

Instructions for the Board's Audit and Sustainability 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 Objective

The Board's Audit and Sustainability Committee is a subcommittee of the Board of Directors of Kongsberg Maritime ASA and shall act as a preparatory body for the Board of Directors and support the Board in the exercise of its responsibilities for financial reporting, auditing, internal control, compliance with rules of conduct, sustainability and overall risk management, cf. Sections 6-12 and 6-13 of the (Norwegian) Public Limited Liability Companies Act.

The Committee is responsible to the entire Board of Directors of Kongsberg Maritime ASA. The responsibilities of the board and the individual board member will not change as a result of the work of the Audit and Sustainability Committee.

2 Composition

The committee shall consist of at least three (3) board members. The Audit and Sustainability Committee should be composed so that it can act independently of special interests and collectively have the expertise necessary to carry out the Committee's tasks based on Kongsberg Maritime ASA's organisation and activities. At least one (1) of the members must be independent of the business and have qualifications in accounting or auditing and sustainability. Members of the Audit and Sustainability Committee serve for two (2) years, or until they resign from the Board of Directors of Kongsberg Maritime ASA. The Board elects the Chair of the Audit and Sustainability Committee.

Kongsberg Maritime 's CFO is the committee's secretary. The external auditor shall normally participate in the meetings on relevant topics. The CEO and board members have the right to participate in meetings of the Audit and Sustainability Committee as observers.

3 Meetings

The Board's Audit and Sustainability Committee meets as often as it deems necessary and when the chair of the committee or two (2) members jointly request it, but at least once a quarter. The committee prepares an annual work and meeting plan to be sent to the Board of Directors of Kongsberg Maritime ASA. At least once (1) a year, the Committee shall hold separate meetings with the Chief Executive Officer.

4 Authority

The Audit and Sustainability Committee has the authority to investigate all aspects of the Company's operations. All employees in the Company shall provide such information and

assistance as the Committee may request. The Committee may, if necessary, engage external expertise. For more information on pre-approval of services from the Company's external auditor, see Appendix 1.

5 The Committee's tasks and responsibilities

Section 6-43 of the Public Limited Liability Companies Act sets out requirements for the tasks and responsibilities of the Audit and Sustainability Committee.

The Audit and Sustainability Committee shall:

- A. inform the Board of Directors of the outcome of the statutory audit and explain how the audit contributed to financial reporting with integrity and the role of the Audit and Sustainability Committee in that process;
- B. prepare the Board's follow-up of the financial reporting process and make recommendations or suggestions to ensure its integrity;
- C. with regard to the company's financial reporting, monitor the systems for internal control, risk management and internal audit without violating the independent role of the Audit and Sustainability Committee;
- D. have ongoing contact with the company's elected auditor regarding the audit of the annual accounts, including in particular monitoring the audit performance in light of matters identified by Finanstilsynet pursuant to Article 26(6) of the Audit Regulation, cf. Section 12-1 of the Auditors Act. This means that if the auditor is subject to supervision by Finanstilsynet for the assignment in question, the results of this review must be communicated and discussed with the Audit and Sustainability Committee;
- E. assess and monitor the auditor's independence pursuant to Chapter 8 of the Auditors Act and Article 6 of the Audit Regulation; cf. Section 12-1 of the Auditors Act, including in particular that services other than auditing have been provided in accordance with Article 5 of the Regulation; see section 3 above;
- F. be responsible for preparing the company's election of auditor and making its recommendation in accordance with Article 16 of the Audit Regulation, cf. Section 12-1 of the Auditors Act.

5.1 Financial reporting, etc.

In connection with the presentation of annual accounts/annual reports, half-yearly accounts/half-yearly reports and quarterly accounts, the Committee shall discuss significant accounting matters with management and an external auditor. In addition, the Committee shall review and assess the rules and procedures that Kongsberg Maritime ASA has drawn up in order to comply with its financial reporting in accordance with applicable regulations, including reporting to the Oslo Stock Exchange. In this context, the Audit and Sustainability Committee shall prepare the Board's quality assurance of Kongsberg Maritime ASA's financial reporting.

5.2 Relationship with external auditor

In relation to the external auditor, the Committee shall:

- ensure that the external auditor acts independently in relation to management, including ensuring that the rules and decisions in force at any given time regarding the purchase of additional services from the auditor are followed;
- discuss with the auditor planning and approach for the audit, including risk assessment and audit scope;
- consider and recommend to the Board of Directors the election of an external auditor in the Company and on the remuneration;
- assess and recommend to the Board with regard to the financial framework and the nature of the assignment for planned and expected additional services from an external auditor;
- review the external auditor's reports to the Board;
- review and assess mandatory additional reporting from the auditor;
- review letters from the external auditor to corporate management, assess management's responses; and
- have ongoing contact with the auditor regarding auditing.

5.3 Sustainable value creation

The Audit and Sustainability Committee shall assist the Board of Directors in fulfilling its responsibility to prepare clear goals, strategies and risk profiles for the business, so that the company creates value for shareholders in a sustainable manner with regard to economic, social and environmental conditions.

The Audit and Sustainability Committee shall receive information and review the company's risks, practices, results and reporting related to climate and sustainability, including human rights, corporate social responsibility and the environment. The Committee shall assess whether the reporting is adequate for the company's stakeholders and has been provided with sufficient independent confirmation. The administration must report the company's results from external evaluations that it agrees to follow on an ongoing basis.

5.4 Other tasks

In addition to the tasks mentioned above, the Audit and Sustainability Committee shall:

- Minimum quarterly review of compliance cases;
- Review Kongsberg Maritime ASA's procedures and systems for internal control, including non-financial compliance;
- Review Kongsberg Maritime ASA's routines for overall risk management, including;
 - a) review of the routines in place for management to identify and manage Kongsberg Maritime ASA's significant risk areas; and

- b) assessment of the routines for managing operational risk and financial risk (risk management systems).
- Annually review all transactions between Kongsberg Maritime ASA and related parties, including members of the Board of Directors and management of Kongsberg Maritime ASA and other companies that fall under the duty of disclosure pursuant to Section 3-8 of the Public Limited Liability Companies Act/Limited Liability Companies Act;
 - Review Kongsberg Maritime ASA's procedures for monitoring compliance with applicable business ethics guidelines and the guidelines for Kongsberg Maritime ASA's operations and reporting;
 - Consider other matters that the Board decides or that the committee itself or the auditors wish to address; and
 - At least once a year, assess their own work and propose any improvement measures, including changes to these instructions.

6 Rules of procedure

The Audit and Sustainability Committee can consider cases when at least two-thirds (2/3) of the committee's members participate in the case processing.

The Audit and Sustainability Committee may choose to hold special meetings for sustainability.

Minutes of each meeting of the Audit and Sustainability Committee shall be signed by the members. The minutes of the meetings shall be kept with the secretary of the Audit and Sustainability Committee.

The Audit and Sustainability Committee routinely reports to the Board by posting the minutes of the committee's meetings on the board portal. The Board's Audit and Sustainability Committee submits an oral report to the Board on any critical matters at the first board meeting after each meeting of the Audit and Sustainability Committee. In addition, the Audit and Sustainability Committee provides reports to the Board at board meetings or in other ways when the Board requests this or when the Audit and Sustainability Committee deems this necessary in order for all board members to have access to all material information.

The committee shall not make decisions on behalf of the Board but shall present its assessments and recommendations to the Board.

7 Entry into force

The document enters into force from the date the Board gives its approval.