

BY-LAWS FOR THE FEDERATION OF NORWEGIAN INDUSTRIES

Section 1 NAME AND OBJECTS

1.1 The name of the federation is Norsk Industri (Federation of Norwegian Industries). The Federation of Norwegian Industries is headquartered in Oslo.

1.2 The Federation of Norwegian Industries is a national federation affiliated to the Confederation of Norwegian Enterprise (NHO).

1.3 The federation's objects are to safeguard the member companies' common interests and industry-specific needs, and work to achieve framework and working conditions that strengthen their competitiveness and profitability, and provide a foundation for permanent value creation and good, secure jobs.

1.4 The federation shall seek to influence and conduct goal-oriented activities targeted at the authorities, industry associations, other Norwegian and international organisations and society at large.

1.5 The federation shall provide information and service to its member companies.

1.6 The Federation of Norwegian Industries shall promote contact and cooperation between various business sectors, member companies and trade associations.

1.7 The federation shall work towards achieving good and lasting relations between the member companies, the employees and their organisations.

1.8 The federation shall safeguard the members' interests internally in NHO.

Section 2 MEMBERS AND CONDITIONS FOR MEMBERSHIP

2.1 Enterprises that conduct industrial and associated business activities may become members of the federation.

2.2 If there is a group affiliation between several companies (cf. Section 1-2 of the Companies Act) within the area covered by the Federation of Norwegian Industries, membership shall comprise the parent company as well as all the subsidiaries. If a member opposes this, it shall withdraw from NHO/Federation of Norwegian Industries after the expiration of the ordinary withdrawal deadline. NHO's Executive Committee may in special cases grant exemption from this rule.

2.3 Members shall undertake to comply with the federation's by-laws and the decisions and agreements which in accordance thereto are made by the bodies of the Federation of Norwegian Industries.

2.4 Members are obliged to submit to the Federation of Norwegian Industries all statements and information necessary for the federations' business.

Section 3 RELATIONSHIP TO THE CONFEDERATION OF NORWEGIAN ENTERPRISE

3.1 Membership in the Federation of Norwegian Industries entails compulsory membership in NHO.

3.2 Companies that have a collective wage agreement or receive a demand for such an agreement, are obliged to be part of NHO's binding collective wage community.

3.3 Companies that do not have a collective wage agreement and have not received a demand for such an agreement, may choose not to be part of the binding collective wage community. Such companies do not pay membership fees to NHO's labour dispute fund and are not bound by NHO's collective wage decisions.

Section 4 MEMBERSHIP FEE

4.1 The activities of the Federation of Norwegian Industries are financed through membership fees. The basis for calculation of the fee is disbursed gross wages the last calendar year. Unpaid fees are subject to normal interest on arrears.

Section 5 REPRESENTATION

5.1 Member companies may be represented in the Federation of Norwegian Industries through their owners, chair of the board of directors, general manager or whoever the latter authorises.

Section 6 VOTING RULES FOR THE GENERAL MEETING

At the General Meeting (ordinary or extraordinary) each member company which, according to the latest statement from NHO, employs

- up to 100 man-years: one vote
- from 101 to and including 250 man-years: two votes
- from 251 to and including 500 man-years: three votes
- more than 500 man-years: four votes

A member is defined as an enterprise established as an independent geographical unit. This entails that if there are several units in a group, each geographical unit will be counted as one enterprise.

6.2 A representative may not cast a vote through proxy from other companies other than his/her own group.

6.3 Only members who are part of NHO's binding collective wage community have voting rights related to collective wage matters.

6.4 Unless otherwise determined in these by-laws, all resolutions shall be adopted through simple majority among the company representatives present who are entitled to vote. In the event of a parity of votes, the chair shall have the casting vote except for elections drawn by lots.

Section 7 TRADE ASSOCIATIONS

7.1 The member companies can establish trade associations to safeguard their special interests. The trade associations constitute themselves with their own boards and adopt their own by-laws, which must not conflict with the by-laws for the Federation of Norwegian Industries. The board of the Federation of Norwegian Industries will approve the establishment of trade associations, trade association by-laws and any subsequent amendments to these.

7.2 The trade associations may act externally, but must not act in conflict with the

interest or activities of the Federation of Norwegian Industries. In instances where the opinion of the trade associations in trade-specific matters are not in line with the opinion of the Federation of Norwegian Industries, the trade association shall have discussed the matter in advance with the Managing Director of the Federation of Norwegian Industries before taking a public stand in regards to its opinion. If agreement is not reached, the matter shall be considered by the board of the Federation of Norwegian Industries, which will determine what is in the best common interest.

7.3 Through the annual budgets the board of the Federation of Norwegian Industries provides the framework for what the trade associations are to work on within the federation's joint budgets. If the trade associations want to work on other matters, this is not covered by the community.

7.4 The Administration of the Federation of Norwegian Industries shall, insofar as this is practical, assist the trade associations in promoting their special interests vis-a-vis the authorities and others as long as this does not conflict with the general viewpoints of the Federation of Norwegian Industries.

7.5 Insofar as there is no conflict with competition rules, the trade associations may engage in business matters of a principle nature between individual companies or trades where this is found to be appropriate.

7.6 It is a prerequisite that the trade associations are served by the secretariat of the Federation of Norwegian Industries and that the allocation of resource personnel is done in agreement between the trade association and the Managing Director of the Federation of Norwegian Industries.

Section 8 GENERAL MEETING

8.1 The General Meeting is the highest authority of the Federation of Norwegian Industries.

8.2 The ordinary General Meeting is held each year by the end of the month of June. Members shall be given at least two months' notice of the date of the meeting, and formal notification of the meeting shall be given with at least four months' notice. The meeting agenda and working documents shall be sent to members together with the formal notification.

Items which a member wants the General Meeting to consider must be notified to the board at least six weeks prior to the General Meeting. The board may grant exemptions from this deadline if it is of the opinion that an item notified too late should nevertheless be considered by the General Meeting.

8.3 The General Meeting is chaired by the chair of the board of the federation or his/her deputy - or if both are absent - by an elected chair. Minutes of the proceedings are kept and signed by the chair and two representatives elected by the General Meeting.

8.4 The ordinary General Meeting shall:

a) Elect two company representatives who are present to sign the minute book together with the chair.

b) Consider the annual report.

- c) Consider the audited accounts of and auditor's reports for the Federation of Norwegian Industries.
- d) Stipulate the membership fee for the following year.
- e) Consider long-term strategy plans.
- f) Elect the chair, deputy and eight directors. The chair and deputy and at least four of the directors must be from companies bound by collective wage agreements.

Normally, board members are elected for two years. However, if the General Meeting considers it appropriate, a member may be elected for only one year.

Board members may be re-elected, but their total successive term of office must not exceed six years. In the case of the board chair, the successive term of office may continue for up to eight years. It shall be possible, without special justification, for the re-election of a former member two years after the member in question withdrew from the board.

- g) Elect the Executive Council of the Federation of Norwegian Industries, consisting of 30 members, and elect eight deputies. The Executive Council shall consist of the board of the Federation of Norwegian Industries in addition to 20 members. The Executive Council is chaired by the chair of the board of the Federation of Norwegian Industries. The deputy chair of the board of the Federation of Norwegian Industries is also the deputy chair of the Executive Council.

Normally, Council members are elected for two years. However, if the General Meeting considers it appropriate, a member may be elected for only one year.

Members of the Executive Council may be re-elected but their total successive term of office shall not exceed to six years. It shall be possible, without special justification, for the re-election of a former member two years after the member in question withdrew from the Executive Council.

- h) Elect the auditor.

The auditor's term of office is one year.

- i) Elect representatives and deputies in sequence to the NHO's Executive Council and General Meeting.

Normally, the term of office is two years. However, if the General Meeting considers it appropriate, representatives and deputies may be elected for only one year.

Representatives and deputies elected by the Federation of Norwegian Industries to the NHO's Executive Council and General Meeting may be re-elected, but their total successive term of office shall not exceed six years. It shall be possible, without special justification, for the re-election of a former representative or deputy two years after the person in question withdrew from office.

- j) Elect the nomination committee consisting of a chair and seven members. The board proposes candidates for the nomination committee.

Normally, the term of office is two years. However, if the General Meeting considers it

appropriate, a member may be elected for only one year.

Members of the nomination committee may be re-elected, but their total successive term of office shall not exceed six years. It shall be possible, without special justification, for the re-election of a former member two years after the member in question withdrew from the committee.

k) Approve the guidelines for the nomination committee.

l) Consider any other items on the agenda.

Section 9 EXTRAORDINARY GENERAL MEETING

Extraordinary General Meetings may be called with at least eight days' notice when the board finds this necessary or when demanded by member companies that employ at least 20 percent of the total number of employees in the member companies. The deadline for the notice may be shortened if the board finds this necessary.

Section 10 EXECUTIVE COUNCIL

10.1 The Executive Council consists of the board and another 20 members elected by the General Meeting. The General Meeting also elects a total of eight deputies to the Executive Council. The summons to the meeting is in writing with at least 14 days' notice and is based on the agenda adopted by the board, cf. Section 11.2. If it is considered necessary under special circumstances, the Executive Council may be summoned at shorter notice.

10.2 The Executive Council considers matters of material significance for the Federation of Norwegian Industries. The items are prepared by the board. At least two meetings are scheduled each year.

10.3 The board's proposal for a long-term strategy plan is submitted to the Executive Council prior final adoption by the General Meeting. The board's annual work plans and associated budgets shall be submitted to the Executive Council.

10.4 The Executive Council considers the accounts of the Federation of Norwegian Industries and membership fee for the following year prior to these items being submitted to the General Meeting. Amendments to the by-laws shall be submitted to the Executive Council prior to consideration by the General Meeting.

Section 11 THE BOARD

11.1. The board consists of a chair, deputy and eight directors. Board meetings are called in writing. The board forms a quorum when it has been correctly convened and when the chair or deputy and at least five directors are present.

11.2. The chair of the board leads the federation's activities and manages its assets in compliance with the by-laws and within the framework of decisions and guidelines stipulated by the General Meeting. The board stipulates the federation's budget. The board calls meetings of the Executive Council in writing.

11.3. The board is responsible for the federation's work related to collective wage issues and appoints a negotiation committee which shall be in charge of implementing the collective wage settlement and revision. The provisions on negotiations and disputes in

NHO's by-laws (Sections 12 and 13) are otherwise applicable.

11.4 A simple majority of the directors present is required for a decision to be valid. In the event of a parity of votes, the chair shall have a casting vote. Only directors who come from companies bound by collective wage agreements have voting rights in issues related to collective wage agreements.

11.5 Minutes are kept of the board's meetings, and are approved and signed by participating directors no later than at the next meeting.

11.6 Board directors retire if the company the director represents is no longer a member or if he/she ends his/her employment with the member company or that part of the group which is a member of the Federation of Norwegian Industries.

11.7 The board employs and prepares directives for the Managing Director of the federation.

11.8 The board can delegate authority to the Managing Director.

11.9 The board is entitled to stipulate a directive providing detailed guidelines concerning the work it carries out and its handling of the matters it considers.

Section 12 NOMINATION COMMITTEE

12.1 The nomination committee shall recommend candidates to the General Meeting for the offices to be elected at the General Meeting.

12.2 In its proposal the nomination committee shall take account of the board's overall competence and a reasonable spread among lines of business, company size, regions and gender.

12.3 The nomination committee's directives are the basis for this work.

Section 13 MANAGING DIRECTOR

13.1 The Managing Director is responsible for the federation's activities in accordance with the guidelines and directives stipulated by the board. He/she attends the General Meeting, Executive Council and the board, and has the right to speak and make proposals, but is not entitled to vote.

13.2 The Managing Director, or a person that he/she appoints, shall act as secretary to the nomination committee.

Section 14 STANDING COMMITTEES

14.1 The board may appoint consultative standing committees as required in areas of particular importance for the federation's work.

14.2. The standing committees report to the Administration. Appointment of representatives to standing committee shall be based on competence and business sector considerations.

14.3 The mandates of the standing committees shall be approved by the board. Minutes of meetings of the standing committees shall be submitted to the board for information if requested.

Section 15 WITHDRAWAL AND EXCLUSION

15.1 No member company may withdraw from the Federation of Norwegian Industries until it has been a member for two years.

If compensation related to a dispute has been paid from the NHO's Labour Disputes Fund during a company's first two years of membership, and the amount exceeds the total contribution that the company has paid into the Fund, the company must remain a member for four years before it can withdraw. Alternatively, the company can pay the difference between the compensation paid out and the contribution it has paid in to the Fund, and thus withdraw after two years. Withdrawal shall be in writing with six months' notice.

If notice of withdrawal from a company that is part of NHO's binding collective wage community has not been received until the day the applicable collective wage agreement for the company expires, the company cannot withdraw from the Federation of Norwegian Industries /NHO until the new collective wage agreement has expired.

NHO's Executive Committee may refuse withdrawal for companies that are part of NHO's binding collective wage community during a labour dispute.

If a company bound by a collective wage agreement withdraws from the Federation of Norwegian Industries, NHO's Executive Committee can decide that the company shall withdraw from the Federation of Norwegian Industries on the expiration date of the collective wage agreement.

15.2 If a member company is transferred to a new owner or contractor, it will remain a member of the Federation of Norwegian Industries with the same rights and obligations as before.

15.3 The board of the Federation of Norwegian Industries can decide to exclude a member company that acts at variance with decisions made in accordance with these by-laws, acts improperly in matters concerning the Federation of Norwegian Industries, or in any other way materially breaches its membership obligations.

15.4 A decision on exclusion may be appealed to the first upcoming General Meeting with suspensive effect. The appeal deadline is 14 days from the date the member company was notified in writing of the decision.

15.5 The board can exclude companies that have not paid their membership fee by the end of the year.

Section 16 AMENDMENTS TO THE BY-LAWS

16.1 Amendments to the by-laws for the Federation of Norwegian Industries can only be adopted by the General Meeting (ordinary or extraordinary), and shall be submitted to the Executive Council prior to a resolution being adopted by the General Meeting.

16.2 For a resolution to be valid at least 3/4 of the votes cast must be in favour of the proposal. Proposals must be submitted to the members at least two months in advance.

Section 17 DISSOLUTION OF THE NATIONAL FEDERATION

17.1 Proposals for dissolution of the federation may only be submitted by the board or

members who together represent at least 20 percent of the employees in the federation's member companies. In order to be considered by the General Meeting (ordinary or extraordinary), the proposal must be submitted to the members at least three months prior to the General Meeting.

17.2 A valid resolution for dissolution requires at least a 3/4 majority of the votes cast.

17.3 If dissolution of the federation is adopted, the General Meeting shall also determine how the assets shall be disposed of. A decision in this respect requires a simple majority of the votes cast.