

To the shareholders in Kongsberg Gruppen ASA



**KONGSBERG**

## **NOTIFICATION OF THE ANNUAL GENERAL MEETING 2012**

The Board of Directors notifies shareholders of the Annual General Meeting of Kongsberg Gruppen ASA.

**Time: Monday, 7 May 2012, 2:00 p.m.**

Venue: Conference Centre, Kongsberg Technology Park, Kirkegårdsveien 45, Kongsberg, Norway

In accordance with § 5-12, first subsection, of the Norwegian Companies Act and § 8 of the Group's Articles of Association, the Annual General Meeting will be brought to order and chaired by the Chair of the Board.

The following items are on the agenda:

### **1. Approval of the notification and the agenda**

The Board of Directors proposes that the General Meeting adopts the following resolution:

*"Notification and agenda approved."*

### **2. Election of a co-signer for the minutes**

According to KONGSBERG's articles of association the Chair of the Board of Directors will lead the Annual General Meeting. The chair will in the Meeting propose one of the delegates to co-sign the minutes.

The Board of Directors proposes that the Annual General Meeting adopts the following resolution:

*" [...] is elected to co-sign the minutes."*

### **3. Briefing by the CEO**

### **4. Treatment of the report on corporate governance**

The Board's statement for corporate governance is available on the Company's website at [www.kongsberg.com](http://www.kongsberg.com).

### **5. Approval of the Financial Statements and Directors' Report for the parent company and the Group for fiscal 2011.**

The Board's proposal to the financial statements, the Director's Report for the parent company and the group for fiscal year 2011, as well as the auditor's report, is available on the company's website [www.kongsberg.com](http://www.kongsberg.com).

The Board of Directors proposes that the Annual General Meeting adopt the following resolution:

*"The financial statements for the parent company and the Group for fiscal year 2011 are approved. The Directors' Report is also approved. The Auditor's Report is taken under advisement."*

## 6. Payment of dividends

The parent company, Kongsberg Gruppen ASA, posted a net profit of MNOK 437 in 2011. The Group posted a net profit of MNOK 1 430 in 2011. Earnings per share came to NOK 11.93. The Group's financial soundness is deemed satisfactory. Consequently, the Board proposes paying a dividend of NOK 3.75 share. The dividends will accrue to the company's shareholders per end of 7 May 2012 (as listed in the VPS Registry on 11 May 2012), and the company's shares will be traded on the Oslo Stock Exchange exclusive dividends as from 8 May 2012. The dividend will expectably be paid out on 25 May 2012.

The Board of Directors proposes that the Annual General Meeting adopts the following resolution:

*"The Board of Director's proposal for a dividend of NOK 3.75 per share for 2011 is approved. The dividends will accrue to the company's shareholders per end of 7 May 2012 (as listed in the VPS Registry on 11 May 2012), and the company's shares will be traded on the Oslo Stock Exchange exclusive dividends as from 8 May 2012. It is expected that dividends will be paid out on 25 May 2012."*

## 7. Remuneration to the Directors

The Nominating Committee has proposed that the collective compensation to the directors, applicable from 7 May 2012 till next Annual General Meeting, be stipulated at NOK 1 969 000. The Chair of the Board will receive NOK 390 000, the deputy chair NOK 214 000 and the other directors NOK 195 000. Deputy Directors will receive NOK 9 800 per meeting.

In addition, the members of Audit Committee will receive NOK 8 700 per meeting, up to a maximum of NOK 43 500 per year (chair NOK 9 900 per meeting up to a maximum of NOK 49 500 per year).

The members of the Compensation Committee will receive NOK 7 400 per meeting up to a maximum of NOK 37 000 per year (chair NOK 8 600 per meeting up to a maximum of NOK 43 000 per year).

The Board proposes that the General Meeting adopts resolutions in compliance with the Nominating Committee's recommendations:

### The Board of Directors:

*Chair of the Board: NOK 390 000 per year (Up NOK 13 000, most recently adjusted in 2011)*

*Deputy chair: NOK 214 000 per year (Up NOK 7 000, most recently adjusted in 2011)*

*Directors: NOK 195 000 per year (Up NOK 6 000, most recently adjusted in 2011)*

*Not permanent oncoming Deputy Directors:*

*NOK 9 800 per meeting (Up NOK 330, most recently adjusted in 2011)*

### The Audit Committee:

*Chair: NOK 9 900 per meeting (Up NOK 300, most recently adjusted in 2011),*

*maximum NOK 49 500 per year*

*Member: NOK 8 700 per meeting (Up NOK 300, most recently adjusted in 2011),*

*maximum NOK 43 500 per year*

### The Compensation Committee:

*Chair: NOK 8 600 per meeting (Up NOK 1 400, most recently adjusted in 2011),*

*maximum NOK 43 000 per year*

*Member: NOK 7 400 per meeting (Up NOK 1 400, most recently adjusted in 2011),*

*maximum NOK 37 000 per year*

**8. Remuneration to the members of the Nominating Committee**

The Board proposes that the members of the Nominating Committee receive NOK 3 500 per meeting and the chair of the Nominating Committee receives NOK 4 750 per meeting applicable from 7 May 2012 till the next Annual General Meeting. The Nominating Committee held two meetings during the period under review.

The Board of Directors proposes that the Annual General Meeting adopts the following resolution:

*"Members of the Nominating Committee will receive the following compensation:  
Chair of the Nominating Committee: NOK 4 750 per meeting  
Members of the Nominating Committee: NOK 3 500 per meeting."*

**9. Remuneration to the Auditor**

In 2011, NOK 594 000 was paid to the company's auditing firm Ernst & Young AS for audit-related services for the parent company Kongsberg Gruppen ASA. The Group paid a total of NOK 5 965 000 for audit-related services and NOK 3 220 000 for other services.

The Board of Directors proposes that the Annual General Meeting adopts the following resolution:

*"For 2011, the payment of remuneration of NOK 594,000 000 paid to the Group's auditor for ordinary auditing services for the parent company is approved."*

**10. Treatment of the Board's declaration on the stipulation of salaries and other benefits for the Group's executives**

The content of the Board's declaration on salaries and other remuneration for executives pursuant to § 6-16a of the Public Limited Companies Act has been specified in Note 27 to KONGSBERG's Financial Statements for 2011.

The Board of Directors proposes that the Annual General Meeting adopts the following resolution:

*"The Board's statement on salaries and other benefits for the Group's executives is approved."*

**11. Election of Deputy Director**

The Nominating Committee of Kongsberg Gruppen ASA has made nominations where they recommend that the AGM elects a Deputy Director in addition to the existing shareholder-elected directors. The recommendation from The Nominating Committee is available on the Company's website at [www.kongsberg.com](http://www.kongsberg.com).

According to the Nominating Committee's recommendations, and pursuant to § 5 of the Articles of Association for Kongsberg Gruppen ASA, The Board proposes that the General Meeting adopts the following resolutions:

*"Roar Flåthen is to be elected as Deputy Board Member.*

*The Board of Directors consist after this of the following shareholder-elected directors and Deputy Board Member:  
Finn Jebsen, Erik Must, John Giverholt, Anne-Lise Aukner, Irene Waage Basili  
and Roar Flåthen (Deputy Board Member)."*

## 12. Election of the members of the Nominating Committee

All members of the Nominating Committee are up for election. The Nominating Committee of Kongsberg Gruppen ASA has made nominations for re-election of the members of the Nominating Committee. The recommendation is available in its entirety on the company's internet page [www.kongsberg.com](http://www.kongsberg.com).

According to the Nominating Committee's recommendations The Board proposes that the General Meeting adopts the following resolutions:

*"The following nominees are to be re-elected as members of the Nominating Committee of Kongsberg Gruppen ASA: Sverre Valvik (chair), Knut J. Utvik and Alexandra Morris."*

## 13. Authorisation for the acquisition of treasury shares

At the Annual General Meeting held on 9 May 2011, the Board was given authorisation to buy treasury shares up to a limit of NOK 7 500 000 (5 % of the company's share capital). The authorisation applies for 12 months. Kongsberg Gruppen ASA's Board of Directors believes it would be prudent for the company if the Board retains its authorisation to acquire treasury shares for use in conjunction with the share programme for the Group's employees and as whole or partial settlement for acquisitions.

The Board of Directors therefore proposes that the Annual General Meeting adopts the following resolution:

- "(a) Pursuant to § 9-4 of the Norwegian Companies Act, the Board is authorised to acquire treasury shares for a total maximum nominal value of NOK 7 500 000.*
- (b) The authorisation may be re-used.*
- (c) The Board's acquisition of shares pursuant to this authorisation can be exercised only between a minimum price of NOK 25 per share and a maximum price on NOK 250 per share.*
- (d) The authorisation shall apply until the next annual general meeting, but no later than 30 June 2013.*
- (e) The acquisition of shares pursuant to the authorisation shall take place on the market. The disposal of the shares acquired will take place on the market, unless the shares are used in conjunction with employee share programmes or as whole or partial payment for the acquisition of business activities."*

The financial statements, the Director's Report and auditors' report, the Board's statement on corporate governance, the Board's statement on salaries and other compensation to senior executives Pursuant to § 6-16a of the Public Limited Companies Act and the recommendation from The Nominating Committee is available on the Company's website at [www.kongsberg.com](http://www.kongsberg.com). One can also contact the company by telephone at +47 32 28 64 16 and ask to receive the Annual Report by post.

On the date of notification, Kongsberg Gruppen ASA had 120 million shares outstanding. Each share grants entitlement to one vote at the General Meeting. On the date of notification, the company owned 304 955 treasury shares, which cannot be voted. All shareholders are entitled to attend the general meeting and to be heard, either personally or by proxy. Shareholders are entitled to be accompanied by an adviser, and may grant the right to speak to one adviser. Shareholders are entitled to address items at the general meeting, provided the items are submitted in writing to the Board seven days prior to the deadline for the notification of the general meeting, along with a proposal for a resolution or the reason that the item should be included on the agenda. Under certain conditions, shareholders are also entitled to put forward alternative motions for items to be heard at the General Meeting. Shareholders can request that directors and the CEO disclose any information at the general meeting that they might have about matters that can impact the assessment of items put before the shareholders for decision. The same applies to information about the company's financial position and other items that are the purview of the General Meeting, unless the information required cannot be disclosed without causing disproportionate harm to the company.

Information relating to the Annual General Meeting, including this notification with attachments and the Company's Articles of Association, are available on the Company's website at [www.kongsberg.com](http://www.kongsberg.com).

Shareholders who wish to attend the General Meeting are asked to notify to: *DNB Bank ASA, Securities Service, Stranden 21, 0021 Oslo, **within 4 May, at 12:00 pm**, by use of the enclosed attendance slip.*

Shareholders who are unable to attend the Annual General Meeting, but who wish to be represented, may assign their authorisation to the proxy of their choice, or to Chair of the Board Finn Jebsen. The authorisation must be written, dated, signed and produced not later than at the general meeting. The company's representatives will only accept proxies which are bound, i.e. which specify how the proxy should vote on each individual item of business. Attached the notice of the meeting is an attendance slip and power of attorney slip for Chair of the Board Finn Jebsen or other named authorised agent.

Kongsberg, 11 April 2012  
For the Board of Directors of Kongsberg Gruppen ASA

A handwritten signature in black ink, appearing to read 'Finn Jebsen', with a stylized flourish at the end.

Finn Jebsen  
Chair of the Board