



KONGSBERG

To the shareholders in Kongsberg Gruppen ASA

## **NOTICE OF THE ANNUAL GENERAL MEETING 2022**

The Board of Directors notice of Annual General Meeting of Kongsberg Gruppen ASA.

**Time: Wednesday, 11 May 2022 at 10:00 a.m. - held virtually**

### **IMPORTANT MESSAGE:**

The General Meeting is held as a digital meeting without shareholder's physical attendance.

The General Meeting online can be found here:

[www.kongsberg.com/investor-relations/general-meeting/](http://www.kongsberg.com/investor-relations/general-meeting/)

Once you have accessed this website, you identify yourself with the Reference Number and PIN code formed in the VPS for this General Meeting.

Further information is provided by the attached proxy form and at the last page of this notice, as well as the attached Online Guide.

The General Meeting will be opened and chaired by the Chairman of the Board in accordance with § 5-12, first paragraph of the Joint Stock Public Companies Act and § 8 of the Company's Articles of Association.

The following items are on the agenda:

#### **1. Approval of the notification and agenda**

The Board of Directors proposes that the Annual General Meeting adopts the following resolution:

*"The Notice and agenda are approved."*

#### **2. Election of a co-signer for the minutes**

According to KONGSBERG's Articles of Association the Chair of the Board of Directors will lead the Annual General Meeting. At the General Meeting, the Chair will propose a co-signer of the minutes.

#### **3. CEO's briefing**

#### **4. Processing of the report on Corporate Governance**

The Board's statement for Corporate Governance is available on the company's internet page **Error! Hyperlink reference not valid..**

#### **5. Approval of the Financial Statements and Directors' Report for the parent company and the Group for fiscal year 2021**

The Board's proposal to the financial statements, the Director's Report for the parent company and the Group for fiscal year 2021, as well as the auditor's report, is available on the company's internet page [www.kongsberg.com](http://www.kongsberg.com).

The Board of Directors proposes that the Annual General Meeting adopts the following resolution:

*"The financial statements for the parent company and the Group for the fiscal year 2021 are approved. The Directors' Report is also approved. The Auditor's Report is taken into account."*

## 6. Payment of dividends

The parent company, Kongsberg Gruppen ASA, reported a net profit of MNOK 5 782 for 2021. The Group reported a net profit of MNOK 2 290 in 2021, corresponding to earnings per share of NOK 12.06. Financial strength is considered satisfactory.

The Board proposes to the General Meeting that the total dividend for the financial year 2021 is set at NOK 15.30 per share, of which NOK 12 is beyond the company's ordinary dividend.

The dividends will be applicable to the company's shareholders as of 11 May 2022 (as listed in the VPS Registry per 13 May 2022). The company's shares will be traded on Oslo Børs exclusive dividends as from 12 May 2022. Expectably, NOK 3.30 per share will be paid out on 25 May 2022 and NOK 12 per share will be paid on 27 May 2022.

The Board of Directors proposes that the Annual General Meeting adopts the following resolution:

*"The Board's proposal of a total dividend of NOK 15,30 per share for fiscal year 2021 is approved. The dividend will be applicable to the company's shareholders per the end of 11 May 2022 (as listed in the VPS Registry per 13 May 2022). The company's shares will be traded on Oslo Stock Exchange excl. dividends as from 12 May 2022.*

*Dividend payments are expected to take place in two transactions:  
NOK 3.30 per share on 25 May 2022 and NOK 12 per share on 27 May 2022.*

*Of the total dividend of NOK 15.30 per share, NOK 3.30 per share is taxable to be deemed as a repayment of previously paid capital, cf. Tax Act § 10-11, second paragraph. The remaining NOK 12 per share is taxable to be deemed as an ordinary dividend payout."*

## 7. Remuneration to the members of the Board, Board Committees, and the Nominating Committee

The Nominating Committee has proposed that the collective compensation to the Directors, applicable from 11 May 2022 until next Annual General Meeting, be stipulated at NOK 2 648 200. The Chair of the Board will receive NOK 595 000, the Deputy Chair NOK 310 200 and the other Directors NOK 290 500. Deputy Directors will receive NOK 13 130 per meeting.

The members of the Audit Committee will receive NOK 112 000 per year, Chair NOK 150 000 per year.

The members of the Compensation Committee will receive NOK 50 150 per year, Chair NOK 74 450 per year.

The members of the Nominating Committee will receive NOK 6 000 per meeting, up to NOK 41 360 per year, and the Chair NOK 8 480 per meeting, up to NOK 51 700 per year.

The Nominating Committee has held ten meetings during the previous period.

The proposal of the Nominating Committee is available in its entirety on the company's internet page [www.kongsberg.com](http://www.kongsberg.com).

The Board proposes that the Annual General Meeting adopts the following resolution in accordance with the Nominating Committee's recommendation:

*"The Board's members receive the following remuneration from 11 May 2022 to the next Annual General Meeting:*

*The Board of Directors:*

*Chair of the Board: NOK 595 000 per year (up NOK 34 000)*

*Deputy Chair: NOK 310 200 per year (up NOK 10 200)*

*Directors: NOK 290 500 per year (up NOK 9 500)*

*Deputy Directors: NOK 13 130 per meeting (up NOK 430)*

*The Audit Committee:*

*Chair: NOK 150 000 per year (up NOK 47 000)*

*Member: NOK 112 000 per year (up NOK 35 000)*

*The Compensation Committee:*

*Chair: NOK 74 450 per year (up NOK 2 450)*

*Member: NOK 50 150 per year (up NOK 1 650)*

*The Nominating Committee:*

*Chair: NOK 8 480 per meeting (up NOK 280),  
maximum NOK 51 700 per year (up NOK 1 700 per year)*

*Member: NOK 6 000 per meeting (up NOK 200),  
maximum NOK 41 360 per year (up NOK 1 360 per year)"*

## 8. Remuneration to the Auditor

In 2021, NOK 1 738 000 has been accrued for audit-related services for the parent company Kongsberg Gruppen ASA from the company's auditor Ernst & Young AS. For the Group a total of NOK 22 023 000 has been accrued for audit-related services and NOK 6 477 000 for other services.

The Board proposes the remuneration to the company's auditor for 2021 of NOK 1 738 000 for the ordinary audit of the parent company to be approved.

The Board of Directors proposes that the Annual General Meeting adopts the following resolution:

*"The remuneration for 2021 of NOK 1 738 000 to the company's Auditor for ordinary audit of the parent company is approved."*

## 9. Processing of report on salaries and other remuneration to leading persons

A report on salary and other remuneration to leading persons is presented in a separate document published on the company's website. The report shall be considered by the General Meeting and an advisory vote on the report shall be held.

The Board of Directors proposes that the Annual General Meeting makes the following resolution:

*"The General Meeting endorses the report on salaries and other remuneration to leading persons."*

## 10. Election of members of the Nominating Committee

All members of the Nominating Committee are up for election. The Nominating Committee of Kongsberg Gruppen ASA has made a reasoned proposal for the election of members to the Nominating Committee. The recommendation is available in its entirety on the company's internet page [www.kongsberg.com](http://www.kongsberg.com).

In accordance with the Nominating Committee's recommendation, the Board proposes that the Annual General Meeting makes the following resolution:

*"The following nominees are to be elected as members of the Nominating Committee of Kongsberg Gruppen ASA:*

*Vigdis Almestad (Chair), Karl C. W. Mathisen, Erik Must and Torkel Storflor Halmø."*

## 11. Authorization for the acquisition of own shares - incentive program etc.

At the Annual General Meeting held on 6 May 2021, gave the Board the authorization to buy own shares up to a nominal value of NOK 9 749 279 (4,4% of the company's share capital). The authorization applies until the Annual General Meeting in 2022. The Board of Directors of Kongsberg Gruppen ASA believes it would be favorable for the company that the Board retains its authorization to acquire own shares for use in conjunction with the share program for the Group's employees, to the incentive program (for leading persons), and as a full or partial payment upon acquisition of business - or disposed of.

The Board of Directors therefore proposes that the Annual General Meeting adopts the following resolution:

- "(a) Pursuant to § 9-4 of the Norwegian Companies Act, the Board is authorized to acquire up to 7 000 000 treasury shares for a total maximum nominal value amount of NOK 8 750 000.*
- (b) The authorization may be used several times.*
- (c) The Board's acquisition of shares pursuant to this authorization can only take place between a minimum price of NOK 50 per share and a maximum price of NOK 500 per share.*
- (d) Shares acquired under the authorization can be used in relation to the share program for the Group's employees, to the incentive program (for leading persons), as full or partial payment upon acquisition of business, or disposed of.*
- (e) The authorization shall apply until the next Annual General Meeting, but no later than 30 June 2023.*
- (f) The acquisition of shares pursuant to the authorization shall take place in the market. The disposal of the shares acquired will take place on the Oslo Stock Exchange, unless the shares are used in conjunction with employee share programs, as part of the Management's fixed-wage, or as full or partial payment upon acquisition of Business."*

## **12. Authorization for the acquisition of own shares – for cancellation**

The Board of Directors of Kongsberg Gruppen ASA proposes that the General Meeting authorizes the Board of Directors to acquire own shares for a total sum up to MNOK 500. Repurchased shares under this authorization will later be proposed deleted and redeemed.

Kongsberg Gruppen ASA intends to enter into an agreement with the company's largest owner, the Norwegian State, where it is assumed that repurchased shares will be cancelled along with a pro rata share of the Government's shares, by the reduction of the share capital, so that the government's percentage stake in the company remains unchanged. The Government shall vote at the general meeting on the allocation of authorization for buybacks, and if buybacks occur, vote for a decision on the reduction of the share capital. In the event of redemption of the State's shares, the State shall receive a compensation equal to the volume weighted average of the price paid by the company for shares purchased in the market plus an interest compensation calculated from the time of the individual buyback payment takes place, with a deduction for any dividend paid for the State's shares to be redeemed (with some individual adjustment mechanisms laid down).

The Board of Directors proposes that the Annual General Meeting adopts the following resolution:

- "(a) Pursuant to § 9-4 of the Norwegian Companies Act, the Board is authorized to acquire own shares. The authorization includes up to 10 000 000 shares corresponding to a nominal value of up to NOK 12 500 000, however, that the total consideration for the shares shall not exceed NOK 500 000 000.*
- (b) The authorization may be used several times.*
- (c) Acquisition of shares can be exercised only between a minimum price of NOK 50 per share and a maximum price of NOK 500 per share.*
- (d) Shares can, under this authorization, be acquired only for cancellation purposes.*
- (e) The Board of Directors is free to decide how to acquire own shares.*
- (f) The authorization shall apply until the next Annual General Meeting, but no later than 30 June 2023."*

### **13. Reduction of capital when cancelling own shares and redemption of shares belonging to the Norwegian State, as well as reduction of other equity**

The Board of Directors of Kongsberg Gruppen ASA was authorized by the General Meeting on 6 May 2021 to buy back own shares for cancellation purposes. The Board chose to use this authorization, and the purchase of shares has been made at market prices. The authority has been supported by the company's largest owner, the Norwegian state, and formalized through a separate agreement, in which the state participates in a buyback on a proportionate basis by redeeming a part of its own shares so that the state's stake in the company remains unchanged.

The compensation to the state for the redeemed shares corresponds to:

- the average volume-weighted price of the company's buyback of own shares made at market prices.
- an addendum for interest compensation based on NIBOR + 1 percent p.a. calculated from the time of each share purchase until the payment takes place.
- a deduction related to the dividend paid and the associated interest expense.

The Company has acquired 760 125 own shares in the market and shall, on the basis of the agreement with the State, redeem additional 760 249 own shares in exchange for NOK 190 869 914. The total number of shares proposed cancelled and redeemed is 1 520 374.

On that basis, the Board proposes to reduce the share capital by cancelling repurchased shares and redeem shares from the state, as well as a reduction of other equity. The auditor's confirmation that after the reduction of the share capital and reduction of other equity, coverage for the company's remaining share capital and tied equity will be made available on [www.kongsberg.com](http://www.kongsberg.com).

The Board of Directors proposes that the Annual General Meeting adopts the following resolution:

*"The company's share capital is reduced by NOK 1 900 467,50 by (i) the cancellation of 760 125 own shares, and (ii) redemption of 760 249 shares owned by the Norwegian State by the Ministry of Industry and Fisheries for the payment of an amount of NOK 190 869 914. An amount of NOK 388 865 036, which is the amount paid out that exceeds the nominal value of the shares, is charged other equity.*

*With effect from the entry into force of the capital reduction, section 4 of the Company's Articles of Association changes to:*

*«The Company's share capital is NOK 221 641 340 divided among 177 313 072 shares, each with a nominal value of NOK 1.25.»"*

\* \* \*

The financial statements, the Director's Report and Auditor's Report, the Board's statement on corporate governance, the guidelines on salaries and other compensation to leading persons, as well as the recommendation from the Nominating Committee and Auditor's statement for Item 13, is available on the Company's internet page [www.kongsberg.com](http://www.kongsberg.com). You may also contact the company on telephone +47 468 27 499 and ask to get the Annual Report and other documents concerning matters to be dealt with at the General Meeting sent by post.

On the date of notification, Kongsberg Gruppen ASA had 178 833 446 shares issued. Each share gives right to one vote at the General Meeting. On the date of this notification, the company owned 1 037 343 own shares, which cannot be voted. All shareholders are entitled to attend the General Meeting and to be heard, either personally or by proxy. Shareholders are entitled to be accompanied by an adviser and may grant the right to speak to one adviser. Shareholders have on certain conditions, also the right to make alternative proposals to the decision in the Items the General Meeting shall process. Shareholders may require that Board members and the Managing Director at the General Meeting gives available information about conditions that may influence the assessment of Items that are referred to the shareholders for decision. The same applies to information about the company's financial position and other issues that the General Meeting shall process unless the information required cannot be given without disproportionately damaging to the company.

Information relating to the Annual General Meeting, including this notification with attachments and the Company's Articles of Association, are available on the Company's web page [www.kongsberg.com](http://www.kongsberg.com).

**Deadline for registration of authorizations and instructions: 9 May 2022 at 15:00 noon**

### Registration

Shareholders are only allowed to participate online, and registration is not required.

**Shareholders must be signed in before the meeting starts.**

**If you are not logged in before the general meeting starts, you will not be counted as represented and cannot vote, only be a listener.**

Login starts an hour before the annual general meeting starts.

Shareholders who do not wish to participate online have the opportunity to give a bounded authorization to another person by using the enclosed proxy-form and fill this out as explained. Proxy with voting instructions to the Chair of the Board cannot be registered electronically and must be sent to [genf@dnb.no](mailto:genf@dnb.no) (scan the form) or by mail to *DNB Bank ASA, Securities Service, P.O. Box 1600 Sentrum, NO-0021 OSLO*.

**The Proxy must be received within 9 May 2022 at 15.00. The company's representatives will ONLY accept authorizations that are bounded, so that is stated how the proxy shall vote in each individual Item, and which has been received within the said time deadline.**

Proxy may **only** be granted as described above (not via the Investor Services or the company's website). **A proxy issued electronically (and thus without voting instructions) will be rejected/deleted.**

It is of Kongsberg Gruppen ASA's point of view that neither the real shareholder nor the Manager has the right to vote for shares that are registered on a Manage account in VPS, cf. Public Limited Companies Act § 4-10. Shareholders who hold their shares in a fund manager account in the VPS and who would like to cast votes for such shares, must as to the company's assessment transfer the shares to a **VPS account in their own name no later than 10 May 2022** to be assured of being able to cast votes for such shares. If the shareholders prove that necessary steps to such transfer are taken, and the shareholder has real shareholder-interest in Kongsberg Gruppen ASA, the shareholder may, after the company's opinion, vote for the shares, even if the shares are not yet registered on a separate VPS account.

Kongsberg, 20 April 2022  
For the Board of Directors of Kongsberg Gruppen ASA



Eivind K. Reiten  
Chair of the Board