

Corporate governance in TransAtlantic

Rederi AB TransAtlantic is a Swedish public limited company listed on NASDAQ OMX Stockholm, Small Cap Segment. 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.

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 Ch. 6, sections 6–9 of the Swedish Annual Accounts Act and Ch. 9, section 31 of the Swedish Companies Act, and pertains to the 2010 financial year. The auditor has expressed an opinion as to whether the preparation of the Corporate Governance Report and disclosures in accordance with Ch. 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 insight into decision channels, responsibility, authorities and control system. 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 as well as information on the number of shares and share capital. The highest governing body in TransAtlantic is the Annual General Meeting, 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.

Responsibility distribution between the Board of Directors and the President is regulated in instructions and the rules of procedure for the Board of Directors, which is established annually. Administration by the Board of Directors and the President, as well as the company's financial reporting is reviewed by external auditors, elected 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 Nomi-

nation Committee includes Christen Sveaas and Åge Korsvold, who represents Kistefos AS, which is the largest shareholder in the company, as well as Lena Patriksson Keller, who is not independent in relation to a Board member and a member of company management. However, the Board of Directors believes that this relationship reflects the ownership structure in the company and is thus a reasonable situation.

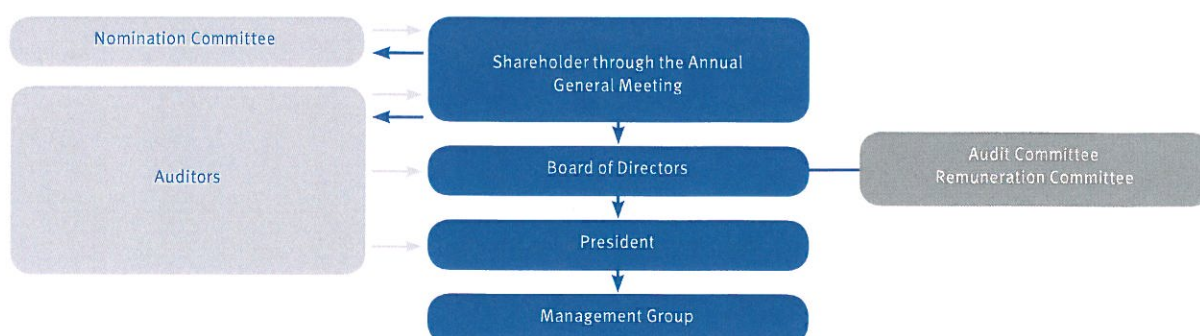
Shareholders

TransAtlantic's Series B shares are listed on NASDAQ OMX Stockholm since 1991, the Small Cap segment. The share capital amounts to SEK 554,513,500, distributed among 55,451,350 shares with a quotient value of SEK 10. There are two classes of shares: 3,635,921 Series A shares and 55,815,429 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 6,783. Both types of shares carry dividend entitlement.

Further information on the share and shareholders, refer to page 30.

Annual General Meeting

TransAtlantic's highest decision-making body is the Annual General Meeting, 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 list of shareholders 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 28, 2010 at the Nordic Watercolour Museum in Skärhamn. At the Meeting, 68 shareholders and their representatives were present, representing 51% of the votes. At the Meeting, the entire Board of Directors, Group Management and the company's auditors were present. The Acting President also informed the Meeting about the development of the company during the past year and resolutions made at the Meeting included:

- no dividend will be paid for the 2009 fiscal year
- fees for the Board of Directors shall remain unchanged and total SEK 1,600,000, distributed as SEK 400,000 to the Chairman and SEK 200,000 to each Board member
- adopting the Meeting's guidelines for remuneration to senior executives
- regulations for the appointment and work of the Nomination Committee
- approval for the Board on the transfer of treasury shares

At the Annual General Meeting, Folke Patriksson, Håkan Larsson, Helena Levander, Christer Olsson, Lena Patriksson Keller and Björn Rosengren were re-elected. First-time election of Magnus Sonnorp. In addition to these, Christer Lindgren will remain as the trade union representative and member of the Board. Folke Patriksson remained as Chairman of the Board.

During the Annual General 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 portion of the votes represented at the Annual General Meeting. It was not possible to follow or participate in the Annual General Meeting from another location using communication technology and no change has been planned for the 2011 Annual General Meeting.

Extraordinary General Meeting

An Extraordinary General Meeting was held on September 22, due to the proposal for the acquisition of all shares outstanding in Trans Viking, as well as the new share issue. The Meeting resolved to approve the proposal in accordance with the Board's proposal. The resolution of the Meeting entailed that TransAtlantic acquired all Viking Supply Ships AS's shares in Trans Viking, with payment in the form of newly issued shares in TransAtlantic. The Meeting also resolved to reduce the company's share capital by the cancellation of Series B treasury shares. Finally, it was resolved to establish the number of Board members to six for the period until the end of the next Annual General Meeting. Christen Sveaas and Åge Korsvold were elected new Board members. Folke Patriksson, Håkan Larsson, Christer Olsson and Magnus Sonnorp were re-elected in accordance with the resolution by the Annual General Meeting. In addition, Christer Lindgren was appointed employee representative. Furthermore, the Meeting elected Christen Sveaas as Chairman of the Board and Folke Patriksson as Deputy Chairman.

For further information, see www.rabt.se/ Investor Relations.

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 2010, the Nomination Committee's Chairman, Folke Patriksson, 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 2010, the Chairman was given the task to appoint a Nomination Committee, based on the company's three largest

shareholders at the end of September 2010, 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 2011 Annual General Meeting. The composition of the Nomination Committee was announced on TransAtlantic's website and through the press release on November 3, 2010. The Nomination Committee comprises Christen Sveaas and Åge Korsvold representing Viking Supply Ships/Kistefos, Jenny Lindén Urnes representing Villa Costa AB and Lena Patriksson Keller representing Enneff Rederi AB/Enneff Fastigheter AB. The members of the Nomination Committee represent slightly more than 73% of the voting rights of all shares in the company. In conjunction with the acquisition of Trans Viking, Folke Patriksson signed a shareholder agreement with Kistefos regarding certain issues related to TransAtlantic. The shareholder agreement defines, for example, the appointment of the Board of TransAtlantic, which, according to the agreement, shall comprise six members elected by the General Meeting of shareholders. Kistefos is entitled to nominate three Board members, including the Chairman, and Enneff is entitled to nominate three members, including the Deputy Chairman of the Board. One of each of the parties' nominated Board members shall be independent in relation to the company's major shareholders. The agreement also contains provisions for preferential purchase should one of the parties to the agreement wish to sell its shares.

The composition of the Nomination Committee do not comply with the requirements of the Code relating to independent members, but the Board of Directors believe that the composition in the Nomination Committee matches the company's ownership structure.

The Nomination Committee's proposal, its motivated 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 2011 Annual General Meeting.

Composition of the Board of Directors, number of meetings during the term of office

	Elected	Board meeting	Independent	
Christen Sveaas, Chairman ¹⁾	2010	4/14		
Åge Korsvold ²⁾	2010	4/14		
Folke Patriksson, Deputy Chairman	1972	13/14		
Håkan Larsson	1993	14/14	x	1) Elected as Chairman at the Extraordinary General Meeting in September 2010.
Christer Olsson	1999	12/14	x	2) Elected at the Extraordinary General Meeting in September 2010.
Christer Lindgren, Employee representative	2001	13/14	x	3) Elected at the Annual General Meeting in April 2010.
Magnus Sonnorp ³⁾	2010	12/14	x	4) Left the Board of Directors at the Extraordinary General Meeting in September 2010.
Helena Levander ⁴⁾	2005	8/14	x	5) Left the Board of Directors at the Annual General Meeting in April 2010.
Björn Rosengren ⁴⁾	2003	7/14	x	
Lena Patriksson Keller ⁴⁾	2007	8/14		
Jenny Lindén Urnes ⁵⁾	2009	2/14		

Board of Directors

The Board of Directors shall consist of not less than five and not more than ten members 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 end of the next Annual General Meeting. The Annual General Meeting decides the exact number of Board members.

At the Annual General Meeting in April 2010, Folke Patriksson, Håkan Larsson, Helena Levander, Christer Olsson, Björn Rosengren, Lena Patriksson Keller and Magnus Sonnorp were elected. Folke Patriksson was elected Chairman of the Board. 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 total three. At the Extraordinary General Meeting in September, a new Board of Directors was elected comprising Christen Sveaas, Åge Korsvold, Folke Patriksson, Håkan Larsson, Christer Olsson and Magnus Sonnorp. Christer Lindgren remains as employee representative.

Christen Sveaas was appointed Chairman of the Board and Folke Patriksson was elected Deputy Chairman. No other remuneration was paid in addition to that approved by the Annual General Meeting. Remuneration to the Board of Directors is approved by the Annual General Meeting following a proposal from the Nomination Committee. For information on remuneration, see Note 7.

Board of Directors' work

The Board of Directors are elected 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 Vice President. The Finance Policy, approval list and the Information 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 expressly made the decision not to have sub-committees to prepare various matters. This means that the Board as a whole constitutes the Audit Committee and Remuneration Committee.

The Board usually meets on six occasions per year and additional meetings are held as neces-

sary. Due to the acquisition of all shares outstanding in Trans Viking, as well as the new share issue, the Board has implemented comprehensive analysis and preparation prior to the takeover. Due to the negative results in 2009 and the beginning of 2010, the Board has paid particular attention to monitoring the company's financial situation and liquidity. 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 six scheduled meetings, and one statutory meeting, as well as 8 extraordinary meetings. The CFO, Ola Helgesson, is Secretary to the Board meetings. The Board of Directors also receives monthly reports pertaining to the company's financial position. At scheduled Board meetings, reports were 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 stock market companies, the Swedish Code for Corporate Governance 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 Folke Patriksson was elected Deputy Chairman.

In addition to his involvement in TransAtlantic, Christen Sveaas is also Chairman of Kistefos AS and a member of the Boards of companies that include Stolt-Nielsen AS and Orkla ASA.

President

Stefan Eliasson was elected new President and CEO in September 2010. Stefan Eliasson was elected Acting President in December 2009. See page 43 on the President's resignation in 2011. The President 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 current investments and divestments, HR, financial and accounting issues, current contacts 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. He is not a member of the Board but attends all Board meetings, except at Board meetings where the President is being evaluated.

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

Group Management

The President appointed a management team comprising six persons in 2010. In addition to the President, the management team comprises Mårten Carlquist, Head of Industrial Shipping business area, Åke Rohlén, Head of the Offshore/Icebreaking business area, Balder Hansson, Head of the Ship Management support unit, Britta Stolt, HR Manager and Ola Helgesson, CFO. The management team is responsible for planning, managing and following up the daily operations. The management team held continuous meetings every two weeks to monitor the business operations, follow-up on financial development and other operational, development and strategy issues. During 2010, the management team also specifically analyzed the financial trend due to the negative results in 2009 and 2010. Group Management also conducted a detailed analysis of the taking over of the shares in Trans Viking and the consequences this had on the internal operations and organization. Group Management also ensures that the right competency exists in the organization in relation to the company's strategies. The management team held strategy meetings twice per year. Authorities and responsibilities for the President and the management team are defined in the policies, job descriptions and attestation instructions.

Effective January 1, 2011, Group management, apart from the President, comprises Mårten Carlquist, Head of the RoRo Baltic and Container divisions, Klas Eskilsson, head of the Bulk division, Åke Rohlén, Head of the Offshore/Icebreaking business area, Ola Helgesson, CFO, and Britta Stolt, HR Manager. CFO Ola Helgesson has resigned his position and will leave at the end of April 2011. For more detailed information about the President and Group Management, see page 40 of the Annual Report.

Auditors

The auditors are elected by the Annual General Meeting and at the Meeting held in April 2008, the auditing firm of PriceWaterhouseCoopers was elected for a period of four years. Authorized Public Accountant Helen Olsson Svårdström was elected Auditor in Charge and signs the auditors' report together with Olof Enerbäck. The auditor's task is to review the Board's and President's management of the company and the quality of the company's financial reports, as well as review the Annual Report. The Auditor in Charge also presents the auditors' report to the Annual General Meeting. The company's auditors participate in two Board meetings annually to present reports on the year's accounting and their view of the company's internal control system. The auditors report directly to the Board of Directors. Information on remuneration of auditors is found in Note 8 of the Annual Report.

Principles governing remuneration of senior executives

The 2010 Annual General Meeting adopted the guidelines governing remuneration of senior executives, which cover the CEO and his man-

agement group (six people in 2010), and are based on the following general principles:

The principles for remuneration to 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 regarding 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 position.

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.

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.

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. For the President, pension premium payments could be made corresponding to 25% of basic salary until the time of retirement.

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 remuneration approved earlier for senior executives that has not been paid.

The period of notice for senior executives shall be six months and, in the event of notice from the company, six to twelve months. For the President, a period of notice of up to six months shall apply if notice is served by the company. In the event of such termination, the President is entitled to severance pay corresponding to 18 months' salary. For more detailed information on remuneration of the President and senior executives, see note 7 of the Annual Report.

Audit Committee and Remuneration Committee

The Board has decided that it shall handle auditing matters in its entirety and, thus, held two meetings 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 has also decided to address remuneration issues within the framework of Board duties. Remuneration of the President was addressed, as were the principles for remuneration to senior executives. Remuneration related to the Board of Directors' work is approved by the Annual General Meeting.

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. The management group reports regularly to the Board of Directors, based on established procedures and also the auditor's review of the internal control. Company 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 risks in these areas. The key control instrument for the financial reporting comprises primarily the company's finance policy. See also page 54 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 respon-

sibilities 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 the maintaining good internal control.

Information and communication

TransAtlantic's Board of Directors has established an Information Policy, which states what shall be communicated, by whom and the manner in which the information shall be issued to ensure that the internal 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 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. To achieve efficient internal information, the organization meets once a month for information and discussion of issues.

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 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 of the Annual Report.

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 currency matters, approval and authorization of financial commitments, communications/Investor Relations and a Code of Conduct/Ethics. As part of the Group's responsibility, there are also health, safety and environmental policies (HSE policy) for the company's sea and land operations.

Gothenburg, March 31, 2011

Christen Sveaas Chairman	Folke Patriksson Deputy Chairman	Åge Korsvold Board member	Håkan Larsson Board member
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Christer Olsson Board member	Magnus Sonnorp Board member	Christer Lindgren Employee representative
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AUDITORS' REPORT ON THE CORPORATE GOVERNANCE REPORT

To the Annual General Meeting of Rederi AB TransAtlantic (publ) corp. reg. no. 556161-0113

It is the Board of Directors that is responsible for the corporate governance report for the year 2010 on pages 34–38 and that it has been prepared in accordance with the Annual Accounts Act.

As a basis for our opinion that the corporate governance report has been prepared and is consistent with the annual accounts and the consolidated accounts, we have read the corporate governance report and assessed its statutory content based on our knowledge of the company.

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, April 4, 2011

PricewaterhouseCoopers AB

Helén Olsson Svärdröm
Public Authorized Accountant
Auditor-in-Charge

Olof Enerbäck
Public Authorized Accountant