



KONGSBERG

# Executive Management Remuneration Report 2022

## Introduction

This report provides an overview of how KONGSBERG's guidelines on remuneration for executive management, adopted by the 2021 Annual General Meeting, have been implemented in the 2022 financial year.

The report provides details of the total remuneration, including fixed salaries and variable benefits, to KONGSBERG's CEO and other members of the executive management team. The report also contains a summary of KONGSBERG's current performance-related pay scheme (short term incentive scheme = STI) and share programme (long term incentive scheme = LTI).

The report has been prepared in accordance with the The State's Guidelines for the Remuneration of Senior Executives and the Board of Directors' guidelines for remuneration for leading persons in KONGSBERG.

This is an English translation of the original Norwegian version of this document. In case of discrepancy between the Norwegian language original text and the English language translation, the Norwegian text shall prevail.

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# Main principles of the Company's Executive Management Remuneration

The Board of Directors determines the principles and system for remuneration of the executive management team. The Board performs an annual evaluation of the CEO's salary, terms and conditions, as well as of KONGSBERG's STI scheme. The Board's Compensation Committee prepares the cases for the Board of Directors. The CEO determines the remuneration of the other members of the executive management team, after consultation with the Chairman of the Board.

Executive management remuneration in Kongsberg Gruppen ASA and Group companies (KONGSBERG) are determined on the basis of the following main principles:

- Executive management remuneration should be competitive, but not market leading, and within this framework support general moderation in executive management remuneration growth.
- The company should be able to attract and retain competent managers.
- The remuneration should be motivating – it should be structured to motivate extra efforts towards the continuous improvement of the business and the company's results.
- The Remuneration framework should be perceived as understandable and acceptable, both internally in KONGSBERG and externally.
- The Remuneration framework should be flexible – allowing adjustments to be made when needs change.
- The Remuneration framework should promote cooperation.

Executive management's remuneration package should reflect their responsibility for administration, profit and sustainable development of KONGSBERG, and should take into account the size and complexity of the business. The package should also be transparent and in line with principles of good corporate governance.

Other companies in KONGSBERG should follow the same principles as the executive management's remuneration framework. It is a goal to coordinate the remuneration framework and the variable benefit schemes within KONGSBERG.

KONGSBERG aims to create value for shareholders through profitable growth in a long-term and sustainable perspective. The company has therefore chosen STI and LTI schemes that support this. Over time, growth and profitability are essential prerequisites for creating value for shareholders, but KONGSBERG also places great emphasis on short-term profitability and positive cash flows to be able to invest in future solutions and products, and to give shareholders an annual return through dividends. The result and capital components are therefore weighted more heavily than the growth component of the schemes. In general, the revenue component of the STI scheme will ensure that participants have incentives to generate growth, while the result component (Earnings Before Interest and Taxes = EBIT) will provide incentives to improve profits. In addition, the ROACE component (Return On Average Capital Employed), which is the relationship between EBIT and capital binding in the company, will provide incentives to generate profit in a capital-efficient manner and provide positive cash flows.

The LTI scheme is intended to safeguard long-term interests and to maintain and strengthen the commitment of the scheme participants to KONGSBERG. This is achieved by tying up LTI shares for three years before the participants becomes the owner of the shares. The company's results for 2022, has ensured the participants a good pay-out.

# Elements of the Executive Remuneration

## – fixed salary and variable benefits

The executive management team's remuneration consists of fixed salary and variable benefits. Fixed salary includes basic salary as well as fixed benefits in kind and pension contributions. Variable benefits consist of STI and LTI. Regular measurements are made against relevant markets to ensure that the total compensation is competitive, but not market leading.

### Basic salary

The basic salary should normally be the main element of executive managers' salaries. It is assessed once a year.

### Other variable elements

Executive managers will normally receive benefits in kind which are common for comparable positions, such as communication, newspapers and car. There are no specific restrictions on which benefits in kind that can be agreed.

### Pensions

Executive managers should normally have pension schemes that secure a pension payment that is relative to their salary level. For new members of the executive management team, this is mainly achieved by joining KONGSBERG's collective pension scheme for salaries up to 12 G (G = Basic Amount in the Norwegian National Insurance Scheme). The purpose of the pension scheme is to contribute to financial security for employees when they reach the age of retirement.

KONGSBERG's collective pension scheme is a defined contribution pension scheme. KONGSBERG introduced its defined contribution pension scheme on 1 January 2008. Employees who were 52 or older at the time of conversion remained in a locked defined benefit pension scheme. The contributions are 5 % of salary from 0 G to 7.1 G and 11 % of salary from 7.1 G to 12 G. On 1 November 2021 the savings profiles were changed. Employees have the option to invest the funds in one of three savings profiles with a share component of 50 %, 80 % or 100 %, with either asset management or index management, and with or without automatic downweighing from the age of 57.

### Early retirement agreements

KONGSBERG no longer enters into early retirement agreements, but these were continued for participants who had been part of such agreements before 1 October 2015. We currently have different early retirement agreements, the content of which differs depending on when these agreements were formed. The old early retirement agreements have always been made in line with the State's Guidelines for the Remuneration of Senior Executives applicable at the time.

The CEO follows what can be defined as the main model, which involves an option to retire from the age of 65, but with a reciprocal right for both KONGSBERG and the CEO to claim an early retirement pension from the age of 63. In the event of retirement from the age of 65, the early retirement pension is 65 % of the basic salary, assuming a minimum contribution period of 15 years. Accruals in other pension schemes intended to start from the age of 67 are maintained. However, if the CEO retires between the ages of 63 and 65, accrual in other pension schemes will be reduced to the basic salary at the same level as that of the early retirement pension. The basic salary in the agreement is basically set at the level of annual salary before taking up the role of CEO (NOK 2,424,200). The basic salary is adjusted annually by the same percentage increase as the last increase in G minus 0.75 %. Another member of the corporate management team has a different agreement that releases him from the duty to work from the age of 60. Assuming a contribution period of at least 10 years, the benefit is 90 % of the salary from the age of 60, with 10 % reduction per year to 60 % of the salary between the ages of 63 and 67. The implementation of this agreement was postponed by up to three years in 2019, at the mutual request of both parties. Furthermore, one member of the Executive management team has an agreement to retire from the age of 62. Assuming a



contribution period of at least 15 years, the benefit is 65 % of salary up to the age of 67.

#### **Pension accrual above 12 G**

Seven of the members of the executive management team are covered by a locked defined-contribution service pension scheme for salaries above 12 G; see below for a specification of the various agreements. Saved funds, including returns, will be paid to the member at retirement age or when the employment relationship is terminated.

The CEO's service pension scheme for pay above 12 G is limited in that he only accrues pension based on the salary he had in his previous position (NOK 2,424,200). Two of the members of the executive management team accrue 18 % for the portion of salary that exceeds 12 G. One of the members of the executive management team has a similar scheme with 30 % accrual. This member left KONGSBERG in 2022 and has been paid accrued pension rights. Three of the members of the executive management team do not accrue any further contributions in the scheme, but returns continue to be added on the previously earned balance.

#### **STI scheme**

KONGSBERG's executive managers and key decision-makers shall have their financial interests directly linked to the development and improvement of KONGSBERG. With this objective in mind, the Board of Directors adopted a performance-related pay scheme in 2006, which now includes approximately 215 participants. The goal of the scheme is for participants who perform well over time to achieve an average pay-out of 20–30 % of their basic salary. In 2019, the scheme was adjusted in terms of which components are measured, and the old performance pay bank scheme was discontinued.

The STI scheme applies to and may amount to a maximum of 50 % of basic salary for the members of the executive management team.

The STI scheme for 2022 is based on four components for members of the executive management team, except for the member from Kongsberg Digital (KDI).

#### **1. Improvement in EBIT**

This component may not exceed 20 % of basic salary. The component is calculated based on the percentage change in EBIT for the current year compared to EBIT for the previous year. Improvement in EBIT depends on the Group's overall improvement as well as on improvement in the participants own organisation, where the level of that organisation is given greater weighting. A typical allocation would be 50 % at own level (division), 25 % at the business area level and 25 % at Group level. In the event of a reduction in EBIT, the improvement will be zero at the relevant level (e.g. division). However, improvements can still be achieved at the other levels (business area and Group).

For 2022, the achievement of this component was 19.6 % for the Group, 19.9 % for Kongsberg Maritime and 19.8 % for Kongsberg Defence & Aerospace.

#### **2. ROACE**

This component may not exceed 15 % of basic salary. In order for the Group to create added value for the owners, the executive management team is measured on the development of ROACE. The minimum level and intervals are updated and fixed annually.

For 2022, a minimum ROACE of 27 % had to be achieved in order for ROACE to yield an allocation. From 27 % the participants get a linear allocation, ranging from 0.1 % to a maximum of 15 % at ROACE of 37 % or above.

For 2022, the Group's ROACE was 33.9 %, which resulted in an allocation of 10.3 % in this component.

For 2023, the Board of Directors has decided that a ROACE of at least 27 % must be achieved in order for it to

yield an allocation and for there to be a linear allocation ranging from between 0.1 % to a maximum of 15 % at ROACE of 37 %.

### 3. Growth in operating revenues

This component may not exceed 5 % of basic salary. Growth in operating revenues is calculated on the Group's total operating income, where 2 % growth results in a 1 % bonus.

For 2022, the Group's growth in operating income was 15.9 %, achieving 5 % on this component.

### 4. Achievement of individual goals

This component may not exceed 10 % of basic salary. The individual component is achieved by meeting individual objectives linked to important KPIs for the participant, and these can be both financial and non-financial in nature. These objectives may vary from year to year in line with the strategic and operational objectives of KONGSBERG. They will normally be in the areas of strategy, market, innovation, operation and implementation, HR, HSE, Compliance and ESG.

For 2022, the objectives achieved by the corporate management team were:

- CEO: 8 %
- Chief Financial Officer: 8 %
- Group Executive Vice President Public Affairs, Communication and Sustainability: 8 %
- Group Executive Vice President HR, HSE, Security and Crisis Management: 8 %
- Group Executive Vice President Strategy and Business Development: 8 %
- Group Executive Vice President General Counsel: 8 %
- President Kongsberg Digital: no measurement (CEO left the company on 31 August 2022)
- President Kongsberg Maritime (Jan–Oct): 8.5 %
- President Kongsberg Maritime (Oct–Dec): 8 %
- President Kongsberg Defence & Aerospace: 8.5 %

KDI's STI scheme for 2022 was based on six components. At the end of 2022, no one in KDI was a member of the executive management team, so no member of the executive management team was measured under this scheme in 2022:

### 1. Improvement of KDI's Recurring Revenue (RR)

This component may not exceed 15 % of basic salary. The minimum level and intervals are updated and fixed annually. The criterion for 2022 was that a RR of minimum NOK 340 million pro rata had to be achieved, calculated to achieve a maximum of 15 % at a RR of NOK 450 million.

For 2022, RR was NOK 469 million, achieving the target of 15 % on this component.

### 2. Free Cash Flow (FCF) improvement

This component may not exceed 5 % of basic salary.

The minimum level and intervals are updated and fixed annually. The criterion for 2022 was that an FCF of minimum NOK -700 million pro rata had to be achieved, calculated to achieve a maximum of 5 % at a FCF of NOK -600 million.

For 2022, FCF was NOK -483 million, achieving the maximum of 5 % on this component.

### 3. ROACE

This follows the Group's ROACE criteria (see above) and may not exceed 5 % of basic salary.

For 2022, the Group's ROACE was 33.9 %, which achieves the result of 3.5 % in KDI.

### 4. Growth in operating income for the Group

Follows the Group's criteria for growth in operating income (see above) and may not exceed 5 % of basic salary.

### 5. Growth in operating revenues for KDI

This component may not exceed 10 %. Growth in operating revenue is calculated on KDI's total operating revenue, where 1 % growth generates a 1 % bonus.

For 2022, KDI's growth in operating income was 17 %, achieving the maximum of 10 % on this component.

### 6. Achievement of individual goals

This follows the Group's criteria for achievement of individual objectives (see above) and may not exceed 10 % of basic salary.

Upon completion of special major projects, demanding turnaround operations and acquisitions which require a short-term decline in profits and a higher focus on strategy, individual STI agreements may be made with the CEO. In such cases, the ordinary STI scheme will not apply and will be replaced by a separate agreement capped at 40 % of basic salary. The CEO shall clarify these arrangements with the Compensation Committee. No members of the executive management team have been on special arrangements in 2022.

The STI criteria and scheme are reviewed annually by the Compensation Committee and the Board of Directors to ensure that it is working as intended and to make sure that appropriate adjustments are made. Every year, the Compensation Committee and the Board of Directors consider whether the start and end values for the calculation of the STI scheme should be adjusted as a result of special factors such as write-downs or revaluations and acquisitions etc.

The STI scheme does not earn pension points. The scheme will continue in 2023.

The performance pay bank from the previous STI scheme will be paid over four years to those who had a balance

in the performance pay bank as of 31 December 2018, at a quarter of the total per year. The final year of pay-out from the performance pay bank is in 2023, for 2022.

The sum of the current year's bonus payment and the payment from the performance pay bank may not exceed 50 % of salary. If the total payment exceeds 50 % of salary, the excess amount will be lost.

If EBIT regresses in the participant's own organisation unit, no payment will be made from the performance pay bank for that year, and a quarter of the performance pay bank will be lost. If an employee who has a balance in the performance pay bank remains in KONGSBERG, but changes position, the payment of the performance pay bank will continue as normal, and there will be a separate agreement regarding which organisation unit's EBIT the participant should be measured on.

If an employee who has a balance in the performance pay bank ends his/her employment relationship in KONGSBERG, the entirety of the remaining amount of the performance pay bank will be lost.

In the event of retirement or disability, the remaining balance of the performance pay bank is paid in its entirety, provided that it does not exceed 50 % of basic salary. Any remaining balance is paid in subsequent years.

In the event of death, the remaining balance of the performance pay bank is paid in its entirety.

### LTI scheme

From 2012, the Board of Directors introduced an LTI scheme for the CEO and other members of the executive management team. From 2018 onwards, the LTI scheme was further expanded to include the management teams in the business areas, as well as some key positions.

The rationale for the LTI scheme is to be competitive with comparable companies and also to create long-term incentives for the participants in KONGSBERG.

LTI is an incentive scheme for participants where, when certain criteria are met, the participant receives shares worth a given percentage of their salary, after the deduction of tax.

The LTI scheme may not exceed 30 % of the basic salary for the CEO and 25 % for the remainder of the executive management team, 15 % for the management teams of the business areas and 10 % for certain key positions.

There are two criteria to achieve a full LTI pay-out. EBIT must be greater than 0 and ROACE must be equal to or greater than 10 %. If one criterion fails to achieve the target, only half of the LTI will be paid out in that year. The participants in the scheme will be obliged to invest the net amount after tax in KONGSBERG shares. These are bought in the market and are owned with a binding period of three years. Participants who leave the company of their own volition will, for shares that do not meet the three-year requirement, have to repay an amount equal to the share value after tax at the time of resignation.

In 2022, one member of the executive management team had to repay an amount for shares that did not meet the three-year requirement at the time of resignation.

The LTI criteria are evaluated annually by the Compensation Committee and the Board of Directors.

The LTI scheme does not earn pension points. The scheme will continue in 2023.

For 2022, the Group's operating profit EBIT was positive and ROACE was 33.9 %, which achieved the maximum pay-out in the LTI scheme.

### Remuneration connected to shares or share price development

Executive management, with the exception of the CEO, have the option to participate fully in KONGSBERG's discounted share saving scheme on the same terms as KONGSBERG's employees. The share programme in 2022 gave executive management, in line with other employees, the option to buy up to NOK 75,000 of KONGSBERG shares. This purchase price includes a 25 % discount given by the company. The maximum discount given is NOK 25,000. The company gives employees the opportunity to receive 80 % of the purchase price as an interest-free one-year salary loan. The remaining 20 % of the purchase price must be paid by the share transfer. The shares have a binding period of one year.

KONGSBERG has no arrangement for the allocation of stock options or other instruments connected to the company's shares. There are no plans to introduce such schemes.

### Severance arrangements

In order to safeguard KONGSBERG's need to ensure that the composition of its management team is at all times in accordance with its business needs, severance agreements have been and can be entered into. Severance agreements are designed to ensure that they will be regarded as acceptable internally and externally, and agreements entered into from 2011 and forward do not entitle the recipient to severance payments which exceed salary and benefits for more than six months.

No such agreements have been entered into for the members of the executive management team within the framework of the Working Environment Act in 2022. The scheme will continue in 2023.





## Remuneration to the CEO

The CEO's remuneration consists of a basic salary of NOK 6,200,000; fixed benefits in kind, which in 2022 amounted to NOK 514,487; a STI up to 50 % of the fixed salary; and a LTI of up to 30 % of the fixed salary. The CEO is a member of the Group's collective defined contribution pension scheme for salary below 12 G. He is also a member of the Group's locked defined contribution service pension scheme for pay exceeding 12 G, limited to the basic salary of the previous position. In addition, he has an agreement on early retirement, which has been extended from his previous position, with some limitations. More details of the CEO's pension plans are provided in the "Pensions" section above, page 5.

## Report for the 2022 financial year

KONGSBERG's guidelines on remuneration for executive management has for the 2022 financial year been conducted in accordance with the guidelines discussed by KONGSBERG's Annual General Meeting in 2021.

After ordinary wage settlement on 1 July 2022, the CEO's basic salary was increased by 3.3 %. For the remainder of the executive team (with the exception of one member), the basic salary was revised upwards by an average of 4.2 % on 1 July 2022. In addition, the performance-based component of salaries is described above and as shown in Table 1.

In the consolidated financial statements for 2022, the estimated performance-based component of pay for the participants is NOK 86.5 million, excluding employer contribution, equivalent to 27 % of the combined salaries of the participants in the scheme (NOK 82.4 million in 2021, equivalent to 29 %).

No agreements have been entered into or amended regarding remuneration that have significant effects on KONGSBERG or the shareholders in the previous accounting year.



## Statement by the Board of Directors

The Board of Directors has examined and approved the executive management remuneration report to Kongsberg Gruppen ASA for the 2022 financial year. The remuneration report was prepared in accordance with Section 6-16 b of the Public Limited Liability Companies Act, and regulations issued pursuant to this provision.

The report on the remuneration of senior executives will be presented to the Annual General Meeting in May 2023.

Oslo, 23 March 2023

**Eivind Reiten**  
Chairman of the Board

**Anne-Grete Strøm-Erichsen**  
Deputy Chairman of the Board

**Merete Hverven**  
Member of the Board

**Morten Henriksen**  
Member of the Board

**Per A. Sørli**  
Member of the Board

**Rune Fanøy**  
Member of the Board

**Oda Linn A. Ellingsen**  
Member of the Board

**Jo Even Bjerknes**  
Member of the Board

**Geir Håøy**  
President and CEO



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### INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REMUNERATION REPORT

To the General Meeting of Kongsberg Gruppen ASA

#### Opinion

We have performed an assurance engagement to obtain reasonable assurance that Kongsberg Gruppen ASA's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2022 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

#### Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

#### Our independence and quality control

We are independent of the company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 23 March 2023  
ERNST & YOUNG AS

Finn Espen Sellæg  
State Authorised Public Accountant (Norway)

(Translated from Norwegian for information purposes)

## Attachments

**Table 1** Details of remuneration for members of the executive management team for 2022 and 2021.

**Table 2** Details of remuneration for members of the Board of Directors for 2022 and 2021.

**Table 3** Total remuneration, annual change of total remuneration and basic salary, average salary for other employees and the company's results for the last 5 years.

# Table 1: Executive Management remuneration, specified per member 2022 and 2021 <sup>1)</sup>

Amounts in TNOK	Year	Salary paid including holiday pay	Other benefits reported during the financial year <sup>2)</sup>	Accrued long-term incentive plan (LTI) <sup>3)</sup>	Accrued performance related pay during the financial year <sup>4)</sup>	Pension accrued during the year <sup>5)</sup>	Long-term incentive plan (LTI) paid out <sup>6)</sup>	Paid accrued pension rights	Outstanding amount, loans	Shares acquired during the financial year linked to the LTI scheme	Total number of shares inc. LTI as of 31 Dec
<b>Geir Håøy</b> President and Chief Executive Officer	2022	6 439	514	1 524	3 100	(31) <sup>7)</sup>	1 860	-	-	3 043	44 352
	2021	5 791	330	1 433	2 747	929	1 648	-	-	4 760	40 297
<b>Gyrid Skalleberg Ingerø</b> Chief Financial Officer Group Executive Vice President Finance, Compliance and Property	2022	3 420	422	701	1 521	98	816	-	-	1 446	21 116
	2021	3 272	271	634	1 566	94	783	-	-	2 267	19 393
<b>Even Aas</b> Group Executive Vice President Public Affairs, Communication and Sustainability	2022	2 146	338	443	998	707 <sup>8)</sup>	499	-	-	884	30 476
	2021	2 038	302	406	958	378	479	-	-	1 383	29 315
<b>Hans Petter Blokkum</b> Group Executive Vice President HR, HSE, Security and Emergency	2022	2 793	354	568	1 267	31 <sup>9)</sup>	633	-	-	1 169	9 924
	2021	2 662	227	487	1 267	173	633	-	-	1 835	7 893
<b>Iver Christian Olerud</b> Group Executive Vice President Business Development and Strategy	2022	2 794	208	250	1 177	98	673	-	-	1 192	7 146
	2021	2 355	232	35	1 226	94	646	-	-	1 041	5 821
<b>Christian Karde</b> Group Executive Vice President General Counsel	2022	2 482	412	232	1 136	(53) <sup>10)</sup>	663	-	-	973	3 666
	2021	2 153	293	57	1 054	273	527	-	-	839	2 416
<b>Hege Skryseth - left the company 31.8 <sup>11)</sup></b> Executive Vice President, KONGSBERG President, Kongsberg Digital	2022	2 316	140			60 <sup>12)</sup>	-	3 924	-	1 228	-
	2021	2 742	221	565	1 021	962	665	-	121	1 920	16 284
<b>Egil Haugsdal - left Executive Management 31.10</b> Executive Vice President KONGSBERG President, Kongsberg Maritime	2022	3 023	554	749	1 470	457 <sup>13)</sup>	697	-	-	1 545	11 286
	2021	3 512	462	675	1 674	1 817	837	-	-	2 424	39 009
<b>Lisa Edvardsen Haugan - joined Executive Management 01.10</b> Executive Vice President KONGSBERG President, Kongsberg Maritime	2022	837	56	0	507	25	209	-	-	533	6 850
								-			
<b>Eirik Lie</b> Executive Vice President, KONGSBERG President, Kongsberg Defence & Aerospace	2022	3 635	481	734	1 667	(23) <sup>14)</sup>	875	-	-	1 550	15 772
	2021	3 463	366	669	1 679	239	839	-	-	2 220	13 945
<b>Total remuneration for Executive Management</b>	2022	29 885	3 479	5 201	12 843	1 362	6 925	3 924	-	13 563	150 588
<b>Total remuneration for Executive Management</b>	2021	27 988	2 704	4 961	13 192	4 959	7 057		121	18 689	174 373

1) Compensation and other benefits to members of Executive Management are based on their time served as part of corporate management.

2) Benefits other than cash refers to expensed discounts on shares in connection with the share programme for all employees, cell phone, internet, newspaper, car arrangements and compensation for the taxable share of pensions and insurance, as well as other taxable benefits.

3) Accrued LTI including tax compensation is, for accounting purposes, accrued on a linear basis over three years since the shares can be managed freely only after three years. A statement on the LTI scheme is provided in the Remuneration report.

4) Accrued performance related part of salary in the financial year. To be paid out when the accounts for the relevant year have been approved by the Board. A statement on the performance related pay scheme is provided in the Remuneration report.

5) All members of Executive Management are included in the general contribution scheme for salaries up to 12G and this is included in the figures. The year's return on balance in the defined contribution pension scheme over 12G is included in the accrual (for those who is included in this agreement). On the basis of low returns in the DNB Pension Profile in 2022, 3 members have negative pension earnings.

6) LTI with tax compensation for disbursement the following year where the net amount will be invested in KONGSBERG shares. A statement on the LTI scheme is provided in the Remuneration report.

7) Early retirement agreement 63-65 years. An explanation for the CEO is provided in the Remuneration report.

8) Early retirement agreement 60 years. Defined benefit scheme that provides 90 % of salary from 60 years with 10 % reduction per year to 60 % of salary from 63 to 67 years.

9) Earnings are a return on previously earned balance in defined contribution plan for salaries above 12G.

10) Earnings are a return on previously earned balance in defined contribution plan for salaries above 12G.

11) The new President of KDI, Shane McArdle, is not a member of the Executive Management and is therefore not included in the note.

12) Defined contribution pension scheme for salaries above 12G with 30 %.

13) Defined contribution pension scheme for salaries above 12G with 18 % and early retirement scheme with the right to retire from 62 years.

14) Earnings are a return on previously earned balance in defined contribution plan for salaries above 12G.

## Table 2: Compensation for members of the Board 2022 and 2021

Beløp i NOK	Year	Number of shares	Fixed Board remuneration	Remuneration for committee meetings	Total Board remuneration	Number of Board meetings <sup>1)</sup>
Eivind K. Reiten, Chairman of the Board	2022	3 850	583 667	73 633	657 300	12
	2021	2 850	555 333	71 333	626 666	11
Anne-Grete Strøm-Erichsen, Deputy Chairman of the Board	2022	2 000	306 800	49 600	356 400	12
	2021	2 000	297 000	48 000	345 000	10
Morten Henriksen, Member of the Board	2022	4 960	287 334	134 333	421 667	11
	2021	3 027	278 333	102 000	380 333	11
Per Arthur Sørlie, Member of the Board	2022	3 400	287 334	110 334	397 668	11
	2021	3 400	278 333	76 333	354 666	11
Merete Hverven Member of the Board	2022	-	287 334	-	287 334	11
	2021	-	187 333	-	187 333	6
Oda Ellingsen Member of the Board	2022	1 350	287 334	110 334	397 668	12
	2021	1 073	187 333	51 333	238 666	5
Rune Fanøy Member of the Board	2022	216	287 334	49 600	336 934	12
	2021	216	187 333	32 333	219 666	5
Jo Even Bjerknes Member of the Board	2022	177	287 334	-	287 334	7
	2021	177	187 333	-	187 333	0
Kjersti Rød Deputy Member of the Board	2022	1 983	63 930	-	63 930	4 <sup>2)</sup>
	2021	-	63 500	-	63 500	6
Ivar André F. Ihle Deputy Member of the Board	2022	-	12 700	-	12 700	1 <sup>3)</sup>
	2021	-	-	-	-	1
Resigned members of the Board 2021	2021	9952	364 000	65 667	429 667	
<b>Total compensation to the Board</b>	2022	17 936	2 691 101	527 834	3 218 935	
<b>Total compensation to the Board</b>	2021	22 695	2 585 831	446 999	3 032 830	

1) 12 board meetings were held in 2022 (11 board meetings in 2021).

2) Compensation for the last board meeting on 2021, is paid out in 2022.

3) Compensation is paid out in 2022.

## Table 3: Total compensation, yearly change in total compensation and basic salary, average basic salary all other employees and the company's results last 5 years

Total compensation includes salary paid including holiday pay, other benefits reported, accrued long-term incentive plan (LTI), accrued performance pay and pension accrued during the year.

Amount in TNOK	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021
<b>Geir Håøy - CEO from 6 June 2016</b> President and Chief Executive Officer	8 886	10 383	10 565	11 230	11 546
Change in total compensation	12,85 %	16,85 %	1,75 %	6,29 %	2,81 %
Change in basic salary	2,80 %	3,50 %	0,00 %	3,30 %	12,90 %
<b>Gyrid Skalleberg Ingerø - EM from 1 November 2017</b> Chief Financial Officer Group Executive Vice President Finance, Compliance and Property	3 828	4 487	5 413	5 837	6 162
Change in total compensation	6,16% <sup>1)</sup>	17,22 %	20,64 %	7,83 %	5,57 %
Change in basic salary	2,80 %	3,40 %	12,82 %	3,04 %	4,20 %
<b>Even Aas</b> Group Executive Vice President Public Affairs, Communication and Sustainability	3 285	6 172	3 368	4 082	4 632
Change in total compensation	-4,28 %	87,88% <sup>2)</sup>	-45,43 %	21,20 %	13,47 %
Change in basic salary	2,80 %	12,02 %	0,00 %	3,32 %	4,20 %
<b>Hans Petter Blokkum - EM from 1 March 2018</b> Group Executive Vice President HR, HSE, Security and Emergency	2 699	3 878	4 283	4 816	5 013
Change in total compensation		19,73% <sup>1)</sup>	10,44 %	12,44 %	4,09 %
Change in basic salary		3,20 %	12,78 %	3,00 %	0
<b>Iver Christian Olerud - EM from 1 November 2020</b> Group Executive Vice President Business Development and Strategy			675	3 942	4 527
Change in total compensation				-2,67 % <sup>1)</sup>	15 %
Change in basic salary				3,30 %	4,20 %
<b>Christian Karde - EM from 1 September 2020</b> Group Executive Vice President General Counsel			1 237	3 830	4 209
Change in total compensation				3,21 % <sup>1)</sup>	9,90 %
Change in basic salary				3,33 %	14,80 %
<b>Hege Skryseth - left the company 31 August 2022</b> Executive Vice President, KONGSBERG President, Kongsberg Digital	3 742	4 723	5 278	5 511	2 516
Change in total compensation	-6,22 %	26,22 %	11,75 %	4,41 %	-54,35 %
Change in basic salary	2,80 %	11,76 %	0,00 %	3,30 %	0
<b>Egil Haugsdal - left Executive Management 31 October 2022</b> Executive Vice President KONGSBERG President, Kongsberg Maritime	5 697	6 972	7 453	8 140	6 253
Change in total compensation	12,77 %	22,38 %	6,90 %	9,22 %	-23 %
Change in basic salary	2,80 %	3,40 %	13,59 %	3,00 %	0
<b>Lisa Edvardsen Haugan - EM from 1 October 2022</b> Executive Vice President KONGSBERG President, Kongsberg Maritime					1 425
Endring i samlet godtgjørelse					0 %
Endring i grunnlønn					0
<b>Eirik Lie - EM from 4 January 2017</b> Executive Vice President, KONGSBERG President, Kongsberg Defence & Aerospace	4 722	5 306	5 924	6 416	6 494
Change in total compensation	33,24 %	12,37 %	11,65 %	8,31 %	1,22 %
Change in basic salary	2,80 %	3,40 %	0,00 %	12,80 %	4,20 %
<b>Average basic salary for other employees in all corporate companies in Norway</b>	724	747	758	783	816
	2,90 %	3,20 %	1,45 %	3,30 %	4,20 %
<b>Group's operating result EBIT</b>	701	1 029	1 905	2 863	3 309
	19,83 %	46,79 %	85,13 %	50,29 %	15,58 %

1) Compensation for shortened previous year is pro rated and calculated for a whole year to show a comparable change last year.

2) Fully earned pension rights for the early retirement agreement 60 year and salary increase resulted in a change in pension accrual.



KONGSBERG

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