



KONGSBERG

To the shareholders in Kongsberg Gruppen ASA

## **NOTIFICATION OF THE ANNUAL GENERAL MEETING 2021**

The Board of Directors notifies shareholders of the Annual General Meeting of Kongsberg Gruppen ASA.

**Time: Thursday, 6 May 2021 at 10:00 a.m.**

Place: Conference Centre, Kongsberg Technology Park, Kirkegårdsveien 45, Kongsberg, Norway

*We will stream/send the General Meeting on web so all shareholders can follow and ask questions online. Please find more information about this on the last page of this Notice.*

**Due to the Corona pandemic we strongly recommend that you participate the AGM by giving a bounded authorization to the Chairman of the Board - see further information about this at last page of this Notice and in the attached registration and authorization slip.**

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. The Chair will in the Meeting propose one of the delegates to co-sign 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 [www.kongsberg.com](http://www.kongsberg.com).

**5. Approval of the Financial Statements and Directors' Report for the parent company and the Group for fiscal year 2020**

The Board's proposal to the financial statements, the Director's Report for the parent company and the Group for fiscal year 2020, 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 fiscal year 2020 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, posted a net profit of MNOK 3 156 for 2020. The Group posted a net profit of MNOK 2 932 in 2020. Earnings per share is NOK 16.08. Financial strength is considered satisfactory.

The Board recommends to the General Meeting that the total dividend for the 2020 fiscal year is set at NOK 8 per share, of which NOK 5 of this is beyond the company's ordinary dividend policy.

The dividends will be applicable to the company's shareholders per end of 6 May 2021 (as listed in the VPS Registry per 10 May 2021). The company's shares will be traded on Oslo Børs exclusive dividends as from 7 May 2021. The dividend will expectably be paid out on 20 May 2021.

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

*"The Board's proposal of a dividend of NOK 8 per share for fiscal year 2020 is approved. The dividend will be applicable to the company's shareholders per the end of 6 May 2021 (as listed in the VPS Registry per 10 May 2021). The company's shares will be traded on Oslo Stock Exchange excl. dividends as from 7 May 2021.*

*The dividend will expectably be paid out on 20 May 2021.*

*The payment of the dividend of NOK 8 per share is taxable to be deemed to be a repayment of previously paid capital, cf. tax law § 10-11, second paragraph."*

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

The Nominating Committee has proposed that the collective compensation to the Directors, applicable from 6 May 2021 until next Annual General Meeting, be stipulated at NOK 2 547 000. The Chair of the Board will receive NOK 561 000, the Deputy Chair NOK 300 000 and the other Directors NOK 281 000. Deputy Directors will receive NOK 12 700 per meeting.

The members of the Audit Committee will receive NOK 77 000 per year, Chair NOK 103 000 per year.

The members of the Compensation Committee will receive NOK 48 500 per year, Chair NOK 72 000 per year.

The members of the Nominating Committee will receive NOK 5 800 per meeting, up to NOK 40 000 per year, and the Chair NOK 8 200 per meeting, up to NOK 50 000 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 6 May 2021 to the next Annual General Meeting:*

*The Board of Directors:*

*Chair of the Board: NOK 561 000 per year (up NOK 17 000)*

*Deputy Chair: NOK 300 000 per year (up NOK 9 000)*

*Directors: NOK 281 000 per year (up NOK 8 000)*

*Deputy Directors: NOK 12 700 per meeting (up NOK 400)*

*The Audit Committee:*

*Chair: NOK 103 000 per year (up NOK 3 000)*

*Member: NOK 77 000 per year (up NOK 2 000)*

*The Compensation Committee:*

*Chair: NOK 72 000 per year (up NOK 2 000)*

*Member: NOK 48 500 per year (up NOK 1 500)*

*The Nominating Committee:*

*Chair: NOK 8 200 per meeting (up NOK 200), maximum NOK 50 000 per year*

*Member: NOK 5 800 per meeting (up NOK 200), maximum NOK 40 000 per year"*

## 8. Remuneration to the Auditor

In 2020, NOK 1 100 000 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 15 872 000 has been accrued for audit-related services and NOK 5 104 000 for other services.

The Board proposes the remuneration to the company's auditor for 2020 of NOK 1 100 000 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 2020 of NOK 1 100 000 to the company's Auditor for ordinary audit of the parent company is approved."*

## 9. Approval of guidelines on salaries and other remuneration to leading persons

Guidelines on salaries and other remuneration to leading persons is presented in a separate document published on the company's website. The guidelines shall be processed and approved by the General Meeting in the event of any essential change and at least every four years.

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

*"The General Meeting approves the guidelines on salaries and other remuneration for leading persons."*

## 10. Election of shareholders-elected Board members (Directors)

All shareholder-elected Board members are up for election. The Nominating Committee of Kongsberg Gruppen ASA has made reasoned nominations for election of the Board members. The recommendation from the Nominating Committee 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 of Directors proposes that the Annual General Meeting makes the following resolution:

*"The following nominees are elected as shareholder-elected Board members (Directors) of Kongsberg Gruppen ASA:*

- 1. Eivind Reiten (Chair, re-election), 2. Anne-Grete Strøm-Erichsen (re-election)*
- 3. Morten Henriksen (re-election), 4. Per A. Sørli (re-election) and*
- 5. Merete Hverven (new)."*

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

At the Annual General Meeting held on 14 May 2020, the Board was given authorization to buy treasury shares up to a limit of NOK 9 749 279 (4,3% of the company's share capital). The authorization applies for Annual General Meeting in 2021. The Board of Directors of Kongsberg Gruppen ASA believes it would be prudent for the company that the Board retains its authorization to acquire treasury 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 treasury shares for a total maximum nominal value of NOK 9 749 279.*
- (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 25 per share and a maximum price of NOK 400 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 2022.*
- (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 treasury 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 400.

Re-purchased shares under this authorization will later be proposed deleted and redeemed.

Kongsberg Gruppen ASA has entered into an agreement with the company's largest owner, the Norwegian State, where it is assumed that re-bought shares will be erased along with a 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 deleted (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 treasury shares. The authorization includes up to NOK 8 000 000 shares with a total amount up to NOK 10 000 000, however, that the total consideration for the shares cannot exceed NOK 400 000 000.*
- (b) The authorization may be re-used.*
- (c) Acquisition of shares can be exercised only between a minimum price of NOK 25 per share and a maximum price of NOK 400 per share.*
- (d) Treasury shares can, under this authorization, be acquired only with the aim of deleting the shares.*
- (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 2022."*

### **13. Reduction in 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 14 May 2020 to buy back own shares in order to cancel these. The company 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 an 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 buy-back 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.

According to the present authorization, the Company has acquired 578 262 own shares in the market and shall, on the basis of the entered into agreement with the State, redeem additional 578 357 own shares in exchange for the payment of an amount of NOK 95 926 104 to the state.

The total number of shares suggested cancelled and redeemed is 1 156 619.

On that basis, the Board proposes to reduce the share capital by erasing repurchased shares and redemption of shares belonging to 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 1 445 773,75 by (i) the cancellation of 578 262 own shares, and (ii) redemption of 578 357 shares owned by the Norwegian State by the Ministry of Industry and Fisheries for the payment of an amount of NOK 95 926 104 to the Norwegian State by the Ministry of Industry and Fisheries. An amount of NOK 194 371 324, which is part of 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 223 541 807,50 divided among 178 833 446 shares, with a nominal value of NOK 1.25.»"*

\* \* \*

The financial statements, the Director's Report and Auditors' 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 Auditors 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 179 990 065 shares issued. Each share gives right to one vote at the General Meeting. On the date of this notification, the company owned 1 129 322 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).

If you want to attend the Annual General Meeting, please submit this attendee slip to; Kongsberg Gruppen ASA c/o DNB Bank ASA, Securities Service, P.O. Box 1600 Sentrum, NO-0021 OSLO, or to e-mail [genf@dnb.no](mailto:genf@dnb.no) by **15 noon on Tuesday 4 May 2021 the latest**. Register of attendance can also be made on Kongsberg Gruppen ASA's web page [www.kongsberg.com](http://www.kongsberg.com) (or through Investor Services).

**Based on the current rules on assemblies in connection with the Corona pandemic, we wish that the shareholders do not show up physically at the General Meeting. Shareholders who still meet may risk being rejected from participating physically citing applicable assembly rules. We ask and recommend that the shareholders take advantage of the opportunity to attend the general meeting by giving **bound authorization**, ref. below. We will webcast/send the General Meeting online so that you as a shareholder can follow. If changes to the rules of public health authorities concerning assemblies appears before the General Meeting takes place on 6<sup>th</sup> May, the company sends a stock exchange notice of these in which case it will result in a change in the possibility of physical attendance.**

**Access to the webcast will be announced via stock exchange announcement and will be made available on our website [www.kongsberg.com](http://www.kongsberg.com).**

Shareholders who will participate the Annual General Meeting by in advance submit the enclosed proxy slip, please send your **bound proxy to Kongsberg Gruppen ASA c/o DNB Bank ASA, Securities Service, P.O. Box 1600 Sentrum, NO-0021 OSLO, or on e-mail [genf@dnb.no](mailto:genf@dnb.no)**. The Proxy must be received by DNB Bank ASA, Securities Service, within **Tuesday 4 May 2021 at 15.00**. Proxy may be given to the Chair of the Board Eivind K. Reiten. **The company's representatives will only accept authorizations that are bounded to the specifications on how the proxy shall vote for each Item, and which are received within the said time limit.** Proxy may **only** be granted as described before (not via the Investor Services or the company's web page). *An proxy issued electronic (and thus without voice instructions) will be rejected/deleted.*

It is of Kongsberg Gruppen ASA's point of view that neither the real shareholder or 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 before Tuesday 4 May 2021 at 15:00 noon** 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, 15 April 2021  
For the Board of Directors of Kongsberg Gruppen ASA



Eivind K. Reiten  
Chair of the Board