

**RECOMMENDATION
FROM
THE NOMINATING COMMITTEE - KONGSBERG GRUPPEN ASA 2018**

Since the Annual General Meeting in 2016, the Nominating Committee for Kongsberg Gruppen ASA has consisted of Morten S. Bergesen (Chair), Morten Strømgren, Vigdis Almestad and Jon Hindar. The Committee has since the Annual General Meeting in 2017 had four meetings, as well as telephone conferences and correspondence by e-mail.

The Nominating Committee has had meetings with the Chair of the Board Eivind Reiten and CEO Geir Håøy. In addition, the Committee has been in touch with the major shareholders in order to get input to the Committee's work.

Kongsberg Gruppen ASA 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 internet pages and/or directly contact the members of the Nominating Committee. Non proposal was promoted through this channel in 2018.

None of the members of the board are on elections in 2018.

Election of members to the Nominating Committee

Since the Annual General Meeting in 2016, the Nominating Committee for Kongsberg Gruppen ASA has consisted of;

Morten S. Bergesen (Chair) who is member of the Board of Arendal Fossekompagni AS and Managing Director of Havfonn AS,

Morten Strømgren who is Department Director of the Department of Ownership of the Ministry of Trade, Industry and Fisheries,

Vigdis Almestad who is Senior Portfolio Manager in ODIN Forvaltning AS and

Jon Hindar who is self-employed consultant and former CEO of Cermaq Group AS.

Strømgren and S. Bergesen was elected by the Annual General Meeting in 2014, while Hindar and Almestad was elected by the Annual General Meeting in 2016.

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 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, as well as Arendal Fossekompagni 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 also suggest re-election of Vigdis Almestad.

Jon Hindar wish to resign from the Nominating Committee. After discussions with the company's largest shareholders the Nominating Committee finds it not necessary to supplement the Committee with a fourth member for the next period.

The following 3 members are suggested for the next 2-years-period:

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

A CV is enclosed for the three suggested members.

REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS, BOARD COMMITTEES AND NOMINATING COMMITTEE

The Nominating Committee's mandate also includes proposing compensation for the Board of Directors, the Board Committees and the Nominating Committee. In the effort to prepare proposals to the remuneration, the Nominating Committee has among other things checked the level of remuneration in other comparable companies, looked at the workload of the tasks and discussed the level of remuneration with the shareholders.

Directors' fees in Kongsberg Gruppen is currently low compared with relevant companies listed on Oslo Børs. The Group's complexity and size suggests by the Committees opinion that the remuneration should be increased so that the gap over time will reduce. The Nominating Committee's suggestion of this year for the different positions reflects this, as well as which increases the committee has learned that may be expected approval of from the Annual General Meeting.

On this basis, the Nominating Committee proposes the following remuneration for the Board of Directors, the Board Committees and the Nominating Committee:

The Board:

Chair of the Board:	NOK 518 000 per year (up NOK 29 000)
Deputy Chair:	NOK 277 000 per year (up NOK 15 000)
Directors:	NOK 260 000 per year (up NOK 14 000)
Deputy Director:	NOK 12 000 per meeting (up NOK 600)

The Audit Committee:

Chair:	NOK 12 100 per meeting (up NOK 600), maximum NOK 121 000 per year
Member:	NOK 10 100 per meeting (unchanged), maximum NOK 101 000 per year

The Compensation Committee:

Chair:	NOK 11 200 per meeting (up NOK 600), maximum NOK 56 000 per year
Member:	NOK 9 400 per meeting (unchanged), maximum NOK 47 000 per year

The Nominating Committee:

Chair:	NOK 7 400 per meeting (up NOK 1 500)
Member:	NOK 5 200 per meeting (up NOK 800)

The recommendation of the Nominating Committee is unanimous.

Oslo, 5 April 2018

Morten S. Bergesen (sign.)

Morten Strømgren (sign.)

Jon Hindar (sign.)

Vigdis Almestad (sign.)

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

Morten S. Bergesen (43) (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: 4

Number of shares in Kongsberg Gruppen ASA: 0

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

Morten Strømgren (44)

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 incl. 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: 4

Number of shares in Kongsberg Gruppen ASA: 0

Directorships outside KONGSBERG: Member of the Election Committee of Cermaq ASA

Vigdis Almestad (55)

Position: Senior Portfolio Manager of 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: 2

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 Finance Committee and DnBs Control Committee.