

R E C O M M E N D A T I O N

FROM

THE NOMINATING COMMITTEE - KONGSBERG GRUPPEN ASA 2013

Since the General Meeting in 2012, the Nominating Committee for Kongsberg Gruppen ASA has consisted of Sverre Valvik (chair), Knut J. Utvik and Alexandra Morris. The Committee has had eight meetings and telephone conferences, as well as correspondence by e-mail.

The Nominating Committee has held meeting with all of the Board's shareholder-elected and employee-elected Board members in addition to CEO Walter Qvam in connection with this year's election. In addition, the Committee has been in touch with the largest shareholders in order to have input into the Committee's work. KONGSBERG has also, according to the Norwegian recommendation for corporate governance, facilitated that shareholders could bolster suggestions via the company's Web sites. No proposal was promoted through this channel in 2013.

Election of shareholder-elected Board Directors

The shareholder-elected part of Kongsberg Gruppen ASA's Board of Directors has since the AGM in 2011 consisted of:

Chair	:	Finn Jebesen
Deputy Chair	:	Anne-Lise Aukner
Director	:	Erik Must
Director	:	John Giverholt
Director	:	Irene Waage Basili

In addition, Roar Flåthen was elected as a permanent meeting Deputy Director on the AGM in 2012.

All Board members are up for election at the Annual General Meeting in 2013. Finn Jebesen, Erik Must and John Giverholt has all 4 periods of the Board. Anne-Lise Aukner and Irene Waage Basili has respectively 2 and 1 period of the Board. Erik Must and John Giverholt has informed the company that they want to go out of the Board by the General Assembly this year.

It is the Nominating Committee's opinion that Kongsberg Gruppen ASA has been led in a good way for the last two years and achieved solid results.

The Nominating Committee considers it desirable to ensure continuity in the Board's work and tuning on the re-election of Finn Jebesen as Chairman and by Anne-Lise Aukner and Irene Waage Basili as Board members (Directors).

The Nominating Committee propose unanimously that Morten Henriksen is elected as a new Director of the Board. Henriksen (45 years) have significant experience in the implementation of technological projects in an international environment. He is currently Executive Director Technology of Arendals Fossekompagni, and serves on the Board of several technology companies.

The majority of the Nominating Committee, Utvik and Valvik, proposes based on an overall assessment of the composition and competence, that Roar Flåthen is elected as a new Director of the Board of Directors together with Henriksen. Flåthen (63 years) have considerable insight in Norwegian industry and community life and has heavy management experience as Leader of the Norwegian Confederation of Trade Union (LO). Flåthen has also in a prior period been a Board member of Kongsberg Gruppen and was elected as a permanent Deputy attending Director on the AGM in 2012.

For the new Board of 2013 - 2015 the majority of the Nominating Committee propose that the AGM elect as follows:

1. Finn Jebsen, Oslo (re-election)
2. Anne-Lise Aukner , Oslo (re-election)
3. Irene Waage Basili, Bergen (re-election)
4. Morten Henriksen, Arendal (new)
5. Roar Flåthen, Kongsberg (prior Deputy Director)

CVs for the proposed Board members are attached to this recommendation.

The assessment of the majority of the Nominating Committee is that the proposed candidates will give a Board well suited to look after the shareholders' interests, as well as the individual nominees' expertise and capabilities overall provides an expertise that is well suited to meet the company's needs both professionally, for the business sector, as well as with regard to solid management experience from the business and community life. In terms of age the Board will have a good spread from 45 to 63 years.

The Nominating Committee minority, Morris, don't proposes Roar Flåthen is elected as new Board Director. Morris justifies her propose with the following:

The Nominating Committee had talks with each of the shareholder-elected Directors and Deputy Director, employee-elected Directors and the CEO.

On the basis of these talks the members of the Nominating Committee worked out specifications that would form the basis of efforts to find the right skill profile on new Board members. Flåthen's skills and experience correspond to a limited extent with the skill profile an unanimously Nominating Committee prepared for new Board members.

The Nominating Committee was informed that the largest shareholder, the State's Ministry of Trade and Industry nevertheless would propose Flåthen on the upcoming AGM on the basis of other qualifications than that the Nominating Committee had assumed.

Morris proposes that the Nominating Committee is working on with the aim of promoting proposals for a new Board candidate who has the qualifications that were in demand during the talks: In-depth knowledge and experience with the strategy work, international management experience, experience in and implementation of international transactions as well as accounting/auditing and risk management.

New members of the Board must be elected so that they can contribute to safeguard the continuity and ensuring a good long term rotation of Board members.

For the new Board of 2013 - 2015 the minority of the Nominating Committee propose that the AGM elect as follows:

1. Finn Jebsen, Oslo (re-election)
2. Anne-Lise Aukner , Oslo (re-election)
3. Irene Waage Basili, Bergen (re-election)
4. Morten Henriksen, Arendal (new)

CVs for the proposed Board members are attached to this recommendation.

The assessment of the minority of the Nominating Committee is that the proposed candidate will contribute to the Board's composition that is well suited to look after shareholders' interests and the company's needs.

Directors' fees

The Nominating Committee's mandate also includes proposing compensation for the Board of Directors. The Nominating Committee proposes that the General Meeting ratify the following adjustment in compensation for the directors and for the work of the Board committees:

Board:

Chair of the Board:	NOK 404 000 per year (Up NOK 14 000, most recently adjusted in 2012)
Deputy Chair:	NOK 222 000 per year (Up NOK 8 000, most recently adjusted in 2012)
Directors:	NOK 202 000 per year (Up NOK 7 000, most recently adjusted in 2012)
Not permanent oncoming Deputy Directors:	NOK 10 200 per meeting (Up NOK 400, most recently adjusted in 2012)

Audit Committee:

Chair:	NOK 10 200 per meeting (Up NOK 300, most recently adjusted in 2012), maximum NOK 51 000 per year
Member:	NOK 9 000 per meeting (Up NOK 300, most recently adjusted in 2012), maximum NOK 45 000 per year

Compensation Committee:

Chair:	NOK 9 200 per meeting (Up NOK 600, most recently adjusted in 2012), maximum NOK 46 000 per year
Member:	NOK 8 000 per meeting (Up NOK 600, most recently adjusted in 2012), maximum NOK 40 000 per year

Oslo, 26 March 2013

Sverre Valvik (sign.)

Knut J. Utvik (sign.)

Alexandra Morris (sign.)

CV OF THE NOMINEES TO THE BOARD OF DIRECTORS OF KONGSBERG GRUPPEN ASA

Finn Jebsen (63)

Position: Self-employed

Education: Economist, Norwegian School of Economics and Business Administration in Bergen (1974), master's in Business Administration from University of California, Los Angeles (1976)

Other: Former CEO of Orkla ASA

Number of years on the Board: 8

Number of shares in Kongsberg Gruppen ASA: 20 000 through the wholly-owned enterprise Fateburet AS

Directorships outside KONGSBERG: Chair of the Board of Kavli Holding AS. Deputy Chair of the Board for KLP Forsikring. Director of Awilhelmsen Management AS, Norsk Hydro ASA and Norfund

Anne-Lise Aukner (56)

Position: Chief Executive Officer and Country Manager, Nexans Norway AS

Education: Master of Laws, University of Oslo (1980), Alcatel International Management Programme (1992) and Alcatel PACE Programme (Potential Alcatel Corporate Executives) (1996)

Number of years on the Board: 4

Number of shares in Kongsberg Gruppen ASA: 0

Directorships outside KONGSBERG: Director of ISCO Group AS, Aukner Holding AS, Nexans Norway AS, Chair of Europacable Norge AS and Nexans Skagerrak AS

Irene Waage Basili (45)

Position: Chief Executive Officer, GC Rieber Shipping AS

Education: Business Administration (International Management), Boston University (1990). Management Programmes at IMD, Lausanne, Switzerland (2005/2006). Solstrand Management Programme, Bergen, Norway (2002/2003)

Number of years on the Board: 2

Number of shares in Kongsberg Gruppen ASA: 0

Directorships outside KONGSBERG: Board member of Odfjell SE and Reef Subsea

Roar Flåthen (63)

Position: Leader of the Norwegian Confederation of Trade Union (LO)

Education: Mechanic with certificate 1975

Number of years on the Board: 1 (som fast møtende varamedlem)

Number of shares in Kongsberg Gruppen ASA: 0

Directorships outside KONGSBERG: Chair of the Board of Forskningsstiftelsen Fafo and Amedia AS, Deputy Chair of Bank 1 Oslo & Akershus AS and Director of Innovasjon Norge as well as several tasks of councils and committees within Confederation of Trade Union and the labour movement

Morten Henriksen (45)

Position: Executive Director Technology, Arendals Fossekompani ASA

Education: NTH 1991, Electric power

Number of years on the Board: New

Number of shares in Kongsberg Gruppen ASA: 0

Directorships outside KONGSBERG: EFD Induction, Scanmatic, Markedskraft, Flumill, Arendals Water Resources Usage Community