

R E C O M M E N D A T I O N

FROM

THE NOMINATING COMMITTEE - KONGSBERG GRUPPEN ASA 2016

Since the General Meeting in 2014, the Nominating Committee for Kongsberg Gruppen ASA has consisted of Alexandra Morris (Chair), Morten S. Bergesen and Morten Strømgren. The Committee has since the General Meeting in 2015 had ten meetings and telephone conferences, as well as correspondence by e-mail.

The Nominating Committee has had meetings with the Chair of the Board of Directors Finn Jebsen and CEO Walter Qvam. In addition, the Committee has been in contact with the largest shareholders to get input to the Committee's work.

Kongsberg Gruppen has also according to the Norwegian Code of Practice for Corporate Governance and Company Management, facilitated that shareholders can bolster suggestions via the company's web page. No proposals were promoted through this channel in 2016.

Election of members to the Nominating Committee

Since the General Meeting in 2014, the Nominating Committee for Kongsberg Gruppen ASA has consisted of; Alexandra Morris (Chair) who is Investment Director of DNB Asset Management, Morten Strømgren who is Department Director of the Department of Ownership of The Ministry of Trade, Industry and Fisheries, and Morten S. Bergesen who is member of the Board of Arendal Fossekompani AS and Managing Director of Havfonn AS. Morris was elected by the Annual General Meeting in 2010, while Strømgren and S. Bergesen both was elected by the Annual General Meeting in 2014.

In reviews of the composition of the Nominating Committee, it has been emphasized that the Committee is going to be well suited to protect the interests of the shareholder community, including overall to represent major shareholders, continuity, different management experience and a good knowledge of Kongsberg Gruppen ASA.

The Nominating Committee finds it natural that the State of Norway, as represented by the Ministry of Trade, Industry and Fisheries, which owns more than half of the shares in Kongsberg Gruppen ASA, and Arendal Fossekompani AS, as the largest private shareholder, are represented in the Nominating Committee. This will be safeguarded by the fact that today's members Morten Strømgren and Morten S. Bergesen continues in the Nominating Committee. Moreover, the Committee received suggestions about candidates who directly or indirectly represents other major shareholders. The Nominating Committee is considering the following two candidates as very suitable: (1) Vigdis Almestad who is Senior Portfolio Manager in ODIN Forvaltning AS, as of April 2016 is the fourth largest shareholder of Kongsberg Gruppen ASA. (2) Jon Hindar who is CEO of the Cermaq Group AS.

A CV is enclosed for Morten S. Bergesen, Morten Strømgren, Vigdis Almestad and Jon Hindar.

The Nominating Committee is aware that the Annual General Meeting is thought promoted a proposal for increase of the number of members in the Nominating Committee from three to four.

The Nominating Committee is considering, among other things based on dialogue with the company's shareholders, that the composition of the Nominating Committee as proposed below in a good way covers the aforementioned considerations.

Given there shall be elected a Nominating Committee consisting of three members, the following is proposed for the next two-year term of office:

| | | |
|----------------------------|---|-------------|
| Morten S. Bergesen (Chair) | Havfonn AS | Re-election |
| Morten Strømgren | Ministry of Trade, Industry and Fisheries | Re-election |
| Vigdis Almestad | ODIN Forvaltning AS | New |

Given there shall be elected a Nominating Committee consisting of four members, the following is proposed for the next two-year term of office:

| | | |
|----------------------------|---|-------------|
| Morten S. Bergesen (Chair) | Havfonn AS | Re-election |
| Morten Strømgren | Ministry of Trade, Industry and Fisheries | Re-election |
| Vigdis Almestad | ODIN Forvaltning AS | New |
| Jon Hindar | Cermaq Group AS | New |

Directors' fees

The Nominating Committee's mandate also includes proposing compensation for the Board of Directors. In the effort to prepare proposals for remuneration to the Board of Directors the Nominating Committee among other things, has examined the level of remuneration in other comparable companies, looked at the Board's members amount of work and discussed it during contact with the shareholders. Several major shareholders signaled that they mean that the level of the remuneration in Kongsberg Gruppen ASA is low. This is consistent with the surveys done by the Nominating Committee against comparable companies. However, the Nominating Committee has not found that a majority of the shareholders want a larger adjustment of the remuneration of directors by this year's General Meeting. On this basis, the Nominating Committee proposes that the General Meeting approves the following adjustment in compensation for the Board members and for work in the Board committees:

Board:

| | | |
|---|------------------------|---|
| Chair of the Board: | NOK 445 000 per year | (Up NOK 13 000, most recently adjusted in 2015) |
| Deputy Chair: | NOK 239 000 per year | (Up NOK 6 000, most recently adjusted in 2015) |
| Directors: | NOK 224 000 per year | (Up NOK 6 000, most recently adjusted in 2015) |
| Not permanent oncoming Deputy Directors: | NOK 11 200 per meeting | (Up NOK 300, most recently adjusted in 2015) |

Audit Committee:

| | | |
|---------|------------------------|--|
| Chair: | NOK 11 200 per meeting | (Up NOK 300, most recently adjusted in 2015), maximum NOK 54 500 per year |
| Member: | NOK 9 900 per meeting | (Up NOK 300, most recently adjusted in 2015), maximum NOK 48 000 per year |

Compensation Committee:

| | | |
|---------|--------------------------|--|
| Chair: | NOK 10 400,- per meeting | (Up NOK 300,-, most recently adjusted in 2015), maximum NOK 50 500,- per year |
| Member: | NOK 9 200,- per meeting | (Up NOK 300,-, most recently adjusted in 2015), maximum NOK 44 500,- per year |

Oslo, 8 April 2016

Morten S. Bergesen (sign.) Morten Strømgren (sign.) Alexandra Morris (sign.)

CV OF THE NOMINEES TO THE NOMINATING COMMITTEE OF KONGSBERG GRUPPEN ASA

Morten S. Bergesen (41) (Chair)

Position: Managing Director of the family company Havfonn AS

Education: Civil Economist (BI 2000)

Other: Work experience at ECON, Center for economic analysis

Number of years on the Committee: 2

Number of shares in Kongsberg Gruppen ASA: 0

Directorships outside KONGSBERG: Board member of Arendals Fossekompagni ASA, as well as Chair of the Board of the Cogen AS. Of the other current directorships include Agrinos AS and IFM Immobilien AG. Previous directorships in amongst others Jøtul ASA, Sonans AS, Selvaag Bolig ASA and Roxar ASA.

Morten Strømgren (42)

Position: Department Director of the Department of Ownership of The Ministry of Trade, Industry and Fisheries

Education: Civil engineer (industrial finance) at NTNU (1998), Master's degree in finance, at NHH and Authorized Financial Analyst (2011)

Other: Work experience at the consultancy company Arkwright, the Directorate of Financial Management and the Norwegian Ministry of Reform and Administration

Number of years on the Committee: 2

Number of shares in Kongsberg Gruppen ASA: 0

Directorships outside KONGSBERG: Member of the Election Committee of Cermaq

Vigdis Almestad (53)

Position: Senior Portfolio Manager in Odin Forvaltning AS

Education: Civil Economist at NHH (1987), Authorized Financial Analyst (1992) and Master's degree in finance at NHH (2005)

Other: Work experience at Ministry of Finance, Avanse Forvaltning, Dolphin Kapitalforvaltning, National Insurance Fund, Orkla ASA and Solsten

Number of years on the Committee: 0

Number of shares in Kongsberg Gruppen ASA: 0

Directorships outside KONGSBERG: Board member of Oslo Pensjonsforsikring. Previous directorships: Board member of Orkla Eiendom, member of NHOs Finansutvalg and DnBs control committee.

Jon Hindar (59)

Position: CEO of Cermaq Group AS

Education: Civil Engineer (Chemistry) at NTNU (1980), continuing education at IMD (1993/94)

Other: Work experience from STK, BP Chemicals, Dyno Industries, Fondsfinans, Dynal Biotech, Invitrogen Corp, Norsun

Number of years on the Committee: 0

Number of shares in Kongsberg Gruppen ASA: 0

Directorships outside KONGSBERG: Chair of the Board of Skiforeningen, board member of L. Gill-Johansen and Cermaq Group. Previous directorships in Photocure, Norconsult and Handicare