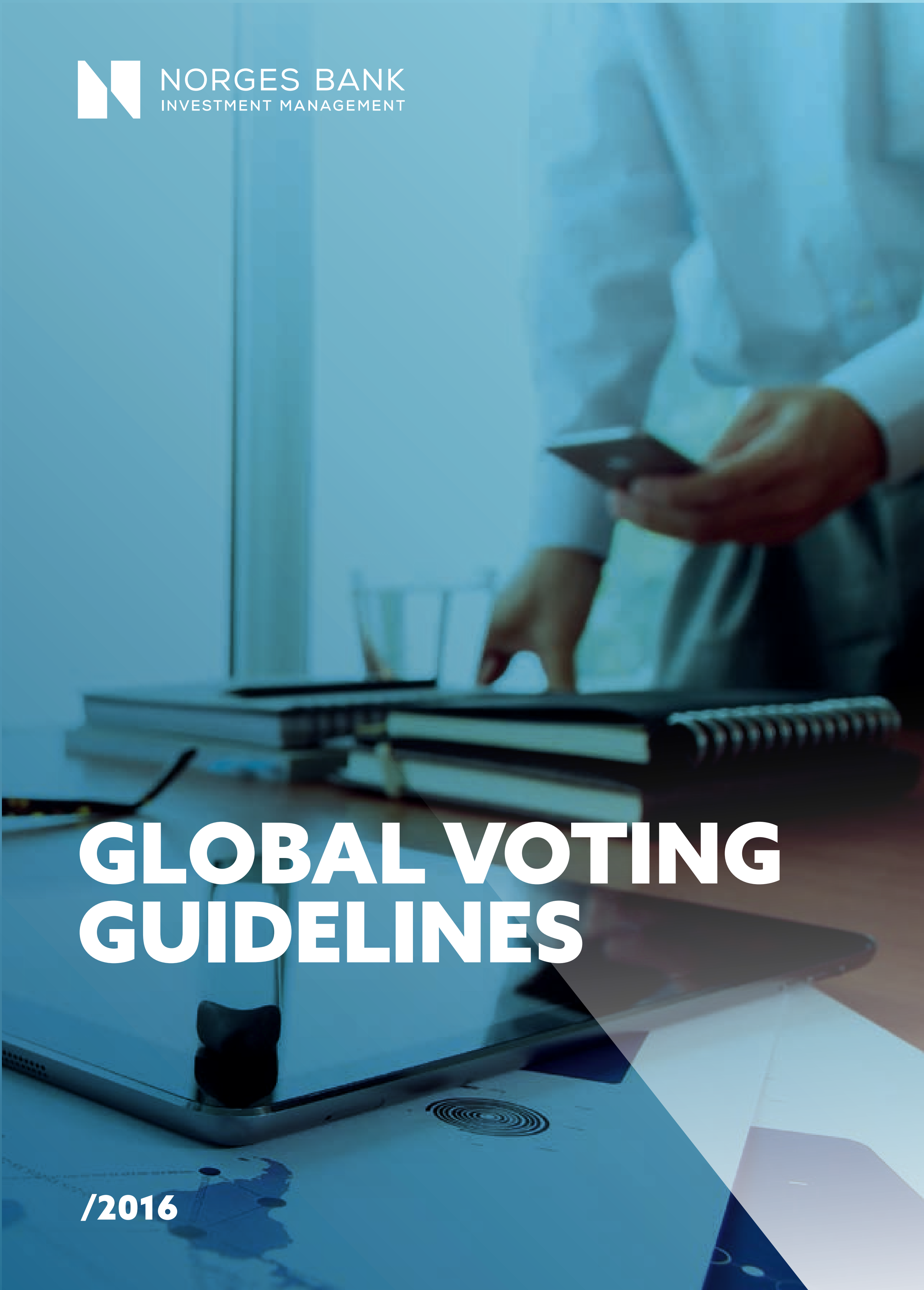
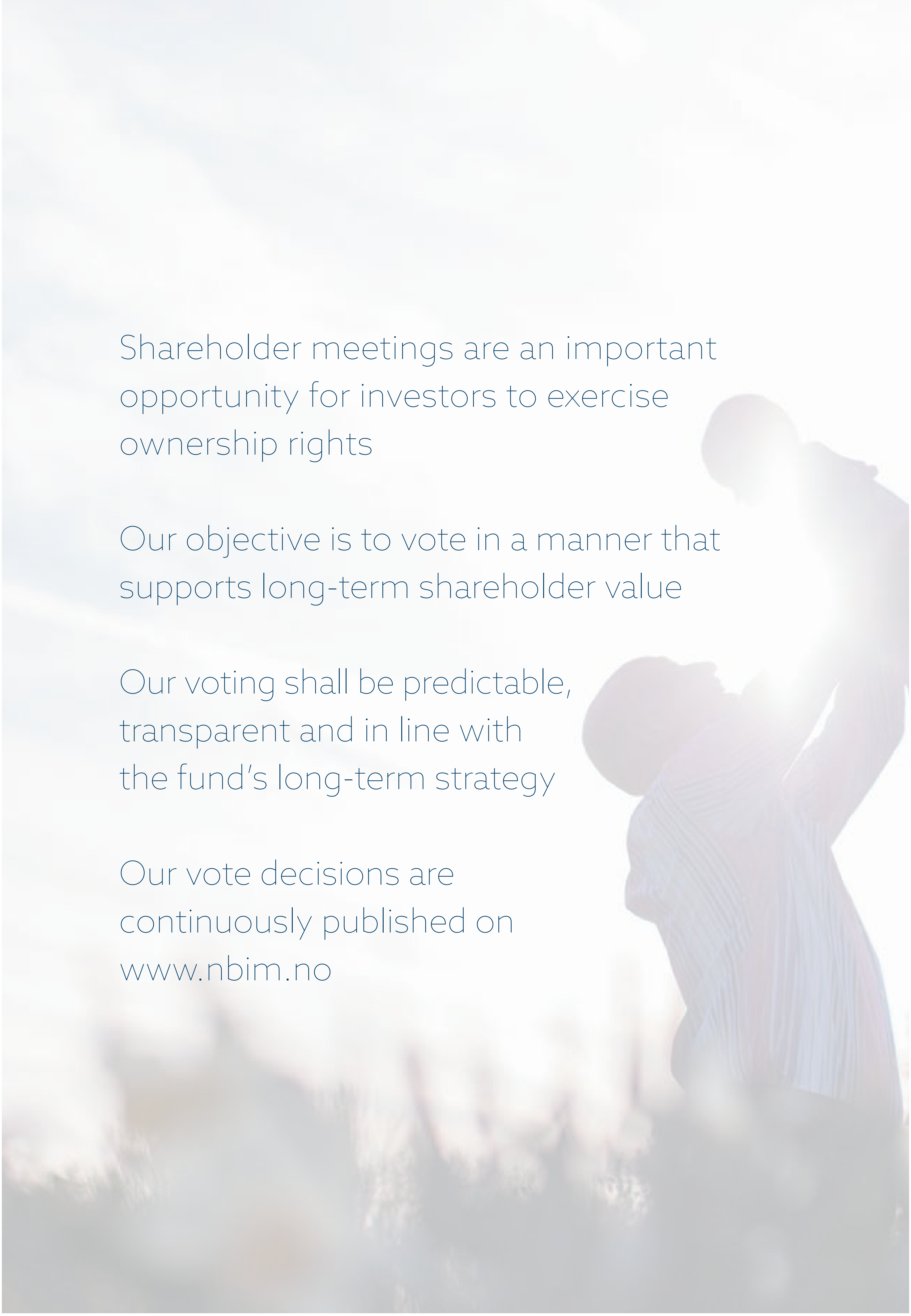
NORGES BANK
INVESTMENT MANAGEMENT



GLOBAL VOTING GUIDELINES

/2016



Shareholder meetings are an important opportunity for investors to exercise ownership rights

Our objective is to vote in a manner that supports long-term shareholder value

Our voting shall be predictable, transparent and in line with the fund's long-term strategy

Our vote decisions are continuously published on www.nbim.no

Content

2016

Introduction

Shareholder meetings are an important opportunity for investors to exercise ownership rights, hold boards accountable and influence companies. Norges Bank Investment Management will actively exercise its voting rights in order to support the return objective of the fund. Our voting seeks to further the long-term economic performance of our investments and reduce financial risks associated with the environmental and social practices of companies.

Norges Bank Investment Management's voting shall be predictable, transparent and in line with the fund's long-term strategy. Internationally recognized principles, our expectations, positions and guidelines serve as the foundation for our voting decisions.

This document sets out our approach to voting and the overarching positions that guide our voting decisions.

In the interest of transparency, we hope the document can be useful for both companies and other interested stakeholders.

We welcome comment and feedback on our voting and ownership activities. Please contact us at ownership@nbim.no

Our approach to voting

Norges Bank Investment Management is a large, long-term global investor with the goal of building financial wealth for future generations through responsible management of the fund. Our voting guidelines embed the long-term principles underpinning our corporate governance and ownership work. Our approach to voting is set out below.

WE WILL VOTE IN A PRINCIPLED AND CONSISTENT MANNER

We vote in the fund's long-term interests. Accordingly, we will vote in a principled and consistent manner to maximise the long term performance of the fund.

As a starting point, and where appropriate, we will base our principles and voting decisions on internationally recognised standards, such as the G20/OECD Principles of Corporate Governance, UN Global Compact, UN Guiding Principles for Business and Human Rights, and the OECD Guidelines for Multinational Enterprises.

Accommodate market specific practices and regulations

We are cognisant of the variation in legal and regulatory requirements from country to country, as well as the regional variation in concentrated ownership trends. Additionally, there is country variation as to whether company governance is regulated by rules based legislation or on a comply-or-explain basis.

We also recognise that cultural differences can affect the way businesses must operate to be successful. These factors should not prevent company boards implementing high quality corporate governance standards and from being transparent and accountable. Naturally, our global voting guidelines sit above specific regional and country features. Where appropriate, we will takes such factors into consideration when applying these guidelines.

Accommodate company specific circumstances

A principled approach to voting guides us in both complex and more straightforward voting situations. Many resolutions have common and predictable attributes that mean they can be voted on by the direct application of the relevant stance that we present in these voting guidelines.

In some cases the application of our voting guidelines require a wider consideration of company and case specific facts. For such proposals, we aim to incorporate all relevant company information and assessments in our final voting decision.

The depth and specificity of our vote assessment will vary with the materiality of the investment and the issue.

WE WILL BE TRANSPARENT IN OUR VOTING

In order to ensure timely disclosure, our vote decisions will be published on www.nbim.no one day after a general meeting has concluded. We may also publish voting intentions ahead of general meetings for a selected number of companies, and for certain fundamental issues that we emphasize in particular. We will inform each company in advance of publishing our vote intention.

Voting guidelines

THE BOARD

As a minority shareholder, we are one of many contributors of equity capital to a company. Most decision-making authority must therefore be delegated to the board of directors. For this delegation to function effectively there need to be a high degree of board accountability towards shareholders.

Boards should demonstrate commitment to creating long-term shareholder value, ensure business execution in line with communicated strategy, satisfactory financial outcomes, and company communication to the market in a timely, adequate and transparent manner. Boards should also demonstrate that they have considered the interests of all shareholders in their decision making and that they seek to treat shareholders equally.

DIRECTOR NOMINATION AND ELECTION

Board nomination process

The board should ensure a process whereby shareholder input into director evaluation and nomination process has been established. Board nomination processes should seek to establish an effective and diverse board.

The board must not establish a formal or informal process that aims to result in its self-perpetuation. We expect the board to establish a nomination process for prospective board directors that is transparent and accommodates a diverse pool of candidates.

The board or nominating body must demonstrate that it has considered the future needs of the company when recommending board candidates.

Frequent election of board members

For board accountability to be effective, shareholders must be able to participate in frequent election of all board members of the board, the preference being annual elections.

Bundling of director elections

Board members should be elected with an individual vote count at the shareholder meeting, and the vote tally published. In cases were votes are effectively bundled, we may vote against the board slate if we have serious concerns with individual board candidates.

BOARD COMPOSITION

Separation of CEO and Chairman roles

The roles of chairman and CEO are fundamentally different and should not be held by the same person. The separation of roles will best ensure effective monitoring of management, and hence a balance of power in the governance of the company. A separation also provides a greater opportunity to devote the attention each role demands.

Board independence

Boards should be composed of highly qualified individuals with independent and diverse perspectives. In non-controlled companies, the majority of shareholder-elected board members should be independent from management, major owners and related third parties.

Additionally, the board's audit, remuneration and nomination committees should be fully independent from management.

Industry expertise
We believe it is essential that boards have the necessary competence in order to meet the specific and changing needs of the company. Shareholders should be able to identify directors that bring relevant and current industry knowledge to the board.

Over commitment of board members
Directors are expected to devote sufficient time to fulfil his/her duties. To this end, board members must not become over-committed to other public and private roles. This is particularly relevant in the case of the Chairman role where unconstrained time commitment may be required.

BOARD ACCOUNTABILITY
Reflection of shareholder decisions
We will hold the board accountable for outcomes and reserve the right to seek changes to the board when it deviates from our expectations. In board elections, we will consider if the board has:

- Failed to act on material requests from shareholders,
- sought to circumvent shareholder proposals or has implemented governance changes limiting shareholders' rights to a larger extent than those already approved by shareholders,
- retained board members that failed to receive a majority of shareholder votes at the previous board election,
- implemented poor governance structures and practices, including anti-takeover measures, without submitting it to shareholder approval.

More widely, unsatisfactory financial and strategic results, mismanaged risk taking, the unacceptable treatment of affected stakeholders or other undesired outcomes will be taken into consideration.

Remuneration
One of the boards' responsibilities is to incentivize executive management in a manner that drives long term value creation. Setting appropriate remuneration structures for executive remuneration is therefore a key responsibility of the board. This responsibility is not relaxed in markets where remuneration policy is put to periodic shareholder vote.

Remuneration plans should be clear and easy to understand. The plans should be aligned with strategy and sensitive to risk. The plans should focus on outcomes that reflects true value creation, and should be reflective of the time horizon of the business cycle.

We expect full disclosure on key elements of remuneration schemes.

Executive remuneration is the demonstrable outcome of a board process. If a remuneration plan does not align with shareholder interests it is a signal of weak board process. This may result in Norges Bank Investment Management voting against re-election of remuneration committee members, or any director responsible for remuneration in those markets where a remuneration committee does not exist.

SHAREHOLDER RIGHTS AND EQUITABLE TREATMENT OF SHAREHOLDERS

The protection of shareholder rights is an essential requirement for minority shareholders in listed companies. This includes allowing shareholders the right to approve fundamental changes affecting the company. We also expect decisions affecting the capital structure of a company to be in line with the stated strategy and for all shareholders to be treated equitably.

SHAREHOLDER RIGHTS

Approval rights

We consider the right to vote on material changes affecting the company to be a fundamental shareholder right.
This will include the right to:

- appoint and remove directors,
- approve changes to articles of association,
- approve changes concerning capital structure.

In order for voting rights to have the intended effect, shareholders must also have the right to:

- receive timely and adequate disclosure,
- file proposals to shareholder meetings,
- ask for a shareholder meeting to be called,
- vote by proxy to the same effect as being present at the shareholder meeting, with equal information, and without unnecessary costs or other distortions.

Bundling of voting items

All proposals subject to shareholder decision should be presented as individual items. In those incidences where voting items are bundled, we may need to vote against if we have serious concerns with individual elements of the proposal.

Right to influence meeting agenda

Companies should establish reasonable conditions and procedures for shareholders to include proposals in the meeting material distributed by the company, including nominating board candidates.

One-share-one-vote

A well-functioning shareholder approval regime is best upheld when shareholder influence is proportional to capital invested. Any deviation from the principle of "one-share-one-vote" should demonstrably be beneficial to all shareholders.

Anti-takeover measures
Anti-takeover measures are in general not in the interest of shareholders and the introduction of such measures should, at a minimum, be subject to shareholder approval.

We define anti-takeover measures to include any mechanism by which company boards can shield themselves or management from shareholders. In addition to traditionally recognized anti-takeover structures and "poison pills" we include:

- Excessive capital authorisations,
- classified boards,
- differentiated voting rights,
- supermajority vote requirements, and
- other control-enhancing mechanisms.

Related party transactions
Related party transactions, including parent-subsidiary transactions and commercial arrangements with board members, should be declined unless demonstrably beneficial for all shareholders.

EQUITABLE TREATMENT – CAPITAL STRUCTURE
Differential rights
Shareholders in the same share class should receive equal treatment.

We expect that companies with differential rights at regular intervals make an assessment of whether to move to an equal-rights regime. A decision to continue discrimination must be demonstrated to be beneficial to all shareholders and justified to shareholders at periodic intervals.

Companies should use capital restructuring events as an opportunity to remove differential rights or to demonstrate their commitment to removing differential rights in the future.

Company boards should ensure fair treatment of minority shareholders when making changes to the corporate or capital structure and in corporate transactions.

Corporate transactions
Mergers, acquisitions and other corporate transactions should optimize shareholder returns in the long term. When evaluating such transactions we will consider if all shareholders are treated equally, if there are any unnecessary conflicts of interests, and if there is sufficient transparency of the transaction

Allocation of income
Allocation of income including dividends and share buy-backs should be consistent with the company's financial position, strategy and with other reasonable investor expectations. We will take into account any conflict of interest that could influence the decision.

Pre-emption rights
New issuances of shares should be offered proportionately to existing shareholders. When the board seeks to waive current shareholders' pre-emption rights, including the issuance of convertible securities and other derivatives, it must ensure that the decision fairly benefits all shareholders and seek prior shareholder approval. Unlimited capital authorizations should be avoided.

REPORTING, ACCOUNTS AND AUDIT

A company has a choice as to how transparently and consistently it informs its shareholders. The board is accountable for all information that is provided by the company, and for how the company chooses to communicate with shareholders and the wider market.

Annual report and accounts
The annual report is a vital document for shareholders. We expect the board of directors to use the annual report to present a fair, sensible and understandable assessment of the company. This should be both reflective of the prior year and set out the strategy and considered future prospects of the company.

The board must ensure adequate, honest and timely information to the market and the shareholders. Real-time and complete presentation of English-language information facilitates equal treatment of local-language and international investors.

Reporting must aim at building and retaining trust, and the board must accept responsibility for the entirety of the company's communication.

The approval of routine matters such as receiving financial statements and other reports from the board will be dependent upon the level of transparency provided by the company.

Discharge of directors and accounts
When validating the financial statements and discharging the board of responsibilities, we will consider whether any information available raises reasonable doubt about the financial statements or the board's actions. This includes initiation of any legal action, material misstatements or goodwill write-offs and important governance failures.

Corporate governance code
In those markets where a corporate governance code is recognized, companies should disclose whether they are in compliance with the local code of best practice. Any deviation should be identified and explained in a transparent manner.

External audit
We expect the external auditor to act in an independent manner. We will assess the auditor's independence and consider concerns about the accounts or audit procedures.

Excessive non-audit related fees represent a potential conflict of interest and should be avoided by the board.

SUSTAINABLE BUSINESS PRACTICES

Increasingly, companies are required to assess the impacts that their operations are having on external parties and the environment. Companies that address their impacts on society and the environment also support sustainable development in economic, environmental, and social terms.

Risk management
The company must address the impact of its activities on society and the environment. Business strategy and policies should secure business practices that are consistent with sustainable development.

We expect companies to include relevant social and environmental risk factors in their long term strategic business planning, as these can have a significant effect on the value of a company's assets over time, and its ability to generate long term returns for shareholders. Companies should also work against corruption in all its forms, including extortion and bribery.

Reporting of environmental and social risks
We consider disclosure of code of conduct, policies, strategies, management plans and performance data with respect to environmental and social issues as well as impact assessments of specific projects or operations to be the first step towards better management of associated risks. This includes risks related to climate change, water, and child labour and human right violations.

Shareholder proposals
When assessing proposals on increased disclosure we will consider whether current disclosure is insufficient and the proposed action is considered to be reasonable with regard to what the company can be held accountable for.

Company interaction with regulators
We expect companies to be transparent about the purpose and extent of interactions with policy-makers and regulators. This includes political contributions and lobbying expenditures.

NORGES BANK INVESTMENT MANAGEMENT
Bankplassen 2, P.O. Box 1179 Sentrum, N-0107 Oslo, Norway
T: +47 24 07 30 00, www.nbim.no