

Mandate for Chief Compliance Officer

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Document history

Table 1 Document history

Revision	Description of change
A	First issue

References

Table 2 References

Ref.	Doc. no. (/ rev.)	Description
[1]	KM-POL-0027	Code of Governance
[2]	KM-MAN-0033	Manual for Management Response Plan, Compliance Incidents
[3]	KM-MAN-0034	Manual for Raising Concerns and Follow up of Raising Concerns

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Abbreviations and definitions

Table 3 Abbreviations and definitions

Abbreviation	Definition

1 Purpose

Kongsberg Maritime ASA has put in place a Code of Ethics and Business Conduct (CoEBC). The Compliance Program consists of the CoEBC, group wide directives, guidelines and responsibilities which are designed to:

- a) Promote and encourage a culture of integrity, ethical decision-making and compliance with Kongsberg Maritime's values as reflected in the CoEBC.
- b) Enable the Company's Executive Management and employees to conduct business with the highest standards of ethics, integrity and regulations; and
- c) Promote appropriate risk assessment, due diligence and control measures to prevent unlawful or unethical conduct.

The CEO of Kongsberg Maritime ASA mandates the Chief Compliance Officer (CCO) with the development, coordination and maintenance of the CoEBC and the Compliance Program, including directives, guidelines and related policies.

2 Reporting line

The CCO reports functionally to the CEO of Kongsberg Maritime ASA and administratively to the EVP People and Corporate Affairs and shall have direct and prompt access to the Kongsberg Maritime ASA BoD and executive management if the CEO is disqualified, or any issue or concern needs to be raised in relation to the compliance system.

The Compliance Function is positioned independently from the business it supervises related to functional operation.

3 Non-financial compliance discipline responsibility

With this mandate the CEO of Kongsberg Maritime ASA emphasises the importance of managing compliance risk, defines the responsibility of the Compliance Function and provides a clear mandate to the CCO for managing compliance risk.

Kongsberg Maritime ASA has established a compliance system to comply with laws and regulations for the areas described in our CoEBC. We refer to these as 'non-financial' compliance, ref. KM-POL-0027 Code of Governance art 4.4.2. The table below illustrates the areas, and the discipline responsible.

Non-financial compliance area	Discipline Responsible in KM ASA
Anti-corruption*	Compliance
Sustainability and corporate social responsibility	Sustainability
Export control and sanctions	Compliance
Notification of alleged misconduct (Whistleblowing)	Compliance
Competition law	Legal
HSE	HSE and QA
Security, protection of information and confidentiality	Legal and Naval (Security)
Intellectual Property Rights	Legal
Insider trading	Finance (Investor Relations)
Anti-money laundering	Finance
Data Privacy	Compliance
Responsible Tax	Legal (Tax)

The above non-financial compliance issues not defined as CCO's discipline responsibility shall be included in the non-financial compliance reporting, but the follow-up of compliance will follow the line responsibility for the specific area.

* The forms of corruption covered here are:

- Bribery, in particular passive bribery associated with awarding contracts
- Trading in influence
- Nepotism, favouritism, cronyism and patronage
- Conflicts of interest (where it leads to corruption)
- Fraud

4 Internal investigations

CCO has responsibility for internal investigations of compliance incidents, and incidents related to fraud in Kongsberg Maritime ASA.

The CCO shall initiate an assessment of probability, scope and potential adverse effects, together with a recommendation for an investigation plan and a timetable, in consultation with the affected Division. The assessment and plan shall be agreed by the relevant Division EVP/s and General Counsel, CCO and approved by the CEO.

The CCO shall:

- Coordinate with Divisions and/or Corporate Functions
- Conduct or supervise internal investigations
- Approve and coordinate requested external assistance
- Recommend corrective actions
- Report to relevant levels of management, in consultation with the affected Division. The CCO shall consult with Kongsberg Maritime ASA General Counsel upon any legal issues during the investigation.

Internal investigations shall be in accordance with internal requirements in KM-MAN-0033 Management Response Plan and KM-MAN-0034 Manual for Raising Concerns and Follow up of Raising Concerns.

5 Definitions

Chief Compliance Officer (CCO); The Chief Compliance Officer (CCO) is responsible for managing the Compliance Program for the entire Kongsberg Maritime ASA and has an overall responsibility for Kongsberg Maritime ASA compliance function.

Compliance Function; The department(s) or team(s) responsible for managing the Compliance Program under the direction of the CCO at corporate level or within a Division, or any other business related to Kongsberg Maritime ASA.

Compliance in Kongsberg Maritime ASA is about how we define, plan, organize, and execute our work related to adhering to those rules and regulations, which are general in nature and particularly important to the organization. Kongsberg Maritime ASA has chosen to define compliance as a function with the responsibility for our compliance with all rules and regulations related to the non-financial side of our business. (Financial compliance is handled by our group's financial organization.)

A **compliance incident** exists in situations where it is substantiated probabilities that a breach has taken place or is taking place in respect of Kongsberg Maritime ASAs Code of Ethics and Business Conduct or underlying governance documents and/or of legislation that governs Kongsberg Maritime ASA's business activities.

Fraud is wrongful or criminal deception intended to result in financial or personal gain. It can take place through false representation, failure to disclose information, and abuse of position.

6 Authority

The CCO shall have access to any contract or agreement with partners, subcontractors, customers, market representatives in order to identify risk or assess compliance with policies and practices. The CCO and the audit team members are free to interact with any and all employees in assessing compliance with policies and practices. The CCO shall upon request be granted access to any software and/or documents in Kongsberg Maritime if this is considered necessary in connection with an audit or internal investigation.

7 CCO's responsibility

The Chief Compliance Officer shall, by itself or by delegate:

Develop, implement and maintain a compliance system, including governing documents for the areas of discipline responsibility

- Coordinate oversight of compliance functions in the business, including establishment and ensuring a high-quality Compliance network within Kongsberg Maritime ASA
- overseeing the design and implementation by the organization of the compliance system to ensure areas of risk are assessed and mitigated.
- Providing advice and guidance to personnel on the compliance system.
- Assess on a continual basis whether the compliance system is adequate to manage effectively the bribery risks faced by the business and being effectively implemented.
- Ensuring that the anti-corruption program conforms to the requirements of relevant anticorruption laws and standards, as Norwegian Law, FCPA, UK Bribery Act and align with ISO 37001.
- Monitoring the Business reporting and supervision of the use of market representatives.
- Develop, maintain, advice on, endorse and communicate new and changed Compliance directives and guidelines.
- Liaise with risk management functions to ensure an integrated approach to risk management.
- Participate and give input to preparations for business risk reviews and ensure compliance risk are adequately addressed.
- Manage day-to-day operations of the Kongsberg Maritime's corporate compliance department.
- Monitor and verify compliance with the Compliance System by performing risk based audits with internal and/or external audit teams.
- Meet with the CEO and the Board of Directors Audit Committee on a quarterly basis to present and review status on monitoring activities and discuss strategic and operational topics.
- Present status of compliance activities to the Corporate Management Team, Audit Committee and BoD on behalf of CEO once every year or more frequent as needed.

- Advice Executive Management on Compliance directives, guidelines and other policies and issues and support them with major regulatory Compliance risk issues as they arise.
- Stay up to date with regulatory and industry trends and advice relevant stakeholders and the Compliance function.
- Drive the ongoing evolution of the of the Compliance Program to ensure relevance and strategic competitive advantage.
- Provide hierarchical management to the Compliance Function.
- Overall responsibility for Kongsberg Maritime `s Data Privacy program and directives.
- Overall responsibility for Kongsberg Maritime's Trade Compliance program and directives.
- Overall responsibility for execution of the Internal Control function which is established to ensure audit and monitoring of Kongsberg Maritime`s high risk third party relationships.

8 Resources and Competence

The Corporate Compliance function in Kongsberg Maritime ASA shall be adequately resourced and appropriate competence, status, authority and independence shall be secured.

9 Evaluation

The Compliance System shall be evaluated internally on a continual basis with purpose to continually improve the suitability, adequacy and effectiveness of the Compliance System, including the anti-corruption management system.

Status, including recommendations, shall be reported to the Executive Management Team, Audit Committee and Kongsberg Maritime BoD annually.

The Compliance System shall be evaluated by a third party every third year, and status shall be reported to the Corporate Management Team, Audit Committee and Kongsberg Maritime ASA BoD.

10 Effective date

This document becomes operative from the date the document is authorised by the Board.