: Duration of the agreement is November 1 to December 31 2016. However, the agreement states that it is valid prior to this, from January 1 2015, based on an oral agreement."

We register that the letter from The Financial Supervisory Authority of Norway to Oceanteam dated 30 August 2016 inter alia stated the following:

"Pursuant to the Securities Trading Act section 15-1 subsection (3), the financial reporting of Oceanteam ASA ("Oceanteam"/"OTS"/"Company") is subject to review by The Financial Supervisory Authority of Norway ("Finanstilsynet"). The entire set of financial statements or selected topics in the financial reporting may be subject to review."

"In addition Oceanteam has not provided the required documentation as to whether the receivable with a related party was in accordance with provisions in the Norwegian Public Limited Liability Act, section 3 and 8."

3.4.1.3.1 General service agreement dated 1 November 2016

We have received an agreement entered into on 1 November 2016 between OT (ASA) and Feastwood Holding Ltd., a company registered in Cyprus with company registration number HE 255723. We note that the registration number is identical with the information provided by EY through searches in corporate registries.

It is stated in the agreement that it shall be effective as of 1 January 2015. We note that this is nearly two years before the signing of the agreement. We register that the effect is in conflict with the following information KPMG stated in Management letter 15 dated 15 February 2016:

"OTS is in the process of updating the agreements with related parties (service agreements). Our understanding is that this was not finalized in 2015, and that new agreements will be finalized in 2016 with effect from 2016."

We have requested, but have not received any agreements for the years 2013 and 2014. According to OT, written agreements from this time period do not exist. This could be supported by the following statement in the agreement: *"The purpose of the agreement is to formalize the continuing engagement of the Service Provider (Feastwood Holding Ltd) and the Company (OT)"*, indicating that Feastwood Holding Ltd. has been engaged for some time before 1 November 2016 without any written agreement.

The following services are described under the section "Scope of services":

(i) Proactively giving the Company exclusive access to the Service Providers' and long-time business partners;

- (ii) *Business development activities for the various businesses of the Group;*
- (iii) *Activities related to the sourcing of financing, negotiations and strategy development related to the long term re-financing of the Group;*
- (iv) *Services related to further development of the design of the vessel North Ocean 300 series;*
- (v) *Maintenance and development of the partnership DOT with stakeholders of Diavaz;*
- (vi) *Maintenance and development of the partnership Oceanteam – Bourbon with stakeholders of Bourbon;*
- (vii) *Maintenance and development of the partnership with stakeholders of Fugro TSMarine/Shelf Subsea;*
- (viii) *Business development activities and IP expansion strategy for KCI the Engineers BV;*
- (ix) *General support 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;*
- (x) *Initiation and steering of change management;*
- (xi) *Any other services related to the Group, that at the discretion of the Company, may appear suitable to be performed by the Service Provider.*

The total of hours to be invoiced is differently regulated for 2015 and 2016; 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.”

In section 2.2, regarding the role, obligations and liability of the Service Provider in the agreement, it is stated:

“The Service Provider shall act as Independent consultant to the Company In performing the Services.”

The agreement has the following section regarding payment:

“3.1 Services Fee

The Company shall pay the Service Provider a fixed service fee of EUR 80,000 per annum for the provision of up to 160 hours of the Services (the "Ordinary Services").

In the event that the Company requires the provision by the Service Provider of additional Services in excess of 160 hours per annum (the "Extraordinary Services") such Services shall be provided against a service fee of 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.

Extraordinary Services shall only be provided on the basis of work orders issued by the CEO or Board of Directors of the Company, agreed with the Service Provider in advance and in a format similar to work order no.1 (Annex A).

3.2 Payment terms

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.

The fees shall cover the Service Provider's offices and administrative expenses and all other costs that the Service Provider incurs in fulfilling the Agreement."

We register the wording:

"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 requested documentation of such an evaluation, but OT has chosen not to respond to our requests.

In appendix A, work order, it is inter alia pointed out that:

"The Services shall be performed from 1 November 2016 to 31 December 2016."

Furthermore, the following is stated:

"Rectification Statement for Services performed prior to the execution date of this Work Order No. 1.

Parties acknowledge and agree that the Service Provider has provided Extraordinary Services, identical to the above prior to the effective date of this Work Order No. 1. Parties acknowledge and agree that such services have been performed upon instruction of the Company and based on oral agreement and evidenced by the timesheets provided by the Service Provider for the activities undertaken by him. This practice now appears inappropriate and Parties have agreed to document their relationship, issuing Work Orders In accordance with the provision of Article 2 of the Agreement as often as the Party, but in any case at least once per calendar year."

The agreement is signed by Hill and Pos on behalf of OT and Hessel Halbesma on behalf of Feastwood Holding.

We have not received any work orders describing work to be performed by Feastwood before 1 November 2016.

We register the following document signed by Pos and Hill 1 November 2016:

**MINUTES OF A BOARD MEETING
Of OCEANTEAM ASA (the "Company")**

A board meeting by conference call was held on 1 November 2016.

Quorum: Mr. James Hill and Mrs Int Pos are attending the board meeting and resolutions can be validly taken. The requirements of the § 6-24 of the Norwegian Public Limited Liability Companies Act are herewith satisfied.

Agenda and notes:

1. Proposal for Approval of General Service Agreement with Feastwood Holding Ltd.

The management of the Company has presented a draft General Services Agreement (the "Agreement") with Feastwood Holding Ltd. recording the oral agreement between Oceanteam ASA and Feastwood Holding Ltd existing since 2015 for the additional services provided by Hessel Halbesma to the Company.


2. Consideration of the Board of Directors

The Directors have considered that the Agreement has been reviewed by KPMG and Grette and that their remarks have been taken into account when drafting the agreement. The board members have therefore decided to approve the Agreement.

3. Approval of the Agreement

The Board unanimously approved entering into the Agreement between the Company and Feastwood Holding Ltd and executed the Agreement as attached.


James Hill
Director


Catharina Pos
Director

We register that Pos and Hill sign the minutes 1 November 2016 and they point out that the agreement has been reviewed by KPMG and Grette.

We register that Grette writes a memo to OT dated 3 November 2016, where Grette "provides an assessment of the compliance of the Agreement with the requirements of the Norwegian Public Limited Liability Companies Act (the "PLC Act") Section 3-8".

The memo of 3 November 2016 from Grette pointed out the following:

"In reviewing the Agreement, we have examined the following documents:

- a) a copy of the Agreement dated November 1st 2016;*
- b) the minutes of the general meetings of the company held on 19 May 2016; and*
- c) a copy of the certificate of registration of the Company.*

The memorandum assumes that the Agreement was validly entered into, with the related parties involved in the Agreement recusing themselves from the consideration and approval of the Agreement and subsequent work orders under the Agreement.”

In interview with us, Grette has stated inter alia the following:

“Jeg har ingen kjennskap til hvordan fullmaktstrukturen i OT ser ut. Vi jobbet stort sett tett med OT på refinansiering, og snakket mest med B , Legger og A .

Hessel Halbesma ringte meg av og til hvis han ville diskutere ting, det samme gjorde Haico Halbesma. Jeg vil karakterisere Haico Halbesma som en tøff forretningsmann.

I de diskusjoner jeg hadde med dem om inngåelse av nærstående avtaler understreket jeg flere ganger at de måtte forholde seg til inhabilitetsreglene i aksjeloven. Det virket som om de forstod dette, men jeg er ikke kjent med i hvilken grad disse ble etterlevet ettersom jeg kun deltok på et par styremøter.”

Unofficial translation:

“I have no knowledge of what the power of attorney structure in OT looks like. We worked mostly with OT on refinancing, and talked mostly with B , Legger and A .

Hessel Halbesma occasionally called me if he wanted to discuss things, as did Haico Halbesma. I want to characterise Haico Halbesma as a tough businessman.

In the discussions I had with them on entering into related agreements, I emphasised several times that they had to adhere to the rules of inability in the Companies Act. It seemed like they understood this, but I am not aware of the extent to which they were met as I only attended a couple of board meetings.”

Grette also states the following in interview:

“Grette fikk i november 2016 i oppdrag å vurdere om General Service Agreement datert 1 november 2016 mellom OT og Feastwood Holding Ltd skulle behandles av generalforsamlingen i OT i hht. bestemmelsene i allmennaksjeloven § 3-8. Våre vurderinger ble oppsummert i et notat til selskapet. I notatet konkluderte vi med at avtalen var omfattet av et av unntakene i nr. 1 til 6 i § 3-8.

I tillegg har Grette vurdert om vederlaget som skulle betales av selskapet til Feastwood under General Service Agreement var å anse som et styrehonorar eller et honorar for konsulenttjenester. Grette konkluderte med at honoraret ikke var et styrehonorar, men et honorar for konsulenttjenester.

Unofficial translation:

“In November 2016, Grette was commissioned to consider whether the General Service Agreement dated November 1, 2016 between OT and Feastwood Holding Ltd. should be dealt with by the General Meeting of OT in accordance with the terms of the General Meeting pursuant to the provisions of section 3-8 of the Public Limited Companies Act. Our reviews were summarized in a note to the company. In the memo, we concluded that the agreement was covered by one of the exceptions in paragraphs 1 to 6 of § 3-8.

In addition, Grette considered whether the remuneration to be paid by the company to Feastwood under the General Service Agreement was to be regarded as a board fee or a fee for consulting services. Grette concluded that the fee was not a management fee, but a fee for consulting services.”

When it comes to negotiation of the agreement, Grette states in interview:

“Jeg vet ikke hvem som har fremforhandlet avtalene mellom de ulike nærstående selskapene til Haico og Hessel Halbesma og OT. Honoraret under konsulentavtalen er godkjent av generalforsamlingen uten at dette, etter vår vurdering, var nødvendig. Det er også opplyst om disse honorarene i notene til årsregnskapet.

Jeg oppfatter at årsaken til at Nymo ba om gransking var at han var uenig i at det skulle inngås avtaler mellom OT og nærstående av Haico og Hessel Halbesma.

Jeg har ikke deltatt på de styremøtene som har godkjent de ulike nærstående avtalene. Et tema som granskningen burde omfatte er imidlertid om inhabilitetsreglene i aksjeloven er overholdt.”

Unofficial translation:

«I do not know who has negotiated the agreements between the various related companies of Haico and Hessel Halbesma and OT. The fee under the consultancy agreement is approved by the general meeting without, in our opinion, being necessary. These fees are also disclosed in the notes to the annual accounts.

I believe that the reason Nymo asked for an investigation was that he disagreed with the conclusion of agreements between OT and relatives of Haico and Hessel Halbesma.

I have not attended the Board meetings that have approved the various related agreements. However, one issue that the review should cover is whether the rules against bias in the Companies Act have been complied with”.

Regarding fee and consultancy fees, Grette states the following in interview:

“Grette har ikke vært involvert i fastsettelsen av størrelsen på konsulenttjenestene, eller foretatt noen vurdering av om slike tjenester faktisk har blitt levert.

Så vidt jeg kan erindre ble konsulentavtalen med Feastwood dokumentert skriftlig omtrent da vi ble engasjert av selskapet.”

Unofficial translation:

“Grette has not been involved in determining the size of the consulting services or made any assessment as to whether such services have actually been provided.

As far as I can remember, the consultancy agreement with Feastwood was documented in writing at about the time we were hired by the company.”

Based on the aforementioned, there seems to be a conflict regarding the minutes from the Board meeting in OT dated 1 November 2016 and statements from Grette in interview. We also register that the date of the minutes is 1 November 2016, but the memo from Grette is dated 3 November 2016.

In interview, we questioned KPMG regarding the service agreement with Feastwood. KPMG stated the following:

“Vi var ikke mer involvert enn vår rolle som revisor krever. Dette omfattet en vurdering av om avtalen var god nok ift beskrivelse av forpliktelse til Hessel og hva han skulle gjøre, en vurdering av selskapets forpliktelse og hva de tok på seg, og hvilken vurdering styret skulle gjøre av leveransen.

Vår arbeidshypotese var at denne avtalen måtte fremlegges på generalforsamling. Grette lagde et memo som vurderte dette. Vårt team så på dette, og vi hadde også våre advokater som så på dette og vurderte det.”

Unofficial translation:

“We were no more involved than our role as an auditor requires. This included an assessment of whether the agreement was good enough in describing Hessel's commitment and what he should do, an assessment of the company's commitment and what they undertook, and what assessment the board should make of the delivery.

Our working hypothesis was that this agreement had to be presented at a general meeting. Grette made a memo that considered this. Our team looked at this, and we also had our lawyers who looked at this and evaluated it.”

KPMG also stated the following in interview:

“En av de tingene vi stilte spørsmål ved var hvorvidt avtalen kunne gjøres gjeldende fra 1. januar 2015.

Det var også spørsmål ved ligningspapirene. De ble sendt inn i november 2016 og spørsmålet var om vi kunne sende inn næringsoppgaven og kontrolloppstillingen.

Vi konkluderte med at vi ikke kunne gjøre det siden avtalen ikke var på plass i 2015. Den kom på plass senere. Vi hadde en opphetet diskusjon med Grette i et møte – med E og to andre kollegaer til stede; han ene var fullmektig eller advokat og han andre var spesialist på skatt.

Grette mente at siden avtalen var kommet på plass før vi skulle skrive næringsoppgaven for 2015 hadde vi nok informasjon til å kontrollere og godkjenne kontrolloppstilling for 2015. Vi beskrev og sendte nummererte brev på at vi ikke signerte kontrolloppstillingen. Grette mente vår vurdering var feil og at det var ingenting i veien for at vi kunne signere denne kontrolloppstillingen.

Tidligere så vi på faktura som var gitt og grunnlaget som lå bak der med timelister. Vi så på prosjekter som var angitt og at det var reelle prosjekt som det faktisk ble jobbet med. Alle timene ble henført til prosjekt. Vi hadde oversikt over de aktive prosjekt til enhver tid. Det var oppe på generalforsamling i 2013 og 2014 så vidt jeg husker.

Det var to ting som skjedde som gjorde at vi fikk mer fokus på nærstående: Omfanget øker sammenlignet med tidligere og det andre var at KPMG gjorde en fornyet vurdering av hvordan vi valgte å håndtere dette.”

Unofficial translation:

“One of the things we questioned was whether the agreement could be enforced from 1 January 2015.

There were also questions about the equation papers. They were submitted in November 2016 and the question was whether we could submit the business statement and the control statement.

We concluded that we could not do so since the agreement was not in place in 2015. It came into place later. We had a heated discussion with Grette in a meeting - with E and two other colleagues present; he was an attorney or lawyer and the other was a tax specialist.

Grette believed that since the agreement was in place before we were to write the business assignment for 2015, we had enough information to check and approve the control statement for 2015. We described and sent numbered letters that we did not sign the control statement. Grette thought our assessment was wrong and that there was nothing in the way for us to sign this control statement.

Previously, we looked at the invoice that was given and the basis that lay behind it with time lists. We looked at projects that were listed and that there were real projects that were actually being worked on. All hours were assigned to projects. We had an overview of the active projects at all times. It was up at the general meeting in 2013 and 2014 as far as I remember.

There were two things that happened that gave us more focus on close relatives: The scope increases compared to the previous and the second was that KPMG re-evaluated how we chose to handle this.”

We register that KPMG’s statement regarding the service agreement with Feastwood states: “We concluded that we could not do so since the agreement was not in place in 2015.”

Regarding who made the agreements, KPMG states the following in interview:

“Vi har ikke vært med i utformingen av avtalene. Dette var Grette med på. Vi har fått avtalene til gjennomsyn før de ble formalisert.”

Unofficial translation:

“We have not been involved in the design of the agreements. Grette was included in this. We have reviewed the agreements before they were formalised.”

Based on information received, it is still unclear what the reality is regarding the statement in the minutes dated 1 November 2016: “the agreement has been reviewed by KPMG and Grette”.

3.4.1.3.2 Novation agreement dated 19 December 2016

In 2016, another Feastwood company was registered in BVI and this BVI company continued the service agreement with OT instead of the company registered in Cyprus. This was formalised under the novation agreement.

On 19 December 2016, the novation agreement was entered into between OT and Feastwood Holding Ltd. (Feastwood Cyprus) and the British Virgin Islands company Feastwood Holdings Ltd., with registration number 1922370 (Feastwood BVI).

The agreement inter alia states:

“Feastwood Cyprus desires to novate all of its benefits rights, liabilities and obligations under the Service Agreement to Feastwood BVI as of the Effective date”.

We register that from that date on, Feastwood BVI would take over the position as service provider to OT. The agreement is signed by Hessel Halbesma for both Feastwood companies.

According to searches in corporate records performed by EY and PwC, Feastwood Holdings Ltd. (BVI) was not identified in utilised international corporate records. Furthermore, searches in BVI registries did not identify the company. External auditor KPMG researched global corporate records to identify and

verify shareholders, directors, executives, affiliated companies for these two individuals; Hessel Halbesma and Haico Halbesma, but KPMG did not identify Feastwood Holdings Ltd. (BVI)⁴⁴.

3.4.1.3.3 Amendment to the General Service agreement dated 16 December 2016

We register another work order dated 19 December 2016, which was entered into at the same day as the novation agreement. This is work order no. 2 to the General service agreement dated 1 November 2016 between OT and Feastwood (Cyprus).

The work order has inter alia the following information:

“The Services shall be performed from 1 January 2017 to 31 December 2017.

Ill. Price of the Services

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

The agreement is signed by Hill and Pos on behalf of OT and Hessel Halbesma on behalf of Feastwood (BVI).

3.4.1.3.4 Amendment to the General Service agreement dated 1 May 2017

On 1 May 2017, an amendment agreement was entered into between OT and Feastwood (BVI). The parties agreed to replace the last paragraph in Article 2.1 in its entirety. The old version had the following wording:

“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”.

This text was in the amendment dated 1 May 2017, changed to:

“Parties herewith agree that from 1 May 2017 onwards the total maximum amount to be invoiced by the Service 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.”

The agreed total maximum amount to be invoiced in the original agreement was 2,000 hours per annum, which is over five times as high as the reduced maximum number of hours agreed on in 2017.

The agreement is signed by Hill and Pos on behalf of OT and Hessel Halbesma on behalf of Feastwood BVI.

⁴⁴KPMG report 21 April 2017

3.4.1.3.1 Legal opinion from Grette dated 3 November 2016

According to a memo from Grette dated 3 November 2016, Grette makes an assessment of the compliance of the Agreement with the requirements of the Norwegian Public Limited Liability Companies Act (the "PLC Act") Section 3-8 (can be found in folder 8 provided to Bergen District Court).

Grette inter alia points out in the memo, that:

"the Service Provider has in previous years consistently received annual fees in excess of the threshold amount Section 3-8 will apply to the Agreement unless it is covered by one of the exemptions."

Grette also stated the following regarding OT's business:

"Though entering in to such agreements is not a part of the Company`s core business, the Company has in recent years required on a sustained basis the services covered by the Agreement. Entering into the Agreement is therefore entered into as part of the Company`s normal business."

According to OT's Corporate counsel, she states that the advisors so far (Thommesen, BAHR and KPMG) did not raise the exemptions, but Grette was very certain the exemptions could be used. She was surprised that former advisors were not considering this road, and she was puzzled about why none of them told them about the exceptions.

We register that Grette also points out the following regarding the level of fee:

"3.3 Applicability of the Exemption on the Agreement

3.3.1 Agreement entered into as part of the company's normal business

The Agreement formalises the continuing engagement of the Service Provider, and is individually designed to fit the Company`s needs. The service provider is engaged as an independent consultant to perform services awarded by the board of directors of the Company. Though entering in to such agreements is not a part of the Company`s core business, the Company has in recent years required on a sustained basis the services covered by the Agreement. Entering into the Agreement is therefore entered into as part of the Company`s normal business."

We register that Grette points out that: *"Though entering in to such agreements is not a part of the Company`s core business, the Company has in recent years required on a sustained basis the services covered by the Agreement. Entering into the Agreement is therefore entered into as part of the Company`s normal business"*.

Based on our gathering of facts during this investigation, we can not see there are any other consultants receiving the amount of money as Hessel Halbesma has done. We register that Grette is only using Hessel Halbesma's consultancy work as argument for proving that OT is using this kind of consultancy work as part of OT's normal business and therefore does not need approval for Hessel Halbesma's consultancy

agreement in accordance with Public Limited Liability Company Act Section 3-8. We register that Grette does not evaluate if Hessel Halbesma's consultancy work from day one was legal without approval from the general meeting. We register that Hessel Halbesma's work is used as an argument for not having to follow Public Limited Liability Company Act Section 3-8 main rule; approval from the shareholders.

We register that Grette also points out the following regarding level of fee:

"The Agreement sets out a wide scope of services to be performed by the Service Provider, set out in the Agreement clause 2.1. Given the individual nature of the Agreement it is hard to find objective criteria for comparison of the terms. Therefore, one must make an assessment of whether the agreement seems balanced, loyal with regard to the shareholders, and in line with general conditions in the industry.

The Service provider is engaged on an hourly basis, based on the Company's needs at any given time. The remuneration is set to EUR 500,- per hour, where as the total sum of hours is not to exceed 2000 per annum. It is outside the scope of this memorandum to assess whether these prices are in line with market practice.

In general the Agreement identifies a number of specific tasks that are to be carried out by the Service Provider. Furthermore the Agreement contains a clear reporting and control mechanism for the Company. The Service Provider is required to provide time sheets recording the time for all actions that have been performed under the Agreement. This also applies to services provided as an ordinary service with a fixed fee of EUR 80,000. The contract is clear that the Company will use such time sheets in order to be able to assess the value of the Services on a continuing basis. According to the minutes of the AGM of the Company on 19 May 2016, the fixed amount was determined in part based on the requirements of the Company in previous years. However, the Company has the right to terminate the Agreement with 3 months notice, without cause, ensuring flexibility for the company in managing its costs.

Any work beyond that covered by the Ordinary services must be based on work orders issued by the Company in advance with a clear specification of the services to be provided and an indication of estimated costs.

The Agreement establishes in writing the terms and conditions under which the services are to be provided by the Service Provider, and which have previously been subject to an oral agreement and, in part, been set out in the minutes of the general meeting of the Company. It is not unusual that consultants initiate work before written agreements are in place and it is an assumption of this memorandum that the Agreement codifies the pre-existing, agreed terms and conditions between the parties in place since the effective date of the Agreement."

We register that Grette inter alia points out that: *"The Service provider is engaged on an hourly basis, based on the Company's needs at any given time. The remuneration is set to EUR 500,- per hour, where as the total sum of hours is not to exceed 2000 per annum. It is outside the scope of this memorandum to assess whether these prices are in line with market practice"* and that *"Any work beyond that covered by*

the Ordinary services must be based on work orders issued by the Company in advance with a clear specification of the services to be provided and an indication of estimated costs”.

We register that Grette points out that Hessel Halbesma needs to present timesheets for any fixed fee; hereunder: *“The Service Provider is required to provide time sheets recording the time for all actions that have been performed under the Agreement. This also applies to services provided as an ordinary service with a fixed fee of EUR 80,000”*

We register that Grette points out that: *“It is not unusual that consultants initiate work before written agreements are in place and it is an assumption of this memorandum that the Agreement codifies the pre-existing, agreed terms and conditions between the parties in place since the effective date of the Agreement.”* We register that Hessel Halbesma invoiced OT for services from 2013 until 1 November 2016, which is almost four years before any written agreement was signed.

OT's Corporate counsel further states that the story of the commitment agreement stopped after this, and that the agreement process was never finalised. OT ended up with a credit note issued by Feastwood to OT of about USD 800,000 in order to enable KPMG to approve the annual accounts for 2015. We have been informed that since Hessel Halbesma was not paid, he charged private travels on OT to be compensated for at least parts of what he meant OT owed him.

3.4.1.3.2 External opinion on fee level

We register that in all the agreements of 1 November 2016 with the Board of Directors of Oceanteam, hereunder Hessel Halbesma, Hill and Pos, it is stated that the level of service fee of EUR 500 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 challenged OT about these evaluations, hereunder who have made these, without getting any information or documentation.

We register the following in board meeting 30/31 March 2016:

“Remuneration Board of Directors

James proposes that the resolution to be put to the AGM for the JaH remuneration of the board be revised to reflect actual practice. This will continue to be a board fee for the chairman of 300,000 NOK and 200,000 NOK for the other members on an annual basis. This fixed fee is taxable in Norway. In the past the resolution has approved the right to invoice additional fees for further work required of them beyond the basic scope and responsibility of a director. The resolution has determined this to be by reference to an hourly rate and subject to a cap. In practice James has invoiced EUR 75,000 per annum and Int has invoiced EUR 70,000 HeH and per annum based on the anticipated time that they spend without any JaH actual time recording. James proposes that the resolution for this additional work reflects this and should be for a fixed amount. Increased to EUR 80,000 for the years 2016 and beyond. Should the board members be called upon to invoice any further work then such extraordinary work would

be determined on a case by case basis and in HaH advance and to be charged at EUR 500 per hour. James gave to the company secretary draft wording for the resolution.”

In interview, Hill stated the following:

“I cannot remember how the hourly fee to Hessel was determined. I do not know who brought this up. 480 EUR is my rate normally with Groom Hill.

Why all board members had the same hourly fee of 500 EUR for specific projects is not really relevant as I do not recall any specific projects. (I certainly did not undertake any.)As indicated above a fee based on hours spent would have been charged for specific additional projects approved in advance for all three board members . Had they been entered different projects may have been be valued differently. It was 500 EUR that could be charged pursuant to resolution 6 to the annual general meeting of 19th May 2016.”

“As per resolution 6 Mr. Halbesma would get 80 000 plus 500 per hour for additional work. (This was how his remuneration was determined in the service agreement subsequently signed with Feastwood Holding Limited,with the first 160 hours covered by the €80,000.) The accounting department would have checked timesheets.”

We register that Hill suggested in board meeting 30/31 March 2016 the amount EUR 500 “for the years 2016 and beyond”. We also register that the agreements with both Hessel Halbesma, Hill and Pos shall be effective from 1 January 2015, even though they are dated 1 November 2016. Furthermore, we also register that the Board members first thought of a fee of EUR 500 in board meeting 30/31 March 2016, which is a long time after 1 January 2015. In addition, we register that the fee of EUR 500 shall be agreed in advanced, cf. annual meeting 19 May 2016, which is not after eventual work has been done and paid for.

We register that Hessel Halbesma just after OT’s annual meeting in 2016 received EUR 160,000 as lump sums, without any times sheets and even though he already had invoiced hour by hour for 2015 and 2016.

In an interview with Board Member Pos, she pointed out her point of view about the increase of fee level; hereunder:

“Feastwood had a contract with DOT. There is a relation between Hessel and DOT. We wanted that delivery to OT. Hessel said he could bring it in, but not for free. I know Hessel asked for an amount, but I do not know or remember the amounts.

This started many discussions. B was involved and said it was not possible. KPMG said it was not possible. Hessel got angry because he was brought in, but he did not get paid.

They said he could increase his hourly fee for several years instead of having the commitment agreement.

The discussion of increase hourly rate was, because he delivered services to two firms – both DOT and OT. KPMG said it was possible – then they said it was not possible.

I think this setup was a proposal from KPMG. Hessel said he did not care how we solved this as long as he was paid.

Opinion from Loyens & Loeff dated 25 April 2017

On 25 April 2017, Loyens & Loeff gave an opinion on pricing of hourly rate on service agreement with Feastwood Cyprus (can be found in folder 8 provided to Bergen District Court).

Loyens & Loeff describes the assignment in the following way:

“Loyens & Loeff was engaged by Oceanteam ASA (our limitation of liability is included as Attachment 1) to perform a transfer pricing analysis with a view to test and substantiate the arm’s length character of the hourly rate provided for in the Service Agreement (included as Attachment 2), as consideration for the services detailed therein, entered into by Oceanteam ASA as service recipient and Feastwood Holding Ltd as service provider, in line with the OECD transfer pricing guidelines”

We register that this analysis is based on what was written in the agreement and not *de facto* work performed/not performed by Hessel Halbesma.

Loyens & Loeff pointed out that the main working assumptions used are the following; hereunder:

“1. In consulting firms, at least 25% of the employees on the payroll are considered not to be fee earners, accordingly the number of fee earners corresponds to 75% of the total number of employees.

2. The average billable hours worked per each employee per year are assumed to be 1,014. This value results from the product of the utilization rate of 60%, which is another working assumption as normally less than 100% of the time of a fee earner is actually billable, and the actual figures of average hours worked per employee in Europe (i.e. during the years 2013- 2015), which is OECD data.

3. Since the Service Agreement provides for services which would in principle be provided by a senior employee, the seniority premium of 1.5 was used in the benchmark as a working assumption. This would mean that a senior employee would earn fees which are 1.5 higher than the average amount of fees charged by the firm.”

We register that the average billable hours worked per each employee per year are assumed to be 1,014. This value results from the product of the utilisation rate of 60%, which differs severely from the timesheets invoiced by Hessel Halbesma as a consultant. In addition to the consultancy work, Hessel Halbesma was expected to deliver work as chair of the Board of OT.

Loyens & Loeff concluded with the following:

“The results derived from the benchmark analysis indicate that independent European companies providing comparable services to those listed in the Service Agreement, charge hourly rates for senior employees which can be expressed in an interquartile range, with a lower quartile of EUR 288 per hour, an upper quartile of EUR 621 per hour and a median of EUR 452 per hour.”

“Consequently, on the basis of the results of the benchmark performed, the hourly rate charged under the Service Agreement can be considered to be at arm’s length.”

In interview with the former CFO, B , he stated the following (SANDS’ question in *italic*):

“Vi har blitt presentert med en betenkning fra Loyens & Loeff. De gjør en evaluering av hva er gjennomsnittskonsulentpris i Europa. Noen sier Halbesma hadde en relasjon til dette firmaet. Kjenner du til dette?”

Dette kjenner jeg ikke. Men dette firmaet ble brukt i forbindelse med DOT avtalen. Halbesma hadde et stort nettverk.”

Unofficial translation:

“We have been presented with a report from Loyens & Loeff. They do an evaluation of what is the average consultant price in Europe. Some say Halbesma had a relationship with this company. do you know about this?”

I do not know this. But this company was used in connection with the DOT agreement. Halbesma had a large network.”

Opinion from EY dated 26 April 2017

On 26 April 2017, EY gave an opinion on pricing of hourly rate on the service agreement with Feastwood Cyprus (can be found in folder 8 provided to Bergen District Court). This memo is dated one day after the date of Loyens & Loeff’s memo mentioned above.

EY describes the assignment in the following way:

“We have been asked by Oceanteam ASA (“Oceanteam” or “company”) to assess whether the hourly rate of €500 per hour charged for certain services provided by Feastwood Holding Ltd (Feastwood or service provider) to Oceanteam can be considered to be at arm’s length. The services are regulated in a General Service agreement of 1 November 2016. between Oceanteam and Feastwood.”

EY admits the difficulties of such assignment, hereunder:

“As a starting point it is difficult to establish whether the hourly rate of €500 is within an arm’s length rate without performing an extensive analysis of the services undertaken, and a research

and benchmark analysis of the markets for comparable services. We have not undertaken such an analysis.

Based on the description of the nature of the services rendered and as described in the agreement and discussions with people in the management of Oceanteam, it may be assumed that the services rendered are of high value to the company, and that the service provider possess experience, knowledge and competencies that are highly valuable to the company”

We register that EY has not undertaken such an analysis of the service undertaken. We also register that EY states the following about an hourly rate of EUR 500:

“Based on the nature of the services rendered as described in the agreement and above observations, and based on the assumption that unrelated shareholders and investors have had the knowledge and the opportunity to object to said arrangement and the hourly rate, but have not done so, we believe it is reasonable to assume that the hourly rate of €500 has been viewed by such unrelated parties as reasonable and at arm's length.

As such, we believe it is fair to assume, based on the above observations and assumptions, that the hourly rate of €500 for the services rendered by Feastwood to Oceanteam are at arm's length.”

We register that EY does not take into consideration the minutes from the general meeting in 2015, where there was a clear conflict between the OT shareholders. From the minutes one can inter alia read the following:

“5 APPROVAL OF THE 2014 ANNUAL ACCOUNTS AND ANNUAL REPORT AND THE CONSOLIDATED ACCOUNTS FOR THE OCEANTEAM SHIPPING GROUP, INCLUDING DISTRIBUTION OF DIVIDENDS

The board of directors answered questions that had been raised from shareholders Storm Nordic Fund and Otterlei Group AS in advance of the meeting, relating to transactions with directors and related parties booked in the annual accounts.

Representatives of the company, directors and the auditor answered questions from shareholders on the annual accounts and transactions with related parties.

Storm Nordic Fund and Otterlei Group AS are of the opinion that several transactions with related parties should be approved in accordance with the Public Limited Liability Companies Act section 3-8.

It was resolved to approve the annual accounts for 2014, together with the board's and auditor's report.

Further it was resolved not to distribute dividends for 2014.

The decision was passed with 14,803,901 votes, against 3,183,708 votes”.

“6 DETERMINATION OF THE REMUNERATION TO THE MEMBERS OF THE BOARD OF DIRECTORS

Fees to the board of directors for 2014 were adopted as follows:

- Chairman of the Board; NOK 300,000*
- Directors; NOK 200,000 each*

For 2014 it was additionally resolved that board members may invoice EUR 300 per hour, maximum EUR 2 400,-/ day for extraordinary work. It was referred to note 3 in the annual accounts on page 133 in the annual report, containing the total amount of USD 1,193,000 in total payments to directors and related parties.

The decision was passed with 14,803,901 votes, against 3,183,708 votes.”

“12 AMENDMENT OF THE ARTICLES OF ASSOCIATION - NOMINATION AND REMUNERATION COMMITTEE

The chair presented a proposal from shareholders on amendment of the articles of association to establish a nomination and remuneration committee.

The shareholders accounted for the proposal.

The proposal was not approved. 14,803,901 votes, was against and 3,183,708 votes was for.

Storm Nordic Fund is of the opinion that the company following the resolution is not in compliance with good corporate governance.”

3.4.1.4 Commitment agreement process

In 2014, the “commitment agreement” was introduced. We have been introduced to different purposes for this agreement. One of the purposes of this agreement was to compensate Hessel Halbesma for the commitment he and the Halbesma family made to OT for bringing in Diavaz as a JV partner and thereby new business for OT. We have been informed that Diavaz only wanted to enter into this Joint Venture deal with OT as long as the Halbesmas were committed to the company. We have also seen information about the Halbesmas’ demanding payment for the limitations imposed to the Halbesma family within a number of listed agreements, containing “change of control” provisions.

Since 2014, an extensive amount of time has been put down by OT and third parties, and external resources engaged, in order to evaluate, discuss, have an opinion on, argument on behalf, provide insights and execute potential agreements with Feastwood - both internally and externally. Different advisors provided contradicting opinions regarding the treatment of the Feastwood agreement. We will describe aspects of the Feastwood commitment agreements discussions in the following sections.

3.4.1.4.1 First discussions in 2014

In Board memo 2014 case 29/14, the Chairman Hessel Halbesma raised the topic of service charges based on his services delivered to OTS. The indication of the levels was 3-4% of total OT turnover. From the minutes from the Board meeting, it is pointed out that *“The board agreed this to be approved according to corporate governance and on the next annual general meeting the shareholders need to approve changes on remuneration/agreements with shareholders”*.

3.4.1.4.2 Discussions in board meeting 2015

OT's corporate lawyer Thommessen was in 2015 asked to provide a legal opinion about the Feastwood agreement. In board meeting 27 May 2015⁴⁵, Thommessen requested more information to conclude on the new agreement with Feastwood. They stated that such agreement needs to be on an arm length's price with confirmation according to § 3-8 in the Public Limited Liability Companies Act and needed to be verified by the Board and the general meeting. It is also stated in the Board meeting that the Chairman Hessel Halbesma could not vote, but as a Feastwood shareholder he could vote on the issue.

We register that it is pointed out in the minutes that: *“The board asked Thommessen if we can amend the issues under any other business where Thommessen requested a bit more internal work before presented to the general meeting.”*

3.4.1.4.3 Draft of commitment agreement

In 2015, a draft of the “commitment agreement” was prepared by Thommessen and discussed in board meeting 8/9 October 2015. From the minutes, the following is stated:

“The directors had questions about how to fund this agreement where the board concluded that assumption of the new agreement was in the drafted financial model.

Given the discussions at last general meeting a discussions was held about investor's reaction to Feastwood charging 3% of turnover. There are other companies having similar fees like OceanYield and also how Mr. Fredriksens' companies are charging. To avoid the negatively affect for other shareholders one should focus on what this agreement secure and the board to confirm arm's length pricing.

From 11.05 KPMG with Mr Fardal entered into the discussion.

E need some more background for the charges for the agreement according to build up for the rational from the charges in the services and that there is no mix between current services provided for as Chairman and CEO and what is additional services from Feastwood Ltd.

Mr Hessel Halbesma to provide details to KPMG for their review.

⁴⁵Styreprotokoll 21/15 – “Annual General Meeting (AGM)- preparation & execution”

KPMG to give feedback what is missing in the agreement and Thommessen to write the DRAFT assessment from the board on the values involved that this is arm length. The values need to be confirmed by the board.”

In the same board meeting, it was stated under the topic “Annual General Meeting/EGM) – preparation & execution that *“Service agreement with Feastwood Ltd to be threatened accordingly with § 3-8 in the Norwegian Public Limited liability Companies Act”*.

We register that KPMG is focusing on that *“there is no mix between current services provided for as Chairman and CEO and what is additional services from Feastwood Ltd”*.

In board meeting 30 November 2015, the Board validated and signed the draft commitment agreement with Feastwood Holding Ltd. A final agreement was to be prepared by Thommessen for signature by the Board and presentation to the shareholders. The Board confirmed a cap of MUSD 2 per annum and a maximum fee of MUSD 10 for the commitment agreement in total over the five-year period.

In Board meeting 30/31 March 2016, it is stated that a Feastwood board note was finalized and forwarded with the commitment agreement to KPMG and Thommessen for review and comments. Once feedback was given, the commitment agreement could be executed subject to shareholders’ approval.

In the following time period, KPMG and several law firms were involved in order to assess the agreement and provide their view on how it should be treated, e.g. regarding that the 3-8 rule applied and the requirement of approval in the annual general meeting as well as an independent auditor opinion.

We register that KPMG in interview with us has stated:

“Vårt utgangspunkt og konklusjon var at han ikke kunne få betalt for både commitment agreement og Feastwood konsulentavtale.”

Unofficial translation:

“Our starting point and conclusion was that he could not get paid for both the commitment agreement and the Feastwood consulting agreement.”

3.4.1.4.4 Independent auditor valuation from BDO 20 June 2016

BDO stated that: *“The background for this request is a draft commitment agreement between Oceanteam ASA and Providers (Hessel Halbesma, Haico Halbesma, Feastwood Holding Ltd and Heer Holland BV”*.

BDO was requested to provide an independent auditor valuation of the commitment agreement (can be found in folder 8 provided to Bergen District Court). Their conclusion was as follows:

“Since we are not able to obtain reasonable assurance about the value of the consideration the company shall receive, we will not be able to express an opinion about whether there is

reasonable correspondence between the value of the consideration the company shall provide and the consideration the company shall receive.”

They also state that:

“the commitment agreement could be questionable from a corporate governance perspective. Although the intention is to secure the continued commitment of the Providers as major stakeholders of the Company for the long-term business interests of the Company, the commitment agreement may be regarded as an unreasonable advantage to the Providers.”

3.4.1.4.5 Internal note from OT’s Corporate counsel dated 17 June 2016

OT’s Corporate counsel did an investigation on related parties’ treatment in Norway when Thommessen stopped serving OT in May 2016 as OT had no money to pay the huge outstanding fees from 2015 and 2016.

The Corporate counsel issued an internal note to Hessel Halbesma, Haico Halbesma and E (can be found in folder 8 provided to Bergen District Court). We register that this note was not addressed to OT’s Board of Directors⁴⁶. OT’s Corporate counsel points out the following:

“PAYMENTS BY OCEANTEAM ASA TO ITS BOARD OF DIRECTORS

Purpose: to summarise the status of discussion related to payments to the board of directors and Feastwood and consider way forward.

I. Basis for remuneration of Board Members

II. Clarification with Respect to Remuneration based on Hourly Rate.

III. Feastwood and the draft Commitment Agreement

IV. Recommendations and Way Forward

I. Basis for the Remuneration to the Board Members in 2014

Remuneration to the board of directors for the year 2014 based on the Minutes of Meeting of the Annual General Meeting (“MoM of the AGM”) held on 28 May 2015 was as follows:

- 1) Chairman of the board: NOK 300,000*
- 2) Directors: NOK 200,000*

For 2014 it was resolved that board members may invoice 300 EUR per hour with a maximum of EUR 2400/ day for extraordinary work with a reference to page 133 of the audited annual accounts for 2014.

Basis for the Remuneration to the Board Members in 2015, 2016 and 2017

⁴⁶ SANDS received this note when requesting board additional documents regarding 24.06.2016 Board Meeting Monaco

*Remuneration to the board of directors for the years 2015, 2016 and 2017 based on the **MoM of the AGM** held on 19 May 2016 in Bergen.*

It is unanimously resolved that the annual remuneration to the members of the Board of Directors for the years 2015, 2016 and 2017 is set at:

- a) NOK 300,000 for the Chairman; NOK 200,000 for the other board members.*
- b) In addition the board members may invoice for further work required of them beyond the basic scope and responsibility of a director. In light of the amount of such work undertaken and time spent in previous years and to be anticipated in the future such fee to be set at a fixed sum of €80,000 per annum for the years 2015, 2016 and 2017.*
- c) In the event of any extraordinary work in addition thereto, to be determined on a case by case basis in advance, board members may invoice €500 per hour.*

II. Clarification with Respect to Remuneration based on Hourly Rate based on discussions with Thommessen, BA-HR and KPMG:

Remuneration based on c) above shall be made on the basis of an agreement, approved by the AGM and clearly stipulating the specific assignment on which the respective director will work, which should be clearly differentiated as tasks beyond the ordinary board work of a director.

With respect to c) above such remuneration is controversial for several reasons:

- 1) the remuneration can be seen as preferential treatment of a shareholder, which is unlawful based on the Act.*
- 2) even if such remuneration is based on a specific agreement as advised by Thommessen, such agreement should be drafted in the light of the provisions of the Corporate Governance Code, in which it is stipulated that members of the board of directors and/or companies with which they are associated, should not take on specific assignments for the company in addition to their appointment as member of the board. This is based on the need for the board members to be independent of the management and the company.*
- 3) If the additional remuneration to board members (Feastwood) is considered part of the remuneration to a board member and not a distribution, then such remuneration needs to be on arms' length terms (which, according to KPMG, was not proven) and it may have taxation consequences in Norway.*

At the moment there are no specific agreements in place that would justify additional remuneration to the board members, other than the MoM of the AGM. Bearing in mind that specific amount has been approved by KPMG for 2015 based on the MoM of the AGM, clarification from KPMG is required whether they are going to approve an amount invoiced by Feastwood based on the MoM of AGM and if so, what will be considered a reasonable amount.

III. Feastwood and the Draft Commitment Agreement

In 2015 a draft commitment agreement (the "Commitment Agreement") has been prepared by Thommessen arranging for a yearly fee of EUR 2,000,000 for a period of 5 years to be paid by

Oceanteam ASA to Feastwood for the limitations imposed to the Halbesma Family within a number of listed agreements, containing “change of control” provisions.

As the agreement is between related parties, in accordance with art. 3-8 of the Act an independent auditor needs to issue a valuation report, confirming the value of the “change of control” commitments imposed on the Halbesma Family (“Independent Auditor’s Report”);

The Independent Auditor’s Report needs to be presented to the AGM so that the AGM can approve the Commitment Agreement.

This has not yet happened for the following reasons:

- *Thommessen have stated that in their opinion the “change of control” provisions are either non-existing or of no value that would justify such payments;*
- *No auditor so far has been willing to value the commitments so that a report can be obtained and presented to the AGM for voting. Approached were KPMG, BDO the Netherlands and BDO Norway. BDO Norway have rejected the assignment on 17 June 2016 after lengthy internal investigation and will issue the reasons for their rejection to value the commitments in writing by 22 June 2016.*

Recommendation and Way Forward

In order to avoid uncertainties for both Oceanteam and Feastwood the following is to be considered on an urgent basis:

- a) *Meeting with KPMG, to discuss/ agree the maximum amount payable to directors based on the entitlement to remuneration based on hourly rate granted by the MOM of AGM without additional agreements;*
- b) *Placing an agreement with Feastwood for additional services for the maximum amount of 5 % of the share capital of Oceanteam ASA (in such case no voting of the AGM is required and no auditor’s opinion);*
- c) *Follow up on accounting issues related to invoices of Feastwood related to 2015;*
- d) *Decision whether further investigation should be done on the issue with BA-HR, bearing in mind that their opinion on the issue has been rejected by KPMG so far.*
- e) *Give clear explanation to the employees in the Bergen office on the basis for payments to the board members to take away uncertainty and fear of the employees.”*

Based on the aforementioned, we register the following regarding remuneration based on hourly rate:

“At the moment there are no specific agreements in place that would justify additional remuneration to the board members, other than the MoM of the AGM.”

and:

"Bearing in mind that specific amount has been approved by KPMG for 2015 based on the MoM of the AGM, clarification from KPMG is required whether they are going to approve an amount invoiced by Feastwood based on the MoM of AGM and if so, what will be considered a reasonable amount."

Furthermore, OT's Corporate counsel stated regarding the commitment agreement:

"No auditor so far has been willing to value the commitments so that a report can be obtained and presented to the AGM for voting. Approached were KPMG, BDO the Netherlands and BDO Norway. BDO Norway have rejected the assignment on 17 June 2016 after lengthy internal investigation and will issue the reasons for their rejection to value the commitments in writing by 22 June 2016."

In interview, we have requested information from OT's Corporate counsel, which inter alia stated the following:

"In April 2016 we have received qualified opinion from KPMG for the 2015 accounts. A consequence of this was that we were obliged to notify FSA and Oslo stock exchange of the qualified opinion. In the autumn 2016 Grette therefore came on board when we were about to have a default on the bond loan and needed advice how to enter the discussions with the bondholders. Grette was therefore already involved with Oceanteam in the (late) summer of 2016 upon recommendation of B, I believe. Haico and B have had various meetings with Grette before I got introduced to them in the autumn of 2016..

Thommessen had stopped servicing us in May 2016 as we had no money to pay the huge outstanding fees from 2015/2016. Due to the contradicting opinions of law firms, the requests of KPMG and the reluctance of valuers I therefore made own investigation on related parties treatment in Norway. I knew payments had been made to Feastwood. My conclusion was that they needed an approval from shareholders, as the transactions amount was over 5 % of the share capital.

In Norway you have Paragraph 3 -8 in the Company Liability Act. Under the exceptions you do not have to go to the shareholders for approval of the agreement. Grette advised, that as the services of Hessel were due to their nature, activities performed in the normal course of business, they therefore could be considered under the exceptions of paragraph 3-8/4, but they said we needed this in writing.

I do not think Grette had any doubts of their opinion. OT is really understaffed and the involvement from the board members was far more than what you would expect from normal board members. These board members were involved a lot with the business as was Hessel. I think Grette though that was a valid reason for using the exemption.

BAHR concluded that the services were normal board services and would therefore fall under the approval of the resolution that was to be passed in the AGM of 2016 and as such also not prohibited under the bond agreement.

The advisors so far (Thommessen, BA-HR and KPMG) did not raise the exemptions, but Grette was very certain the exemptions could be used. I was surprised that previous advisors were not considering this road, and I was puzzled about why none of them told us about the exceptions. I felt the whole matter was getting out of proportions.

The story of the commitment agreement stopped after this- it was never finalised. We ended up with a credit note issued by Feastwood to us of about 800 000 USD in order to enable KPMG to approve the annual accounts for 2015. This was my first involvement with related parties."

We register inter alia that OT's Corporate counsel pointed out the following:

"My conclusion was that they needed an approval from shareholders, as the transactions amount was over 5 % of the share capital."

We register that neither Thommessen, BAHHR, KPMG or OT's Corporate counsel raised the exemptions in Public Limited Liability Companies Act 3-8.

3.4.1.4.6 Fee structure discussions and decisions

In initial discussions, indication of the levels was 3-4% of the total OT turnover. Then the discussion evolved and in the draft agreement prepared by Thommessen in 2015, a fixed fee of MUS\$ 2 each year for five years was proposed.

Board Member Pos stated the following regarding the level of the fee:

"We understand that Hessel should receive 2 MUS\$ each year under the commitment agreement.

Each year? 2 MUS\$ each year for five years I think is too high. I have to check.

I signed almost all the contracts, but I cannot recall these sums. I have to check this.

Thommessen wrote a draft for Feastwood bringing in the DOT deal to the company. Everyone was involved and everyone agreed that this was the best solution.

We saw a draft of the commitment agreement made by Thommessen where it was stated that Hessel should receive 2 MUS\$ each year for 5 years, in total 10 MUS\$ in total.

That is strange. I cannot recall that. 2 MUS\$ each year for 5 years?

I know Thommessen was involved, but that it was 10 MUS\$ I cannot remember."

Board Member Hill stated the following regarding the level of the fee:

“The sum of total 10 MUSD payable over a number of years was part of the draft commitment agreement as this would have been in the order of 3% of turnover. These things were kicked around, but no agreement was finalized. The sum to be paid was ultimately to remain of the same order, the only thing that changed was how that figure was calculated and reached.”

I think the commitment agreement would have replaced any other fee agreement for the consultant work of Mr. Halbesma. This would mean that his remuneration would have comprised the fee in the commitment agreement plus the NOK board fee. The only thing he was getting was the board fee of 300 000 NOK I believe. In the end I do not believe he got paid for the commitment. . No one can criticize him now because he did in fact not get paid, the credit note having cancelled the fee note that had been rejected.”

There seems to be conflict between Hill’s statement and facts presented through this investigation. We register that both the consultancy fee (invoiced per hour per month) and invoices regarding the commitment agreement (not real hours invoiced per quarter) were invoiced by Hessel Halbesma. We register that he also was getting more than the Board fee of NOK 300,000.

We have been given a memorandum prepared by Haico Halbesma to OT’s Board of Directors, written 4 December 2015, which included a draft version of the commitment agreement, where Haico Halbesma inter alia states:

“Background

Since the board decided in November 2015 on the board issue 29/14 (24/25 November 2014) about the related transactions with Feastwood Holding Ltd, there have been various discussions with our advisors which led to a draft commitment agreement to be dated 30th November 2015. It was to be signed by the directors in draft at the board meeting that day but subject to the approval of the shareholders at a general meeting, as required by both Norwegian Company law and the rules of Corporate Governance. The agreement would remain in force for a fixed term of 5 years from 1st January 2016. The agreement would be presented to the shareholders for approval at the next annual general meeting at the end of May 2016.”

“The commitment arrangement is as follows:

It is been agreed to settle the discussion and subject to the conditions of the Commitment Agreement to be entered between the parties, Oceanteam shall pay a yearly lump sum of 2 Million EUR to Feastwood Holding Ltd due in 4 equal parts, through the year, first invoice will be sent on 1 January 2016 for the change in control commitments presented in the list below.

#	Contract	Service Provider	USDm	Duration
1	OTS-NTM Bond Loan Agreement 2012	Hessel Halbesma and/or Haico Halbesma/ Feastwood Holding Ltd.	92 500	3 years with 92.5 mUSD 2 years with 35 mUSD
2	OTS-SMN/DVB/NIBC Facility Agreement	Hessel Halbesma and/or Haico Halbesma/ Feastwood Holding Ltd.	73 500	5 years

3	North Ocean105 AS Facility Agreement	Hessel Halbesma and/or Haico Halbesma/ Feastwood Holding Ltd.	17 360	5 years
4	DOT Shipping AS shareholders agreement	Hessel Halbesma and/or Haico Halbesma/ Feastwood Holding Ltd.	5 000	*indefinitely
5	DOT Shipping AS, facility agreement GE Capital	Hessel Halbesma and/or Haico Halbesma/ Feastwood Holding Ltd.	11 166	5 years
6	DOT Radiance	Hessel Halbesma and/or Haico Halbesma/ Feastwood Holding Ltd.	5 000	*5 years
7	Rent Ocean BV/NIBC MEuro 15 revolver loan	Haico Halbesma/ Feastwood Holding Ltd.	16 500	3 years
8	DEP Beheer BV	Feastwood Holding Ltd.	19 250	2 years

New commitments, if and when required, may be charged separately, subject to board approval on a case by case basis.”

We register that the currency has changed from USD to EUR. We also register Haico Halbesma’s statement regarding remuneration in 2015 and 2016 provision regarding fee calculation; hereunder:

“For Oceanteam reasons beyond Feastwood Holding Ltd’s control, the agreement made in November 2014 was not followed up and hence resulted in the fact that Feastwood charged in 2015 remuneration based on the time spent by Mr Hessel Halbesma calculated by reference to an hourly rate. This board resolution is to rectify this undue situation and is now settled by parties as described herein.

In 2016 provision will be made for the fee calculated pursuant to the commitment agreement pending the approval at the AGM. The commitment agreement will be presented to company’s accountant and will be further explained in order to obtain an independent opinion.

When this is received, the notice and the disclosure of content of the commitment agreement needs to be sent 21 days prior to the Annual General Meeting in May 2016”

A new compensation method where Hessel Halbesma, instead of receiving the MEUR 2 a year, would invoice OT extra amounts of hours to replace the MEUR 2 was introduced. Under this suggested arrangement, Hessel Halbesma was to be paid quarterly for the commitment agreement and monthly for his other consultant services. The method would provide Hessel Halbesma with the compensation of MEUR 2 under the commitment agreement, but with a different payment structure. Our understanding is that Hessel Halbesma was of the opinion that this was agreed between KPMG and the finance department/ B , and he was indifferent as regards to the method as long as he was paid what he requested.

Pos has stated that KPMG said he could increase his hourly fee for several years instead of having the commitment agreement, but that KPMG later stated that it was not possible. Pos further states that she thought that this setup was a proposal from KPMG. According to KPMG, they never agreed on any payments to Hessel Halbesma under the proposed commitment agreement.

In interview with KPMG, the following is pointed out:

“Det er ikke riktig at KPMG har anbefalt at dette skulle faktureres timebasis under den opprinnelige avtalen som er godkjent.

Høst 2015 oppdaget vi under interimrevisjonen at de hadde fakturert på timebasis. Vi forlangt at de tilbakeførte disse beløpene. Jeg husker ikke om det ble utbetalt til Feastwood noen gang.”

Unofficial translation:

“It is not correct that KPMG recommended that this be billed on an hourly basis under the original agreement approved.

In the fall of 2015, we discovered during the interim audit that they had billed on an hourly basis. We demanded that they refund these amounts. I don't remember if it was ever paid to Feastwood.”

3.4.1.4.7 Board meeting 24 June 2016

In board meeting 24 June 2016 case 27/16, it is stated that Feastwood/Hessel Halbesma worked on average over 40 hours per week from 1 April to 30 June 2016, and further committed from 1 July to 30 September. They also refer to the EUR 500 hourly fee that was approved in AGM on 19 May 2016.

The minutes from this Board meeting, inter alia state the following:

“In order to formalize this additional work, next to HeH's ordinary board duties, a consultancy agreement with HeH needs to be put in place, which states the services to be performed and the hours to be spent. The Board instructs TsR to prepare and present such agreement for review and approval by the Board”.

We register that there is no consultancy agreement in place. We also register that this meeting takes place after BDO gave their negative opinion on the commitment agreement, and the commitment agreement process stopped, and further focus was on the service agreement.

3.4.1.5 General meeting treatment

We have not seen any written agreements with Feastwood presented or approved in the general meeting in the period from 2013 to 2017.

We note that the lack of agreement has been raised as an issue since Q3 2015, according to KPMG's presentation in a board meeting of 18 May 2016. Prior to entering into the service agreement on 1 November 2016, we understand that OT received memorandums and opinions from different external law firms, which inter alia concluded on § 3-8 evaluations and auditor confirmation prior to contract execution or considered the payments as remuneration as Board Member, cf. § 6-10, as further outlined in the chapter above.

We register that the service agreement is dated 1 November 2016 without any 3-8 evaluation, nor auditor confirmation. We register that Grette, being OT's external law firm, stated in memo from 3 November 2016 that the exception in 3-8 applies, and that no general meeting approval was required in this case. We register that OT chose to follow Grette's advice, as further outlined in the chapter above.

3.4.1.6 Performed work

According to the annual report for 2015, transactions consisted mainly of board services at hourly rates, "recharges related to disbursements" and fees for extraordinary work. In the annual report for 2016, it is stated that transactions include invoicing for services provided by Hessel Halbesma:

*"These services provided include board services, providing exclusive access to his network and long-time business partners, maintenance and development of partnership arrangements, sourcing and strategic development related to financing the group, Intellectual property expansion, initiation and steering of change management and general support to various management functions within the group. The year 2016 charge includes USD 693,000 resulted from a hourly rate increase for 2015 services and beyond from EUR 300 to EUR 500 per hour."*⁴⁷

Through interviews we have gathered information that differs when it comes to the impressions each have of Hessel Halbesma's skills, workload and role in the company. Some state that Hessel Halbesma worked a lot. Others state that they do not know exactly what Hessel Halbesma's role was. Some state that he was constantly travelling and it was impossible to know exact what he was doing and whether it was related to OT. Other interviewees state that he was an important person for the entire OT business.

Regarding working hours, B , as former CFO, has in interview stated:

"At du kan hevde at du jobbet 6,000 timer uten å ha blitt tatt for fraud er merkelig. Revisor kom inn og sa han måtte kreditere 3,000 timer, og «kun» fakturere 3,000 timer. Det er helt på trynet. En mann på nesten 70 år jobber ikke 3,000 timer. KPMG burde sagt at 1,500 timer i året var mest realistisk, referanse til et vanlig årsverk av en konsulent er ca 1,200 – 1,500 fakturerbare timer. Styret/KPMG skulle tatt ansvar og forlangt at ressursgrunnlaget til Hessel Halbesma var på maks 1,500 timer. Hvis du skal jobbe 3,000 timer skal det hvertfall dokumenteres særskilt godt og det kan ikke pågå år etter år. Det skulle vært en oppfølging av nærstående prosedyren hvor Int og James kontrollerte. Jeg hadde ingen grunnlag for å gå inn å kontrollere hans timegrunnlag/ reisekostnader, ei heller lå det innenfor mitt ansvarsområde."

Unofficial translation to English:

"That you can claim that you worked 6,000 hours without being caught for fraud is strange. The accountant came in and said he had to credit 3,000 hours and "only" bill 3,000 hours. It's completely outrageous. A man of almost 70 years does not work 3,000 hours. KPMG should say that 1,500 hours a year was the most realistic, reference to a consultant's normal man-years is about 1,200 - 1,500 billable hours. The Board KPMG should have taken responsibility and

⁴⁷ OT Annual report 2016

demanded that the resource base for Hessel Halbesma be at a maximum of 1,500 hours. If you are going to work 3,000 hours, it must at least be documented particularly well and it cannot continue year after year. There should have been a follow-up of the related procedure where Int and James controlled. I had no reason to go in to check his hourly rate / travel expenses, nor was it within my area of my responsibility.”

Hill, as being a Board member of OT, has stated the following in interview:

“Mr. Halbesma lived in Monaco. There was an office in Monaco until about a year ago. You asked me if I knew exactly what Mr. Halbesma did. It is impossible to know what anyone does exactly each day. You see the results rather than tick the boxes. I have no reason to doubt that he did a good and committed job. He was effectively an executive chairman, and he “lived” the company. Mr. Halbesma easily did 50 hours a week. He spent 100% of his time, (whereas I would have spent more like 10% of my time) on Oceanteam. Mr. Halbesma was spending most of his life on OT and should have been remunerated accordingly.

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. The finance unit/CFO, accounting people in Amsterdam and Norway would have checked Mr. Halbesma’s timesheets and the numbers. If it was obvious that Mr. Halbesma did not do the work that he claimed to have done and the board had been advised we would have followed up.”

We register that Hill as a Board member states that he has never seen any timesheets of Hessel Halbesma.

We register that Board member Pos states the following regarding Hessel Halbesma’s invoicing:

“I know, that we agreed. that he could invoice 500 EUR per hour and more hours since he brought in the case for DOT and gave the guaranties. What amounts and when he invoiced I do not know.”

An employee in OT’s Finance department states the following:

“Someone says he worked 24/7, and someone said he did nothing. In my opinion he did nothing. He could go on vacation for two weeks to the US, and at the same time invoice the same amount. How could he invoice like regular months? Maybe he calls Haico Halbesma to discuss something, but he was not busy with OT. Haico Halbesma or Hessel Halbesma were the only two that can explain how much he actually worked with OT. As he lived in Monaco it was hard to know how much he worked.”

“I do not believe that Hessel Halbesma 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.”

According to KPMG they have seen that Hessel Halbesma worked a lot for OT, and that they were not in doubt that Hessel Halbesma delivered man hours for OT. They mentioned that they always received quick

response from Hessel Halbesma when they contacted him, and that they noted ongoing email correspondence from him.

OT's Corporate counsel states that: "*Hessel Halbesma was very dedicated and very involved with the company's business. He was often here and constantly busy with OT. I have been told by KCI employees who said he was very forward-looking and strategic.*" She also states that "*Hessel Halbesma was a prolific writer of e-mails and normally reacted very fast and often with extensive comments to mail correspondence.*" She also commented that Hessel Halbesma was on the phone every day.

Hill states that: "*Hessel Halbesma worked more than the other board members. He basically "lived" the company.*"

Other interviewees have another view of Hessel Halbesma and his contributions in the company.

According to a former Board Member, Hessel Halbesma worked full time for the company. He states that Hessel Halbesma was flying in and out from Monaco, and he sent emails at all times during the day. He adds that: "*If it was to safeguard his position or his family or the company I do not know. He was involved "all over". What the value of his work was or if it was value-added, I do not know.*"

Another former Board Member states that Hessel Halbesma came physically to all board meetings, but that he did not think that Hessel Halbesma worked that much. He further notes that Hessel Halbesma "*had no skills to indicate that he should work there.*"

According to a former shareholder, they struggled getting enough information of the nature of Hessel Halbesma's consultancy work.

A former employee states the following about Hessel Halbesma: "*In his head he was 24/7 busy with the company. This company was his life (...) He came in maybe once or twice a month, but we did not need him that many hours in OT.*"

An employee from Finance department has in interview stated that (SANDS' question in italic):

"I know Hessel Halbesma 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.

Could you check when the invoices started to contain timesheets?

This is not possible to find out."

We register that in addition to the work invoiced by Hessel Halbesma as a consultant, he shall also deliver work for being Chair of the Board of OT.

3.4.1.7 CEO and CFO fees to Haico Halbesma

We have been informed that Haico Halbesma has received incentives for his work as a CEO through Feastwood Holding Ltd. (Hessel Halbesma's management company) despite that Haico Halbesma received his ordinary salary from his management company Heer Holland B.V. He has also received additional payment for CFO services in 2016 at the same time as being a CEO through Feastwood.

We have been informed that this was done through Feastwood because of tax reasons/advantages. In interview, Haico Halbesma has stated:

"I worked in two ways: Base salary invoiced from Heer Holland and incentives awarded, I would invoice Feastwood."

"I put it forward and said I would invoice it through Feastwood for tax efficiency reasons."

According to Haico Halbesma, he put forward internally that he would invoice it through Feastwood for tax efficiency reasons, and it was never an issue - not internally or with KPMG and it was fully disclosed.

In interview, Haico Halbesma pointed out that:

"I said I wanted to invoice through Feastwood. The Oceanteam ASA board excluding Hessel Halbesma said "OK" after getting advice. I do not recall who gave advice to the board on this matter. It was as simple as that."

Haico Halbesma states that it is not strange invoicing from another company than the company which the agreements with OT is entered with, as Feastwood Holding was controlled by his father and himself as directors. Furthermore, he states that:

"Feastwood is part of Halbesma Family estate registered in Cyprus. No direct shares are held by me in Feastwood Holding. Up to sometime 2016 I was a director in Feastwood Holding where I together with Hessel Halbesma had control. That was communicated already and was out in the open for a long time. It was not an issue. There was not a contract. The incentive was awarded to me as Haico. I have been completely open and transparent about this. OT and me have advisors around me – legal, tax etc. and no one ever told me that it is not legal or correct."

We note that other interviewees have other opinions on who controls/owns Feastwood. Pos thinks Feastwood is a company of the Halbesma family. Haico Halbesma points out that *"No direct shares are held by me in Feastwood Holding."*

As mentioned above, Haico Halbesma received a salary for being the CFO in 2016 in addition to salary for being CEO. For being CFO, he received EUR 17,500 per month, in total EUR 175,000 for 10 months. Note that the EUR 70,000 paid in 2017 concerns work performed in 2016.

Feastwood, EUR	2013	2014	2015	2016	2017	Total
Haico Halbesma, CEO	165,000	110,000	204,340	450,000	-	929,340
Haico Halbesma, CFO	-	-	-	105,000	70,000	175,000
Total fee CEO/CFO	165,000	110,000	204,340	555,000	70,000	1,104,340

The CEO incentive scheme is described in further detail in chapter 3.1.2.

We have challenged interviewees about Haico Halbesma being OT's CEO and CFO at the same time, hereunder the agreements regulating these roles. According to Haico Halbesma, he had no written CFO agreement. He states that all was initiated and approved by the Board.

In the minutes from board meeting 24 June 2016, it is stated that Haico Halbesma should receive EUR 17,500 per month for his CFO services, effective from 1 January 2016.

We challenged Haico Halbesma regarding his work as CFO, where he stated the following (SANDS' questions in *italic*):

“We understand that you were busy working as a CEO. We also understand that you had a role as CFO during a period. How come you could take both roles?”

At that time I worked basically 7 days a week. B was there, but he worked more or less full time on the annual accounts for 2016. B was not there. He called in ill after the shareholders meeting in June 2016 after the board said to B, based on the advice of KPMG, he did not function and he had he could be moved to another position. Someone had to clean up his mess.

How did you manage to do both the CEO and CFO job?

I have a lot of energy.

Did you receive any extra salary for this?

At one point I thought it was crazy. I did not see my family. I did B's job, started cleaning up his mess. I said I wanted something in the interim period. We also had a refinancing process starting at this time. We had a window to fix the problems. I knew that in parallel I had to manage my contracts, rates, the business and its cash flow.

We did find some CFOs – some more qualified than others. Key thing at the time was to focus on the refinancing. I had B which was an experienced gentleman, but I needed a guy with corporate finance and a banking background.

Who decided that the invoicing should start on January 1?

This went through the board. It was transparent.

The times were extreme to say the least.”

When confronting B regarding his exit from OT, he pointed out the following (SANDS' questions in *italic*):

"Actually, after May 22, 2016, I quit at a meeting where we presented the quarterly report / general meeting."

*"We see Haico getting paid for CFO from January 2016 to October 2016?
It's fraud. He also did not have the skills to do this job"*

In the minutes from the board meeting of 24 June 2016, the following is stated:

"Remuneration of CEO /CFO

For the additional functions and responsibilities assumed by HaH, in particular those which ordinarily would be undertaken by a CFO. It was resolved that Feastwood Holding Ltd will be entitled to receive a monthly fee of EUR 17,500 per month with effect from 1 January 2016. The Board noted that the fee payable through Heer Holland BV would continue at EUR 27,500 per month.

In order to formalise this additional commitment to HaH a declaration by the Board of directors, satisfying the requirements in section 6-16 a) of the Norwegian Public Limited Liability Companies Act is required. The Board instructs TsR to prepare a draft for such resolution for review and approval by the Board."

We register that Feastwood shall be the receiving party of the fees, even though Haico Halbesma delivers his services as a consultant from his own firm Heer Holland B.V.

We register that in the minutes from the Board meeting 13/14 February 2017, it is stated:

"The remuneration of the CEO for CFO services has been terminated with effect from the appointment of the new CFO, being 23 October 2016."

We register that the salary to Haico Halbesma from 2016 was later approved in the general meeting which took place 30 June 2017 with 74,74% of the votes. 25,09% voted against and 0,17% abstained from voting.

Note that Haico Halbesma simultaneously received EUR 27,500 each month for the CEO services. Also note that Haico Halbesma has received a CFO salary during a period when B was CFO. B was the formal CFO in the organisation until May 2016, when he declared himself ill few days after the general meeting held on 19 May 2016. This means that OT has paid CFO salary to two persons from January 2016 to November 2016.

However, Haico Halbesma stated that he started as CFO formally from the moment B called in ill, but he informally did some significant non-accounting work before that. Haico Halbesma states that he has working experience as CFO. Some interviewees have stated that he was competent in the role as CFO,

whereas others did not.

Haico Halbesma has stated that he worked double, and in practice managed to fill both roles (as a CFO and CEO).

When challenging KPMG, the following was stated in interview (SANDS' questions in *italic*):

“Kvalifikasjoner til Haico som CFO kjenner jeg ikke til, men jeg vet at han var CFO før han ble CEO i OT.

Reelt sett startet Haico å jobbe som CFO før generalforsamlingen, rundt mars/april 2016. Før dette klarte ikke OT å ferdigstille regnskapene sine. Dette er CFO sin rolle. Når de ikke klarte å lande dette tok Haico ansvar. B jobbet i mars/april, men det kom informasjon fra OT før generalforsamlingen om at Haico skulle være den som skulle ha ansvar for ferdigstillelsen av regnskapene.

Tidspunktene her for hvem som hadde hvilke roller på hvilke tidspunkt er viktig å få synliggjort. Fint om du sender dokumentasjon hvis du har noe som kan belyse dette.

Jeg har ikke innsikt i all dag til dag jobb i OT. Det jeg kan si noe om er når vi opplevde at Haico overtok ansvaret.

Fanget du opp noen gang at han fikk dobbel lønn?

Det var tema for noen år siden at han fikk dobbel lønn. Vår vurdering var at han reelt sett fylte to roller.

Vi var ikke med i den interne prosess hos OT vedr CEO/CFO. Dette var utenfor vårt mandat. Det jeg kan si noe om er når vi opplevde skifte.”

Unofficial translation:

“Haico's qualifications as CFO I do not know, but I know he was CFO before becoming CEO of OT.

In fact, Haico started working as CFO before the general meeting, around March/April 2016. Prior to this, OT failed to complete its accounts. This is the CFO's role. When they failed to complete it, Haico took responsibility. B worked in March/April, but there was information from OT before the general meeting that Haico should be the one responsible for the preparation of the accounts.

Who had which roles at what time is important to clarify. It would be good if you send documentation if you have something to illustrate this.

I have no insight into all day to day work in OT. What I can say is when we saw Haico taking charge.

Were you ever aware that he received double salary?

It was a topic a few years ago that he received double salary. Our assessment was that he actually filled two roles.

We were not involved in the internal process at OT regarding CEO/CFO. This was beyond our mandate. What I can say is when we experienced the shift. "

We register that KPMG did not know about Haico Halbesma's qualifications and that KPMG did not know the day to day work in OT.

According to board memos and information from interviews, B received help from Hill in reviewing the cash flow of OT each month, e.g. as stated in resolution 29/15 in minutes from the Board meeting 8/9 October 2015 and confirmed in resolution 41/15 in minutes from Board meeting 30 November 2015. Nothing is mentioned about Haico Halbesma's contribution within the CFO area prior to 19 May 2016.

When we challenged Board Member Hill regarding Haico Halbesma working as CFO, he stated the following (SANDS' questions in *italic*):

"Haico's CFO salary was approved in board meetings. I do not think he was paid double but it was decided that he should be compensated for the extra work.

I do not know how he invoiced for the CFO services.

We see from board meetings that Feastwood should be paid for the CFO fee.
I do not know. I understand that Feastwood is a Halbesma family company.

I assume Haico was paid from May to October 2016. As soon as B called in sick and we realized he would not come back, Haico stepped in as CFO.

We have seen CFO invoices from Haico since January 2016.
That does not make sense. There must be an explanation."

We register that Board Member Hill was not aware of Haico Halbesma invoicing from Feastwood nor that he invoiced for CFO work from 1 January 2016.

3.4.2 Heer Holland B.V. (services from Haico Halbesma)

According to OT's annual reports, Heer Holland B.V. is controlled by CEO Haico Halbesma and delivered services to OT in 2013, 2014, 2015, 2016 and 2017.

During the years as CEO, Haico Halbesma received salary as if he was a normal employee in OT. However; Haico Halbesma has in interview inter alia stated:

“I am employed in OT through Heer Holland. Heer Holland is my personal management company. That a CEO structures his services through a management company happens on a regular basis in the Netherlands.”

“The reason for structuring it in this way was for tax reasons, and for employee arrangement.”

“It was not either me or the company that requested this setup with a management company. It was joint discussion that we should have this arrangement.”

“I cannot recall if there was a legal opinion made on the arrangement. That should have been a board and corporate council duty.”

We have been informed that Heer Holland has been Haico Halbesma’s employer since 2011.

We register that the arrangement and agreement with Heer Holland from 2011 was presented in relation to the annual meeting in 2013. In the summons to the annual general meeting, the following was stated:

“The Board will invite the general meeting to make the following resolution:

“The agreement between Oceanteam Shipping ASA and Heer Holland BV, is approved”

We have not been given any information that the shareholders received any information about why this was done; hereunder if there is another agreement from 2013, if the agreement is the one entered into in 2011, hereunder why the information first came to the shareholders for voting in 2013, and if the arrangement was legal.

Based on our understanding of the documentation received, there has been an agreement in 2011 and two agreements in 2016. We are of the understanding that there has not been any separate agreement entered in 2013.

According to searches performed by EY, the company is registered in the Netherlands and was founded by Haico Halbesma. Haico Halbesma is also the CEO and has been both founder and CEO since January 2001. The company ID number is according to EY 37092197.

According to searches performed by PwC, the company Heer Holland B.V. could not be found. However, another company by name Heer Holland Holding B.V., incorporated on 12 December 2000 in the Netherlands with registration number 34140832, was identified. Haico Halbesma is listed as sole shareholder and Director in the period of 12 September 2000 to present.

3.4.2.1 Overview of transactions

The table below shows all costs associated with Haico Halbesma and his company Heer Holland, found in the Group’s P&L when sorting on resource (HAH).

Salaries, Haico Halbesma, EUR	2013	2014	2015	2016	2017	Total
Extra services, contractors fee	329,703	313,009	330,000	303,551	376,890	1,653,154
CEO/CFO incentive	165,000	110,000	204,340	555,000	70,000	1,104,340
Phantom Share Incentive ⁴⁸	0	7,219	14,986	11,650	-4,987	28,868
Total salaries	494,703	430,228	549,326	870,201	441,903	2,786,362

Almost MEUR 2,8 in total has been registered in the Group's P&L in 2013-2017 as costs related to Haico Halbesma and his services as well as CEO position. This differs 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. The numbers for extra services delivered in 2013-2017 is within the "thresholds" specified in the notes in the annual reports for these years, and for 2014 and 2016 the amounts are even lower than they should be: a monthly fee of EUR 27,500 is equivalent to EUR 330,000/year. The total for all five years corresponds to five times EUR 330,000.

For clarification, there is a one-year lag in the registration of the CEO incentive, meaning that the CEO incentive registered in 2013 concerns 2012 and so on. The salary for filling the temporary CFO position constitutes EUR 175,000 in total, EUR 105,000 in 2016 and EUR 70,000 in 2017. CEO remuneration increased after 2014 to EUR 204,340 in 2015 and EUR 450,000 in 2016. The reason for the large increase in the CEO incentive for 2016 is not clear. The invoice from Feastwood, the company Haico Halbesma used to invoice the incentives, regarding this gives no further information and attached to this invoice are even emails from accountants in OT requesting supporting documentation, i.e. board decision, from OT's Corporate counsel for the CEO incentive of EUR 450,000. We register that bonuses are not paid out by regular payroll, but are instead invoiced from Feastwood (see invoice attachment 16).

Timesheets

According to the agreement with Heer Holland, there was no requirement to provide timesheets. However, Haico Halbesma has stated that he did the timesheets as instructed, and his privately employed secretary/accountant took care of his invoices. She made sure everything was OK with OT's Finance department and everyone internally. Haico Halbesma points out that:

"No, it was not a tax reason for delivering hours from Heer Holland to different companies on different timesheets. I did it because OT through its Chief Accountant and Controller told me to allocate the hours."

An employee in OT's Finance department was challenged with Haico Halbesma's timesheet and stated the following:

"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."

⁴⁸ Only stated and booked in USD, EUR amount is calculated based on a yearly average for exchange rate USD/NOK and EUR/NOK.

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."

OT's Corporate counsel has stated that she does not know why Haico Halbesma provided timesheets.

When asked whether the number of hours worked on each stated company and on each project was a reality, Haico Halbesma states that it was probably not correct by the minute, but he tried to keep a good log of the hours spent. Furthermore, on specific projects he states that he spent a lot of time, e.g. in Mexico. He also states in the same interview that he thinks the timesheets and hours allocated to different projects are relatively real and correct, but on a high level. Haico Halbesma points out that B and his team and KPMG never requested him to report on a more detailed level.

The timesheets appear to be relatively generic, as almost all timesheets show round figures related to number of hours (10, 20 etc) and often the same number of hours from month to month.

The former CFO was challenged about Haico Halbesma's timesheets and he stated that (SANDS' question in *italic*):

"I think it was just because he was billing from his own company. He probably wanted to tie the number of offshore days. Maybe because of tax considerations.

Who checked Haico Halbesma's time sheets?

The board is responsible for controlling Haico Halbesma's resource use, reference is job descriptions / authorization matrices."

3.4.2.2 Payments

From OT's Finance department's overview, we can see that about MEUR 1,635 has been invoiced from Heer Holland in total for the period 2013-2017. MEUR 1,6 has been paid out or recharged to the company, hereunder Haico Halbesma. This means that about EUR 40,000 was outstanding at the end of 2017, in favour of Heer Holland.

The invoiced amount of about EUR 1,635,000 (from invoices and charged expenses) is lower than the registered costs presented in the table in chapter 3.4.2.1. The difference of almost MEUR 1,15 is because the invoices concerning Haico Halbesma's CEO/CFO services were issued by another vendor, Feastwood. There are also some deviations between invoices and bookings, where OT has not been able to explain the differences. It is our understanding that a part of the difference also relates to different entries in accruals.

Vendor list, EUR	Invoices	Charged Expenses	Payments	Recharged expenses to Feastwood	Other corrections	Outstanding	Cumulative outstanding
<u>AA5120 Heer Holland</u>							- 27,500
2013	- 330,003		332,970			2,967	- 24,533
2014	- 330,000	60	329,940			-	- 24,533
2015	- 330,000		330,000			-	- 24,533
2016	- 275,000		330,000		15,128	70,128	45,594
2017	- 364,903	- 5,609	277,500	3,692		- 89,321	- 43,726
	- 1,629,906	- 5,550	1,600,410	3,692	15,128		

3.4.2.3 Service agreement

Background

Haico Halbesma has been employed as CEO through his management company since 2011. Prior to this, he held an ordinary CEO employee position. According to Haico Halbesma:

“The reason for structuring it in this way was for tax reasons, and for employee arrangement. By that I mean that if anything changes or board decided that they wanted a new CEO tomorrow; it could be done quickly with the way it is set up.”

According to Haico Halbesma, this setup where a CEO structures his services through a management company is used on a regular basis in the Netherlands. According to Haico Halbesma, he has always been transparent about the arrangement. Furthermore, he states that it was a joint discussion between him and the company to use this arrangement. Haico Halbesma states that in the end, the Board Members made the decision of implementing this arrangement, and two independent Board Members voted on it every time. We note that the Board independence has been questioned (as discussed in chapter 5.6.2).

According to Haico Halbesma, the internal accounting department together with KPMG and other external advisors wanted and decided it to be a service contract instead of an employment arrangement.

According to OT’s Finance department, it was not OT that wanted Haico Halbesma to use a management company, it was only Haico Halbesma. He thinks the reason behind Haico Halbesma not being employed, but rather hired through Heer Holland, was because of tax reasons.

We register that the employee from OT’s Finance department stated the following in interview:

“I had a discussion with E which was advisor for the board. He was also Halbesma’s private auditor and approved the annual accounts for Heer Holland and Feastwood (Netherlands). I discussed the issue of Haico/Heer Holland with E in start of 2017 and said that the setup was fraud and that he should be aware of that. E said he would make a contract between Feastwood and Heer and thereby solve it, but in my opinion that was never done.”

Haico Halbesma has inter alia answered the following in interview:

“The reason for structuring it in this way was for tax reasons, and for employee arrangement.”

Furthermore, Haico Halbesma stated that:

“Tax authorities have not looked into this arrangement because Heer Holland has declared and payed its taxes every year in the Netherlands.”

When asked about whether a legal opinion had been made on the arrangement, Haico Halbesma could not recall this. He states that it should have been a Board and Corporate counsel duty.

We have requested agreements entered between Heer Holland and OT. According to OT’s Corporate counsel, she could not find an agreement from 2013 that is referred to in a general meeting and she only found a final draft of an agreement from 2011.

We register that OT’s Corporate counsel stated in interview that:

“Haico Halbesma was not employed in OT; he was hired as consultant through Heer Holland.”

“There were no records so I assumed the agreement was finalized between Haico Halbesma and the board. This was supposed to be addressed to the general assembly, but I could not find it in the supporting documents which would be normal.”

We register that Haico Halbesma has not been employed in OT since 2011, but he has received incentives that should be given to OT’s employees.

Draft management services agreement 1 January 2011

We have requested agreements between OT and Heer Holland B.V. within the scope of the mandate of this investigation. We have received⁴⁹ a draft management service agreement dated 1 January 2011 between OT and Heer Holland B.V., a company registered in the Netherlands with trade register number 34140832.

Note that the registration number differs from the registration number found by EY (37092197). The registration number for the contract is similar to the registration number the company PwC found, however this company has another name: Heer Holland Holding B.V.

OT is regulated as the Company, Heer Holland B.V. is the contractor and Haico Halbesma is the representative. It is regulated that:

“The Contractor is engaged in the provision of professional management services and the Contractor and the Company have agreed that the Contractor will provide such services as further described herein (the “Services”) on a non-exclusive basis and on the terms set out in this agreement (“Agreement”).

⁴⁹ cf. email from OT’s Corporate counsel 31 August 2018

The Representative is and will remain employed by the Contractor.”

Furthermore, it is regulated that: *“For the performance of the Services, the Company shall pay to the Contractor a Consultancy Fee of EUR 23,500, exclusive of VAT and any other similar duty or tax, per month.”*

The agreement regulates the following regarding “Other expenses”:

“The Contractor shall be reimbursed in respect of any reasonable and direct expenses incurred in carrying out the Services. Such amounts shall be shown to and authorised by the Company and valid receipts shall be submitted with each invoice within 60 (sixty) days of the expense occurring. The Contractor acknowledges and accepts that no expenses will be reimbursed if the receipt is submitted later than the above date.”

The agreement regulates inter alia the following regarding termination:

“This Agreement may be terminated at any time upon three months written notice by either party to the other. The Agreement may be terminated without legal cause.

If this agreement is terminated by the company without cause, contractor is entitled to compensation equal to 12 months fee. This amount shall be paid in 2 instalments and shall be subject to all necessary withholdings and deductions according to law, if applicable.

This shall, however, not apply in the event the termination was a result of an immaterial breach of the contractors obligations.

Upon such termination the parties have no other remaining liability towards one another for damages or otherwise.”

There are no regulations in the agreement that state that Haico Halbesma has to provide timesheets.

When questioning OT’s Corporate counsel regarding this agreement, she stated the following:

“I do not know who was responsible for this agreement, but it think it might have been only B and Haico. I looked for it. There was legal advisor before, but he stopped working two years before I started and there were no records whatsoever, neither of this agreement. This guy was moved to KCI because he was not really doing a good job here. There were no records so I assumed the agreement was finalized between Haico and the board. This was supposed to be addressed to the general assembly, but I could not find it in the supporting documents which would be normal.”

We register that OT’s Corporate counsel is of the opinion that *“This was supposed to be addressed to the general assembly, but I could not find it in the supporting documents which would be normal”*.

Service agreement dated 1 July 2016

We have received a management service agreement entered into on 1 July 2016 between OT and Heer Holland B.V., a company registered in the Netherlands with trade register number 37092197. Note that the registration number is the same as found by EY.

According to the contract, the Contractor (Heer Holland B.V.) shall engage Haico Halbesma personally to perform services as defined in the contract. In the contract, it is described that *“The Company and the Contractor wish to amend and restate the terms of their agreement effective per 1 January 2011 with the terms stated herein”*. We have requested, but not received a signed version of the agreement from 2011.

The agreement states a monthly consultancy fee of **EUR 30,000, i.e. EUR 360,000 per year**. Furthermore, under 4.3 incentive scheme, hereunder two bonuses are described subject to board approval:

- **Restructuring bonus of EUR 300,000:** *“The Contractor shall be granted a fixed restructuring bonus in the amount of EUR 300,000 when the bondholders in FRN Oceanteam Shipping ASA (...) and the board of directors of the Company have voted in favour of a restructuring of the Bond.”*
- **Facility bonus of EUR 300,000:** *“The Contractor shall be granted a facility bonus in the amount of EUR 300,000 when the Board of Director has approved a loan agreement (...)”*

We register that the agreement also regulates the following regarding travelling expenses:

“The Company shall reimburse the Contractor for communication expenses, travelling and car expenses and other out of pocket expenses incurred by the Contractor and/or the Representative in pursuance of the Services, provided that these costs and/or expenses are properly documented, unless otherwise agreed by the Parties. Valid receipts shall be submitted with each invoice.”

There are no regulations in the agreement stating that Haico Halbesma must provide timesheets.

Haico Halbesma states that he only had the contract with OT ASA – not the other companies in the group.

Furthermore, a **termination fee** is described. If the contract gets terminated using article 2.3 ordinary termination with 3 months’ notice or for wilful misconduct of the Company, the contractor shall have EUR 1,800,000 in termination fee.

We note that the annual report states USD, but the service contract describes the different fees in EUR. This is also the case with other contracts OT has entered into, such as the service agreement with Feastwood.

3.4.2.4 General meeting treatment

In the minutes from the ordinary general meeting held on 30 May 2013, the agreement between OT and Heer Holland B.V. was approved by the general meeting. The decision was unanimous.

We have requested but have not received the agreement treated in the annual meeting in 2013.

Haico Halbesma has also referred to an agreement from 2011. We have not received this agreement in signed version.

We register the following information from Annual report 2017:

“The CEO, Haico Halbesma, had a service agreement through his company Heer Holland B.V with an annual fee of EUR 360.000 (USD 409.443). These costs have been classified as wages/fees. Haico Halbesma resigned as CEO on 15 March 2018 with effect as of 30 March 2018. The contract termination fee for the amount of EUR 1.8 million between the Oceanteam ASA and Heer Holland has been waived as part of the overall settlement agreement entered into on 13 April 2018 with Feastwood Holding Ltd., Heer Holland BV, Haico Halbesma, Hessel Halbesma and all parties related to them.”

Based on our review of minutes from general meetings, we cannot see that the service agreement from 2016 is presented nor approved in general meetings in the relevant period, which is inconsistent with the 2013 situation regarding the agreement from 2011.

3.4.3 Cenzo B.V. (services from Catharina Petronella Johanna Pos)

According to OT's annual reports, Cenzo B.V. delivered services to OT in 2013, 2014, 2015, 2016 and 2017. Cenzo B.V. was Pos' own management company.

According to OT's annual reports, Cenzo B.V. is controlled by Catharina Petronella Johanna Pos, director of Oceanteam ASA in the period from 2013 to 2016. According to searches performed by EY, the company is registered in the Netherlands and was founded by Pos in 1994. The registration number is according to EY 103137451 (41-808-0065 (DUNS)).

We register that the contract with OT is with Cenzo Holding B.V., with registration number 33260406.

During interview, Pos stated the following:

“Cenzo Holding is my private company. Cenzo BV is the daughter of Cenzo Holding.

When I worked for OT I had a salary and an agreement with Cenzo BV. Cenzo Holding has a contract with Cenzo BV– I was employing me. My accountant said I could not work for both and that I could not hire myself in my own company.

I entered into an agreement in 2007 and 2008 with OT/Haico. I will try to find the contract and send you. I have looked for it before but I have moved several times.”