

Corporate Governance Report

Rederi AB TransAtlantic is a Swedish public limited company listed on NASDAQ OMX Stockholm, Small Cap list. TransAtlantic is governed through the Annual General Meeting, the Board of Directors and the President in accordance with the Swedish Companies Act and the Swedish Code for Corporate Governance. The company is majority-owned by Kistefos AS, with 62.9% share of the equity.

Corporate Governance in TransAtlantic

This Corporate Governance Report has been prepared in accordance with the provisions in the Swedish Code of Corporate Governance ("The Code") and Chapter 6, sections 6-9 of the Swedish Annual Accounts Act and Chapter 9, section 31 of the Swedish Companies Act, and pertains to the 2012 financial year. The auditor has expressed an opinion as to whether the preparation of the Corporate Governance Report and disclosures in accordance with Chapter 6, section 6, second paragraph 2-6 of the Annual Accounts Act (for example, the most important features of the company's system for internal control and risk management in conjunction with financial reporting) correspond with the other sections of the Annual Report.

TransAtlantic's Articles of Association and other additional information on corporate governance at TransAtlantic are available at www.rabt.se.

The company's governance, management and control are based on external laws and regulations, as well as internal regulations, policies and instructions. TransAtlantic's Board of Directors and management strive for TransAtlantic to comply with the demands placed on the company by the stock market, shareholders and other stakeholders. By being transparent and accessible, TransAtlantic strives to provide share-

holders' and other stakeholders with insight into decision channels, delegation of responsibility, authorities and control systems. In addition to this, the Articles of Association is a central control document. The Articles of Association stipulates where the Board has its registered head office, operational focus, authorized signatory, as well as information on the number of shares and share capital. The highest governing body in TransAtlantic is the General Meeting of Shareholders, where the company's shareholders exercise their influence. The Board of Directors manages, on behalf of the shareholders, the company's interests and transactions. TransAtlantic's Board of Directors is led by the Chairman of the Board, Christen Sveaas. The Board appoints the President.

Distribution of responsibility between the Board of Directors and the President is regulated in the Board's rules of procedure and the instructions for the President, both of which are established annually. Administration by the Board of Directors and the President, as well as the company's financial reporting is reviewed by an external auditor, appointed by the Annual General Meeting.

Application of the Code

The Board of Directors and management believe that the company follows and applies all regulations included in the Code,

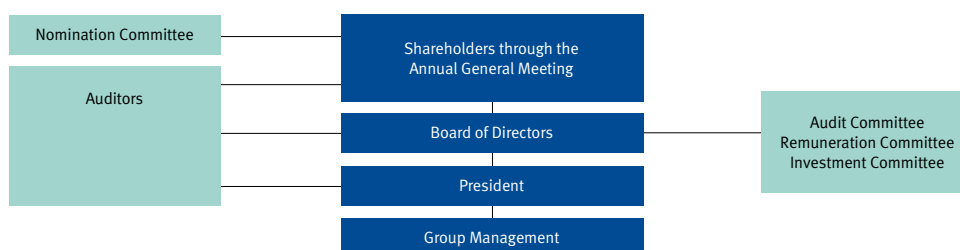
with the exception of the composition of the Nomination Committee. The Code states that the majority of the Nomination Committee members must be independent in relation to the company and company management. TransAtlantic's Nomination Committee includes Christen Sveaas (Chairman) and Henning E. Jensen, both of whom are dependent in relation to Kistefos AS, which is the company's largest owner, as well as Lena Patriksson Keller, who is dependent in relation to a Board member and a member of company management. However, the Board of Directors believes that this is reasonable based on the company's shareholder structure.

Shareholders

TransAtlantic's Series B shares have been listed on NASDAQ OMX Stockholm since 1991, the Small Cap segment. The share capital amounts to SEK 110,902,700, distributed among 110,902,700 shares with a quotient value of SEK 1. There are a total of 7,271,842 Series A shares and 103,630,858 Series B shares. Series A shares carry ten votes each and Series B shares carry one vote each. The number of shareholders at December 31 amounted to 5,346 (5,854). Both types of shares carry dividend entitlement.

Further information on the share and shareholders, refer to page 54.

Corporate governance structure at TransAtlantic



General Meeting of Shareholders

TransAtlantic's highest decision-making body is the General Meeting of Shareholders, which must be held within six months of the end of the financial year. Notification of the Annual General Meeting shall occur not earlier than six weeks and not later than four weeks prior to the Meeting. All shareholders included in the shareholders' register and who have registered for participation in time are entitled to participate and vote at the Meeting. Those shareholders who cannot attend in person may be represented by proxy.

The Annual General Meeting was held on April 27, 2012 at the Elite Hotel, Kungssportsavenyn in Gothenburg. The Meeting was attended by 62 shareholders, representing 83.3% of the votes.

At the Meeting, the entire Board of Directors, Group Management and the company's auditors were present. The President informed the shareholders about the development of the company during the past year and resolutions made at the Meeting included:

- no dividend will be paid for the 2011 financial year
- fees for the Board of Directors will total SEK 1,200,000, distributed as SEK 400,000 to the Chairman and SEK 200,000 to each Board member elected by the Meeting

- guidelines for remuneration of senior executives
- procedures for the appointment and work of the Nomination Committee.

At the Annual General Meeting, Christen Sveaas, Folke Patriksson, Henning Jensen, Håkan Larsson and Magnus Sonnorp were reelected. In addition to these Board members elected by the AGM, Christer Lindgren will remain as the trade-union representative. Christen Sveaas remained as Chairman and Folke Patriksson as the Deputy Chairman.

During the Meeting, shareholders were provided the opportunity to submit questions to the President and Board of Directors. Resolutions at the Meeting are usually made with a simple majority, but certain motions require a higher proportion of the votes represented at the General Meeting of Shareholders. It was not possible to follow or participate in the Meeting from another location using communication technology and no change has been planned in this regard for the 2013 Meeting.

Nomination Committee

The Annual General Meeting resolved to establish a Nomination Committee, which shall consist of three members representing the three largest shareholders, in terms of voting rights, on September 30 each year. At

the Annual General Meeting in April 2012, the Nomination Committee's Chairman, Christen Sveaas, reported on the work of the Nomination Committee. In its work, the Nomination Committee took into account the demands that can be placed on the Board of Directors resulting from the company operations and development phase, as well as competency, experience and background of the Board members. Independence issues were also highlighted, as well as issues pertaining to gender distribution.

Pursuant to the resolution of the Annual General Meeting in April 2012, the Chairman was given the task to appoint a Nomination Committee, based on the company's three largest shareholders at the end of September 2012, according to EuroClear Sweden AB. The Nomination Committee shall prepare proposals for Board members, the Chairman of the Board, as well as remuneration of Board members and proposals for regulations for the Nomination Committee for the 2013 Annual General Meeting. The composition of the Nomination Committee was announced on TransAtlantic's website and through the press release on October 16, 2012. The Nomination Committee comprises Christen Sveaas, Chairman of the Board (representing Kistefos AS/Viking Invest AS), Henning E. Jensen representing Kistefos AS/Viking Invest AS, Lena Patriksson Keller representing Enneff Rederi AB/

Corporate governance structure at TransAtlantic

Composition of the Board of Directors, and the number of meetings during the mandate period	Elected	Board meetings	Independent of major shareholders
Christen Sveaas, Chairman	2010	9/9	No
Folke Patriksson, Deputy Chairman	1972	7/9	No
Henning E. Jensen	2011	9/9	No
Håkan Larsson	1993	9/9	Yes
Magnus Sonnorp	2010	8/9	Yes
Christer Lindgren, Employee representative	2001	7/9	Yes

Enneff Fastigheter AB, as well as Jenny Lindén Urnes representing Lindéngruppen AB. The members of the Nomination Committee represent 81.8% of the voting rights (at December 31, 2012) of all shares in the company.

The composition of the Nomination Committee does not comply with the requirements of the Code relating to independent members, but the Board of Directors believes that the composition of the Nomination Committee is reasonable based on the company's ownership structure.

The Nomination Committee's proposals, its motivating statement about the proposed Board, as well as supplementary information on the proposed Board members, is announced in conjunction with the Notice convening the Annual General Meeting and is presented jointly with a report on the Nomination Committee's work at the 2013 Annual General Meeting.

Board of Directors

The Board of Directors shall consist of not less than five and not more than ten members, and not more than five deputies according to the Articles of Association. The Board members are elected annually at the Annual General Meeting, with a mandate period from the Annual General Meeting until the next Annual General Meeting. The Annual General Meeting decides the exact number of Board members.

At the Annual General Meeting on April 27, 2012, Christen Sveaas, Folke Patriksson, Henning Jensen, Håkan Larsson, as well as Magnus Sonnorp were elected to the Board. Christen Sveaas was elected Chairman of the Board. Folke Patriksson remains Deputy Chairman. In addition to the Board members elected by the Meeting, Christer Lindgren will remain as the trade-union representative. The number of Board members elected by the Meeting who are considered independent in relation to the company, according to requirements of the Code, is estimated to be four and independent in relation to major shareholders is two.

No other remuneration was made apart from that resolved on by the Annual General Meeting. Fees to the Board of Directors are approved by the Annual General Meeting following a proposal from the Nomination Committee. For more information on fees, see Note 7 on page 34.

Board of Directors' work

The Board of Directors is elected by the shareholders at the Annual General Meeting. The Board of Directors' responsibilities and tasks are determined by a formal work plan, in addition to laws and regulations. The work plan is reviewed by the Board on an annual basis, and established through a resolution by the Board. The Board's tasks include determining the company's goals, strategies, business plans, budgets, as well as approving major investments and loans raised by TransAtlantic. Furthermore, it is the Board's task to evaluate the operating management, as well as ensure systems to monitor and control the established goals. It is also the Board's task to appoint the President, and where applicable, the Executive Vice President. The Finance Policy, Attestation Policy and the Communication Policy, which are established annually, represent important control instruments. The Board also ensures the quality of the financial reporting through detailed reviewing of interim reports, annual reports and year-end reports at Board meetings. The Board addresses different issues in their entirety and, considering the Group's size and complexity, has not regarded sub-committees necessary to prepare certain issues. This means that the Board as a whole constitutes the Audit Committee and Remuneration Committee. For 2012, the Board resolved to appoint a special committee to manage the Group's liquidity.

The Board usually meets on seven occasions per year and additional meetings are held as necessary. Scheduled meetings are held in connection with quarterly reports and additional meetings are held to deal with strategic issues and decide on budgets for future financial years. Based on this, the Board held nine scheduled meetings in 2012/2013, of which seven ordinary meetings, one extraordinary meeting, as well as one statutory meeting. The CFO of Rederi AB TransAtlantic is the Secretary at the Board meetings. The Board of Directors also receives monthly reports pertaining to the company's financial position. At scheduled Board meetings, reports are also submitted pertaining to the current work in each business area with detailed analyses and proposals for measures.

Chairman's responsibility

The Chairman of the Board is elected by the Annual General Meeting. The Chairman of the Board is responsible for organizing and leading the Board's work in accordance with applicable rules for listed companies, the Code and the Articles of Association. Furthermore, the Chairman shall support the President. The Chairman and the President prepare proposals for the agenda for Board meetings. The Chairman conducts a dialog with the President and is responsible for ensuring that other Board members receive the information and documentation needed to make decisions. The Chairman of the Board is also responsible for ensuring the annual review of the Board's work.

The Chairman of the Board is Christen Sveaas and the Deputy Chairman is Folke Patriksson.

Christen Sveaas owns Kistefos AS, which is the majority owner of TransAtlantic with 62.9% of the share capital, as well as 58.4% of the voting rights. In addition to his Chairmanship of TransAtlantic, Christen Sveaas is the Chairman of the Board of Kistefos Holding AS and a number of other companies.

President

The President, Henning E. Jensen, who was appointed on December 31, 2011, is responsible for the continuous management of the operations based on the terms of references issued by the Board of Directors. The President's responsibilities include decisions regarding current investments and divestments, HR, financial and accounting issues, continuous contact with the company's stakeholders, as well as ensuring that the Board receives the information required to make well-substantiated decisions. The President reports to the Board of Directors. Henning E. Jensen is a member of the Board of Directors. The President attends all Board meetings, except at Board meetings where the President is being evaluated.

The President leads the Group management work and makes decisions in consultation with other management members.

Henning E. Jensen is not employed by TransAtlantic but works as a consultant through Kistefos AS. For more information, refer to Note 7 on page 34.

Group Management

The President appointed a management team that comprised five individuals during most of 2012. In addition to the President, Group Management included Heléne Mellquist (CFO until October and thereafter as Head of Industrial Shipping, as well as CFO until the position was filled in January 2013 temporarily by Erik Hansen), Britta Stolt HR Manager, Christian W. Berg, Head of Viking Supply Ships and Kim Sørensen, Head of Industrial Shipping (from March to November). Group Management is responsible for planning, controlling and following up daily operations. Group Management held regular meetings to monitor the business operations, follow-up on financial development and other operational, development and strategy issues. Group Management ensures that the right competency exists in the organization in relation to the company's strategies. Authorities and responsibilities for the President and Group Management are defined in the policies, job descriptions and attestation instructions.

For more detailed information about the President and Group Management, refer to page 15.

Auditors

The auditors are elected by the Annual General Meeting and at the Meeting in April 2012, the auditing firm of PriceWaterhouseCoopers AB was elected for a mandate period until the 2013 Annual General Meeting. Authorized Public Accountant Olof Enerbäck was elected Auditor in Charge. The auditors' task is to review the President's and Board's management of the company and the quality of the company's financial reports, as well as review the Annual Report. The company's auditors participate once per year at a Board meeting to submit a report on the year's accounting and their view of the company's internal control system. Information on remuneration of auditors is found in Note 8, page 35 of the Annual Report.

Guidelines governing remuneration of senior executives

The 2012 Annual General Meeting adopted the guidelines governing remuneration of senior executives, which cover the President and Group Management, comprising five individuals for most of 2012, and are based on the following general principles:

The principles for remuneration of senior executives from a short- and long-term perspective shall attract, motivate and create favorable conditions for retaining competent employees. To achieve this, it is important to maintain fair and internally balanced conditions that are also competitive in market terms with respect to structure, scope and level. The employment terms and conditions for senior executives shall contain a well-balanced combination of fixed salary, pension benefits and other benefits, as well as special terms for remuneration in the event of termination of employment. The possibility shall exist to pay variable remuneration.

The total annual cash remuneration to senior executives shall be determined on the basis of competitiveness. The total level of remuneration shall be reviewed annually to ensure that it is in line with comparable positions in the relevant market. Remuneration shall be based on performance and positions.

The company's remuneration system shall contain various forms of remuneration aimed at creating well-balanced compensation that verifies and supports the achievement of short- and long-term goals.

The fixed salary shall be set individually and be based on the individual's responsibility and role, as well as the individual's competence and experience in the relevant position. The President and other senior executives may receive a variable remuneration if the Board resolves to this effect. Any variable remuneration must be based on extraordinary performance in relation to defined and measurable goals, as well as be maximized in relation to the basic salary and always justified, particularly in a joint Board discussion. The President's remuneration is determined by the Board of Directors. However, remuneration of the President in 2012 was through a consulting agreement.

When new pension agreements are signed, senior executives entitled to pension, excluding the President, shall receive the customary pension benefits within the framework of the general pension plan. The retirement age for senior executives is 65 years. Pension provisions must be based only on basic salary.

Other benefits, such as company car, compensation for preventive healthcare and sickness insurance, shall comprise a small

portion of the total compensation, correspond to market levels and contribute to the executive's possibilities of fulfilling his or her work assignment.

Apart from fixed and current remuneration, there is no previously approved remuneration for senior executives that has not been paid.

The period of notice for senior executives shall be six months when initiated by the executive and, in the event of notice from the company, six to 12 months. For more detailed information on remuneration of the President and senior executives, see Note 7 on page 34.

Audit Committee and Remuneration Committee

The Board has decided that it shall handle auditing matters in its entirety and held one meeting with the Group's auditors during the year. Planned and completed audits were discussed at these meetings. The audit encompasses such issues as risk assessment, risk management, financial control, accounting issues, Group policies and administrative issues. Considerable emphasis is placed on follow-ups and implementing measures. The auditors also keep the Board informed of current developments in relevant areas.

The Board also decided to address remuneration issues within the framework of Board duties. Remuneration of the President was addressed, as were the principles for remuneration of senior executives. Remuneration related to the Board of Directors' work is approved by the Annual General Meeting.

Investment Committee

The task of the Board-appointed Investment Committee is to make decisions on investments for the Group's surplus liquidity for 2012. However, the investments were divested in autumn 2012.

The Board's description of internal control and risk management in financial reporting

This description of internal control and risk management is submitted by the Board of TransAtlantic and is prepared in accordance with the Swedish Code of Corporate Governance. The Board of Directors of TransAtlantic has overall responsibility for the internal control pertaining to the financial reporting. Good internal control is

based on efficient Board work. The Board's formal work plan and instructions for the President are aimed at establishing a clear role and distribution of responsibilities to efficiently manage operational risks. Company management reports regularly to the Board of Directors, based on established procedures and also the auditor's review of the internal control in the event it had any impact on the financial reporting. Group Management is responsible for the system of internal controls that is required to handle significant risks in operating activities. This is aimed at ensuring that the operation is conducted appropriately and efficiently, as well as the financial reporting is reliable and that rules, regulations and ordinances are followed.

The company has prepared procedures for the assessment of risks in the financial reporting, as well as to attain a high reliability in the external reporting and that the reporting is prepared in accordance with laws and other requirements on listed companies.

Risk assessment and control activity

TransAtlantic's assessment pertaining to the financial reporting aims to identify and evaluate the significant risks that influence the internal control with respect to the financial reporting in the Group's companies, business areas and business processes. Considerable emphasis was placed in formulating the controls to prevent and recognize errors in these areas. The key control instrument for the financial reporting comprises primarily the company's Finance Policy. See also page 20 Risks and uncertainties.

Control environment

The Board of Directors has overall responsibility for the internal control pertaining to the financial reporting. The Board has established a formal work plan to clarify the Board's responsibilities and to regulate the distribution of work among Board members. Responsibility for maintaining an efficient control environment is based on an organization with distinct decision routes and clear instructions and with common values, where each employee has insight into his/her role in maintaining good internal control.

Information and communication

TransAtlantic's Board of Directors has established a Communication Policy, which states what shall be communicated, by whom and the manner in which the information shall be issued to ensure that the external information is correct and complete. In addition, there are instructions governing how financial information shall be communicated between management and other employees. TransAtlantic's shareholders and other stakeholders can monitor the company's operations and its development on the website, where current information is published on a continuous basis. Events deemed as having a potential impact on the share price are published through press releases. Financial information is provided through quarterly reports and year-end reports, as well as through the company's annual report.

Follow-up

The Board continuously evaluates the information submitted by company management and the auditors. The work includes ensuring that measures are implemented that address inadequacies and preparing proposals for measures that arise in the external audit.

Internal audit

The Board has not found any reason to establish an internal audit function considering the size of the Group and the centralization of the finance administration.

Significant guidelines that are important to financial reporting are continuously updated and communicated to employees concerned.

Fees and remuneration

Fees and remuneration to the President and Group Management are described in more detail in Note 7 on page 34.

Key policies

In addition to those listed above, the Board's responsibilities include ensuring that the Group's policies are kept updated and are observed. The Group has policies on such issues as investments, financing and foreign currency matters, approval and authorization of and attestation instructions for financial commitments, communications/ Investor Relations, as well as ethics and a code of conduct. As part of the Group's responsibility, there are also health, safety, environmental and quality policies (HSEQ policy) for the company's operations at sea and on land.

Gothenburg, March 20, 2013

Christen Sveaas
Chairman

Folke Patriksson
Deputy Chairman

Henning E. Jensen
Board member

Håkan Larsson
Board member

Magnus Sonnorp
Board member

Christer Lindgren
Employee representative

Auditor's report on the Corporate Governance Report

To the Annual General Meeting of Rederi AB TransAtlantic (publ), corporate registration number 556161-0113

The Board of Directors is responsible for the Corporate Governance Report for the year 2012 on pages 8–12 and that it was prepared in accordance with the Annual Accounts Act.

We have read the Corporate Governance Report and based on that reading and our knowledge of the company and the Group, we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the Corporate Governance Report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

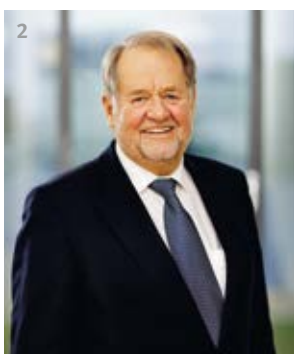
In our opinion, the Corporate Governance Report has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Gothenburg, March 22, 2013

PricewaterhouseCoopers AB

Olof Enerbäck
Authorized Public Accountant

Board of Directors



1. Christen Sveaas

Born 1956, Oslo.
Chairman of the Board since 2010. Christen Sveaas has several Board assignments including Chairman of Kistefos Skog AS, Kistefos Holding AS and Anders Sveaas' Almennyttige Fond, a Norwegian charitable foundation. He is also a member of Dean's Council Executive Committee. Christen Sveaas has a Lic.oec. HSG degree from St Gallen, Switzerland.
Shareholding: 3,693,178 Series A shares and 66,090,461 Series B shares through companies.
Board fee: SEK 400,000/year.

2. Folke Patriksson

Born 1940, Skärhamn.
Deputy Chairman.
Board member since 1972.
Folke Patriksson is the Deputy Chairman and has been a Board member since 1972. Folke Patriksson was previously the Chairman of the Board of the Swedish Sea Rescue Society and is now Board member of Swede Ship Marine AB. Folke Patriksson holds a mate's examination (degree in Nautical Science) and has 40 years' experience of the shipping industry. He is one of the founders of TransAtlantic and was formerly CEO of the company for 32 years.
Shareholding: 2,532,122 Series A shares and 1,399,490 Series B shares through companies.
Board fee: SEK 200,000/year.

3. Henning E. Jensen

Born 1960, Oslo.
Board member since 2011.
President and CEO of TransAtlantic. Henning E. Jensen is also CEO of Kistefos. Henning Jensen's previous assignments included Senior Vice President Chairman of the Supervisory Board, Controller, Managing Director, Director and Vice President of TE Connectivity, as well as CEO and Chairman of RHI AG. Henning E. Jensen has experience from executive positions in various industries including RHI AG, TE Connectivity and General Motors. He was also a Professor of Finance at the University of San Francisco, where he also received his degree.
Shareholding: –
Board fee: SEK 200,000/year.

4. Håkan Larsson

Born 1947, Gothenburg.
Board member since 1993.
Håkan Larsson was the CEO of TransAtlantic from 2003 to 2007 and was previously CEO of Bilspedition/BTL and Schenker AG. Håkan Larsson is Chairman of the Board of Schenker AB, Inpension Asset Management AB and Valea Holding AB. He is Board member of Walleniusrederierna AB, Bure Equity AB, Handelsbanken Region West, Semcon AB, Stolt-Nielsen Ltd and Svenska Skeppshypotek. Håkan Larsson is a Graduate in Business Administration from the University of Gothenburg.
Shareholding: 2,400 Series A shares and 100,000 Series B shares.
Board fee: SEK 200,000/year.

5. Magnus Sonnorp

Born 1967, Stockholm.
Board member since 2010.
Magnus Sonnorp is a Board member of Linver AB and Sulgrave Rd AB, Brunkeberg Industriutveckling AB and Planglasteknik Stockholm AB, as well as a Board member of Secure Glass Holding AB and was previously the Chairman of the Board of ClearSense AB and EDSA Holdings. Magnus Sonnorp holds a M.Sc. in Economics from Stockholm School of Economics and an MBA from Insead.
Shareholding: 50,000 Series B shares.
Board fee: SEK 200,000/year.

6. Christer Lindgren

Born 1965, Stockholm.
Board member since 2001.
Employee representative.
Christer Lindgren is a chef and sailor.
Board member of SEKO seafarers.
Shareholding: –
Board fee: –

Management



1. Henning E. Jensen

President and CEO
Born 1960, Oslo.
CEO since 2012.

Education: Bachelor of Arts, University of San Francisco, MBA, University of San Francisco and Cand. Dr., Hochschule St. Gallen, Switzerland.

Shareholding: –

2. Christian W. Berg

Head of Viking Supply Ships business area
Born 1968, Copenhagen.
Employed since 2011.

Education: Maritime law studies at Vestfold University College in Horten, Norway and Norwegian Navy Academy at Befalskolen for Marinen in Horten, Norway.

Shareholding: –

3. Heléne Mellquist

Head of Industrial Shipping business area and CFO until the takeover of acting CFO Erik Hansen.
Born 1964, Gothenburg.
Employed since 2012.

Education: University of Gothenburg, B.Sc. Economics, IFL at the Stockholm School of Economics, Executive Program.

Shareholding: –

4. Britta Stolt

HR Manager
Born 1965, Gothenburg.
Employed since 1993.

Education: Developer program and Advanced strategic HR program.

Shareholding: –

5. Erik Hansen (not in picture)

Acting CFO from January 2013.
Born 1953.

Education: MBA from Insead Business School, Graduate in Business Administration from Warwick Business School in the UK.

Shareholding: –