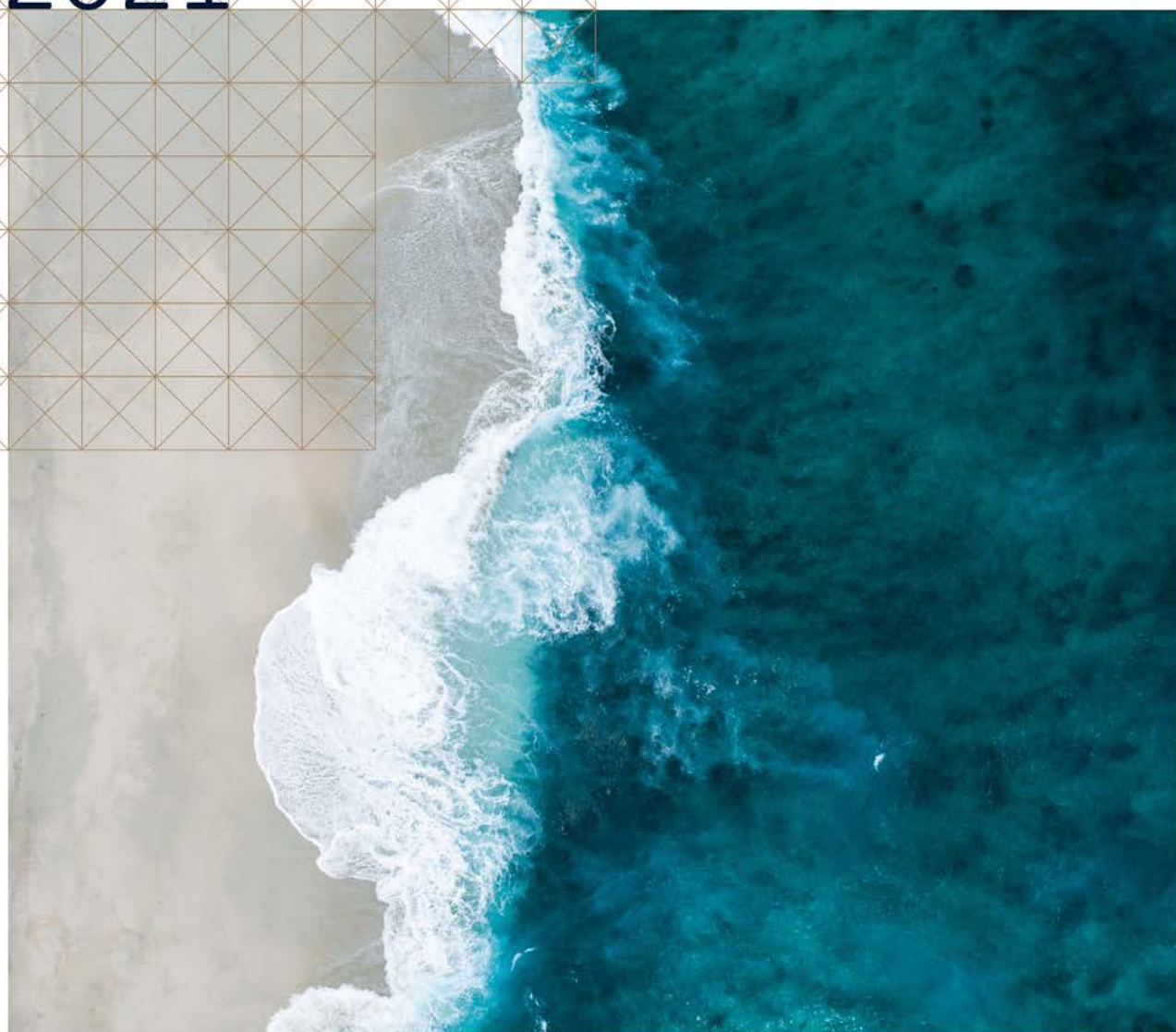




KONGSBERG

REMUNERATION REPORT 2021



Introduction

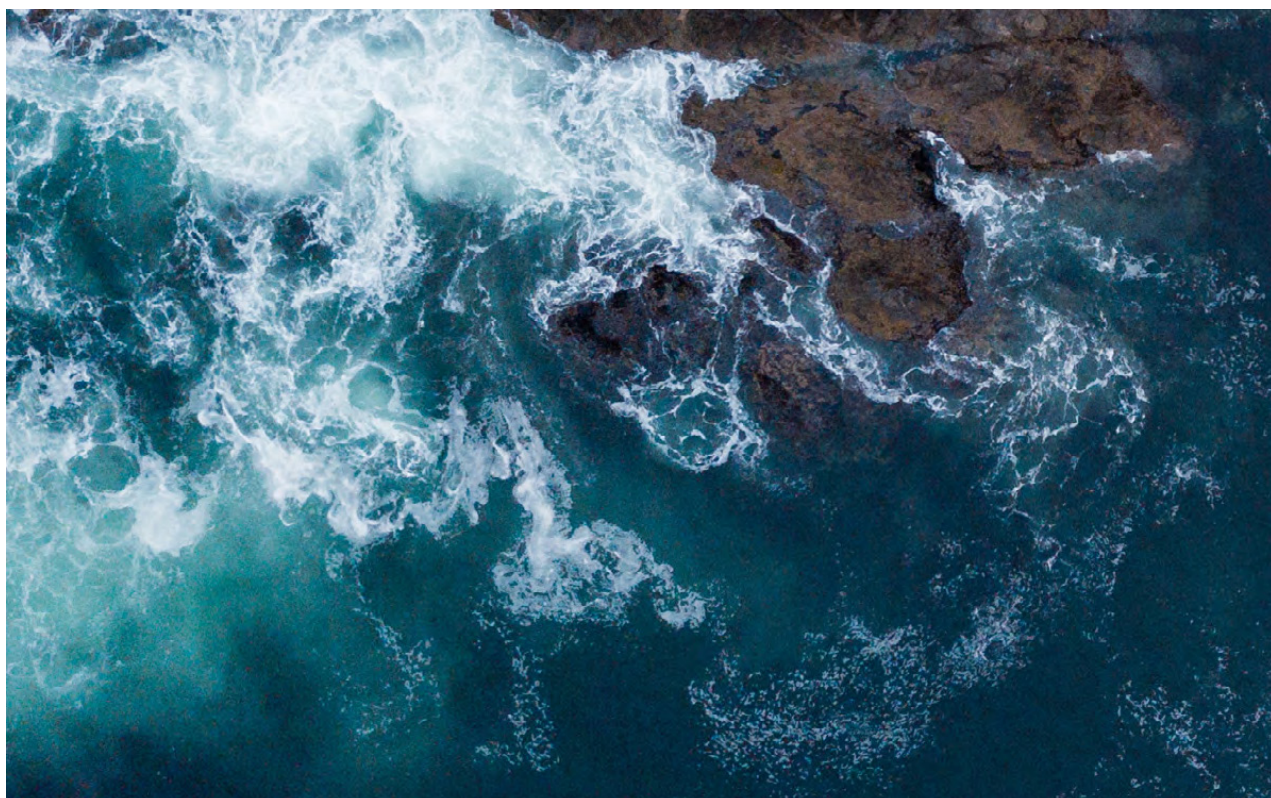
This report provides an overview of how the Board's guidelines for remuneration of leading persons in KONGSBERG, adopted by the Annual General Meeting 2021, has been implemented during the financial year 2021.

The report provides details on the remuneration framework, including fixed salary, performance pay scheme, long-term incentive scheme (LTI) and variable benefits, for KONGSBERG's CEO and other members of the Corporate Management Team. In addition, the report contains a summary of actual pay out.

This report has been prepared in accordance with the *Regulations on guidelines and report on remuneration for senior executives* and the *Board's guidelines for remuneration for leading persons in KONGSBERG*.

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Principles for the company's executive pay policy

The remuneration framework developed to determine the compensation package for the Corporate Management Team is approved by the Board. The Board conducts an annual evaluation of the CEO's salary and conditions, as well as KONGSBERG's performance pay scheme based on a report provided by the Compensation Committee. The CEO reviews and approves the appropriate compensation package for the Corporate Management Team, including performance pay, after consultation with the Chairman of the Board.

The remuneration framework for the Corporate Management Team in Kongsberg Gruppen ASA and group companies ("KONGSBERG") is based on the following principles:

- Compensation packages shall be competitive, but not market leading and given this frame support general moderation in the pay development, whilst enabling KONGSBERG to attract and retain suitable and appropriate leaders.
- Compensation packages shall motivate and be structured to promote extra effort for continuous improvement of the company and its results.
- The remuneration framework shall be understandable and acceptable to both internal and external stakeholders.
- The remuneration framework shall be flexible in order to allow adaptations when requirements change.
- The remuneration framework shall promote collaboration

The compensation packages for the Corporate Management Team shall reflect their responsibility for the management, results and sustainable development of KONGSBERG, and also take into account the size and complexity of the business. The remuneration framework shall also be transparent and in line with principles of good corporate governance and company management.

Other companies in KONGSBERG shall follow the principles of the executive pay policy for the Corporate Management Team in order to have a consistent approach throughout the Business.

KONGSBERG intends to create shareholder value through long-term sustainable profitable growth. To support this KONGSBERG's remuneration framework consists of fixed and variable benefits incorporating both performance pay schemes and long-term incentive schemes (LTI). Growth and profitability are over time a necessary prerequisite for creating shareholder values, but KONGSBERG also attaches significant importance to short-term profitability and positive cash flows which enable investment into future solutions and products, and to provide shareholders with annual returns through dividends. The result component (EBIT, earnings before interest and taxes) and capital component (ROACE, return on average capital employed) of the schemes are therefore given greater weight than the revenue component (growth). In essence, the revenue component of the performance pay scheme is intended to incentivise managers to create growth, whilst the result component shall encourage for improvements in EBIT. In addition, the capital component, which is the relationship between EBIT and the capital bonding of the company, will provide incentives for the results to be created in a capital-efficient manner and provide positive cash flows.

The long-term incentive scheme (LTI) intends to achieve long-term interests and retain and strengthen the commitment of the Corporate Management Team. The LTI shares are therefore configured with a 3-year lock-in period before the participants gain ownership of the shares.

The company's result for 2021 has given the Corporate Management Team a good pay out in line with the profit development.

Elements of executive pay

– fixed salary and variable benefits

The starting point for the compensation determination is the total level of fixed salary and variable benefits. Fixed salary consist of basic salary in addition to fixed benefits in kind and pension contributions. Variable benefits consist of performance pay (STI) and long-term incentive share (LTI). Regular benchmarking is undertaken to ensure that the total compensation is competitive but not market leading.

The company did not exercise the right to claim variable remuneration refunded for any members of the Corporate Management Team in 2021.

Basic salary

The basic salary shall normally be the main element of the salaries. The basic salary is evaluated once a year.

in one of three saving profiles with either 50, 80 and 100% stock market exposure, actively or passively managed, with or without automatic reduction of stock market exposure from age 57.

Other variable elements

Benefits in kind common to comparable positions, such as cell phone, internet coverage, newspaper and car schemes. There are no specific restrictions on which benefits can be agreed on.

KONGSBERG does not enter into early retirement agreements for senior executives, but senior executives who had such schemes before 1 October 2015 have retained them.

Pension

Members of the Corporate Management Team shall normally have pension schemes that secure a pension payment that is relative to their salary level. For new members this is mainly met by membership in KONGSBERG's collective main pension scheme for salary up to 12G. The purpose of the pension scheme is to contribute to financial security for the employees when they retire.

KONGSBERG has previously entered into early retirement agreements for some of its senior executives. The agreements have always been entered into in line with the current notification of ownership from the Government. The arrangements differ depending on when they were entered into. Some agreements involve the possibility of retiring from the age of 65, but with mutual right for KONGSBERG and a member of the group management to claim early retirement from the age of 63. The agreed pension is 65% of the annual salary, provided a minimum of 15 years of earnings. However, if the senior executive retires between the age of 63 and 65, it will result in reduced pension earnings in the defined-contribution pension which applies from the age of 67. These agreements were discontinued for new senior executives in 2013 and now only apply to the CEO. One of the members of the Corporate Management Team has an older agreement on release from work

KONGSBERG's collective main pension scheme is a defined-contribution pension scheme. KONGSBERG introduced a defined-contribution pension scheme as of 1 January 2008. Workers who were 52 years of age or older at the time of conversion were left in a closed defined benefit plan. The deposit rates are 5% of basic salary from 0G to 7.1G and 11% of salary from 7.1G to 12G. The saving profiles were changed from 1 November 2021. The funds can optionally be invested

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from the age 60. Provided at least 10 years of earning time, the benefit is 90% of salary from 60 years, with a 10% reduction per year to 60% of salary from 63 to 67 years. The implementation of this agreement was postponed in 2019 by up to 3 years at the mutual request of both parties. Similarly, one member of the group management has an agreement to resign from the age of 62. Provided at least 15 years of earning time, the benefit is 65% of the salary until the age of 67. These older schemes were discontinued in 2006 and 2008 respectively.

Seven of the members of the Corporate Management Team have been covered by a defined-contribution pension scheme for salaries above 12G. Saved funds, including returns, are paid to the senior executives at retirement or at the end of employment. Two of the group management members have a defined-contribution pension scheme of 18% for the part of their salary exceeding 12G. One of the members of the group management has a similar scheme of 30%. These are all older agreements. The CEO's scheme is limited to the salary he had in his previous position (see separate review below). Three of the Corporate Management Team members do not earn additional deposits in the scheme, but returns are still added to the previously earned balance. This is in line with current guidelines.

Performance pay scheme (STI)

The Corporate Management Team shall have their financial interests directly aligned to the development and improvement of KONGSBERG. With this aim the Board adopted in 2006 a performance pay scheme which now comprises approximately 210 participants. Participants who perform well over time shall target an average performance pay of 20-30% of their basic salary. The scheme was adjusted in 2019 in relation to

which components are measured at the same time as the performance pay bank was discontinued.

The performance pay scheme applies to and can make up a maximum of 50% of the basic salary for the Corporate Management Team .

The performance pay scheme for 2021 is based on four components for participants, with the exception of Kongsberg Digital:

1. Improvement in EBIT

The improvement in EBIT component can account for a maximum of 20% of the basic salary. The improvement component is calculated based on the positive percentage change from the current financial year's EBIT compared with the EBIT for the previous financial year. The improvement in EBIT is measured on the participants organisation level and up to KONGSBERG's overall improvement. The participants organization level shall be given the highest weighting. A typical distribution key will be 50% at own level (division), 25% at business area level and 25% at group level (50/25/25). Eligible participants in the division management groups with their own business responsibility shall be measured on the division's overall result. In the event of a reduction in EBIT, the improvement will be zero at the relevant level. However, improvement can still be achieved at the other levels.

For 2021, the KONGSBERG's operating profit EBIT was 2 863 MNOK against 1 905 MNOK in 2020 which provided maximum achievement on this component. For Kongsberg Maritime the operating profit EBIT was 1 324 MNOK against 718 MNOK in 2020 which provided maximum achievement.

For Kongsberg Defence and Aerospace the operating profit EBIT was 1 620 MNOK against 1 157 MNOK in 2020 which provided maximum achievement.

2. ROACE

The ROACE component can account for a maximum of 15% of the basic salary. For KONGSBERG to create added value for the owners, the Corporate Management Team is measured on development of ROACE. The minimum level and intervals are updated and fixed annually.

For 2021, a ROACE of at least 15% had to be achieved in order to achieve full pay out.

For 2021 the KONGSBERG's ROACE was 32,7% which provided maximum achievement on this component. For 2022 the Board has decided that a ROACE of at least 27% must be achieved in order for the pay out to be triggered and from there on a linear pay out from 0,1% up to the maximum 15% at ROACE 37%.

3. Growth in operating revenues

Growth in the operating revenues component can account for maximum of 5% of the basic salary.

Growth in operating revenues is calculated on KONGSBERG's total operating revenues, where each 2% growth gives 1% pay out.

For 2021 growth in the KONGSBERG's operating revenues was 7,17% which gave a 3,59% achievement on this component.

4. Individual goal achievement

The individual goal achievement component can account for maximum of 10% of the basic salary. The individual component is achieved by meeting individual objectives related to KPIs for the individual participant, which can be both of a financial and non-financial nature. These targets may vary from year to year adapted to the strategic and operational objectives. These will normally be in the areas of strategy, market, innovation, operations and implementation, HR, HSE, Compliance and ESG.

For 2021 the achievement for senior executives were:

- CEO 8%
- CFO 8%
- Group Executive Vice President Public Affairs, Communication and Sustainability 8%

- Group Executive Vice President HR, HSE, Security and Emergency preparedness 8%
- Group Executive Vice President Strategy and Business Development 8%
- Group Executive Vice President General Counsel 8%
- Executive Vice President Kongsberg Digital 8%
- Executive Vice President Kongsberg Maritime 8.5%
- Executive Vice President Kongsberg Defence and Aerospace 8.5%

The 2021 performance pay scheme for Kongsberg Digital is based on six components:

1. Improvement of KDIs Annual Recurring Revenue (ARR)

The ARR component shall account for a maximum of 15% of the basic salary.

The minimum level and intervals are updated and determined annually.

The criteria for 2021 was that an ARR of at least 250 MNOK had to be achieved pro rata calculated up to a maximum achievement of 15% at ARR of 390 MNOK.

For 2021, ARR was 346.6 MNOK, which gave a target achievement of 10.35% on this component.

For 2022, the Board has decided that the minimum level for ARR is set at 340 MNOK pro rata calculated for a maximum achievement of 15% at ARR of 450 MNOK.

2. Improvement of Free Cash Flow (FCF)

The FCF component shall account for a maximum of 10% of the basic salary.

The minimum level and intervals are updated and determined annually.

The criteria for 2021 was that a FCF of at least -370 MNOK had to be achieved pro rata calculated up to a maximum achievement of 10% at FCF of -340 MNOK.

For 2021, FCF was -254.6 MNOK which gave a target achievement of 10% on this component.

For 2022, the Board has decided that this component shall account for a maximum of 5% of the basic salary.

The minimum level is set at -700 MNOK pro rata calculated for a maximum achievement of 15% at FCF of -600 MNOK.

3. ROACE

Complies with the general KONGSBERG's ROACE criteria and shall account for a maximum of 5% of the basic salary.

4. Growth in the KONGSBERG's operating revenues

Complies with the general KONGSBERG's operating revenues criteria and shall account for a maximum of 5% of the basic salary.

5. Growth in Kongsberg Digital's operating revenues

Growth in Kongsberg Digital's operating revenues component shall account for a maximum of 5% of the basic salary. Growth in operating revenues is calculated on Kongsberg Digital's total operating revenues, where each 2% growth gives a 1% pay out.

For 2021, Kongsberg Digital's growth in operating revenues was 2.86%, which gave a 1.43% achievement on this component.

For 2022, the Board has decided that this component shall account for a maximum of 10% of the basic salary.

6. Individual goal achievement

Complies with the KONGSBERG's individual goal achievement criteria and shall account for a maximum of 10% of the basic salary.

The performance pay bank from the previous scheme will, for those who have an outstanding balance in the performance pay bank as of 31 December 2018, be paid over 4 years, with 1/4 per year. The last year of payment of the performance pay bank is 2023.

The sum of the current year's

performance pay scheme payment and payment from the performance pay bank cannot exceed 50% of the basic salary. If this pay out exceeds 50% of the basic salary, the excess amount will be withdrawn.

In the event of a decline in EBIT on its own organizational unit, the performance pay bank will not be paid in the current year, and 1/4 of the performance pay bank is withdrawn.

If an employee who has a balance in the performance pay bank changes his position but remains in KONGSBERG, payment of the performance pay bank will continued to be paid over 4 years, and it will be agreed specifically which organizational unit the individual will be measured on.

If an employee who has a balance in the performance pay bank voluntarily terminates their employment with KONGSBERG, the remaining amount of the performance pay bank will be withdrawn in its entirety.

In the event of disability and retirement, the remaining balance of the performance pay bank is paid in its entirety unless it exceeds 50% of the basic salary. Any remaining balance will be paid out the following year.

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

When carrying out special, large projects, demanding turnarounds and acquisitions that require a short-term decline in results as well as major strategic initiatives, individual agreements can be entered into with the CEO. In such cases, the ordinary scheme for performance pay will be discarded and replaced by a separate agreement limited up to 40% of the basic salary.

The CEO shall account for these arrangements to the Compensation Committee.

The performance pay scheme is assessed annually by the Compensation Committee and the Board to ensure that it works as intended and to ensure that necessary adjustments are made. The Compensation Committee and the Board annually assess whether the start and end values for calculating the performance pay scheme should be adjusted as a result of special factors such as write-downs or write-ups and acquisitions etc.

The performance pay scheme criteria is evaluated annually by the Compensation Committee and the Board.

The performance pay scheme does not provide a basis for pension.

The performance pay scheme will be continued in 2022 with the changes described.

Long Term Incentive scheme (LTI)

As of 2012, the Board introduced a LTI scheme for the CEO and the Corporate Management Team. As of 2018, the LTI scheme was further expanded to include the management group in the business areas, as well as some key positions.

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

LTI is an incentive scheme where the participant receives, when certain criteria are met, KONGSBERG shares for a specific % of the participants' basic salary after tax deduction. The LTI scheme accounts for a maximum of 30% of the basic



salary for the CEO and 25% for Corporate Management Team, 15% for members of business area management groups and 10% for some key positions.

The criteria for achieving LTI is that EBIT is greater than zero, if so the participant qualifies for 1/2 of the maximum allocation. If ROACE is equal to or greater than 10% it provides an additional 1/2 of the maximum allocation. Participants in the LTI scheme will be obliged to invest the net amount after tax in KONGSBERG shares, which are purchased in the market and owned with a lock-in period of three years. Participants who, on their own initiative, resigns from the company, for shares that do not meet the three-year lock-in requirement, will have to pay back an amount equal to the share value after tax at the time of termination. LTI criteria are evaluated annually by the Compensation Committee and the Board.

The LTI scheme does not provide a basis for pension.

The LTI scheme will be continued in 2022.

For 2021 the KONGSBERG's operating profit EBIT was positive and ROACE was 32,7% which provided maximum achievement.

Remuneration related to shares or the development of the share price

Senior executives, with the exception of the CEO, have the opportunity to participate fully in KONGSBERG's discounted share saving scheme on the same terms as for all employees in KONGSBERG.

The share program in 2021 provides the opportunity to buy KONGSBERG shares for up to NOK 75,000. The purchase price includes a 25% discount which the company pays, where the maximum discount given is NOK 25,000. The company grants employees the opportunity to get 80% of the purchase price as an interest-free payroll loan of one year, 20% of the purchase price is to be paid upon transfer of the shares which have a lock-in period of one year.

KONGSBERG has no scheme for allocation of share options or other instruments related to the

company's shares. There are no plans to introduce such schemes.

Severance pay scheme

KONGSBERG have entered into, and still can enter into, severance pay agreements in order to at all times ensure that the composition of managers is in accordance with the business's needs. Severance pay schemes are designed so that they will be perceived as acceptable internally and externally. Agreements entered into after 2011 does not entitle to severance pay exceeding the value of six months' salary and allowances.

Such agreements have been entered into for the members of the Corporate Management Team within the framework of the Working Environment Act. The arrangement will be continued in 2022.



Remuneration to the CEO

The CEO's remuneration consists of a basic salary of NOK 5,493,258, fixed benefits in kind which in 2021 amounted to NOK 330,474, a performance pay scheme of a maximum of 50% of basic salary and an LTI scheme of a maximum of 30% of basic salary. In previous position, the CEO had an agreement on pension accrual of 18% for salaries above 12G and early retirement of 65% of basic salaries from the age of 63–65 until the ordinary retirement age of 67 years. The schemes have been continued with a maximum pension basis / basis for early retirement equal to salary from a previous position, of NOK 2,424,200. The pension base is adjusted annually with the same percentage increase as the last increase in pensions paid from the National Insurance Scheme (the basic amount in the National Insurance Scheme minus 0.75%).

Statement for the financial year 2021

The executive pay policy has for the 2021 financial year, been conducted in accordance with the guidelines that were adopted by KONGSBERG's annual general meeting in 2021.

Following the ordinary salary settlement of 1 July 2021, the CEO's basic salary has been adjusted upwards by 3.3% to NOK 5,493,258 per year (0% in 2020 due to the covid-19 situation). For the rest of the Corporate Management Team, the basic salary has been adjusted upwards by an average of 3.3% per 1 July 2021 (an adjustment was made for 3 members of the group management in January 2020 to ensure a competitive level. Other members of the group management received no adjustment as a consequence of COVID-19 in 2020). In addition, there is a performance pay out as shown in Table 1.

The consolidated financial statements for 2021 have calculated performance pay for senior executives at MNOK 82,4 excluding social security tax, corresponding to 29% of the total for the participants in the scheme (MNOK 88,1 in 2020, corresponding to 31%). No agreements regarding remuneration were entered into or changed that would have any significant effects for KONGSBERG or its shareholders in the previous accounting year.



Board statement

The Board has considered and adopted the remuneration report to Kongsberg Gruppen ASA for the financial year 2021. The remuneration report has been prepared in accordance with § 6-16 b in the Public Limited Liability Companies Act and regulations issued pursuant to this provision.

The remuneration report for senior executives will be submitted to the General Meeting on 11 May 2022 for a final decision.

Eivind Reiten
Chairman of the
Board

Anne-Grete Strøm-Erichsen
Deputy chair 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 Bjercknes
Member of the Board

Geir Håøy
President & CEO

AUDITOR'S STATEMENT



Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6a, 0191 Oslo
Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

To the General Meeting of Kongsberg Gruppen ASA

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REPORT ON SALARY AND OTHER REMUNERATION TO DIRECTORS

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 2021 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 as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International 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, 17.04.2022
ERNST & YOUNG AS
Not signed – for information purposes only
Finn Espen Sellæg
State Authorised Public Accountant

Attachments

Table 1 – Remuneration specified for members of the Executive Management for 2021 and 2021

Table 2 – Remuneration specified for members of the Board for 2021 and 2020

Table 3 – Total remuneration, annual change in total remuneration and basic salary, the average salary for other employees and the company's results over the past 5 years

Attachment 1 – Remuneration specified for members of the Executive Management for 2021 and 2021¹⁾

Amounts in TNOK	Year	Salary paid including holiday pay	Other benefits reported during the financial year ²⁾	Accrued long-term incentive plan (LTI) ³⁾	Accrued performance related pay during the financial year ⁴⁾	Pension accrued during the year ⁵⁾	Long-term incentive plan (LTI) paid out ⁶⁾	Out-standing amount, loans	Shares acquired during the financial year linked to the LTI scheme	Total number of shares inc. LTI as of 31 Dec
Geir Håøy President & Chief Executive Officer	2021	5 791	330	1 433	2 747	929 7)	1 648	-	4 760	40 297
	2020	5 649	285	1 239	2 659	733	1 595	-	4 678	35 049
Gyrid Skalleberg Ingerø Chief Financial Officer Group Executive Vice President Finance, Compliance and Property	2021	3 272	271	634	1 566	94	783	-	2 267	19 393
	2020	3 140	263	400	1 520	90	760	-	1 975	16 638
Even Aas Group Executive Vice President Public Affairs, Communication and Sustainability	2021	2 038	302	406	958	378 8)	479	-	1 383	29 315
	2020	1 957	283	324	927	-123	464	-	1 359	27 444
Hans Petter Blokkum Group Executive Vice President HR, HSE, Security and Emergency	2021	2 662	227	487	1 267	173 9)	633	-	1 835	7 893
	2020	2 571	214	134	1 230	134	615	20	1 599	5 570
Iver Christian Olerud - EM from 1.11.2020 Group Executive Vice President Business Development and Strategy	2021	2 355	232	35	1 226	94	646	-	1 041	5 821
	2020	417	37	-	206	15	104	-	-	4 292
Christian Karde - EM from 1.9.2020 Group Executive Vice President General Counsel	2021	2 153	293	57	1 054	273 10)	527	-	839	2 416
	2020	706	108	-	359	64	170	-	-	1 089
Hege Skryseth Executive Vice President, KONGSBERG President, Kongsberg Digital	2021	2 742	221	565	1 021	962 11)	665	121	1 920	16 284
	2020	2 646	211	476	1 236	709	644	191	1 887	14 416
Egil Haugsdal Executive Vice President KONGSBERG President, Kongsberg Maritime	2021	3 512	462	675	1 674	1 817 12)	837	-	2 424	39 009
	2020	3 396	452	556	1 625	1 424	813	-	2 097	36 097
Eirik Lie Executive Vice President, KONGSBERG President, Kongsberg Defence & Aerospace	2021	3 463	366	669	1 679	239 13)	839	-	2 220	13 945
	2020	3 389	299	578	1 488	170	744	-	2 182	11 237
Harald Aarø- out of EM from 31.10.2020 Group Executive Vice President Business Development and Strategy	2020	2 205	224	452	1 129	504	516	-	1 816	12 327
Total remuneration for Executive Management	2021	27 988	2 704	4 961	13 192	4 959	7 057	121	18 689	174 373
Total remuneration for Executive Management	2020	26 076	2 376	4 159	12 379	3 720	6 425	211	17 593	164 159

1) Compensation and other benefits to members of Executive Management are based on their time served as part of corporate management. All members of Executive Management are included in the general contribution scheme for salaries up to 12G and this is included in the figures.

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) The year's return on balance in the defined contribution pension scheme over 12G is included in the accrual.

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) Defined contribution pension scheme for salaries above 12G with 18 % + 12 %.

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

13) Earnings area return on previously earned balance in defined contribution plan for salaries above 12G.

Attachment 2: Remuneration specified for members of the Board for 2021 and 2020

Amount in NOK	Year	Number of shares	Fixed Board remuneration	Remuneration for committee meetings	Total Board remuneration	Number of Board meetings ¹⁾
Eivind K. Reiten, Chair	2021	2 850	555 333	71 333	626 666	11
	2020	2 850	544 000	58 367	602 367	13
Anne-Grete Strøm-Erichsen, Director, Vice Chair	2021	2 000	297 000	48 000	345 000	10
	2020	2 000	291 000	40 733	331 733	12
Morten Henriksen, Director	2021	3 027	278 333	102 000	380 333	11
	2020	3 027	273 000	104 767	377 767	12
Per Arthur Sørli, Director	2021	3 400	278 333	76 333	354 666	11
	2020	3 400	273 000	81 200	354 200	13
Helge Lintvedt, Director, to May 6	2021	-	91 000	25 000	116 000	5
	2020	-	273 000	81 200	354 200	13
Martha Kold Bakkevig, Director, to May 6	2021	-	91 000	25 000	116 000	5
	2020	2 119	273 000	81 200	354 200	13
Elisabeth Fossan, Director, to May 6	2021	5 801	91 000	15 667	106 667	5
	2020	5 489	273 000	40 733	313 733	13
Sigmund Ivar Bakke, Director, to May 6	2021	4 151	91 000	-	91 000	5
	2020	3 663	273 000	-	273 000	13
Merete Hverven, Director, from May 6 2021	2021	-	187 333	-	187 333	6
Oda Ellingsen, Director, from May 6 2021	2021	1 073	187 333	51 333	238 666	5
Rune Fanøy, Director, from May 6 2021	2021	216	187 333	32 333	219 666	5
Jo Even Bjerknes, Director, from May 6 2021	2021	177	187 333	-	187 333	0
Kjersti Rød, Deputy Director	2021	-	63 500	-	63 500	6 ²⁾
Ivar André F. Ihle, Deputy Director	2021	-	-	-	-	1 ³⁾
Total compensation to the Board	2021	22 695	2 585 831	446 999	3 032 830	
Total compensation to the Board	2020	22 548	2 473 000	488 200	2 961 200	

1) 11 board meetings were held in 2021 (13 board meetings in 2020).

2) Compensation paid out for 5 of 6 board meetings, pay out for the last meeting is done in 2022.

3) Compensation is paid out in 2022.

Attachment 3: Total remuneration, annual change in total remuneration and basic salary, the average salary for other employees and the company's results over the past 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	2017 vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020
Geir Håøy - CEO from 6 June 2016 President and Chief Executive Officer	7 874	8 886	10 383	10 565	11 230
Change in total compensation	¹⁾	12,85 %	16,85 %	1,75 %	6,29 %
Change in basic salary	2,00 %	2,80 %	3,50 %	0,00 %	3,30 %
Gyrid Skalleberg Ingerø - EM from 1 November 2017 Chief Financial Officer Group Executive Vice President Finance, Compliance and Property	601	3 828	4 487	5 413	5 837
Change in total compensation		6,16% ²⁾	17,22 %	20,64 %	7,83 %
Change in basic salary		2,80 %	3,40 %	12,82 %	3,04 %
Even Aas Group Executive Vice President Public Affairs, Communication and Sustainability	3 432	3 285	6 172	3 368	4 082
Change in total compensation	44,99% ³⁾	-4,28 %	87,88% ⁴⁾	-45,43 %	21,20 %
Change in basic salary	3,52 %	2,80 %	12,02 %	0,00 %	3,32 %
Hans Petter Blokkum - EM from 1 March 2018 Group Executive Vice President HR, HSE, Security and Emergency		2699	3 878	4 283	4 816
Change in total compensation			19,73% ²⁾	10,44 %	12,44 %
Change in basic salary			3,20 %	12,78 %	3,00 %
Iver Christian Olerud - EM from 1 November 2020 Group Executive Vice President Business Development and Strategy				675	3 942
Change in total compensation					-2,67 % ²⁾
Change in basic salary					3,30 %
Christian Karde - EM from 1 September 2020 Group Executive Vice President General Counsel				1 237	3 830
Change in total compensation					3,21 % ²⁾
Change in basic salary					3,33 %
Hege Skryseth Executive Vice President, KONGSBERG President, Kongsberg Digital	3 990	3 742	4 723	5 278	5 511
Change in total compensation	15,55 %	-6,22 %	26,22 %	11,75 %	4,41 %
Change in basic salary	2,00 %	2,80 %	11,76 %	0,00 %	3,30 %
Egil Haugsdal Executive Vice President KONGSBERG President, Kongsberg Maritime	5 052	5 697	6 972	7 453	8 140
Change in total compensation	17,84 %	12,77 %	22,38 %	6,90 %	9,22 %
Change in basic salary	12,67 %	2,80 %	3,40 %	13,59 %	3,00 %
Eirik Lie - EM from 4 January 2017 Executive Vice President, KONGSBERG President, Kongsberg Defence & Aerospace	3 544	4 722	5 306	5 924	6 416
Change in total compensation		33,24 %	12,37 %	11,65 %	8,31 %
Change in basic salary		2,80 %	3,40 %	0,00 %	12,80 %
Average basic salary for other employees in all corporate companies in Norway	704	724	747	758	783
	2,00 %	2,90 %	3,20 %	1,45 %	3,30 %
Group's operating result EBIT	585	701	1 029	1 905	2 863
	26,62 %	19,83 %	46,79 %	85,13 %	50,29 %

1) Compensation for 2016 was calculated from both the position as CEO and President KM and is addressed in the 2016 Annual Report.

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

3) The increase in pay-out of performance related pay, fully earned pension rights for the early retirement agreement 60 year and salary increase resulted in the change in pension accrual.

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



KONGSBERG

