



Shareholders' complete name and address.

**NOTICE OF ANNUAL GENERAL MEETING  
1st June 2017**

**Annual General Meeting in Kongsberg Automotive ASA to be held on 1<sup>st</sup> June 2017 at 1000 hrs. in  
KS Agenda konferansesenter, Haakon VII gate 9, 0161 Oslo**

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**ATTENDANCE SLIP – Kongsberg Automotive ASA – Annual General Meeting**

The Attendance slip must be returned to Nordea Bank Norge ASA, Issuer Services no later than 1200 hrs on 27 May 2017. Address: Nordea Bank Norge ASA, Issuer Services, P.O. Box 1166 Sentrum, N- 0107 Oslo. Fax: +47 22 36 07 03 or [issuerservices.no@nordea.com](mailto:issuerservices.no@nordea.com).

The undersigned will attend Kongsberg Automotive ASA  
Annual General Meeting on 1<sup>st</sup> June 2017

**Shareholders complete name  
and address**

- vote for my/our shares
- vote for shares in accordance with proxy(ies) enclosed

\_\_\_\_\_

Date

\_\_\_\_\_

Shareholder's signature





In the event that instructions are given and the selected alternative for voting should be changed, the proxy will not be considered by the counting of votes. However in respect of elections, proxy is free to decide how the shares shall be voted if the Nomination Committee's proposal is not approved and alternative proposals presented.

In respect of a vote over matters that are not included on the agenda and which may validly come before the meeting the proxy is free to decide how the shares shall be voted. The same applies for votes over matters of a formal nature, such as election of the chairperson of the meeting, voting order and voting procedures.

To the shareholders in  
**Kongsberg Automotive ASA**



Kongsberg, 8<sup>th</sup> May 2017

## **NOTIFICATION OF THE ANNUAL GENERAL MEETING**

The shareholders are hereby notified of the ordinary Annual General Meeting of Kongsberg Automotive ASA on

**1<sup>st</sup> June 2017 at 10 AM.**

**Venue: KS Agenda conference centre, Haakon VII's gt 9, 0161 Oslo; the Lindesnes room**

### **The following items are on the agenda:**

- 1. Opening of the Annual General Meeting by the Chairman of the Board**
- 2. Presentation of the list of shareholders and proxies in attendance**
- 3. Election of a chairperson of the meeting and a co-signer for the minutes**
- 4. Approval of the notification and agenda**
- 5. Business update**
- 6. Adoption of the consolidated and parent company financial statements, including the allocation of the profit for the year, approval of the annual report and consideration of the statement on corporate governance**

Reference is made to the annual report available at the company's web pages ([www.kongsbergautomotive.com](http://www.kongsbergautomotive.com)) and the Board of Directors' proposed resolutions (attached).
- 7. The Company's statement on remuneration to leading employees.**

The statement is attached; an advisory vote will be held (Attachment 2)
- 8. Election of directors of the Board and stipulation of remunerations to the board**
  - 8.1 Election of board directors
  - 8.2 Stipulation of remuneration to the members of the board and the board committees. The Nomination Committee's recommendation is attached. (Attachment 3)
- 9. Election of members to the Nomination Committee, and stipulation of the remuneration to the Nomination Committee.**
  - 9.1 Election of members to the Nomination Committee
  - 9.2 Stipulation of remuneration to the members of the Nomination Committee. The Nomination Committee's recommendation is attached. (Attachment 3)
- 10. Stipulation of the Auditor's fee.**

The Board of Directors' recommendation is attached (Attachment 1)

## 11 Share Option Program 2017

The Board of Directors' recommendation is attached (Attachment 1)

## 12. Authorization for the purchase of own shares

The Board of Directors' recommendation is attached (Attachment 1)

## 13. Authorization to increase the company's share capital

The Board of Directors' recommendation is attached (Attachment 1)

Shareholders who are unable to attend the Annual General Meeting personally are entitled to be represented by a proxy. This will require a written and dated power of attorney. The enclosed proxy slip may be used. A company certificate should be enclosed with the proxy in the event that the principal is a corporate entity.

Shareholders who wish to attend the Annual General Meeting themselves, or by proxy are required to register no later than 27 May 2017 at 1200 CET to Nordea Bank Norge ASA, Issuer Services, Postbox 1166 Sentrum, 0107 Oslo, Fax (+47) 22 36 07 03 or [issuerservices.no@nordea.com](mailto:issuerservices.no@nordea.com). Please use the enclosed attendance slip/proxy form.

The Company's annual report and annual accounts are available at the Company's web pages [www.kongsbergautomotive.com](http://www.kongsbergautomotive.com). Other documents that will be presented at the general meeting and proposals for resolutions are accessible at the same web site. The annual report will also be sent by mail upon request to the company, phone +47 32 77 05 00.

The company has issued 406,768,131 shares each carrying one vote. All shares enjoy equal rights. At the date of this notification, the company owned 1.228.134 treasury shares (0,30%) for which voting rights may not be exercised.

The shareholders have the right to speak at the general meeting, the right to be accompanied by an advisor at the general meeting, to give such advisor the right to speak, and the right to present alternatives to the board's proposals in respect of matters on the agenda at the general meeting. The shareholders may require board directors and the CEO to furnish in the General Meeting available information about matters that may affect the consideration of a) the approval of the annual accounts and the annual report, b) any matters submitted to the shareholders for decision and c) the company's financial position, and the business of other companies in which the company participates and any matter which the general meeting is to deal with unless the information required cannot be given without disproportionately harming the company.

Representatives of the management and the board of directors will be present also after the general meeting to answer any other question that the present shareholders may have.

Kongsberg, 8 May 2017

For the Board of Directors of Kongsberg Automotive ASA



Bruce E Taylor  
Chairman of the Board

### Attachments:

1. Proposed resolutions
2. The Company's statement of remuneration to leading employees
3. The Nomination Committee's recommendation for new members to the Board of Directors and fees to the members of the board of directors and Nomination Committee
4. Proxy slip/attendance slip

## Attachment 1 to the notification – recommendations

**RE: Item 6 of the Agenda: Adoption of the consolidated and parent company financial statements, including the allocation of the profit for the year, and consideration of the statement on corporate governance.**

The Board requests that the Annual General Meeting adopts the following decision:

*The Annual General Meeting approved the consolidated and parent company financial statements in accordance with the Board of Directors' motion. The annual report was approved. The Annual General Meeting decided that no dividend should be paid for 2016.*

*The Annual General Meeting allocated the Kongsberg Automotive ASA's annual result as follows: Transferred to retained earnings –11.2 MEUR.*

The statement on corporate governance was reviewed.

**RE: Item 7 of the Agenda: The Company's statement on remuneration to leading employees**

The Company's statement of remuneration to leading employees is attached (Attachment 2) and presented to the Annual General Meeting for advisory vote, except for the parts of the statement that is subject to resolution under item 11. The Board requests that the Annual General Meeting adopts the following decision:

*The Annual General Meeting approved the Company's statement on remuneration to leading employees.*

**RE: Item 8 of the Agenda: Election of directors and the stipulation on remuneration to the Board of Directors**

8.1 Election of Board members.  
The Nomination Committee's proposal is enclosed (attachment 3)

8.2 Determination of remuneration to the members of the Board of Directors, the Compensation Committee and the Audit Committee.  
The Nomination Committee's proposal is enclosed (attachment 3).

**RE: Item 9 of the Agenda: Election of members of the Nomination Committee, stipulation of remuneration to the Nomination Committee**

9.1 Election of members of the Nomination Committee  
The Nomination Committee's recommendation is attached (attachment 3).

9.2 Determination of the remuneration to the members of the Nomination Committee,

**RE: Item 10 of the Agenda: Stipulation of Auditor's fee**

In compliance with the specification received from the auditor, the Board asks the Annual General Meeting to adopt the following decision:

*The Annual General Meeting stipulated auditing fees at 68.300 Euros.*

The total fee for auditing of the group in 2016 amounted to 469.200 Euro .

## **RE: Item 11 of the Agenda: Share Option Program 2017**

### **1. The present situation on share options programs**

Over the last years, the Annual General Meeting of Kongsberg Automotive ASA (KOA) has adopted share option programs with the intention to attract and retain key personnel.

#### 2016 program:

On 07.05.2015, the Annual General Meeting of KOA adopted a share option program limited to 4,500,000 share options. Options under this program were offered in March 2016 and granted in April 2016. Options may be exercised at the earliest in 2019, and any remaining options in 2023 at the latest. The exercise price was the average price of the KOA share on trading days the first 10 calendar days after presentation of KOA's 4<sup>th</sup> quarter 2015 financial results.

#### Previous programs:

At present, KOA employees hold the following options under previous programs.

- 2008 program: 403,782 options, which may be exercised any year and in 2018 at the latest, at exercise price NOK 20.00.
- 2009 program: 609,950 options, which may be exercised any year and in 2019 at the latest, at exercise price NOK 3.00.
- 2011 program: 813,528 options, which may be exercised any year and in 2018 at the latest, at exercise price NOK 4.50.
- 2012 program: 565,135 options, which may be exercised any year and in 2019 at the latest, at exercise price NOK 2.00.
- 2013 program: 957,338 options, which may be exercised any year and in 2020 at the latest, at exercise price NOK 1.50.
- 2014 program: 2,568,324 options, which may be exercised any year and in 2021 at the latest, at exercise price NOK 5.80.
- 2015 program: 2,491,943 options, of which 2/3 may be exercised in 2017 and any remaining options in 2022 at the latest, at exercise price NOK 5.90.
- 2016 program: 2,079,853 options, which may be exercised at the earliest in 2019 and any remaining options in 2023 at the latest, at exercise price NOK 6.20.

At present, 117 employees hold 10,489,853 options at an average exercise price of NOK 5.59.

All programs – all entitling optionees to buy one share per option – require that each optionee holds a number of KOA shares at least equivalent to 10% of the optionee's total number of outstanding options under all programs, and the optionee's number of options shall otherwise be reduced accordingly.

### **2. Recommended Share Option Program 2017**

Adoption of a new share option program with the intention to attract and retain key personnel, on the following terms:

- The number of options is limited to 4,500,000 share options, entitling optionees to buy one share per option, i.e. limited to 4,500,000 shares, at a fixed price per share (exercise price).
- The options to be offered in the 3<sup>rd</sup> quarter of 2017 and granted in September 2017 at the latest.



- The exercise price per share shall be the average price of the KOA share on trading days during the first 10 calendar days after presentation of KOA's 2<sup>nd</sup> quarter 2017 financial results, rounded to the nearest 0.1 NOK.
- Of the options up to 1/3 may be exercised in 2018, 2019 and 2020 respectively at the earliest, and the options shall expire after 7 years.
- Any calendar year, each optionee's aggregated gross profit from exercise of options under all share option programs shall not exceed 3 years gross base salary. Gross base salary being the optionee's gross base salary paid by KA Group the year preceding the exercise year.
- Each optionee has to hold a number of KOA shares at least equivalent to 10% of the optionee's total number of outstanding options under all share option programs. If an optionee's number of shares falls short of 10% of the optionee's total number of outstanding options, the number of options shall be reduced accordingly.
- If an optionee leaves the company, the non-vested options will forfeit. Outstanding options exercisable at the date of such termination shall be exercisable no later than the first exercise period thereafter. The Compensation Committee may however under special circumstances, make exceptions from this restriction.

The Board of Directors recommends that the Annual General Meeting resolve as follows:

*The Annual General Meeting approved the proposed Share Option Program 2017.*

**RE: Item 12 of the Agenda: Authorization for the Board the purchase of own shares**

Up until the ordinary Annual General Meeting in 2017, the Board has had an authorization to acquire up to 40,676,812 treasury shares with a nominal value of up to NOK 20,338,406, comparable to 10 per cent of the company's share capital, at a price between NOK 1 and NOK 50 per share, and totaling between NOK 40,676,812 and NOK 2,033,840,600. The Company owns at the date of this notification 1.228.134 equity shares in KOA which equals 0,30% of the total share capital. The objective for the acquisition of the treasury shares was to secure a sufficient number of shares to be able to execute the company's option programs.

The Board will propose that the Annual General Meeting grants a similar authorization to the Board which shall be effective until the ordinary Annual General Meeting in 2018 or at latest 30 June 2018.

The proposal is made as the company requires effective equity instruments, including the possibility to call in and disburse capital through the authorizations for increasing share capital and acquiring treasury shares and further to execute the company's option program. The authorization would be expedient in the event of any acquisition where settlement takes place wholly or partially in the form of KOA shares.

Accordingly, it is proposed that the Annual General Meeting adopts the following decisions:

*The Board is authorized to acquire up to 40,676,812 treasury shares on behalf of the company, cf. §§ 9-2 ff. of the Norwegian Public Limited Companies Act, on the following conditions:*

1. *The company can acquire up to 40,676,812 treasury shares with a total nominal value of up to NOK 20,338,406. The company cannot acquire treasury shares if the aggregate nominal value of the portfolio of treasury shares after the acquisition exceeds 10 per cent of the company's valid share capital at any given time. The shares may be acquired and divested as the board may find appropriate.*
2. *In the event treasury shares are sold, the company can acquire treasury shares to replace them. The authorization may be applied repeatedly during the period, provided that the limitation under section 1 is respected.*

3. *The shares shall be acquired at current market prices within a range between NOK 1 and NOK 50 per share, totaling between NOK 40,676,812 and NOK 2.033.840.600.*
4. *The authorization shall apply up to the company's ordinary Annual General Meeting in 2018, or up to and including 30. June 2018 at the latest.*

**RE: item 13 of the notification –Authorization to increase the company's share capital.**

- 13.1 The Board proposes that the company's general meeting authorizes the board to increase the company's share capital. Firstly, in consistence with practice in previous years, it is proposed to grant an authorization to the board to increase the share capital by 10%. The authorization will include a right to waive the shareholders' pre-emptive rights and to resolve capital increases against considerations other than money so that shares may be used as consideration in connection with acquisition of enterprises, fast financing for acquisitions in cash or the company's general business or to fulfill obligations under the company's share option program.
- 13.2 Further to the above, the Board has resolved to propose an authorization to increase the share capital of the company by additional 15%. The reason for the proposal is that several of the sectors of the industry where the company is active are expected to go into a phase of consolidation which is likely to open up for possible acquisitions that may be of interest to the company. The timing of such transactions is determined by sellers and processes often go quickly. Purpose of the proposed authorization is to enable the company to react quickly if necessary. The board is fully committed to responsible use of equity for acquisitions. Financing of an acquisition will to a large extent have to be based on equity. The board is of the opinion that an authorization to increase the share capital limited to 10% will not be sufficient to finance the acquisitions that may become relevant.

The proposed additional authorization to increase the share capital by 15% will, in order to protect the current shareholders against dilution of their shares, only include the right to waive the shareholders' pre-emptive rights if shares are to be used as consideration in connection with acquisition of enterprises.

Against this background, the Board propose that the company's general meeting adopt the following decisions:

13.1

1. *The Annual General Meeting authorizes the Board to increase the company's share capital by up to NOK 20,338,406. Within this framework, the authorization can be applied repeatedly. The authorization may be used separately or in combination with other authorizations.*
2. *The shareholders' pre-emptive rights under §10-4 of the Norwegian Public Limited Companies Act can be waived.*
3. *The authorization can be used to conduct one or more capital increases for the purpose of acquiring funding for the company's operations or acquisition of other enterprises or making possible the use of the company's shares as remuneration in connection with acquisitions and mergers or for executing the company's share option program.*
4. *The authorization also includes the capital increases against money and considerations other than money and to obligate the company to undertake particular duties, cf. §10-2 of the Norwegian Public Limited Companies Act. The authorization can be used in connection with mergers pursuant §13-5 of the Norwegian Public Limited Companies Act.*
5. *The authorization shall apply until the ordinary Annual General Meeting in 2018, or up to and including 30 June 2018 at the latest.*

## 13.2

1. *The Annual General Meeting authorizes, in addition to the authorization granted under resolution 13.1 the Board to increase the company's share capital by up to NOK 30.507.609. Within this framework, the authorization can be applied repeatedly. The authorization may be used separately or in combination with other authorizations.*
2. *The authorization is restricted to be used in connection with acquisition of other enterprises.*
3. *The authorization may be used to conduct one or more capital increases against money.*
4. *The authorization may also be used to conduct one or more capital increases against considerations other than money and to obligate the company to undertake particular duties, cf. §10-2 of the Norwegian Public Limited Companies Act if the company's shares shall be used as consideration in connection with acquisition of other enterprises.*
5. *The shareholders pre-emptive rights according to § 10-4 of the Public Limited Liability Companies Act § 10-4 may only be waived if the company's shares shall be used as consideration in connection with acquisitions as determined in section (4) above.*
6. *The authorization shall apply until the ordinary Annual General Meeting in 2018, or up to and including 30 June 2018 at the latest.*

## Statement on remuneration

Attachment 2

Pursuant to the Norwegian Public Limited Liability Companies Act, section 6-16 a, the Board will present the following statement regarding remuneration of Kongsberg Automotive's Management to the 2017 Annual General Meeting.

The group should have Executives who are able at all times to secure shareholders' and other stakeholders' interests in the best possible manner. One element to achieve this is to offer each leader a competitive compensation package.

### **REMUNERATION GOVERNANCE**

The Board has appointed a Compensation Committee that is headed by the Chair of the Board. The Compensation Committee monitors decisions on matters regarding remuneration and terms for executives.

The CEO's remuneration package, and any adjustments thereof, are first reviewed by the Compensation Committee and then approved by the Board of Directors. The Board of Directors considers annually the compensation of the CEO. The remuneration packages for the other executives, including adjustments of these, are agreed between the CEO and the respective manager.

### **PRINCIPLES FOR BASE SALARY**

The fixed salary should reflect the individual's area of responsibility and performance over time. Kongsberg Automotive offers base salary levels which are competitive, but not market leading in the market where we operate. Salaries are regularly benchmarked versus salary statistics provided by a global 3<sup>rd</sup> party human resource and related financial services consulting firm.

### **VARIABLE COMPENSATION AND INCENTIVE SCHEMES**

*Kongsberg Automotive's short-term incentive (STI):*

The Annual Bonus Scheme (ABS) is a short term incentive with a timeframe of one year. The ABS is a worldwide incentive program designed to motivate and recognize eligible employees for the contributions they make towards meeting KA's financial and business targets. The objectives of the program are to (i) clearly communicate to KA employees both KA's targets and employees' individual targets, (ii) communicate to KA employees how bonus payment is linked to KA performance and individual performance, (iii) drive the KA organization's ability to meet or exceed KA's performance targets, and (iv) improve KA's ability to attract, retain and motivate employees.

Executives receive variable salaries based on EBIT performance, Awarded Programs and Restructuring Progress.

Target bonus for the CEO is 100% of gross base salary. Target bonus is also max bonus for the CEO. Average bonus last five years for the CEO is 30% of gross base salary.

The performance goals for the CEO and Group are proposed by the Chair of the Board and approved by the Board. Goals for the other senior executives are determined by the CEO and reviewed by the Compensation Committee.

## Statement on remuneration

Attachment 2

### *Kongsberg Automotive's long-term incentive (LTI):*

The Board of Directors has established share option programmes for leading employees that have been approved by shareholders in the Annual General Meeting. It is the company's judgement that it is positive for long-term value creation in the group that leading employees hold shares and share options in Kongsberg Automotive.

The intention of this plan is to (i) attract and retain employees whose service is important to the Company's success, (ii) motivate such employees to achieve long-term goals of the Company, (iii) provide incentive compensation opportunities to such employees which are competitive with those of other companies, and (iv) encourage such employees to own common shares of the Parent Company and thereby share a common financial interest with the other shareholders of the Company.

The Board of Directors can offer share options to leading employees when shareholders have given authority to run options programmes:

- The exercise price of the options shall be the average trading price of the KOA share the first 10 days after presentation of the 2nd quarter results.
- 1/3 of options granted can be exercised at the earliest after 1, 2, and 3 years respectively. The exercise period shall typically be seven years.
- Any calendar year, each optionee's aggregated gross profit from exercise of options under all share option programs shall not exceed 3 years' gross base salary.
- To be granted options and to maintain options, the optionee must at any time hold a number of KOA shares at least equivalent to 10% of the number of options.
- If an optionee leaves the company, the non-vested options will forfeit. Outstanding options exercisable at the date of such termination shall be exercisable no later than the first exercise period thereafter.

### **PRINCIPLES FOR BENEFITS**

In addition to fixed and variable salary, other benefits such as health insurance, newspaper, Internet and telephone might be provided. The total value of these benefits should be modest and only account for a limited part of the total remuneration package.

Principles for company car and car allowance vary in accordance with local conditions.

### *Pension:*

Executives participate in the same pension plans as other employees within the unit in which they are employed.

### **SEVERANCE PAY**

Name	Agreed period of notice	Severance pay, months base salary	Retirement agreement
Henning Eskild Jensen	6 months	12 months. The employee is not entitled to severance payment in the event he himself terminates the employment.	No agreement.

## Statement on remuneration

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Attachment 2

At the year-end, no other Executives had any agreement for redundancy payment. The notice period for the rest of the management is 6 months.

## **Kongsberg Automotive ASA (KOA)**

Below is the recommendation from the Nomination Committee to the annual general meeting (AGM) on June 01, 2017.

### **ELECTION OF DIRECTORS**

The Nomination Committee proposes that the following persons are elected or re-elected as members of the KOA Board of Directors and to serve until the Annual General Meeting in 2018. The Nomination Committee invites the shareholders to vote for the candidates as follows;

#### **Thomas Falck**, Independent Director (re-election)

Age 50. Thomas Falck is educated at the Royal Norwegian Naval Academy and holds an MBA from Darden School of Business Administration, the University of Virginia. He is a former CEO of a listed global niche ICT Company as well as former CEO of Q Free ASA listed on the Oslo Stock Exchange. He has extensive board experience. Thomas Falck has been on the Board of the Company since 2010.

Other present Directorships:

Investinor AS (Chairman of the Board of Directors).

#### **Ellen M. Hanetho**, Independent Director (re-election)

Age 52. E. M. Hanetho is educated from Boston University, Boston, Solvay Business School, Brussels and Insead, Fontainebleau.

She has working experience from the Brussels Stock Exchange, Citibank, Brussels, Goldman Sachs, Investment Banking Division, London, Credo Partners, Oslo, Credo Kapital, Oslo and is from 2013 CEO in Frigaard Invest Oslo. E. M. Hanetho was elected as a director of the Board in 2016.

Other present Directorships:

NextGenTel Holding ASA (earlier Telio Holding ASA) – Board Member

Fearnley Project Finance AS – Board Member

Fearnley Pensjonskasse AS – Board Member

Fearnley Securities AS – Board Member

**Bruce E. Taylor, Independent Director (re- election)**

Age 63. B. Taylor has a BSBA from the American University, Washington DC and an MBA from Harvard Business School, Boston. From 1985 to 2001, B. Taylor held various senior management positions with Eaton Corporation in the US and Strasbourg, France. (Eaton is a USD 19.7 billion manufacturer serving industrial, vehicle, commercial and aerospace markets). From 2001 to 2007 he was Senior Managing Director and Partner in Cortec Group Inc., New York, which is an operationally oriented middle market private equity firm. Subsequently Taylor was President and Non-executive Chairman of Global Thermoelectric, Inc., Calgary, Alberta, Canada and then of Amacs Process Tower Internals of Houston, Texas. B. Taylor was elected as a director of the Board in KOA in 2016.

Other present Directorships:

Torq Corporation Board of Advisors

Amacs Process Tower Internals (Chairman)

ASM Holdco Board Member

F Cubed LLC Board Member

**Gunilla Nordstrom, Independent Director (new)**

Age 58. G. Nordstrom holds a Master of Science in Electronics, Industrial Marketing Management, Linkoping University, Institute of Technology (LiTH), Sweden. Further educated from Colombia University and INSEAD.

Working experience as follows:

President & CEO, Eletrolux Asia/Pacific and Executive Vice President of Electrolux AB 2007-2015. Senior Management positions with Ericsson and Sony Ericsson in Europe, Latin America and Asia 1983 – 2007.

G. Nordstrom has extensive board experience, earlier including Atlas Copco AB (Sweden) and Wartsila Corporation Oy (Finland).

Present board positions:

Bombardier Transport Co Ltd	2016 - Present
EDHEC (IAB)	2016 – Present

**Ernst F. Kellermann, Independent Director (new)**

Age 60. E. F. Kellermann has a Bachelor of Science, Mechanical Engineering, University of Aalen.

Since 2002, he has served as Managing Director of Marquardt GmbH, Rietheim-Weiheim, Germany and most recently as Chief Operating Officer from 2015 to 2016. From 1995 to 1999 he worked as



Engineering Manager in Eaton VSED Division, Langenlonsheim, Germany and from 1999 to 2002 as Plant Manager in the same Company. From 1987 to 1991 he worked as Technical Liaison in ITT Automotive-SWF Division, Auburn Hills, Michigan, from 1992 to 1993 as Engineering Manager in the same Company same place and as Project Manager in the same Company in Vemding, Germany. From 1983 to 1986 he was Laboratory Engineer with ITT Automotive-SWF, Bietigheim-Bissingen, Germany and in 1987 he was Assistant to CEO in the same Company.

Other present Directorships:

None

#### **APPROVAL OF DIRECTOR'S FEE FOR THE PERIOD 2017/2018**

It is proposed that the Chairman shall receive NOK 450.000 for the period.

It is proposed that each of the Directors, other than the Chairman, shall receive NOK 260,000 for the period.

In addition each of the Directors shall receive restricted shares in the Company on June 2, 2017 in the amount of NOK 100.000. No consideration shall be paid for the restricted shares, but the Directors cannot sell any of these shares before June 2, 2020.

Directors elected by the employees shall receive NOK 100.000 for the period.

Deputy Directors elected by the employees shall receive NOK 7.000 pr. attended meeting.

#### **APPROVAL OF EXTRAORDINARY DIRECTOR'S FEE FOR THE PERIOD 2016/2017**

Shortly after the Annual General Meeting in March 2016 the Board established a "task force" with three members (Henning Jensen, Thomas Falck and Bruce Taylor). It was worked out a "data request" and "work plan" and communicated with the Management. The purpose was to analyze the KOA situation and to establish a direction forward for the Company. The "task force" worked actively in the period from mid April 2016 to August 2016. The NC recognizes the extra effort and proposes to compensate the extraordinary work. Each member of the group shall receive a flat fee of NOK 75.000.

#### **APPROVAL OF COMPENSATION TO THE MEMBERS OF THE AUDIT COMMITTEE AND THE COMPENSATION COMMITTEE FOR THE PERIOD 2017/2018**

Chairman of the Audit Committee shall receive NOK 90.000 for the period.

Member of the Audit Committee shall receive NOK 70.000 for the period.

Chairman of the Compensation Committee shall receive NOK 60.000 for the period.

Member of the Compensation Committee shall receive NOK 45.000 for the period.

## **ELECTION OF MEMBERS TO THE NOMINATION COMMITTEE**

**Tor Himberg-Larsen**, Attorney-at-Law, Committee Chairman. Elected as Committee Chairman in 2010. To be re-elected for a period until 2018.

**Heidi Finskas**, Vice President Corporate Responsibility, KLP. Elected as a member of the Committee in 2012. To be re-elected for a period until 2018.

**Hans Trogen**, Owner of a private investment company Ebitec AB. Billdal, Sweden. CEO and Board Member of CJ Automotive AB. Elected as a member of the Committee in 2013. To be re-elected for a period until 2018.

## **APPROVAL OF COMPENSATION TO THE MEMBERS OF THE NOMINATION COMMITTEE.**

### **PERIOD 2017/2018:**

The Nomination Committee proposes that the fee to members of the Nomination committee shall be NOK 6.000 per meeting to each member to compensate for the time spent for the works of the Committee. In addition the Chairman of the Nomination Committee shall be paid NOK 65.000 to compensate for the additional work the chairmanship entails.

## **THE WORK OF THE NOMINATION COMMITTEE.**

The Nomination Committee has worked according to the Charter approved by the General Meeting of the Shareholders on June 9, 2011.

The Committee Members have during the year met with the Chairman of the Board and the management of the Company. In addition, the Nomination Committee has arranged meetings with each shareholder elected Board Members on an individual basis.

The Nomination Committee has also had a meeting with the employee representatives on the Board. In addition the Committee Chairman has communicated frequently with all Board Members.

The Nomination Committee has evaluated the KOA Board Members' Board positions in other companies and organizations as reported in this recommendation and on the Company's web site. The Committee has experienced no conflict of interest. All Board members are considered as independent.

Since the last AGM the Committee has met and communicated with many of the largest shareholders in the company.

Via the Kongsberg Automotive web site, the Committee has asked all the shareholders to propose candidates to the Board.

In nominating the present KOA Board of Directors, the Nomination Committee has balanced the need for continuity, renewal and succession. The Nomination Committee believes that the experience of the two new proposed candidates in production, operations, management and

international business will add value to the Board and serve in the best interest of all shareholders in Kongsberg Automotive ASA.

The Nomination Committee is of the opinion that the nominated Board of Directors will have the necessary qualifications to meet challenges ahead.

All recommendations made by the Nomination Committee are unanimous.

The Committee Chairman has communicated with the Chairman of the Board and the CEO ahead of submitting the Committee`s recommendations.

Oslo, April 24, 2017

Heidi Finskas

Hans Trogen

Tor Himberg-Larsen

Chairman

