

Instructions for the Board's Compensation Committee

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Document history

Table 1 Document history

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Table 2 References

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Abbreviations and definitions

Table 3 Abbreviations and definitions

Abbreviation	Definition

1 Purpose and authority

The Board's Compensation Committee is a subcommittee of the Board of Directors of Kongsberg Maritime ASA, and its purpose is to be a preparatory body for the Board's handling of issues related to compensation, leadership development, and diversity. The Committee is responsible only to the full Board of Kongsberg Maritime ASA and its authority is limited to making recommendations to the Board.

2 Responsibilities

The Committee's main tasks are:

- a) to prepare the Board's handling of matters related to the CEO's salary and employment conditions, as well as adjustments to these;
- b) to prepare the Board's handling of principal issues related to salary levels, bonus systems, pension systems/conditions, employment agreements, and similar for senior executives in Kongsberg Maritime ASA, as well as other compensation-related matters that the committee finds are of particular importance for the company's competitive position, profile, recruitment ability, reputation, etc., beyond senior executives;
- c) to prepare the Board's handling of the Board's statement on the determination of salary and other remuneration to senior executives, in accordance with the Public Limited Liability Companies Act § 6-16a;
- d) to prepare the Board's handling of the company's leadership development plans, leadership assessments, and succession plans for leaders, with particular emphasis on ensuring diversity.

3 Composition

The Committee consist of the Chair of the Board and up to three other Board members appointed by Kongsberg Maritime ASA's Board of Directors. The Chair of the Board is Chair of the Compensation Committee. The members of the Compensation Committee, who are appointed by Kongsberg Maritime ASA's Board of Directors, serve for 2 years, or until they resign from Kongsberg Maritime ASA's Board of Directors. The Compensation Committee should be composed so that it can act independently of the administration and other special interests. The members of the Committee should not be representatives of the daily management. The administration shall assist with information, professional assessments and proposals where appropriate. The Executive Vice President and head of the HR function are the Committee's secretary. Board members have the right to participate in meetings of the Compensation Committee as observers. The CEO has the right to participate in the Committee's meetings when he so wishes, except when the dealing with matters concerning the CEO.

4 Rules of procedure

The Compensation Committee can handle matters when at least two-thirds of the members participate in the proceedings.

The Compensation Committee meets when needed and when a member requests a meeting, and at least twice a year. A work and meeting schedule is prepared for each year and sent to Kongsberg Maritime ASA's Board of Directors.

Minutes of the Compensation Committee's meetings shall be kept and signed by the members. The minutes are kept with the Secretary of the Compensation Committee.

The Compensation Committee routinely reports to the Board by posting the minutes from the Committee's meetings on the Board portal. In addition, the Compensation Committee reports to the Board at Board meetings or by other means when the Board so requests or when the Compensation Committee deems it necessary to ensure that all Board members have access to all significant information.

The Committee shall not take decisions on behalf of the Board of Directors but shall present its assessments and recommendations to the Board.