

To the shareholders in

**Kongsberg Automotive ASA**



Kongsberg, 7<sup>th</sup> May 2018

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

The shareholders are hereby notified of the ordinary Annual General Meeting of Kongsberg Automotive ASA on

**5<sup>th</sup> June 2018 at 10 AM.**

**Venue: Felix Conference Centre, Bryggetorget 3, 0125 Oslo**

### **The following items are on the agenda:**

- 1. Opening of the Annual General Meeting by Mr. Bruce E Taylor, Chairman of the Board**
- 2. Presentation of the list of shareholders and proxies in attendance**
- 3. Election of a chairperson of the meeting and a co-signer for the minutes**
- 4. Approval of the notification and agenda**
- 5 Business update;**  
Information about the activities and status for the Company by CEO Henning E. Jensen
- 6. Adoption of the consolidated and parent company financial statements, including the allocation of the profit for the year, approval of the annual report and consideration of the statement on corporate governance**  
Reference is made to the annual report available at the company's web pages ([www.kongsbergautomotive.com](http://www.kongsbergautomotive.com)) and the Board of Directors' proposed resolutions (Attachment 1).
- 7. Election of directors of the Board and stipulation of remunerations to the Board**
  1. Election of board directors
  2. Stipulation of remuneration to the members of the Board and the board committees.  
The Nomination Committee's recommendation is attached. (Attachment 3)
- 8. Election of members to the Nomination Committee, and stipulation of the remuneration to the Nomination Committee.**
  - 8.1 Election of members to the Nomination Committee
  - 8.2 Stipulation of remuneration to the members of the Nomination Committee  
The Nomination Committee's recommendation is attached. (Attachment 3)
- 9 Approval of the Auditor's fee.**  
The Board of Directors' recommendation is attached (Attachment 1)
- 10. The Company's statement on remuneration to leading employees.**  
The statement is attached; an advisory vote will be held (Attachment 2)
- 11 Long Term Incentive Program 2018**

The Board of Directors' recommendation is attached (Attachment 1)

**12. Authorization for the purchase of own shares**

The Board of Directors' recommendation is attached (Attachment 1)

**13. Authorization to increase the company's share capital**

The Board of Directors' recommendation is attached (Attachment 1)

Shareholders who are unable to attend the Annual General Meeting personally are entitled to be represented by a proxy. This will require a written and dated power of attorney. The enclosed proxy slip may be used (Attachment 4). A company certificate must be enclosed with the proxy in the event that the principal is a corporate entity.

Shareholders who wish to attend the Annual General Meeting are required to register no later than 31 May 2018 at 1200 CET to Nordea Bank Norge ASA, Issuer Services, Postbox 1166 Sentrum, 0107 Oslo, Fax (+47) 22 36 07 03 or [issuerservices.no@nordea.com](mailto:issuerservices.no@nordea.com). Please use the enclosed attendance slip (Attachment 4).

The Company's annual report and annual accounts are available at the Company's web pages [www.kongsbergautomotive.com](http://www.kongsbergautomotive.com). Other documents that will be presented at the general meeting and proposals for resolutions are accessible at the same web site.

The company has issued 406,768,131 shares each carrying one vote. All shares enjoy equal rights. At the date of this notification, the company owned 1.849.212 (0,45%) for which voting rights may not be exercised.

The shareholders have the right to speak at the general meeting, the right to be accompanied by an advisor, to give such advisor the right to speak, and the right to present alternatives to the board's proposals in respect of matters on the agenda at the general meeting. The shareholders may require board directors and the CEO to furnish in the General Meeting available information about matters that may affect the consideration of a) the approval of the annual accounts and the annual report, b) any matters submitted to the shareholders for decision and c) the company's financial position, and the business of other companies in which the company participates and any matter which the general meeting is to deal with unless the information required cannot be given without disproportionately harming the company.

Representatives of the management and the board of directors will be present also after the general meeting to answer any other question that the present shareholders may have.

Kongsberg, 7 May 2018

For the Board of Directors of Kongsberg Automotive ASA

Bruce E Taylor  
Chairman of the Board

Attachments:

1. Proposed resolutions
2. The Company's statement of remuneration to leading employees
3. The Nomination Committee's recommendation for new members to the Board of Directors and fees to the members of the board of directors and Nomination Committee
4. Proxy slip/attendance slip.

## **Attachment 1: Proposed Resolutions**

**RE: Item 6 of the Agenda: Adoption of the consolidated and parent company financial statements, including the allocation of the profit for the year, and consideration of the statement on corporate governance.**

The Board requests that the Annual General Meeting adopts the following decision:

*The Annual General Meeting approved the consolidated and parent company financial statements in accordance with the Board of Directors' motion. The annual report was approved. The Annual General Meeting decided that no dividend should be paid for 2017.*

*The Annual General Meeting allocated the Kongsberg Automotive ASA's annual result as follows: Transferred to retained earnings EUR 6.7 millions.*

The statement on corporate governance was reviewed.

**RE: Item 9 of the Agenda: Approval of the Auditor's fee**

In compliance with the specification received from the auditor, the Board asks the Annual General Meeting to adopt the following decision:

*The Annual General Meeting approved the auditing fees for Kongsberg Automotive ASA for 2017 at NOK 1.333.478.*

The total fee for auditing of Kongsberg Automotive group companies (excluding Kongsberg Automotive ASA) in 2017 amounted to [EUR 577,000](#).

**RE: Item 10 of the Agenda: Advisory vote; the Company's statement on remuneration to leading employees**

The Company's statement of remuneration to leading employees is attached (Attachment 2) and presented to the Annual General Meeting for advisory vote, except for the parts of the statement that is subject to resolution under item 11. The Board requests that the Annual General Meeting adopts the following decision:

*The Annual General Meeting approved the Company's statement on remuneration to leading employees.*

**RE: Item 11 of the Agenda: Long Term Incentive (LTI) Program 2018**

The Board of Directors reviewed Kongsberg Automotive's compensation system for executives during 2017. In this review, the Board returned to first principles: the compensation system needs to be competitive in order to attract and retain talented global executives, and, it needs to promote and reward behavior that creates shareholder value. An international consulting firm was engaged to assist in the review and to provide data on external benchmarks relative to global automotive supplier peers.

The review noted, among other issues, that management share ownership for Kongsberg



Automotive was very low and that a significant number of eligible managers historically declined to participate in the stock option program. The conclusion was that management's personal financial interests were not highly aligned with shareholders and the objective of increasing the equity value of Kongsberg Automotive.

As a consequence of the review, the Board restructured the compensation system. While fundamentally not changing base salaries or total compensation, the new structure shifts emphasis from short-term cash to equity based long-term incentives, a significant portion of which is tied to Total Shareholder Return ("TSR") performance relative to a peer group. In addition, shareholding requirements have been instituted for participants in the LTI plan. The objective is to more closely tie compensation to an increase in shareholder value and to reward more highly performance that exceeds industry averages.

The new shareholding requirements are significant and must be met by each respective manager in order to qualify for participation in the LTI plan. In summary, these requirements will require managers to hold Kongsberg Automotive shares in the amount corresponding to 2 times annual base salary for the CEO, one times annual base salary for the CEO direct reports, and 0.5 times annual base salaries for other LTI plan participants. LTI participants will be granted two years upon the effective date of program implementation for initial participants to reach 20% of the holding requirements and an additional 3 years to reach full compliance. Qualifying shares for the purpose of the holding requirements are shares owned outright, vested restricted stock/RSU<sup>1</sup>s, shares held in an Employee Stock Purchase Plan or Self-Investment Plan, and vested but unexercised "in-the-money" stock options.

The 2018 LTI plan is proposed to consist of two components: 1) 50% of the respective LTI target value will be awarded as performance-contingent stock options or similar instruments to be issued at market closing price at the time of the award, and 2) 50% will be awarded as time-vested restricted shares or similar instruments.

The vesting of the performance-contingent stock options is based on Kongsberg Automotive's Total Shareholder Return performance versus a Board defined peer group ("Peer Group") of dedicated automotive supplier companies. If Kongsberg Automotive's TSR outperforms this Peer Group by more than one standard deviation from the Peer Group's average TSR performance over the vesting period, 100% of the granted stock options will vest. If Kongsberg Automotive's TSR performance is within one standard deviation of the Peer Group average, 75% of the granted stock options will vest. If Kongsberg Automotive's TSR performance is more than one standard deviation below the Peer Group average over the vesting period, the performance-contingent stock options will not vest. The vesting period is defined as three years from the grant date and the overall life-time of the option expires 10 years after the grant date (if vested).

Following a phase-in period, the time-vested restricted shares will have a defined "cliff" vesting period of three years. In 2018, to mitigate the cash-flow impacts of the substantial pay-mix-adjustment and the new holding requirements, there will be a staggered vesting of 1/3 of total restricted shares under the 2018 LTI plan on each anniversary of the 2018 LTI grant.

Based on the individual LTI target value for each eligible participant, the corresponding number of performance-contingent stock options is calculated based on the Black Scholes

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<sup>1</sup> RSU: Restricted Share Units

evaluation performed by a third-party consultant and the number of restricted shares is calculated based on the defined grant price for the restricted shares.

A defined group of up to 175 executives is eligible for LTI grants. The individual LTI target values are based on the respective roles & responsibilities and increase with higher responsibilities/rank (between 5% and 55% of base salary).

Kongsberg Automotive seeks approval from the AGM of the new LTI plan for executives and global managers. Overall we ask for approval of an LTI award value not to exceed Euro 3,6 million. This corresponds to a maximum number of 4,5 million performance-contingent stock options and 2,2 million restricted shares.

The Board of Directors recommends that the Annual General Meeting resolve as follows:

*The Annual General Meeting approved the proposed Long-Term Incentive plan 2018.*

**RE: Item 12 of the Agenda: Authorization for the Board the purchase of own shares**

Up until the ordinary Annual General Meeting in 2017, the Board has had an authorization to acquire up to 40,676,812 treasury shares with a nominal value of up to NOK 20,338,406, comparable to 10 per cent of the company's share capital, at a price between NOK 1 and NOK 50 per share, and totaling between NOK 40,676,812 and NOK 2,033,840,600. The Company owns at the date of this notification 1.849.212 equity shares in KOA which equals 0,45% of the total share capital. The main objective for the acquisition of the treasury shares was to secure a sufficient number of shares to be able to execute the company's option programs.

The Board proposes that the Annual General Meeting grants the same authorization to the Board which shall be effective until the ordinary Annual General Meeting in 2019 or at latest 30 June 2019.

The proposal is made as the company requires effective equity instruments, including the possibility to call in and disburse capital through the authorizations for increasing share capital and acquiring treasury shares and further to execute the company's option program. The authorization would be expedient in the event of any acquisition where settlement takes place wholly or partially in the form of KOA shares.

Accordingly, it is proposed that the Annual General Meeting adopts the following decisions:

*The Board is authorized to acquire up to 40,676,812 treasury shares on behalf of the company, cf. §§ 9-2 ff. of the Norwegian Public Limited Companies Act, on the following conditions:*

- 1. The company can acquire up to 40,676,812 treasury shares with a total nominal value of up to NOK 20,338,406. The company cannot acquire treasury shares if the aggregate nominal value of the portfolio of treasury shares after the acquisition exceeds 10 per cent of the company's valid share capital at any given time. The shares may be acquired and divested as the board may find appropriate.*
- 2. In the event treasury shares are sold, the company can acquire treasury shares to replace them. The authorization may be applied repeatedly during the period, provided that the limitation under section 1 is respected.*

3. *The shares shall be acquired at current market prices within a range between NOK 1 and NOK 50 per share, totaling between NOK 40,676,812 and NOK 2.033.840.600.*
4. *The authorization shall apply up to the company's ordinary Annual General Meeting in 2019, or up to and including 30. June 2019 at the latest.*

**RE: item 13 of the notification –Authorization to increase the company's share capital.**

13.1 The Board proposes that the company's general meeting authorizes the board to increase the company's share capital. Firstly, in consistence with practice in previous years, it is proposed to grant an authorization to the board to increase the share capital by 10%. The authorization will include a right to waive the shareholders' pre-emptive rights and to resolve capital increases against considerations other than money so that shares may be used as consideration in connection with acquisition of enterprises, fast financing for acquisitions in cash or the company's general business or to fulfill obligations under the company's share option program.

13.2 Further to the above, and similar to last year, the Board has resolved to propose an authorization to increase the share capital of the company by additional 15%. The reason for the proposal is that several of the sectors of the industry where the company is active are expected to go into a phase of consolidation which is likely to open up for possible acquisitions that may be of interest to the company. The timing of such transactions is determined by sellers and processes often go quickly. The purpose of the proposed authorization is to enable the company to react quickly if necessary. The board is fully committed to responsible use of equity for acquisitions. Financing of an acquisition will to a large extent have to be based on equity. The board is of the opinion that an authorization to increase the share capital limited to 10% will not be sufficient to finance the acquisitions that may become relevant.

The proposed additional authorization to increase the share capital by 15% will, in order to protect the current shareholders against dilution of their shares, only include the right to waive the shareholders' pre-emptive rights if shares are to be used as consideration in connection with acquisition of enterprises.

Against this background, the Board propose that the company's general meeting adopt the following decisions:

13.1

1. *The Annual General Meeting authorizes the Board to increase the company's share capital by up to NOK 20,338,406. Within this framework, the authorization can be applied repeatedly. The authorization may be used separately or in combination with other authorizations.*
2. *The shareholders' pre-emptive rights under §10-4 of the Norwegian Public Limited Companies Act can be waived.*
3. *The authorization can be used to conduct one or more capital increases for the purpose of acquiring funding for the company's operations or acquisition of other enterprises or making possible the use of the company's shares as remuneration in connection with acquisitions and mergers or for executing the company's share option program.*

4. *The authorization also includes the capital increases against money and considerations other than money and to obligate the company to undertake particular duties, cf. §10-2 of the Norwegian Public Limited Companies Act. The authorization can be used in connection with mergers pursuant §13-5 of the Norwegian Public Limited Companies Act.*
5. *The authorization shall apply until the ordinary Annual General Meeting in 2019, or up to and including 30 June 2019 at the latest.*

## 13.2

1. *The Annual General Meeting authorizes, in addition to the authorization granted under resolution 13.1 the Board to increase the company's share capital by up to NOK 30.507.609. Within this framework, the authorization can be applied repeatedly. The authorization may be used separately or in combination with other authorizations.*
2. *The authorization is restricted to be used in connection with acquisition of other enterprises.*
3. *The authorization may be used to conduct one or more capital increases against money.*
4. *The authorization may also be used to conduct one or more capital increases against considerations other than money and to obligate the company to undertake particular duties, cf. §10-2 of the Norwegian Public Limited Companies Act if the company's shares shall be used as consideration in connection with acquisition of other enterprises.*
5. *The shareholders pre-emptive rights according to § 10-4 of the Public Limited Liability Companies Act § 10-4 may only be waived if the company's shares shall be used as consideration in connection with acquisitions as determined in section (4) above.*
6. *The authorization shall apply until the ordinary Annual General Meeting in 2018, or up to and including 30 June 2019 at the latest.*

## **Attachment 2: Statement on Remuneration**

Pursuant to the Norwegian Public Limited Liability Companies Act, section 6-16 a, the Board will present the following statement regarding remuneration of Kongsberg Automotive's Management to the 2018 Annual General Meeting.

The group needs to be able to attract and retain capable executives who are able at all times to secure shareholders' and other stakeholders' interests in the best possible manner. One important element in order to achieve this is to offer each leader a compensation package which is in alignment with the market and shareholder' and other stakeholders' interests.

### **REMUNERATION GOVERNANCE**

The Board has appointed a Compensation Committee (CC) that is headed by the Chair of the Board. The CC monitors decisions on matters regarding remuneration and terms for executives, based on clear and transparent principles. In addition, it reviews global short-term (STI) and long-term incentive (LTI) plans, and make recommendations to the Board of Directors.

The CEO's remuneration package, and any adjustments thereof, are first reviewed by the CC and then approved by the Board. The remuneration packages for the executives reporting directly to the CEO, including adjustments of these, are proposed by the CEO and approved by the CC.

### **REMUNERATION STRUCTURE**

The structure of total remuneration should be highly performance- and success-oriented to ensure that shareholder and management interests are aligned. As part of our reward approach, performance based short-term and long-term incentives in relation to base salary / total compensation increase with higher responsibility/grade.

In 2017, the Board commissioned external consultants, Willis Tower Watson, in order to benchmark Kongsberg Automotive's remuneration principles and philosophy for its executives. The directions given to the consultants was to suggest a remuneration system that was at market median levels for median market performance, above market median for above market performance, and below market median for below median performance levels. The result was a report that made recommendations for base salary, benefits, and short and long-term incentives. The main difference between the old and the new remuneration principles is a shift from short-term to longer-term incentives. The Board decided to adopt the recommendations from Willis Tower Watson, in some cases effective immediately, and in other cases through a phased approach.

### **PRINCIPLES FOR BASE SALARY**

The fixed salary should reflect the individual's area of responsibility and performance over time. Kongsberg Automotive offers base salary levels, which are competitive, but not market leading in the market in which we operate. Salaries of the global management population are regularly benchmarked versus salary statistics provided by a global compensation consultant (Willis Towers Watson) and other relevant market data.

## **VARIABLE COMPENSATION AND INCENTIVE SCHEMES**

Kongsberg Automotive's short-term incentive plan (STI):

The Management Incentive Plan (MIP) is a short-term incentive plan with a timeframe of one year. The MIP is a worldwide incentive program designed to motivate and incentivize eligible employees for the contributions they make towards meeting KA's financial and business objectives and targets. The plan is based on very transparent and measurable pillars:

- 1) Earnings (Group & (if applicable) Business Segment or Unit)
- 2) New Business Wins (Group / Business Segment/Unit)
- 3) Special Initiatives (defined strategic projects & initiatives crucial to our Improvement Plan)

The performance goals for the MIP are recommended by the CC and approved by the Board.

*Kongsberg Automotive's long-term incentive plan (LTI):*

The Board of Directors has established in the past years share option programs for executives and selected managers that have been approved by shareholders in the Annual General Meeting and have been outlined in our Annual Report. It is the company's conviction that it is positive for long-term value creation in the group that this management population hold shares and share options in Kongsberg Automotive.

In 2017, there was no grant of share options. In light of not having finalized the more market aligned future LTI plan, the BOD decided to substitute the "old" options program with a cash based subsidy to promote ownership in KOA shares for eligible management in Kongsberg Automotive. The maximum subsidy under the 2017 LTI program amounted to 6.25% of an annual salary for any eligible member of Kongsberg Automotive's management and this subsidy was paid out as taxable income subject to certain restrictions. The cash-subsidy was subject to a strict holding period of three years, and a requirement to self invest approximately 11.5% of an annual gross salary in KOA shares to foster share ownership in the management population. The after tax subsidy represented a discount in the Kongsberg Automotive share price of approximately 30% for the eligible management population.

The new design of the 2018 LTI plan is presented in detail and proposed for approval under item 11.

## **PRINCIPLES FOR BENEFITS**

In addition to fixed and variable salary, other benefits such as health insurance and telephone might be provided. The total value of these benefits should be modest and only account for a limited part of the total remuneration package. Principles for company car and car allowance vary in accordance with local conditions.

*Pension:*

Executives participate in the same pension plans as other employees within the unit in which they are employed.

The CEO has no special retirement or pension agreement.

**SEVERANCE PAY**

CEO has an agreed period of notice of 6 months. He is entitled for severance pay of 12 months base salary. He is not entitled to severance payment in the event he himself terminates the employment.

At 2017 year-end, no other executives had any agreement for redundancy payment. The notice period for the rest of the management is 6 months.

## **Attachment 3: Recommendation from the Nomination Committee**

### **Kongsberg Automotive ASA (KOA)**

Below is the recommendation from the Nomination Committee to the annual general meeting (AGM) on June 05, 2018.

### **ELECTION OF DIRECTORS**

The Nomination Committee proposes that the following persons are re-elected as members of the KOA Board of Directors and to serve until the Annual General Meeting in 2019. The Nomination Committee invites the shareholders to vote for the candidates as follows;

#### **Thomas Falck, Independent Director (re-election)**

Age 51. Thomas Falck is educated at the Royal Norwegian Naval Academy and holds an MBA from Darden School of Business Administration, the University of Virginia. He is a former CEO of a listed global niche ICT Company as well as former CEO of Q Free ASA listed on the Oslo Stock Exchange. He has extensive board experience. Thomas Falck has been on the Board of the Company since 2010.

Other present Directorships:

Investinor AS, Chairman of the Board of Directors.

T. Falck also holds some Directorships in some smaller unlisted assets.

#### **Ellen M. Hanetho, Independent Director (re-election)**

Age 53. E. M. Hanetho has a BSBA from Boston University, Boston and an MBA from Solvay Business School, Brussels in addition to executive education at Insead, Fontainebleau and Harvard Business School, Boston.

She has held positions at the Brussels Stock Exchange and Citibank, Brussels, Goldman Sachs Investment Banking Division, London, Credo Partners and Credo Kapital, Oslo and has since 2013 been the CEO of Frigaard Invest, Oslo. E. M. Hanetho was elected as a director of the Board of KOA in 2016.

Other present Directorships:

MPC Container ASA, Board Member

Stokke Industri AS, Board Member

Fearnley Project Finance AS, Board Member

Fearnley Pensjonskasse AS, Board Member

Fearnley Securities AS, Board Member

#### **Bruce E. Taylor, Independent Director (re-election)**

Age 64. B. Taylor has a BSBA from the American University, Washington DC and an MBA from Harvard Business School, Boston. From 1985 to 2001, B. Taylor held various senior management positions with Eaton Corporation in the US and Strasbourg, France. (Eaton is a USD 19.7 billion manufacturer serving industrial, vehicle, commercial and aerospace markets). From 2001 to 2007 he was Senior Managing Director and Partner in Cortec Group Inc., New York, which is an operationally oriented middle market private equity firm.

Subsequently Taylor was President and Non-executive Chairman of Global Thermoelectric, Inc., Calgary, Alberta, Canada and then of Amacs Process Tower Internals of Houston, Texas. B. Taylor was elected as a director of the Board in KOA in 2016.

Other present Directorships:



Torq Corporation Board of Advisors  
Amacs Process Tower Internals (Chairman)  
ASM Holdco Board Member

**Gunilla Nordstrom**, Independent Director (re-election)

Age 59. G. Nordstrom holds a Master of Science in Electronics, Industrial Marketing Management, Linköping University, Institute of Technology (LiTH), Sweden. Further educated from Columbia University and INSEAD.

Working experience as follows:

President & CEO, Eletrolux Asia/Pacific and Executive Vice President of Electrolux AB 2007-2015. Senior Management positions with Ericsson and Sony Ericsson in Europe, Latin America and Asia 1983 – 2007.

G. Nordstrom has extensive board experience, earlier including Atlas Copco AB (Sweden) and Wartsila Corporation Oy (Finland). G. Nordstrom was elected as a Director of the Board in 2017.

Other present Directorships:

Bombardier Transport Co Ltd  
EDHEC (IAB)

**Ernst F. Kellermann**, Independent Director (re-election)

Age 61. E. F. Kellermann has a Bachelor of Science, Mechanical Engineering, University of Aalen.

Since 2002, he has served as Managing Director of Marquardt GmbH, Rietheim-Weiheim, Germany and most recently as Chief Operating Officer from 2015 to 2016. From 1995 to 1999 he worked as Engineering Manager in Eaton VSED Division, Langenlonsheim, Germany and from 1999 to 2002 as Plant Manager in the same Company. From 1987 to 1991 he worked as Technical Liaison in ITT Automotive-SWF Division, Auburn Hills, Michigan, from 1992 to 1993 as Engineering Manager in the same Company same place and as Project Manager in the same Company in Wemding, Germany. From 1983 to 1986 he was Laboratory Engineer with ITT Automotive-SWF, Bietigheim-Bissingen, Germany and in 1987 he was Assistant to CEO in the same Company. E. F. Kellermann was elected as a Director of the Board in 2017.

Other present Directorships:

None

**APPROVAL OF DIRECTOR'S FEE FOR THE PERIOD 2018/2019**

It is proposed that the Chairman shall receive NOK 510.000 for the period.

It is proposed that each of the Directors, other than the Chairman, shall receive NOK 260,000 for the period.

In addition, each of the Directors shall receive restricted shares in the Company on June 6, 2018 in the amount of NOK 100.000. No consideration shall be paid for the restricted shares, but the Directors cannot sell any of these shares before June 6, 2021.

Directors elected by the employees shall receive NOK 100.000 for the period.

Deputy Directors elected by the employees shall receive NOK 7.000 pr. attended meeting.

## **APPROVAL OF COMPENSATION TO THE MEMBERS OF THE AUDIT COMMITTEE AND THE COMPENSATION COMMITTEE FOR THE PERIOD 2018/2019**

Chairman of the Audit Committee shall receive NOK 90.000 for the period.

Member of the Audit Committee shall receive NOK 70.000 for the period.

Chairman of the Compensation Committee shall receive NOK 60.000 for the period.

Member of the Compensation Committee shall receive NOK 45.000 for the period.

## **ELECTION OF MEMBERS TO THE NOMINATION COMMITTEE**

**Tor Himberg-Larsen**, Attorney-at-Law, Committee Chairman. Elected as Committee Chairman in 2010. To be re-elected for a period until 2019.

**Heidi Finskas**, Vice President Corporate Responsibility, KLP. Elected as a member of the Committee in 2012. To be re-elected for a period until 2019.

**Hans Trogen**, Owner of a private investment company Ebitec AB. Billdal, Sweden. CEO and Board Member of CJ Automotive AB. Elected as a member of the Committee in 2013. To be re-elected for a period until 2019.

## **APPROVAL OF COMPENSATION TO THE MEMBERS OF THE NOMINATION COMMITTEE.**

### **PERIOD 2018/2019:**

The Nomination Committee proposes that the fee to members of the Nomination committee shall be NOK 6.000 per meeting to each member to compensate for the time spent for the works of the Committee. In addition the Chairman of the Nomination Committee shall be paid NOK 65.000 to compensate for the additional work the chairmanship entails.

### **THE WORK OF THE NOMINATION COMMITTEE.**

The Nomination Committee has worked according to the Charter approved by the General Meeting of the Shareholders on June 9, 2011.

The Nomination Committee has arranged meetings with the joint KOA Board and the Committee Chairman has frequently communicated with each KOA Board Members and the CEO on an individual basis.

The Nomination Committee has evaluated the KOA Board Members' Board positions in other companies and organizations as reported in this recommendation and on the Company's web site. The Committee has experienced no conflict of interest. All Board members are considered as independent.

Since the last AGM the Committee Chairman has communicated with many of the largest shareholders in the company.

Via the Kongsberg Automotive web site, the Committee has asked all the shareholders to propose candidates to the Board.

In re-nominating the present KOA Board of Directors, the Nomination Committee is of the opinion that the nominated Board of Directors will have the necessary qualifications to meet challenges ahead and in re-nominating the present Board of Directors the NC has prioritized continuity.



All recommendations made by the Nomination Committee are unanimous.

The Committee Chairman has communicated with the Chairman of the Board and the CEO ahead of submitting the Committee's recommendations.

Oslo, April 5, 2018

Heidi Finskas

Hans Trogen

Tor Himberg-Larsen  
Chairman



## Attachment 4: ATTENDANCE SLIP

*Shareholders' complete name and address*

### NOTICE OF ANNUAL GENERAL MEETING

**Annual General Meeting in Kongsberg Automotive ASA to be held on 5th June 2018 at 1000 hrs. in Felix Conference Centre, Bryggetorget 3, 0125 Oslo**

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### ATTENDANCE SLIP – Kongsberg Automotive ASA – Annual Meeting

*The undersigned will attend Kongsberg Automotive ASA  
name  
Annual General Meeting on 5th June 2018*

*Shareholders complete  
and address*

- vote for my/our shares*
- vote for shares in accordance with proxy(ies) enclosed*

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*Date*

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*Shareholder's signature*



PROXY – Kongsberg Automotive ASA –Annual General Meeting

Shareholders who are unable to attend the Annual General Meeting, may execute a proxy in the name of any other person attending the meeting.

The proxy must be returned to Nordea Bank Norge ASA, Issuer Services. Address: Nordea Bank Norge ASA, Issuer Services, P.O. Box 1166 Sentrum, N- 0107 Oslo. Fax: +47 22 36 07 03 or by mail [issuerservices.No@nordea.com](mailto:issuerservices.No@nordea.com)

The undersigned shareholder in Kongsberg Automotive ASA hereby authorises:

Shareholders complete name and address

- Chairman of the Board
- CEO Henning E. Jensen
- Other person (name) .....

to attend and vote on my/our behalf at Kongsberg Automotive ASAs Annual General Meeting on 5th June 2018.

In the event that proxies are given to the CEO or Chairman of the Board without completion of the below form, proxies shall be considered to be given with instruction to vote at the proxyholder's own discretion. The proxy will further comprise and be valid for possible new proposals at the General meeting.

\_\_\_\_\_  
Shareholder's signature

\_\_\_\_\_  
Date

**In the event that proxy is given to the Chairman of the board or the CEO, Instructions regarding the exercise of voting rights according to proxy may, if desirable, be given by filling in of the form below:**

		In favor	Against	Abstain
Item 6	Adoption of the consolidated and parent company financial statements, including the allocation of the profit for the year,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 7.1	Election of directors of the Board in accordance with the Nomination Committee's recommendation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 7.2	Stipulation of the remuneration to the members of the Board Directors, Audit Committee and Compensation Committee in accordance with the Nomination Committee's recommendation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 8.1	Election of members to the Nomination Committee in accordance with the recommendation of the Nomination Committee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 8.2	Stipulation of the remuneration to members of the Nomination Committee, in accordance with the recommendation of the Nomination Committee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 9	Approval of the Auditors fee in accordance with the recommendation of the Board of Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 10	The Company's statement on remuneration of leading employees, advisory vote	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 11	Long term incentive Program 2018	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 12	Authorization to the Board of Directors to purchase own shares in accordance with the Board of Directors' proposal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 13.1	Authorization to increase the company's share capital in accordance with the Board of Directors' proposal (up to 10% of the share capital)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 13.2	Authorization to increase the company's share capital in accordance with the Board of Directors' proposal (additional to the authorization under 13.1 up to 15% of the share capital)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In the event that instructions are given and the selected alternative for voting should be changed, the proxy will not be considered by the counting of votes. However, in respect of elections, proxy is free to decide how the shares shall be voted if the Nomination Committee's proposal is not approved and alternative proposals presented.

In respect of a vote over matters that are not included on the agenda and which may validly come before the meeting, the proxy is free to decide how the shares shall be voted. The same applies for votes over matters of a formal nature, such as election of the chairperson of the meeting, voting order and voting procedures.