



KONGSBERG

Kongsberg Gruppen ASA

Code of Ethics

KOG-GOV-0011

Rev	Date	Reason for issue	Author	Approved by
-	2004	First issue	Nils Molin	CEO/J E Korssjøen
A	AUG 2005	Update	Even Aas	CEO/J E Korssjøen
B	24 APR 2008	Update	Nils Molin	CEO/W Qvam
C	01 OCT 2009	Update	Compliance Team	CEO/W Qvam
D	25 JAN 2011	Update	Lene Svenne	CEO/W Qvam <i>W Qvam</i>



KONGSBERG

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0. INTRODUCTION

This document is primarily a tool to describe and influence the Code of Ethics to which KONGSBERG is committed.

KONGSBERG supports the UN's Global Compact initiative and is actively committed to promoting the initiative's 10 basic principles, relating to the topics of Human Rights, Labour Standards, the Environment and Anti-Corruption. Similarly, the Group shall work to promote the spirit of the ILO conventions and the OECD's Guidelines for Multinational Enterprises.

The Group's corporate Code of Ethics is compatible with the UN Global Compact and the OECD's Guidelines for Multinational Enterprises and is subject to evaluation and revision, if so required, at least every other year.

0.1 Objective

Our Code of Ethics sets forth the basic principles for our personal behaviour and business practices. It forms the framework for ensuring that we are in compliance with relevant legislation and internal policies and our fundamental values, which are based on **determination, innovation, collaboration and reliability** within KONGSBERG and in relation to all our stakeholders. These values shall be the very essence of all our conduct. We will act and deal with people fairly and with respect. The Code of Ethics is followed up by the Code of Business Conduct and Compliance, which details the requirement for proper business conduct, especially for the areas of Anti-Corruption, Antitrust and Competition and Safe and Healthy Workplace.

KONGSBERG shall conduct its business activities in an ethical and socially responsible manner. A good reputation for reliability will ensure support for our views in matters that affect our business and our customer relations, ensure new recruitment and help us retain employees, while safeguarding our credibility with stakeholders.

Both within and outside the Group, our relationships shall be characterised by candour and confidence.

0.2 Scope

KONGSBERG's corporate Code of Ethics applies to the Group's directors, management, employees, all casual employees, consultants, agents, lobbyists and others who act on behalf of KONGSBERG. All of them are to be familiar with the Code of Ethics. Managers are responsible for ensuring that the Code of Ethics is reviewed, communicated and observed in their own departments.

The Code of Ethics applies to all companies within the KONGSBERG Group of companies.

The Group has developed separate Suppliers' Conduct Principles that apply for the KONGSBERG's suppliers.

The Code of Ethics will be distributed to all employees and be attached to all future employment and temporary employment/consultancy contracts. The corporate Code of Ethics will be attached to agreements associated with the signing of agency contracts, distributor contracts, other representation contracts and supplier contracts.

0.3 Deviation

The Code is not to be deviated from, unless in exceptional cases described in the Code. Other deviations are to be approved in writing by the CEO.

0.4 Roles and responsibility

CEO is the issuer of the Code of Ethics, and it shall be approved by KONGSBERG's Board of Directors.

1. INTERNAL RELATIONS

1.1 Human rights and the value of human life

KONGSBERG will work to promote internationally recognised human rights. All our operations will comply with the UN's Universal Declaration of Human Rights, the UN's Convention on the Rights of the Child and the International Labour Organisation Conventions (ILO Conventions).

The human rights of workers shall be in compliance with the ILO Conventions, in particular those related to labour rights and child labour avoidance.

We will not accept discrimination of any kind, e.g. due to gender, race, religion or sexual orientation.

KONGSBERG opposes every form of trafficking, including the purchase of sexual services.

1.2 The working environment – Personnel policy

KONGSBERG will be a good, stimulating place to work and is to have an inclusive working environment. We are to conduct ourselves with integrity, showing respect for colleagues and others we meet in the course of our work. Discrimination, bullying, harassment and similar behaviour will not be tolerated.

KONGSBERG's employees will be given the opportunity to use their skills and abilities to contribute to the Group's progress as well as their own. They will be taken seriously, treated with respect and given orderly working conditions. KONGSBERG will strive to accommodate an abundance of diversity. Naturally, health and safety will be given priority and all KONGSBERG employees will enjoy equal opportunities.

1.3 Health and safety

Our employees' safety is of the utmost importance to us. Health and safety are to be safeguarded in a way that creates a high level of job satisfaction and a healthy working environment.

KONGSBERG will strive to have a safe, productive working environment for our employees by ensuring that the workplace is free of intoxicants.

1.4 The environment and climate

KONGSBERG will act responsibly with a view to the footprint left by its activities on the outdoor environment.

We will focus on the relative reduction of direct and indirect greenhouse gas emissions resulting from the Group's operations. We will also devote attention to reducing other emissions to the air, water and soil. We will address resource consumption in general, including energy consumption, water use and waste treatment.

1.5 Relationships between employees

KONGSBERG has a large number of employees, and it is possible that employees will enter into relationships with each other. Such relationships shall be brought to the attention of an immediate superior if one party has a supervisory function for the other, or if other circumstances entail that the relationship could affect their work.

1.6 Conflicts of interest - Disqualification

KONGSBERG shall respect individual employees' rights to privacy and personal interests.

All employees are expected to be loyal to the Group and the Group's interests.

Employees shall not participate in financial or business-related activities that could potentially involve a conflict of interest between the Group's interests and their own personal or a close third-party's interests.

All directorships, employment or other assignments held or carried out by KONGSBERG employees in other enterprises that have, or may be expected to have, commercial relations with KONGSBERG, must be approved by KONGSBERG management.

1.7 Professional secrecy

Employees have an obligation of professional secrecy in respect of all business matters and other situations that could give outsiders access to confidential information. Basically, all business matters not made public are to be considered confidential. Caution shall also to be exercised when discussing the Group's internal affairs in front of outsiders.

The same applies to discussions and distribution via open and/or external Internet-based media and any other electronic media. Reference is otherwise made to the Group's e-mail policy.

1.8 Price-sensitive information

As a listed company, KONGSBERG is subject to stringent regulations regarding information that could affect share prices. Here, too, the rule is that all information not made public is confidential.

If you are in any doubt about how to act, please contact your immediate superior or Corporate Communications.

1.9 Insider trading

Employees shall refrain from trading in and from giving advice about trading in the Group's shares or other listed shares on the basis of insider information. Reference is otherwise made to the Oslo Stock Exchange's guidelines for dealing with insider information and KONGSBERG's Insider Trading Policy.

1.10 The treatment of information

KONGSBERG shall stand for open, correct and scrupulous business practices, at the same time as it will respect binding confidentiality. Information provided about KONGSBERG's business operations shall be communicated precisely and correctly, inside and outside the Group.

All accounting information must be correct, registered and reproduced in compliance with legislation and regulations, including mandatory accounting standards. As a matter of applicable securities laws and stock exchange listing standards, KONGSBERG is obligated to provide full, fair, accurate and understandable disclosure in its periodic financial reports, other documents filed with applicable regulatory authorities and agencies as well as in its other public communications. Employees, particularly our senior executives and financial officers, are expected to exercise the highest standard of care in preparing such materials, paying particular attention to the following;

- Compliance with generally accepted accounting principles and KONGSBERG's system of internal accounting controls is required at all times.
- All KONGSBERG accounting records must be kept and presented in accordance with the laws of each applicable jurisdiction. They shall not contain any false or intentionally misleading entries. Moreover, they must fairly and accurately reflect in reasonable detail KONGSBERG's assets, liabilities, revenues and expenses as well as all transactions or related occurrences which shall be fully and completely documented.
- No transaction may be intentionally misclassified as to accounts, departments or accounting periods, and unrecorded or "off the books" assets and liabilities should not be maintained unless permitted by applicable law or regulation.
- No information may be concealed from the internal auditors or the independent auditors.

1.11 Tangible and intangible values

KONGSBERG's tangible and intangible values are important to us. They include our knowledge, ideas, structures and working methods. These values shall be safeguarded and managed in the best interest of the Group. By the same token, we shall show respect for the corresponding values of others.

1.12 Political activity

KONGSBERG maintains a neutral position on party politics and supports no political parties or their candidates. However, we reserve the right to participate in the public debate when so doing is of commercial significance for the enterprise.

2. BUSINESS CONDUCT

2.1 Fair trading and antitrust legislation

KONGSBERG will compete in a respectable and ethically responsible manner within the framework of antitrust legislation and the competition regulations that apply in the markets in which the Group operates.

2.2 Customers

All our customers shall be treated with respect and integrity. We will deal with customers' needs in the best possible manner within the commercial and ethical guidelines that apply to KONGSBERG.

As regards customers who are conducting a competitive bidding process, contact with the customer shall be with respect to the customer's rules for the bidding competition.

2.3 Suppliers

Suppliers shall be treated impartially and fairly. They can rest assured that they compete for KONGSBERG contracts on an equal footing with other suppliers.

KONGSBERG has developed separate Suppliers' Conduct Principles that apply for suppliers to KONGSBERG. The policy is built upon a risk-based approach. KONGSBERG focuses attention on those parts of our supply chain where the risk of not meeting these standards is the highest.

2.4 Agents and other representatives

The term '*agents and other representatives*' refers to agents, enterprises, organisations or individuals who act on behalf of KONGSBERG in relation to a third party.

Before entering into an agreement with an agent or other representative, managers are responsible for checking that the agent or other representative's ethical standards are satisfactory. KONGSBERG has drawn up separate guidelines for how agreements with agents and other representatives should be worded. The Group requires that agents and other representatives act in compliance with the Group's corporate Code of Ethics and that the code be included as part of the contract between KONGSBERG and the agent or other representative.

2.5 Society-at-large

KONGSBERG aspires to be a responsible corporation in terms of its employees and the communities in which it operates.

KONGSBERG shall show respect for cultures and religions in the countries in which it operates.

2.6 Corruption

KONGSBERG's policy is to compete fairly, and to build our business and reputation on world-class quality. It thus is prohibited for anyone, for himself or others, to demand, receive or accept an offer of an undue advantage in connection with a position, engagement or task, or to offer or give any person the same. The same also applies if the purpose is to seek to influence someone else in their position, engagement or task. Aiding in such activities is also prohibited. This relates to situations with both governmental officials and private commercial counterparts.

Corruption undermines all sorts of business activities and free competition. Corruption would erode our reputation and expose the Group and individuals to risk.

KONGSBERG is opposed to all forms of corruption.

2.7 Facilitation payments

Facilitation payments (also known as “grease payments”) are payments of small sums of money to facilitate or expedite the performance of routine government functions, such as issuing permits or licenses or processing government papers. Facilitation payments are illegal and punishable in a number of countries under most circumstances, including in Norway. The payments do not always have to occur in the country whose laws are violated to be punishable. Obviously, such legislation shall be respected and KONGSBERG is opposed to this type of payment. The circumstances where facilitation payments are deemed not to be illegal are few and the exemptions are interpreted narrowly. Only in exceptional cases and only in order to protect lives, health and in strictly limited situations also property, can facilitation payments be made. Such situations shall therefore always be considered carefully with a view to their legality and necessity.

Because the legality of such payments is hard to determine and can vary according to the applicable laws and the situation at hand, KONGSBERG requires that employees considering such payments contact their immediate supervisor or the legal department to assess their necessity and legality. The Ethics Council can also be consulted.

In the rare event such payments are made, they must be accounted for on travel expense records with explicit specification of the amount and the reason. The payment shall be recognised on the accounts separately, specifying its purpose. If you have any questions or concerns tied to facilitation payments contact your immediate supervisor or the legal department.

2.8 Money laundering

Money laundering is the practice of engaging in financial transactions to conceal the identity, source, and/or destination of money connected with criminal activity, such as bribery, terrorism and drug traffic. Money laundering is illegal and punishable in a number of countries under most circumstances, including in Norway.

KONGSBERG is firmly opposed to all forms of money laundering and shall take steps to prevent its financial transactions from being used by others to launder money.

2.9 Representation and gifts

Caution shall be exercised in giving and accepting gifts or other enticements that could affect business decisions. However, the rules of common courtesy are to be followed when possible.

Although KONGSBERG operates in many countries, and each country has its own culture for giving and receiving gifts, certain gift-giving might be inappropriate under the applicable laws of Norway, the United States, or another country. Any gift to governmental customers, foreign officials, or their families must be carefully considered according to the situation at hand and the applicable laws. Also, if gifts to private individuals or entities seem excessive or inappropriate, you must consult your immediate supervisor or the legal department.

If you accept a gift of significant value, you must report it to your immediate supervisor. Accepting the gift could have consequences under the anti-bribery laws of one or more countries and under applicable tax laws if the value of the gift exceeds the limit for tax-exempt gifts. If you choose to keep the gift, you are responsible for stating the value of the gift on your tax returns. You can also accept the gift on behalf of KONGSBERG and turn it over to KONGSBERG. The parameters for tax-exemptions are specified in the current tax rules.

Caution must be exercised with alcohol at events held under the auspices of KONGSBERG, and alcohol-free initiatives must always exist. KONGSBERG’s employees must exhibit moderation with alcohol when they represent the company. During travel, individuals are also deemed to be representing KONGSBERG after ordinary working hours.

2.10 Invitations

KONGSBERG employees are encouraged to engage in network building on behalf of the Group, but not to the extent that such efforts could be perceived as bribery or a violation of the antitrust laws.

Where, by virtue of being a KONGSBERG employee, you are invited on a trip or to an event, the invitation must be discussed with your immediate superior. Together, you must assess the professional content of the invitation and decide whether the trip/event is of interest to the Group.

If you are invited to events or on trips, your travel expenses, etc. are to be paid by KONGSBERG. Trips are subject to the approval of your supervisor.

KONGSBERG will pave the way for business associates invited to events organised by KONGSBERG to follow the same principles.

Employees are allowed to participate in and host cultural and sports events (and similar events), meetings and dinners in Norway and abroad in connection with business-related activities.

Where a trip or event is solely of a professional nature and has no element of being a holiday, it will entail no tax liability for the employee. Where the trip or the event is a combination of work and holiday, you are liable to taxation on the part that is considered a holiday.

The participation of a spouse should generally be paid for out of the employee's own pocket. In exceptional cases, to the extent that KONGSBERG will cover a spouse's expenses, this is subject to the approval of your superior. Spouse-related expenses shall be reported on your wage slip.

2.11 Political and Charitable Contributions

Political and charitable contributions should be avoided due to the potential for the appearance of impropriety.

Charitable contributions can only be made upon a written justification and prior approval from the Executive Vice President of the business division in question.

KONGSBERG's sponsorship activities are to be performed in harmony with our fundamental values, our Code of Ethics and our agreed strategy for sponsoring.

3. FOLLOW UP AND TREATMENT OF NONCONFORMANCE

3.1 Raising concerns

Some of the topics mentioned in these guidelines may involve formidable dilemmas.

If you get involved in situations that involve ethical dilemmas or situations in which you discover circumstances that are not in compliance with the corporate Code of Ethics, notify your immediate superior. If the situation cannot be discussed with your immediate superior, move up the chain of command. If you find this difficult, contact the Human Resources Department, your trade union representative or the Ethics Council. Queries to the Ethics Council should be directed to the Council's ombudsmen. You can contact the ombudsmen for advice on any situation. You can notify KONGSBERG's Board of Directors as a last resort.

If you wish to discuss a matter anonymously, you can do so by sending a letter directly to the Ethics Council.

KONGSBERG has special guidelines for following up on the raising of concerns involving circumstances worthy of criticism. More information is to be found on our Intranet INSIDE.

KONGSBERG will tolerate no form of reprisals against anyone who, in good faith, reports a violation or suspected violation of this code.

4. COMPLIANCE

4.1 Compliance with legislation and regulations

KONGSBERG is subject to Norwegian and international legislation, regulations and conventions. Moreover, we are subject to local legislation and regulations in the areas in which we operate.

Some Norwegian legislation also applies outside the country's borders, e.g. the provisions of the penal code that refer to corruption and trading in influence.

You must comply with all legislation and regulations that apply, directly or indirectly, to the work performed on behalf of KONGSBERG.

Where situations arise in the grey zone between legislation, guidelines and framework conditions, it is important to be completely open about the situation and to discuss it with your immediate superior.

It is a managerial responsibility to ensure that the current legislation, rules, guidelines and framework conditions are familiar to the employees. Compliance with these guidelines is a managerial responsibility, although this does not excuse any individual from personal responsibility.

4.2 Consequences of infringement

Infringement of the Group's ethical rules or relevant statutory provisions can lead to disciplinary measures or dismissal, and may be reported to the relevant authorities.

5. ADDITIONAL INFORMATION

5.1 Reference to other governance documents

The Group has a number of governance documents in addition to KONGSBERG's corporate Code of Ethics. Many of these documents deal with topics that are closely associated with topics that could have been mentioned in this code. To avoid mentioning the same topics repeatedly, we make reference to these governance documents on our Intranet.

Intoxicants

Discussed in the Group's personnel policy.

The use of company computer equipment

Discussed in the Group's e-mail policy.

Guidelines for agreements with agents and other representatives

Will be discussed in more detail in separate guidelines.

Raising concerns and follow-ups

Discussed in more detail in separate guidelines and routines.

Dealing with the media

Discussed in the Group's media policy.

5.2 Rights related to the Code

The Group's corporate Code of Ethics expresses the Group's basic principles for business practice. The code is not exhaustive and gives no rights to any of the Group's stakeholders.

6. EXTERNAL RESOURCES AND REFERENCES

United Nations Global Compact: www.unglobalcompact.org

International Labour Organization: www.ilo.org

OECD Guidelines for Multinational Enterprises: www.oecd.org

Transparency International: www.transparency.org

Kongsberg, 25.01.2011