



KONGSBERG

CHARTER FOR THE BOARD'S AUDIT COMMITTEE

(Adopted by the Board of Directors of Kongsberg Gruppen ASA on 24 October 2005, and most recently amended by Board decision on 6 February 2008)

1. ROLE

The Board's Audit Committee is a subcommittee of the Board of Directors of Kongsberg Gruppen ASA ("KONGSBERG") and it shall act as a preparatory body for the Board of Directors and support the Board in the exercise of its responsibility for financial reports, audits, internal control and overall risk management.

The Committee is responsible to the full Board of Directors of Kongsberg Gruppen ASA. The liability of the Board and each individual director is not altered as a result of the Audit Committee's work.

2. COMPOSITION

The Committee shall be composed of at least three directors. The Audit Committee shall be composed so that it can act independently of special interests and it shall collectively have the expertise required to perform the Committee's role, based on KONGSBERG's organisation and business operations. At least one of the members must have accounting expertise.

KONGSBERG's vice president, General Counsel, is the Committee's secretary. The independent auditor shall normally participate in the meetings. The CEO and directors are entitled to participate in meetings of the Audit Committee as observers.

3. MEETINGS

The Board's Audit Committee meets as frequently as it finds necessary, but at least quarterly. The Committee shall draw up an annual meeting schedule. At least once a year, the Committee shall have separate meetings with the independent auditor and the CEO, respectively.

4. AUTHORITY

The Audit Committee has the authority to investigate all aspects of the Group's operations. All employees of the Group are to provide any information and assistance requested by the Committee. The Committee can contract external expertise as needed.

5. THE COMMITTEE'S DUTIES AND RESPONSIBILITIES

5.1 Financial reporting, etc.

In connection with the presentation of the annual financial statements/Directors' Report, half-yearly financial statements/interim management report and the quarterly financial statements, the Committee shall discuss material issues related to accounting with management and the independent auditor.

In addition, the Committee shall review and assess the rules and procedures KONGSBERG has drawn up to fulfil its financial reporting requirements to the Oslo Stock Exchange and the financial markets. In this context, the Audit Committee shall make preparations for the Board's quality assurance of KONGSBERG's financial reporting

5.2 Relationship to the independent auditor

In relation to the independent auditor, the Committee shall:

- ensure that the independent auditor acts independently relative to management, including ensuring compliance with current rules and decisions regarding the purchase of additional services from the auditor;
- discuss with the auditor the plans for the audit, including risk assessment and the scope of the audit;
- assess for and nominate to the Board of Directors an independent auditor for election by the Group and the auditor's remuneration;
- assess for and make recommendations to the Board of Directors regarding financial parameters and the nature of the assignment insofar as planned and anticipated additional services from the independent auditor are concerned;
- review the independent auditor's reports to the Board;
- review letters from the independent auditor to the corporate management board and review management's answer; and
- make an annual evaluation of KONGSBERG's internal control.

5.3 Other duties

In addition to the duties mentioned above, the Audit Committee shall:

- review the Group's routines for overall risk management, including;
 - (a) *reviewing management's procedures for dealing with risk management, the follow up of risk and limit testing of same; and*
 - (b) *evaluating the procedures for dealing with operational risk relative to the financial risk (risk management systems);*
- review all transactions between KONGSBERG and close associates, including members of the Board and the management of KONGSBERG and other Group companies;
- bear the ultimate responsibility for monitoring compliance with current rules of conduct and the guidelines for KONGSBERG's operations and reporting;
- assess other matters as identified by the Board of Directors or which the Committee itself or the auditors wishes to address; and
- at least once a year, assess its own work and propose potential improvement measures, including amendments to these instructions.

6. Relationship to the Board – Reporting

The Board's Audit Committee provides oral reports to the Board on any critical matters at the first the Board meeting after each meeting of the Audit Committee. Beyond this, the full Board of Directors will regularly receive reports from the Committee. The minutes of the meetings of the Audit Committee are to be available to the directors.

Otherwise, the Committee shall not take decisions on behalf of the Board of Directors, but shall present its assessments and recommendations to the Board.