



KONGSBERG

KONGSBERG Gruppen ASA
Directive for managing Conflicts of Interest
KOG-DIR-0019

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1. Introduction

1.1 Document history

Revision	Date	Change description
-		First issue

1.2 Objective

According to KONGSBERG Code of Ethics and Business Conduct, employees and board members shall not participate in financial or business-related activities that could potentially involve a conflict between KONGSBERG and their own personal, familiar or a close third-party's interests. This directive describes how to manage conflict of interest situations.

1.3 Scope

This Directive applies to all KONGSBERG Business Areas (BA/BAs) and majority-owned subsidiaries, all affiliates in which KONGSBERG has operating control, and all permanent and temporary employees, officers and directors of KONGSBERG.

1.4 Deviation

This Directive shall apply worldwide. In the event of a conflict between this Directive and applicable local laws, local laws shall prevail. In the event there is no conflict between this Directive and applicable local law, but the directive imposes a higher standard and/or more onerous requirements than local laws, the higher standard and/or more onerous requirements of this Directive shall prevail.

2. Values and Principals

This Directive in conjunction with our Code of Ethics and Business Conduct establishes the principals and expectations we place on all of our people in order to maintain consistent standards across KONGSBERG.

This Directive forms a key part of our governance framework and is mandatory for all and therefore needs to be understood and followed by everyone.

We seek to avoid any situation where Conflicts of Interest might be seen as influencing our business decisions or behaviour or which might stop us from acting in the best interests of KONGSBERG.

We seek to avoid Conflicts of Interest, but where there are actual, potential or apparent Conflicts of Interest, we manage them by making Conflict of Interest Declarations.

3. Expectations

It is each employee's responsibility to read, understand and apply this Directive and the Supporting Guidance [Appendix 1], and to seek further guidance from the Ethics and Compliance Team as needed.

Where actual or potential Conflicts of Interest exist, we must be transparent and ensure that our records and documents provide proof and assurance as to the steps KONGSBERG has taken to manage or mitigate any such Conflict of Interest.

3.1 Employee Responsibilities

All Employees must:

1. Each calendar year all employees must complete a Conflict of Interest Declaration in Gan Integrity. The Conflict of Interest Declaration shall outline any Conflicts of Interest or confirm that none exist.
2. Seek to avoid any Conflict of Interest. When an actual, potential or apparent Conflict of Interest situation arises the individual must:
 - a. Report the situation promptly to their Line Manager;
 - b. Take steps to remove or mitigate the Conflict of Interest after discussion with their Line Manager;
 - c. Complete or update a Conflict of Interest Declaration; and
3. Abide by laws and regulations relating to the engagement of current or former Government Officials.

3.2 Manager Responsibilities

Line Managers

Line Managers are responsible for assessing and managing any actual, potential or apparent Conflict of Interest situations within their team.

Line Managers must:

1. Look for any actual, potential or apparent Conflicts of Interest which exist in their team or in the wider area of the business where they work;
2. As part of the annual performance review ensure that each direct report has completed a Conflict of Interest Declaration in Gan Integrity and review it accordingly.
3. Assess any Conflicts of Interest that they become aware of and determine if an actual, potential or apparent Conflict of Interest exists; and
4. If an actual, potential or apparent Conflict of Interest exists or is declared, Line Managers must:
 - a. Review and approve a Conflict of Interest Declaration submitted by the relevant employee in Gan Integrity.
 - b. Determine the best course of action to resolve, manage, mitigate, or eliminate the Conflict of Interest and document it appropriately in Gan Integrity.
 - c. If required a Conflict of Interest Declaration can be escalated to either the Ethics and/or a senior manager for advice and/or approvals.

3.3 Annual Review

All Conflicts of Interest should be reviewed on an annual basis by the Employee and their Line Manager to ensure the Conflict of Interest continues to be managed appropriately. Any changes or concerns should be reported to the Ethics and Compliance team.

3.4 New Employees

A Conflict of Interest Declaration is required as part of the on-boarding process for all new Employees.

4. Records & Documentation

The Conflict of Interest Declaration must provide a complete, accurate, and concise account of the actual, potential or apparent Conflict of Interest and provide an overview of the steps that the Employee and Line Manager have discussed and agreed will be taken to resolve, manage, mitigate or eliminate the Conflict of Interest.

All Conflict of Interest Declaration will be retained in Gan Integrity.

5. Non Compliance & Disciplinary Consequences

When acting with transparency, we protect ourselves from potential or future risks and from conflicts of interest – actual or perceived - within our company. This protection is important for the employee and KONGSBERG as it ensures that appropriate measures can be taken and reduces compliance risk.

Breaches of this directive including but not limited to cases where an Employee fails to declare a Conflict of Interest or has deliberately concealed a Conflict of Interest are not acceptable and may result in disciplinary action up to and including dismissal.

All employees are encouraged to speak up if they know of, or suspect, a breach of this Directive.

6. References

Supporting Policies

Reference and Title	Doc ID	
Code of Ethics and Business Conduct	KOG-GOV-0011	

Definitions

Business Area (BA)	KONGSBERG's current Business Areas.
Business Partner	a third party which KONGSBERG has a relationship with. This could include but is not limited to customers, suppliers, Market Representatives, Dealers, joint venture partners, other cooperation partner, receiver of sponsorships and charitable contributions.
Conflict of Interest	any Relationship, (personal or professional), influence or activity that <u>may impair</u> , or <u>appear to impair</u> , the ability of employees to make fair and objective decisions when performing their jobs, or act in the best interests of KONGSBERG.
Conflict of Interest Declaration	A declaration input into Gan Integrity advising of any Conflict of Interest or confirmation that non exist.

Declarer	A KONGSBERG employee who has an actual, potential or apparent Conflict of Interest to be declared consistent with this policy.
Employee	Someone who works directly for KONGSBERG under an employment contract, either permanent or fixed term, or who is employed by us on an at-will basis
Family Member	A close relative meaning a spouse, partner, stepparent, child, stepchild, sibling, stepsibling, nephew, niece, aunt, uncle, grandparent, grandchild, in-laws and partners of the previously mentioned relations.
Gan Integrity	KONGSBERG'S compliance management system which can be accessed using the following link https://kongsberg.gan-compliance.com
Government Officials	<ul style="list-style-type: none"> • employee of a State-Owned Company; • officer or employee, or anyone acting on their behalf, of any department, agency or instrument of a government (at any level). This includes (but is not limited to) employees and members of the military, para-military, security services, police force, customs, border patrol, legislatures and judicial system of any country; • elected political representative; • political party and any officer, employee or other person acting on behalf of a political party; • candidate for public office; • member of a ruling or royal family; • officer of any body, whether public or private, that has delegated powers to administer public funds; • officer or employee of a public international organisation (for example, the United Nations and the World Bank); • special adviser to governments, or individual government officials, whether paid or unpaid, formal or informal; and • Family Member of any of the above
KONGSBERG	KONGSBERG Gruppen ASA and its current Business Areas.
Line Manager	The Employee who approves the expenses of another Employee

Appedix 1 - Conflict of Interest Guidance

This guidance contains examples which illustrate the application of Conflicts of Interest (contained in the Conflict of Interest Directive) in various contexts. While the examples are meant to provide guidance, they cannot cover every possible situation that may arise. It is each employee's responsibility to read, understand and apply the Directive, and to seek further guidance from the Ethics and Compliance Team if you need it.

7.1 Outside employment and secondments

All KONGSBERG employees have a duty to fulfil the responsibilities of their role at KONGSBERG; additional employment outside of KONGSBERG may compromise their ability to do so. In addition, this could be in breach of an employee's employment contract.

KONGSBERG employees shall as a general rule not work for, or provide any services to, a competitor or potential competitor, customer or supplier of KONGSBERG.

Examples of where a Conflict of Interest could arise from outside employment include:

- Working for a customer of KONGSBERG on a part-time basis to fit in around your KONGSBERG contractual hours or shifts;
- Setting up a business which seeks to supply KONGSBERG with parts whilst continuing to be employed by KONGSBERG;
- Offering consultancy services to a competitor or potential competitor of KONGSBERG;
- Carrying out outside work during your KONGSBERG contractual hours of employment; and
- When your outside employment prevents you from being able to work shifts which you are contractually required to work by KONGSBERG.

Employees must discuss with their Line Manager any work you undertake which is in addition to their employment with KONGSBERG that may cause a Conflict of Interest.

Employees on secondment (either on a full-time or part-time basis) must be aware of the possibility of Conflicts of Interest between their responsibilities as an employee of KONGSBERG and their role as a secondee.

7.2 Relationships with suppliers, customers other third parties

Developing and maintaining relationships with Business Partners is vital to our business. However, relationships which become too informal or friendly might not be in the best interests of KONGSBERG.

You must not foster any relationship with any Business Partner of KONGSBERG that compromises your ability to conduct business in the best interests of KONGSBERG in an objective manner.

Conflicts of Interest may also arise from Family Members or personal relationships with Business Partners, such as employees at a supplier or a customer.

Examples of where a Conflict of Interest could arise from relationships with suppliers or customers include:

- A long-standing supplier participating in a new KONGSBERG tender requests information or favorable treatment in the tender from the KONGSBERG account manager who has worked with that supplier for a considerable period of time;

- A KONGSBERG employee approving the invoices of a supplier where their partner or spouse is the key account manager for the supplier;
- The sibling of a KONGSBERG employee working on a sales campaign is one of the key customer contacts and will be involved in the engine selection process; and
- You have been asked to approve a donation to a charity which you are involved in running.

All KONGSBERG employees must regularly assess their relationships with suppliers and customers and discuss with their Line Manager any that may cause a Conflict of Interest.

7.3 Ownership and financial interests

You must not influence a KONGSBERG decision to place external business with a company or other entity that is owned or controlled by you, your partner or any of your Family Members, or with a company in which you or your Family Members control more than 2%, or such lower level of economic interest that might influence or appear to influence your judgement.

KONGSBERG may place external business with such a company or other entity only if you have not influenced its decision to place business there, but you must include this in your Conflict of Interest Declaration if the circumstances suggest that there may be a potential Conflict of Interest.

You must not have an economic interest in any competitors or potential competitors of KONGSBERG that might influence or appear to influence your judgement.

7.4 Company assets

You are responsible for the proper use of KONGSBERG assets. On some occasions it may be appropriate to use KONGSBERG assets for non-KONGSBERG business, for example to support a charitable or educational activity. Any such proposed use must be discussed with, and approved by, your Line Manager. KONGSBERG assets must not be used for personal gain or benefit or any Political Support.

7.5 Employment of Family Members and personal friends

The Conflict of Interest Policy does not prevent Family Members and personal friends from working at KONGSBERG. However, in certain situations, this can give rise to an actual, potential, or apparent Conflict of Interest which must be avoided or appropriately mitigated, declared and managed.

In addition, you should also consider the requirements of the Confidential Information Policy, which prohibits the sharing of Confidential Information (both internally and externally) unless you are permitted to do so.

The recruitment, management and development of KONGSBERG employees must be free from any Conflict of Interest. Unless such Conflict of Interest has been appropriately declared and any suitable mitigations have been put in place, you must not directly supervise, carry out performance appraisals of, be involved with deciding any form of remuneration for, or participate in any selection activity involving a Family Member, personal friend or any other person with whom you are in a relationship.

Examples of where a Conflict of Interest could arise or be perceived to arise from personal or Family Member relationships with other KONGSBERG employees include:

- A father supervising his son and long-term friend. The father's duties include signing off his son's and friend's timesheets;
- An employee reporting into a Line Manager who in turn reports into the employee's sibling;
- A Line Manager and an employee engaging in a romantic relationship;
- A mother involved in the recruitment of a role which her daughter had applied for; and
- A husband and wife holding senior positions within separate teams but where their duties mean that they interact when carrying out their respective duties.

You must discuss with your Line Manager any situations where you feel that an actual, potential or apparent Conflict of Interest could arise from any relationships with KONGSBERG employees.

7.6 Employment of Government Officials

You must adhere to the relevant laws in the locations in which you are operating relating to the recruitment of, or the engagement with, current or former Government Officials.

7.7 Directorships and trusteeships

If you are a board member or trustee of another company or entity external to KONGSBERG, you are required to declare it to your Line Manager, where an actual, potential or apparent Conflict of Interest exists, complete a Conflict of Interest Declaration. Except where your appointment relates to a KONGSBERG joint venture or subsidiary, such a directorship is not permissible if it is with a company which may be considered a competitor of KONGSBERG.

If you are considering a new position and Conflict of Interest Declaration must be completed prior to accepting the position.

7.8 KONGSBERG joint ventures and subsidiaries

Any KONGSBERG employee who serves on the board of a KONGSBERG joint venture company is acting as a director of, and has a responsibility to, that joint venture. Employees must be aware of the possibility of Conflicts of Interest between their responsibilities as a director of a joint venture, their role as an employee and the interests of KONGSBERG as a shareholder in the joint venture. Employees who have roles with more than one joint venture should also consider whether there are any potential or apparent Conflicts of Interest between those roles.