

The Spirit of TTS

NOVEMBER 2007

TTS

*TTS – being
the preferred
global supplier for
handling equipment
to the maritime and
oil and gas industry
on a sound
financial basis*

I.O

VISION AND STRATEGY

1.1 Vision

“TTS – being the preferred global supplier for handling equipment to the maritime and oil and gas industry on a sound financial basis.” The vision means that we have to be close to the customers to be in position to get: **THE FIRST AND THE LAST CALL.**

Definitions

Preferred Supplier

The supplier you naturally turn to when you have a project. TTS shall not necessarily be the largest one, but one of the leaders with a solid reputation. TTS is a natural candidate on all “Maker’s list”.

Global

Not necessarily present in all geographical markets, but open to operate on all continents.

Handling Equipment

Cargo access and cargo handling on board ships and off shore, but also including on shore and harbour terminals. Also handling equipment for heavy load and for moving ships or ship sections. Drilling equipment for offshore and onshore installations, drilling packages (offshore) and land rigs.

Profitable basis

Meet our owners’ requirement for return on capital investments.

1.2 Business mission

TTS is a global company that develops, markets, and supplies complete handling systems for the maritime and oil and gas industry that meets the markets requirements and expectations, in a way that the clients are able to increase their own productivity and profitability.

TTS' resources are focused on design and engineering in addition to assembly, testing and training. After Sales and Service is a business area of high priority.

1.3 Strategy

1.3.1 Success factors

Our vision is to become the preferred supplier in our business. The feedback we get from our customers is that the following are the main success factors:

END USERS (SHIP OWNERS, TERMINAL OPERATORS, OIL AND GAS COMPANIES, RIG OPERATORS)

- Confidence and reliability
- Quality
- Competence and technical solutions
- Service network
- Branding and reference list
- Price
- Operating costs

SHIPYARDS

- Price
- Technical solutions
- Response time
- Flexibility
- Ability to solve problems

Our strengths and weaknesses differ from division to division and also from product to product. The two major issues, however, for TTS to succeed in this market is to build *confidence* and to make sure that our *prices* and *costs* are competitive.

1.3.2 The strategy platform

BUILDING CONFIDENCE FOR CUSTOMERS

Quality for end-users and smooth installation process for the yards, are the best way of building confidence. Serious and swift handling of guarantee claims is also needed to become the preferred supplier from the owner's point of view, hence:

- All TTS companies should be ISO certified before end of 2008
- Develop teams of installation personnel for turn key operations
- Maximum 24 hours response time
- Customer orientation in Service and Guarantee claims
- Policy of "Fixing the problems"
- Delivery process control (information)

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PRICING

There is a significant price pressure in our industry. TTS shall, however, not be the most aggressive price competitor. As a general rule all price quotations shall cover the required margins. In some cases other pricing principles can be used, for example to follow a competitor in a bidding process. TTS needs, however, to have a competitive cost structure to be able to compete.

2.0

COMPANY CULTURE

The TTS group of today is a product of many acquisitions. Due to the fact that all companies compete in the same maritime industry, there are however, many similarities in the business culture between the TTS companies. To build a strong group that is “The Preferred Global Supplier” in our industry in the future, the common TTS culture must enhance our strategy:

BUILDING CONFIDENCE:

- Available for the customers anytime
- Quick response, service minded
- Solve problems and correct mistakes quickly and professionally
- Able to take decisions close to the customer
- Humbleness/respect for human cultural differences

PRICE COMPETITIVENESS

- Quality and precision in all functions
- Cost consciousness
- Slim corporate structure
- Global organization, local operation
- Flexible solutions

To achieve this we need to create a group of companies where the internal human relations are characterized by

- Integrity
- Openness/honesty
- Loyalty
- Initiative

3.0 THE MANAGEMENT

To develop and sustain this corporate culture, TTS needs a management that is consistent and is characterized by the following:

ACTION MINDED

- Professional and knowledgeable of our business
- Operational attitude
- Responsibility
- Decisiveness
- Focus on execution

*TTS wants
a management
that is action minded
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FOCUS ON CORPORATE OBJECTIVES

- Loyalty to corporate decisions
- Cooperative attitude
- Utilize synergies between companies
- No suboptimalization

MOTIVATING BEHAVIOUR

- Create assignment – clarify expectations, parameters and time plans.
- Create trust – encourage people to take initiative and use their judgement.
- Create concern for others – give people space, establish fair systems and unite people and purpose.

To put it short, TTS wants a management that is action minded and can build confidence.

4.0

ETHICAL GUIDELINES

4.1 General guidelines

TTS is a global and public company and hence has its obligations and responsibility as such. The OECD countries have made ethical guidelines for international companies. TTS supports these guidelines and TTS wishes to contribute to improve the international business standards and practices, especially when it comes to corruption, labour relations and the global environment.

In TTS we want everybody's behaviour among ourselves and towards the rest of the world to be characterized by the core values:

- Integrity
- Openness/honesty
- Loyalty
- Initiative

4.2 Conflict of interests

- In TTS we hold always the interests of the company highest. If there is any conflict of the interests between the company and the employee's private interests, this shall be revealed to the management, and the employee shall step aside in the decision process.
- No employee of TTS can work for or have interests in competing companies while working for TTS.
- The properties of TTS are for business use and not for the use of the individual.
- All sensitive information received as an employee of TTS, is considered confidential and shall be handled with care and not be given to anyone not relevant for the conduct of business.

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4.3 Relations to third parties

4.3.1 Relations to customers

- All contact with our customers shall be professional and trustworthy to build confidence.
- TTS shall keep our promises to our customers and respond promptly when required.
- TTS shall not unduly compensate any individual employee to gain advantages by the customers. Any doubt regarding this conduct shall be forwarded to the management of TTS.

4.3.2 Relations to suppliers

- TTS treats all suppliers equally, professionally and with respect.
- TTS chooses the suppliers that optimise the value adding process in our company.
- Employees of TTS shall not receive any unduly gifts or valuables from the suppliers.

4.3.3 Relations to competitors

- The employees of TTS shall only speak about our competitors professionally and with respect.

4.4 Relations to colleagues

- TTS wants all employees to have equal opportunities regardless of sex, ethnical or cultural background.
- All employees of TTS shall be treated with respect, and all employees are responsible for contributing to a working environment that is perceived as fair, open and professional.
- In TTS we are dependent of best possible cooperation across borders, between companies and between employees. Hence the employees of TTS are open to different views, critics and constructive input for improving our operations and services.