

Instructions for the Nominating Committee of Kongsberg Gruppen ASA

(Revised on the Annual General Meeting ~~8~~9 May 200716)



KONSGBERG

The Nominating Committee is established in pursuance of § 9 in the Articles of Association of Kongsberg Gruppen ASA as presented after changing by the Annual General Meeting on ~~8~~9 May 200716.

The following instructions will apply to the Nominating Committee:

1. Formål

- 1.1. ~~The Nominating Committee is a preparatory and advisory body for the General Meeting of Kongsberg Gruppen ASA.~~
- 1.2. ~~The purpose of this instruction is to establish regulations for the work of the Nominating Committee and the administrative procedures.~~
- 1.3. ~~The Nominating Committee shall review and evaluate the content of this instruction annually, and proposed changes to be submitted to the Board of Directors who present the proposals for the General Meeting's approval.~~

2. ~~1.~~Task

- 2.1. ~~1.1~~The Nominating Committee shall submit a recommendation to the company's General Meeting for the election of shareholders' members and deputy members to the company's Board of Directors. Recommendation on the Chair of the Board of Directors is to be set separately.
- 2.2. ~~1.2~~The Nominating Committee makes recommendation to the Annual General Meeting for the election of members to ~~the Nominating Committee, including the Chair of the Nominating Committee.~~ the Nominating Committee. Recommendation on the Chair of the Nominating Committee is to be set separately.
- 2.3. ~~1.3~~The Nominating Committee shall annually evaluate the Board's work in connection with the Board's self-evaluation.
- 2.4. ~~1.4~~The Nominating Committee shall, in connection with the company's Annual General Meeting, present a proposal for the remuneration of Board members and deputy members, including remuneration for participating in Board committees.
- 2.5. ~~The Nominating Committee shall, in connection with the company's Annual General Meeting, present a proposal for the remuneration to the members of the Nominating Committee.~~
- 2.6. ~~The Nominating Committee shall monitor the need for changes in the composition of the Board of Directors and the Nominating Committee.~~

3. ~~2.~~Composition

- 3.1. ~~3.1.~~The Nominating Committee is ordinary made up of four members. By absent in an election period, an supplementary election is to be held on the first-coming General Meeting.
- 3.2. ~~2.1.~~The Nominating Committee consists of three members. The majority of the Nominating Committee should be independent of the Board of Directors and other senior employees. Members of the Board of Directors, General Manager or other senior employees should not be a member of the Nominating Committee.
- 3.3. The members of the Nominating Committee, and the Chair of the Nominating Committee, is to be elected by the Annual General Meeting. If the Chair of the Nominating Committee resigns

his Commission in an election period, the Nominating Committee itself choose its new Chair with the function of time for the remaining part of the new Chair's period.

3.4. Term of Office for members of the Nominating Committee is two years.

3.5. The General Meeting may by majority decision decide to replace the members of the Nominating Committee prior to the expiration of the service time.

~~Term of Office of the Election Committee is 2 years.~~

~~2.2 The Chair of the Nominating Committee is elected by the General Meeting.~~

~~2.3 The Chair of the Board of Directors shall, without having the right to vote, be summoned to at least 1 meeting of the Nominating Committee before the Nominating Committee casts its final recommendation.~~

4. **3.Processing rules**

4.1. ~~3.1~~The Nominating Committee form a quorum when all of the Chair of the Committee and at least two of the committee-members are taking part in the treatment of a case.

4.2. ~~3.2~~Meetings of the Nominating Committee will be held after notice ~~from the Chair and moreover from the Chair of the Committee, and~~ on request from two or more members of the Nominating Committee or the Chair of the Board.

4.3. The Chair of the Board of Directors shall, without having the right to vote, be summoned to at least one meeting of the Nominating Committee before the Nominating Committee emits its final recommendation.

4.4. ~~3.3~~In meetings of the Nominating Committee a protocol shall be made and signed by the present members. The Protocol is to be stored by the secretary of the Nominating Committee. The Chair of the Board of Directors has the right to get the Protocol for review.

4.5. ~~3.4~~The Nominating Committee shall receive an updated shareholder registry to their meetings.

4.6. ~~3.5~~The Nominating Committee shall have contact with and may collect the information from the administration, the Board members and shareholders that are considered relevant for the Committee's work. The Nominating Committee may seek for advice and recommendations from sources outside the company under the condition of proper information management. The company shall cover the costs related to the work of the Nominating Committee.

4.7. The Nominating Committee shall actively seek to promote proposals that are representative of the shareholder community in general, and to ensure that the Committee's recommendations are rooted among the company's largest shareholders.

4.8. 3.6The Nominating Committe shall by its work to come forward with proposals to the members and deputy members of the Board of Directors ~~and the Nominating Committee~~ take into account that the companys Board of Directors gathered to have a composition that is best suited to safeguard the shareholders' common interests. The Nominating Committee shall in the assessment of actual candidates in question take into account the company's need for ~~Board's members the candidates'~~ competence, the candidate's capacity to assume the Board and the need for a ~~Board~~ composition that overall is the best suitable to take decisions for the benefit of the shareholders. The Nominating Committee shall work for diversity in the company's Board of Directors. The Nominating Committee shall in their work also take into account that the composition of the Board of Directors should ensure that the Board is likely to act independently of special interests.

~~4. Behandling av valgkomitéens innstilling~~

4.9. The Nominating Committee shall, in its recommendation to the election of Board members take into account that the majority of the shareholder-elected Board members should be independent of the Executive Management and essential business connections, at least two of the shareholder-elected Board members should be independent of the company's largest shareholders, and that senior employees should not be a member of the Board of Directors.

4.10. The Nominating Committee shall by its work to come forward with proposals to members of the Nominating Committee take into consideration that the Nominating Committee gathered to have a composition that is best suited to safeguard the shareholders' common interests. The Nominating Committee shall, in its recommendation to the election of members to the Nominating Committee also take into account that the Nominating Committee should have a composition as described in point 3 of this instruction, and that the Nominating Committee has the necessary capacity and competence to carry out the tasks of the Nominating Committee.

5. The Nominating Committee's recommendation

5.1. ~~4.1~~The recommendation from the Nominating Committee to the General Meeting shall be released at the same time as the shareholders is notified of the Annual General Meeting. Copy of the recommendation is to be sent to the Chair of the Board of Directors.

~~4.2~~ ~~The recommendation from the Election Committee shall be justified.~~

5.2. The recommendation from the Nominating Committee shall be justified, so that it explains how the proposals maintain the consideration to the shareholders and the company's interests. The recommendation should include information about each candidate's competence, capacity and independence, including: (i) age, education and occupational experience, (ii) any interests in the company, mission for the company, and about the substantive positions or assignments in other companies and organizations, and (iii) if relevant, the length of time the candidate has been a Board member of the company and about participation in Board meetings (by re-election). The same applies at the recommendation of the candidates for the Nominating Committee.

5.3. The recommendation from the Nominating Committee should also include a statement that the proposed Board of Directors of the company meets the formal requirements to the composition of the company's Articles of Association, the law demands for representation of both sexes, the law demands for residence and law requirements on the competence of the Board's Audit Committee.

5.4. The recommendation from the Nominating Committee should explain how the Committee has worked.

5.5. ~~4.3~~The Chair of the Nominating Committee, or the one the Chair is empowering, sets forth the recommendation on the ~~Annual~~ General Meeting that shall process the recommendation. The recommendation signed by the members of the Nominating Committee is to be attached the Protocol of the ~~Annual~~ General Meeting. Instructions and any subsequent changes to this are determined by the General Meeting ~~at the suggestion of the Board of Directors' shareholder-elected members~~.

6. ~~5.~~ Information on KONGSBERG's web pages and deadline to make suggestions

6.1. ~~5.1~~Information about who are members of the Nominating Committee is to be available on the company's web pages.

6.2. ~~5.2~~ Information about any deadlines and procedure for shareholders' proposal for the selection of members ~~of~~to the Board of Directors or the Nominating Committee to be available on the company's web pages in due time before the Nominating Committee emits its recommendation.