

The Annual General Meeting of Kongsberg Gruppen ASA

26 April 2017

In case of discrepancy between the Norwegian language original text and the English language translation, the Norwegian text shall prevail.

MINUTES FROM THE 2017 ANNUAL GENERAL MEETING OF KONGSBERG GRUPPEN ASA

At 10 a.m. on 26 April 2017, the Annual General Meeting of Kongsberg Gruppen ASA was held at the Conference Centre, Kongsberg Technology Park, Kongsberg (Norway). Pursuant to §5-12, first subsection, of the Norwegian Public Limited Companies Act and Art. 8 of the Company's Articles of Association, the General Meeting was called to order and chaired by Chair of the Board Finn Jebsen.

The chair requested that General Counsel Christian Karde keep the minutes of the Annual General Meeting.

1. APPROVAL OF THE NOTICE OF THE MEETING AND AGENDA

A total of 92 shareholders were present or represented by proxies. Altogether, 87,687,378 shares, equivalent to approx. 73.07 per cent of the total share capital, were represented. A list of the shareholders and proxies who attended the General Meeting is appended and constitutes an integral part of these minutes.

There were no objections to the notice of the meeting or the registration list, and the General Meeting was declared lawfully convened.

The chair referred to the notice of the General Meeting with attachments, dated 5 April 2017

In keeping with the Board of Director's proposal, the General Meeting adopted the following **resolution**:

"The notice of the meeting and the agenda are approved."

2. ELECTION OF A PERSON TO CO-SIGN THE MINUTES

Morten Strømgren of the Ministry of Trade, Industry and Fisheries was nominated to co-sign the minutes along with the chair.

In keeping with the Board of Director's proposal, the General Meeting adopted the following **resolution**:

"Morten Strømgren is elected to co-sign the minutes."

3. BRIEFING BY THE CEO

Chief Executive Officer Geir Håøy reviewed the highlights of 2016 and provided a short briefing on trends thus far in 2017. Håøy also responded to a CSR-related question received from a shareholder.

Chair of the Board Finn Jebsen reported on the conclusion of the Romania case.

4. TREATMENT OF THE REPORT ON CORPORATE GOVERNANCE

Chair of the Board Finn Jebsen presented a short verbal account of the Board's corporate governance report.

5. APPROVAL OF THE FINANCIAL STATEMENTS AND DIRECTORS' REPORT FOR THE PARENT COMPANY AND THE GROUP FOR THE 2016 FINANCIAL YEAR

The chair referred to the review provided in the Directors' Report and the accompanying financial statements for 2016, which have been made available on the Group's website. Acting Chief Financial Officer Harald Aarø reported on the income statement and balance sheet. State-authorized Public Accountant Anders Gøbel was present, and confirmed that the Auditor's Report for 2016 was without annotations or comments. Reference was made to the Auditor's Report, which is included in the Annual Report. There were no comments to the Auditor's Report.

In keeping with the Board of Director's proposal, the General Meeting adopted the following **resolution**:

"The financial statements for the parent company and for the Group for the 2016 financial year are approved. The Directors' Report is also approved. The Auditor's Report was taken under advisement."

6. PAYMENT OF DIVIDENDS

The parent company, Kongsberg Gruppen ASA, posted a net profit of MNOK 547 in 2016. In 2016, the Group reported a net profit for the year of MNOK 651, which translates into earnings per share of NOK 5.44. The Group's financial soundness is considered satisfactory. The Board of Directors recommends to the General Meeting that the ordinary dividend for fiscal 2016 be set at NOK 3.75 per share. The dividend will be paid to those listed as the Company's shareholders as at close of business on 26 April 2017 (as they appear in the register of shareholders on 28 April 2017). The Group's shares will be listed on the Oslo Stock Exchange excluding rights to dividends as from 27 April 2017. The dividend is expected to be paid out on 24 May 2017.

In keeping with the Board of Director's proposal for the payment of dividends, the General Meeting adopted the following **resolution**:

"The Board of Director's proposal for a dividend of NOK 3.75 per share for 2016 is approved. The dividend will be paid to those listed as the Company's shareholders as at close of business on 26 April 2017 (as they appear in the register of shareholders on 28 April 2017). The Group's shares will be listed on the Oslo Stock Exchange excluding rights to dividends as from 27 April 2017. The dividend is expected to be paid out on 24 May 2017."

7. REMUNERATION TO MEMBERS OF THE BOARD, BOARD COMMITTEES AND THE NOMINATING COMMITTEE

Member of the Nominating Committee Morten Strømgren reported on the Nominating Committee's work and unanimous recommendation of nominees.

In keeping with the Nominating Committee's recommendation for compensation for the directors, including the Audit Committee and the Compensation Committee, and applicable as from 26 April 2017 until the next Annual General Meeting, the General Meeting unanimously adopted the following **resolution**:

"The Board:

<i>Chair of the Board:</i>	<i>NOK 489,000 per year</i>
<i>Deputy Chair:</i>	<i>NOK 262,000 per year</i>
<i>Member of the Board:</i>	<i>NOK 246,000 per year</i>
<i>Deputy member:</i>	<i>NOK 11,400 per meeting</i>

In addition, the chair of the Audit Committee receives NOK 11,500 per meeting, up to a maximum of NOK 115,000 per year and the Audit Committee's members receive NOK 10,100 per meeting, up to a maximum of NOK 101,000 per year.

The chair of the Compensation Committee receives NOK 10,600 per meeting, up to a maximum of NOK 53,000 per year and the Compensation Committee's members receive NOK 9,400 per meeting, up to a maximum of NOK 47,000 per year.

The chair of the Nominating Committee receives NOK 5,900 per meeting and the members of the Nominating Committee receive NOK 4,400 per meeting."

8. COMPENSATION TO THE AUDITOR

In keeping with the Board of Director's motion for compensation to the auditor, the General Meeting adopted the following **resolution**:

"For 2016, remuneration of NOK 922,000 to the Company's auditor for ordinary auditing services rendered to the parent company is approved."

9. APPROVAL OF THE BOARD'S DECLARATION REGARDING THE STIPULATION OF SALARY AND OTHER REMUNERATION TO SENIOR EXECUTIVES

The General Meeting took an advisory vote on the guidelines. The General Meeting gave its unanimous endorsement to the normative guidelines. The Ministry of Trade, Industry and Fisheries requested that an objection to this item be recorded in the minutes. The recorded objection is included as an attachment to these minutes.

The General Meeting adopted the following **resolution**:

"The General Meeting approves the guidelines in the declaration on the stipulation of salary and other compensation to senior executives that refer to compensation related to shares or to the development of the share price in the Company or in other companies within the Group."

10. ELECTION OF SHAREHOLDER-ELECTED DIRECTORS

All five shareholder-elected directors of Kongsberg Gruppen ASA are up for election. Committee member Morten Strømgren reported on the work of the Nominating Committee and its recommended roster of nominees for the election of shareholder-elected directors. The Nominating Committee's recommendation is unanimous, and the full text of the recommendation is available on the Company's website. On behalf of the State of Norway, Strømgren thanked Finn Jepsen for his 12 years of work as Chair of the Board of Directors.

In accordance with the Nominating Committee's recommendation, the General Meeting adopted the following **resolution**:

"The following representatives are elected as shareholder-elected Members of the Board of Directors of Kongsberg Gruppen ASA:

1. Irene Waage Basili (re-elected)
2. Morten Henriksen (re-elected)
3. Anne-Grete Strøm-Erichsen (re-elected)
4. Eivind K. Reiten (new)
5. Martha Kold Bakkevig (new)"

After this, the full Board of Directors of Kongsberg Gruppen ASA consists (also after the election of employees' representatives on 21 March 2017) of the following individuals:

Irene Waage Basili

Morten Henriksen

Anne-Grethe Strøm-Erichsen

Eivind K. Reiten

Martha Kold Bakkevig

Helge Lintvedt *Employee director*

Elisabeth Fossan *Employee director*

Sigmund Ivar Bakke *Employee director*

11. AUTHORISATION FOR THE ACQUISITION OF TREASURY SHARES

The General Meeting discussed the Board of Director's proposal concerning authorisation for the acquisition of treasury shares. In keeping with the Board of Director's reasoned proposal, the General Meeting adopted the following **resolution**:

- "(a) Pursuant to §9-4 of the Norwegian Companies Act, the Board is authorised to acquire treasury shares for up to a total maximum nominal value of NOK 7,500,000.
- (b) The authorisation may be re-used.
- (c) The Board's acquisition of shares pursuant to this authorisation can only be exercised between a minimum price of NOK 25 per share and a maximum price of NOK 300 per share.
- (d) Shares acquired under the authorisation can be used for the employee share programme, as part of corporate management's regular salary that must be used to buy shares, as whole or partial payment for the acquisition of business activities, or for disposal.
- (e) The authorisation shall apply until the next Annual General Meeting, but no later than until 30 June 2018.
- (f) The acquisition of shares pursuant to this authorisation shall take place on the stock market. The disposal of the shares acquired shall take place on the stock market, unless the shares are used in conjunction with employee share programmes or as whole or partial payment for the acquisition of business activities."

12. PROPOSAL FROM A SHAREHOLDER REGARDING THE ORGANISATION AND COMPOSITION OF KONGSBERG'S ETHICS COUNCIL

A shareholder had submitted a proposal to commission the Board to study whether the current organisation and composition of the Company's Ethics Council adequately guarantees qualified administration and compliance with the Company's corporate Code of Ethics. The shareholder's grounded proposal and the Board's response were made available on the Company's website as attachments to the convening notice.

The proposal from the shareholder was not adopted.

By way of conclusion, Chair of the Board Finn Jebsen thanked the administration, the Board and the General Meeting for 12 years of good cooperation, as this was his last General Meeting. The General Meeting expressed its sincere gratitude to Finn Jebsen for his work as Chair of the Board of Directors during these 12 years.

Kongsberg, 26 April 2017

(signature) _____
Finn Jebsen

(signature) _____
Morten Strømgren

- Attachment 1: List of shareholders represented at the General Meeting, in person or by proxy.
Attachment 2: Results of the votes on each individual item on the agenda.
Attachment 3: Record of an objection in the minutes, item 9

Record of an objection made by the State, as represented by the Ministry of Trade, Industry and Fisheries, regarding item 9 on the agenda of the General Meeting of Kongsberg Gruppen ASA, 26 April 2017

The State, as represented by the Ministry of Trade, Industry and Fisheries, took the floor and communicated the following: For companies with commercial goals, the State's primary objective as owner is to earn the highest possible return on invested capital over time. Towards this end, the Ministry of Trade, Industry and Fisheries considers the Company's declaration on the determination of salaries and other remuneration to senior executives, compared with the State's guidelines for salaries and other remuneration to senior executives in companies in which the State owns a stake.

In considering this year's declaration from KONGSBERG, the Ministry has inter alia examined the Company's interpretation as regards in-house recruitment. It ensues from the State's guidelines that contracts, that is, contracts of employment, signed prior to the enactment of the guidelines can be maintained and are not expected to be renegotiated. As stated in the publication entitled 'The State Ownership Report 2015', however, the Ministry expects that when recruiting new senior executives, the companies will comply with the parameters of the guidelines, regardless of whether recruitment takes place internally or externally, and regardless of whether hiring takes place by renegotiating an existing contract or entering into a new contract. This refers, inter alia, to the ceiling for pensionable income of 12 G. The Ministry expects the Company to comply with the State's guidelines, including the ceiling of 12 G, in connection with similar recruitment in future.

Total Represented

ISIN:	<u>NO0003043309 KONGSBERG GRUPPEN ASA</u>
General meeting date:	26/04/2017 10.00
Today:	03.05.2017

Number of persons with voting rights represented/attended : 35

	Number of shares	% sc
Total shares	120,000,000	
- own shares of the company	476,725	
Total shares with voting rights	119,523,275	
Represented by own shares	60,196,085	50.36 %
Sum own shares	60,196,085	50.36 %
Represented by proxy	4,000	0.00 %
Represented by voting instruction	27,487,293	23.00 %
Sum proxy shares	27,491,293	23.00 %
Total represented with voting rights	87,687,378	73.36 %
Total represented by share capital	87,687,378	73.07 %

Registrar for the company:

DNB Bank ASA

Signature company:

KONGSBERG GRUPPEN ASA

Protocol for general meeting KONGSBERG GRUPPEN ASA

ISIN: NO0003043309 KONGSBERG GRUPPEN ASA
 General meeting date: 26/04/2017 10.00
 Today: 03.05.2017

Shares class	FOR	Against	Abstain	Poll in	Poll not registered	Represented shares with voting rights
Agenda item 1. Approval of the notice and the agenda						
Ordinær	87,286,178	0	401,200	87,687,378	0	87,687,378
votes cast in %	99.54 %	0.00 %	0.46 %			
representation of sc in %	99.54 %	0.00 %	0.46 %	100.00 %	0.00 %	
total sc in %	72.74 %	0.00 %	0.33 %	73.07 %	0.00 %	
Total	87,286,178	0	401,200	87,687,378	0	87,687,378
Agenda item 2 Election of a co-signer for the minutes, to be proposed by the Chair at the AGM						
Ordinær	87,687,378	0	0	87,687,378	0	87,687,378
votes cast in %	100.00 %	0.00 %	0.00 %			
representation of sc in %	100.00 %	0.00 %	0.00 %	100.00 %	0.00 %	
total sc in %	73.07 %	0.00 %	0.00 %	73.07 %	0.00 %	
Total	87,687,378	0	0	87,687,378	0	87,687,378
Agenda item 5. Approval of the Financial Statements and Directors' Report for the parent company and the Group for fiscal year 2016						
Ordinær	87,687,378	0	0	87,687,378	0	87,687,378
votes cast in %	100.00 %	0.00 %	0.00 %			
representation of sc in %	100.00 %	0.00 %	0.00 %	100.00 %	0.00 %	
total sc in %	73.07 %	0.00 %	0.00 %	73.07 %	0.00 %	
Total	87,687,378	0	0	87,687,378	0	87,687,378
Agenda item 6. Payment of dividends						
Ordinær	87,687,378	0	0	87,687,378	0	87,687,378
votes cast in %	100.00 %	0.00 %	0.00 %			
representation of sc in %	100.00 %	0.00 %	0.00 %	100.00 %	0.00 %	
total sc in %	73.07 %	0.00 %	0.00 %	73.07 %	0.00 %	
Total	87,687,378	0	0	87,687,378	0	87,687,378
Agenda item 7. Remuneration to the members of the Board, Board Committees and Nominating Committee						
Ordinær	87,686,644	391	343	87,687,378	0	87,687,378
votes cast in %	100.00 %	0.00 %	0.00 %			
representation of sc in %	100.00 %	0.00 %	0.00 %	100.00 %	0.00 %	
total sc in %	73.07 %	0.00 %	0.00 %	73.07 %	0.00 %	
Total	87,686,644	391	343	87,687,378	0	87,687,378
Agenda item 8. Remuneration to the Auditor						
Ordinær	87,686,987	391	0	87,687,378	0	87,687,378
votes cast in %	100.00 %	0.00 %	0.00 %			
representation of sc in %	100.00 %	0.00 %	0.00 %	100.00 %	0.00 %	
total sc in %	73.07 %	0.00 %	0.00 %	73.07 %	0.00 %	
Total	87,686,987	391	0	87,687,378	0	87,687,378
Agenda item 9.a Advisory vote is held for precatory guidelines						
Ordinær	87,685,801	377	1,200	87,687,378	0	87,687,378
votes cast in %	100.00 %	0.00 %	0.00 %			
representation of sc in %	100.00 %	0.00 %	0.00 %	100.00 %	0.00 %	
total sc in %	73.07 %	0.00 %	0.00 %	73.07 %	0.00 %	
Total	87,685,801	377	1,200	87,687,378	0	87,687,378
Agenda item 9.b Approval of binding guidelines						
Ordinær	84,754,737	2,930,630	2,011	87,687,378	0	87,687,378
votes cast in %	96.66 %	3.34 %	0.00 %			
representation of sc in %	96.66 %	3.34 %	0.00 %	100.00 %	0.00 %	
total sc in %	70.63 %	2.44 %	0.00 %	73.07 %	0.00 %	
Total	84,754,737	2,930,630	2,011	87,687,378	0	87,687,378
Agenda item 10 Election of shareholder-elected Board members (Directors) - the proposal from the Nominating Committee as a whole						
Ordinær	87,677,641	8,583	1,154	87,687,378	0	87,687,378
votes cast in %	99.99 %	0.01 %	0.00 %			
representation of sc in %	99.99 %	0.01 %	0.00 %	100.00 %	0.00 %	
total sc in %	73.07 %	0.01 %	0.00 %	73.07 %	0.00 %	
Total	87,677,641	8,583	1,154	87,687,378	0	87,687,378
Agenda item 10.1 Irene Waage Basili, Bergen (re-election)						
Ordinær	87,686,224	0	1,154	87,687,378	0	87,687,378
votes cast in %	100.00 %	0.00 %	0.00 %			

Shares class	FOR	Against	Abstain	Poll in	Poll not registered	Represented shares with voting rights
representation of sc in %	100.00 %	0.00 %	0.00 %	100.00 %	0.00 %	
total sc in %	73.07 %	0.00 %	0.00 %	73.07 %	0.00 %	
Total	87,686,224	0	1,154	87,687,378	0	87,687,378
Agenda item 10.2 Morten Henriksen, Arendal (re-election)						
Ordinær	87,686,224	0	1,154	87,687,378	0	87,687,378
votes cast in %	100.00 %	0.00 %	0.00 %			
representation of sc in %	100.00 %	0.00 %	0.00 %	100.00 %	0.00 %	
total sc in %	73.07 %	0.00 %	0.00 %	73.07 %	0.00 %	
Total	87,686,224	0	1,154	87,687,378	0	87,687,378
Agenda item 10.3 Anne-Grete Strøm-Erichsen, Bergen (re-election)						
Ordinær	87,685,994	230	1,154	87,687,378	0	87,687,378
votes cast in %	100.00 %	0.00 %	0.00 %			
representation of sc in %	100.00 %	0.00 %	0.00 %	100.00 %	0.00 %	
total sc in %	73.07 %	0.00 %	0.00 %	73.07 %	0.00 %	
Total	87,685,994	230	1,154	87,687,378	0	87,687,378
Agenda item 10.4 Eivind K. Reiten, Oslo (new)						
Ordinær	87,677,641	8,583	1,154	87,687,378	0	87,687,378
votes cast in %	99.99 %	0.01 %	0.00 %			
representation of sc in %	99.99 %	0.01 %	0.00 %	100.00 %	0.00 %	
total sc in %	73.07 %	0.01 %	0.00 %	73.07 %	0.00 %	
Total	87,677,641	8,583	1,154	87,687,378	0	87,687,378
Agenda item 10.5 Martha Kold Bakkevig, Haugesund (new)						
Ordinær	87,686,224	0	1,154	87,687,378	0	87,687,378
votes cast in %	100.00 %	0.00 %	0.00 %			
representation of sc in %	100.00 %	0.00 %	0.00 %	100.00 %	0.00 %	
total sc in %	73.07 %	0.00 %	0.00 %	73.07 %	0.00 %	
Total	87,686,224	0	1,154	87,687,378	0	87,687,378
Agenda item 11. Authorisation for the acquisition of treasury shares						
Ordinær	87,677,825	8,353	1,200	87,687,378	0	87,687,378
votes cast in %	99.99 %	0.01 %	0.00 %			
representation of sc in %	99.99 %	0.01 %	0.00 %	100.00 %	0.00 %	
total sc in %	73.07 %	0.01 %	0.00 %	73.07 %	0.00 %	
Total	87,677,825	8,353	1,200	87,687,378	0	87,687,378
Agenda item 12. Suggestion from shareholder regarding the organization and composition of Kongsberg Gruppen's Ethics Council						
Ordinær	11,112,815	76,028,770	541,863	87,683,448	3,930	87,687,378
votes cast in %	12.67 %	86.71 %	0.62 %			
representation of sc in %	12.67 %	86.70 %	0.62 %	100.00 %	0.00 %	
total sc in %	9.26 %	63.36 %	0.45 %	73.07 %	0.00 %	
Total	11,112,815	76,028,770	541,863	87,683,448	3,930	87,687,378

Registrar for the company:

DNB Bank ASA

Signature company:

KONGSBERG GRUPPEN ASA

Share information

Name	Total number of shares	Nominal value	Share capital	Voting rights
Ordinær	120,000,000	1.25	150,000,000.00	Yes
Sum:				

§ 5-17 Generally majority requirement

requires majority of the given votes

§ 5-18 Amendment to resolution

Requires two-thirds majority of the given votes

like the issued share capital represented/attended on the general meeting