

**RECOMMENDATION  
FROM  
THE NOMINATING COMMITTEE - KONGSBERG GRUPPEN ASA 2017**

Since the General Meeting in 2016, the Nominating Committee for Kongsberg Gruppen ASA has consisted of Morten S. Bergesen (Chair), Morten Strømgren, Vigdis Almestad and Jon Hindar. The Committee has since the General Meeting in 2016 had thirteen meetings and telephone conferences, as well as correspondence by e-mail.

The Nominating Committee has had meetings with all members of the Board as well as CEO Geir Håøy. The Nominating Committee has reviewed the Board's self-evaluation. In addition, the Committee has been in touch with the major shareholders in order to get input to the Committee's work.

Kongsberg Gruppen ASA has also according to the Norwegian code of practice for corporate governance and company management, facilitated that shareholders can bolster suggestions via the company's internet page and/or directly contact the members of the Nominating Committee. One proposal were promoted through this channel in 2017.

**Election of shareholder-elected Board Directors**

The shareholder-elected part of Kongsberg Gruppen ASA's Board of Directors has since the Annual General Meeting in 2015 consisted of:

Chair	:	Finn Jebsen
Deputy Chair	:	Irene Waage Basili
Director	:	Morten Henriksen
Director	:	Jarle Roth
Director	:	Anne-Grete Strøm-Erichsen

All Board members are up for election at the Annual General Meeting in 2017

Finn Jebsen, Irene Waage Basili and Morten Henriksen has respectively six, three and two periods of the Board. Jarle Roth and Anne-Grete Strøm-Erichsen were both elected as Directors of the Board in 2015.

Finn Jebsen and Jarle Roth has stated that they want to resign from the Board by this year's General Assembly.

The Nominating Committee propose on the election of Eivind K. Reiten as Chairman of the Board and Martha Kold Bakkevig as a new Board member (Director).

Eivind K. Reiten has broad background from Norwegian and international industry and business. Since he quit as CEO of Norwegian Hydro in 2009, he has been working as Chairman and member of Boards at full time.

Martha Kold Bakkevig has the last ten years led DeepWell AS. In addition, she has a broad academic background in both technological and business.

Further, the Nominating Committee propose on re-election of Irene Waage Basili, Morten Henriksen and Anne-Grete Strøm-Erichsen as Board members (Directors).

It is the Election Committee's assessment that the set of candidates will give a composition of the Board that overall is suitable to protect the shareholders' and the company's interests, and that represents good and relevant skills both professionally, type of business and with regard to solid management experience from the business and community life. Of age, the Board will have a good spread from 49 to 67.

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

## **REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS, BOARD COMMITTEES AND NOMINATING COMMITTEE**

The Nominating Committee's mandate also includes proposing compensation for the Board of Directors, the board committees and the Nominating Committee. In the effort to prepare proposals to the remuneration, has the Nominating Committee among other things looked at the level of remuneration in other comparable companies, looked at the workload of the Board members and discussed the level of remuneration with the shareholders.

Directors' fees in Kongsberg Gruppen is currently low compared with relevant companies listed on Oslo Børs. The Group's complexity and size suggests by the Committees opinion that the remuneration for Board and committee work should be increased substantially.

On this basis, the Nominating Committee proposes the following remuneration for the Board of Directors, the Board Committees and the Nominating Committee.

### Board:

Chair of the Board:	NOK 489 000 per year (up NOK 44 000)
Deputy Chair:	NOK 262 000 per year (up NOK 23 000)
Directors:	NOK 246 000 per year (up NOK 22 000)
Deputy Director:	NOK 11 400 per meeting (up NOK 200)

### Audit Committee:

Chair:	NOK 11 500 per meeting (up NOK 300), maximum NOK 115 000 per year
Member:	NOK 10 100 per meeting (up NOK 200), maximum NOK 101 000 per year

### Compensation Committee:

Chair:	NOK 10 600 per meeting (up NOK 200), maximum NOK 53 000 per year
Member:	NOK 9 400 per meeting (up NOK 200), maximum NOK 47 000 per year

### Nominating Committee:

Chair:	NOK 5 900 per meeting (up NOK 500)
Member:	NOK 4 400 per meeting (up NOK 400)

**The recommendation of the Nominating Committee is unanimous.**

Oslo, 27 March 2017

Morten S. Bergesen (sign.)

Morten Strømgren (sign.)

Jon Hindar (sign.)

Vigdis Almestad (sign.)

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

### Irene Waage Basili (49)

**Position:** Managing Director, Shearwater GeoServices

**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:** 6

**Number of shares in Kongsberg Gruppen ASA:** 0

**Directorships outside KONGSBERG:** Member of the Board of Pacific Basin Shipping Limited and Wilh.Wilhelmsen Holding ASA.

### Morten Henriksen (49)

**Position:** Executive Director Technology, Arendals Fossekompagni ASA

**Education:** NTH - Electric power (1991)

**Number of years on the Board:** 4

**Number of shares in Kongsberg Gruppen ASA:** 0

**Directorships outside KONGSBERG:** Chair of the Board of Arendals Water Resources Usage Community. Board member of Flumill AS, Powel AS, Tekna, Siva SF and Arendal Industries AS.

### Anne-Grete Strøm-Erichsen (67)

**Position:** Senior Partner, Rud Pedersen Public Affairs Company Norway AS

**Education:** Engineer Exam at the University of Bergen (1974), IT studies, South Dakota School of Mines & Technology USA (1980/1981)

**Special experience:** 8 years as Cabinet Minister, City Chief Commissioner and Mayor in Bergen, 20 years in the IT business.

**Number of years on the Board:** 2

**Number of shares in Kongsberg Gruppen ASA:** 0

**Directorships outside KONGSBERG:** Deputy Chairman of Dips AS, Deputy Chairman of ASVL AS, Board member of Port of Bergen AS and Chair of the Board of The Norwegian Atlantic Committee

### Eivind K. Reiten (64)

**Position:** Self-employed, Chairman and member of several Boards

**Education:** Master in Economics (Cand.oecon) by the University of Oslo (1978)

**Special experience:** 30 years of experience from business and politics, including the position as State Secretary, Minister for Fisheries and Minister for Petroleum and Energy. Broad experience in Board-work, strategy and analysis. Worked 23 years in Hydro, the last 9 years as CEO.

**Number of years on the Board:** New

**Number of shares in Kongsberg Gruppen ASA:** 0

**Directorships outside KONGSBERG:** Member of the Advisory Board of Stena Group, Chairman of the Board of The Crown Prince and Crown Princess' Foundation, Constructor Group AS, Anaxo Capital AS and AS Backe. Non-executive Director of Globeleg Ltd.

### Martha Kold Bakkevig (54)

**Position:** Managing Partner MKOLD and owner of Kold Invest AS

**Education:** Master of Science, University of Trondheim (1990), Nordic Industrial Research Education (1995), Dr.Scient./PhD - Norwegian University of Science and Technology (1995), Solstrand Program (2000), Board of Directors Program NHO (2004) and Dr. Oecon./PhD, BI (2007)

**Special experience:** 20 years' experience in Management and Business Development and broad academic background with doctor's degree in both technical and business strategical subjects.

**Number of years on the Board:** New

**Number of shares in Kongsberg Gruppen ASA:** 0

**Directorships outside KONGSBERG:** Chair of the Board of Otech Group AS and Board member of Valide Invest, Haugaland Kraft, Reach Subsea ASA and Incus Investor ASA.