

# Executive Management Remuneration Report

2023



KONSGBERG

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# Introduction

## The purpose of this report

The purpose of this report is to give an open, comprehensible, consistent and comparable overview of remuneration for the Board and the corporate management team (CMT) at KONGSBERG. Furthermore, the report explains how the remuneration, which is paid out and accrued in 2023, is in accordance with the Board's guidelines for remuneration for executive management personnel (approved at the 2021 annual general meeting). The report is prepared in accordance with the Norwegian regulations on guidelines and reporting on remuneration for management personnel (effective from 1 January 2023).

This is an English translation of the original Norwegian version of this document. In case of a discrepancy between the Norwegian language original text and the English language translation, the Norwegian text prevails.

## Changes in CMT

During 2023 we experienced some changes in the CMT. These are described in the table below.

Name	Change	Date/time
<a href="#">Hans Petter Blokkum</a>	Left the position as Group EVP, Chief HR & Security Officer	31.12.2022
<a href="#">Christian Karde</a>	New position: Group EVP, General Counsel and Chief of Staff	01.01.2023
<a href="#">Martin Wien Fjell</a>	Appointed President, Kongsberg Discovery	01.02.2023
<a href="#">Gyrid Skalleberg Ingerø</a>	Left the position as Group EVP CFO	13.04.2023
<a href="#">Mette Toft Bjørgen</a>	Appointed Group EVP, CFO	14.04.2023
<a href="#">Iver Christian Olerud</a>	New title: Group EVP Corporate Development (formerly Group EVP Strategy and Business Development)	13.10.2023

See [www.kongsberg.com](http://www.kongsberg.com) for a more detailed presentation of KONGSBERG's CMT.



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## 1. Compensation committee

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## 1. Compensation committee

The Board's compensation committee functions as a preparatory body for the Board in cases relating to remuneration of the President and CEO and other members of CMT. The committee annually assesses whether the salary and remuneration schemes for the President and CEO and other members of CMT are appropriate and competitive. The committee also prepares various other cases that will be handled by the Board, such as changes to the STI scheme, compensation schemes that affect some or all employees at KONGSBERG, personal targets for the President and CEO, succession planning as well as management and talent development. The mandate for the compensation committee is available at [www.kongsberg.com](http://www.kongsberg.com).



**Eivind Reiten**  
Chairman



**Anne-Grethe Strøm-Erichsen**  
Member

**Change:**  
Stepped out of the compensation committee after the annual general meeting

**Date/time:**  
May 2023



**Merethe Hverven**  
Member

**Change:**  
Appointed to the compensation committee

**Date/time:**  
February 2023



**Kristin Færøvik**  
Member

**Change:**  
Appointed to the compensation committee

**Date/time:**  
May 2023



**Rune Fanøy**  
Member

The committee held four meetings in 2023, and attendance was 100 per cent.

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## 2. Guidelines for remuneration for executive management personell

The Board's guidelines for remuneration for executive management personell at KONGSBERG were approved by the shareholders at the annual general meeting on 6 May 2021. The guidelines are available at [www.kongsberg.com](http://www.kongsberg.com).

The guidelines will be submitted for consideration at the annual general meeting at least every four years, or when significant changes have been made. Because less than four years have passed since the last submission, and KONGSBERG has not made any significant changes, the guidelines will not be submitted until the 2025 annual general meeting.

### 2.1 Core principles

The purpose of the Board's guidelines for remuneration for executive management personell is to ensure company managers to attract and retain competent people in governing bodies and the CMT. This requires KONGSBERG to offer competitive compensation and benefits packages that match the practice in comparable markets. At the same time, KONGSBERG emphasises moderation and shall not be a market leader. In order to ensure this, KONGSBERG annually benchmarks the various compensation elements individually and collectively.

The remuneration shall be composed in such a way that it motivates to make an extra effort to the continuous improvement of the business and the company's financial performance. In addition, the remuneration shall be regarded as understandable and acceptable both internally within KONGSBERG and externally. The schemes must therefore be transparent and in line with the principles of good corporate governance and company management. The remuneration shall also be flexible so that adjustments can be made when needs change. KONGSBERG also aims for a remuneration system that promotes collaboration.

### 2.2 Determine the amount of compensation

KONGSBERG follows a three-step process when determining the amount of compensation for the members of the CMT: position evaluation, analysis and approval.



#### Position evaluation

We first evaluate the weight of the position. By this we mean the responsibility, necessary knowledge and degree of problem solving that the position demands. This is performed by an external consultant to guarantee objectivity. Once the result is ready we calibrate it internally



#### Analysis

Then a compensation analysis is performed based on the weight of the position. This analysis emphasises market data, the candidate's experience from this level, performance, the compensation level of other internal employees at the same level, equal pay, the candidate's competence and access to this type of competence in the market



#### Approval

When the proposal has been prepared, the President and CEO consults the compensation committee for members of the CMT. The President and CEO's remuneration is submitted to the compensation committee and approved by the Board



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### 3. Overview of the various compensation elements

Remuneration for members of CMT consists of fixed and variable compensation elements.

#### Fixed remuneration

- Basic salary
- Pension
- Insurance
- Other benefits



#### Variable remuneration

- Bonus scheme (short term incentive: STI)
- Share scheme (long term incentive: LTI)



In addition, KONGSBERG offers a share saving scheme for all employees, including members of CMT, but not the President and CEO.

The members of CMT do not receive payment for Board roles in KONGSBERG's subsidiaries or associates (for example, joint venture companies).

The variable remuneration schemes are assessed annually by the compensation committee and the Board to ensure they function according to the purpose, and to ensure that necessary adjustments are made. KONGSBERG is permitted to reclaim variable remuneration from management personnel who have received or are owed such remuneration. KONGSBERG did not exercise this right in 2023.

A description of the various compensation elements used in KONGSBERG are described below.

#### 3.1 Basic salary

The basic salary for the President and CEO and other members of CMT will normally be the main element of their salary. This will generally be adjusted annually in accordance with local salary adjustment for all our employees. Our aim is that basic salary is competitive in relation to market salaries for equivalent positions in relevant markets. Our goal is to have a moderate salary growth.

#### 3.2 Pension

The purpose of the pension scheme is to contribute to the financial security of the employee when reaching retirement age. The members of CMT are members of the defined contribution pension scheme which is offered to all employees in Norway. The contribution rate of the defined contribution scheme is 5 per cent of the pensionable salary between 0 and 7.1G, and 11 per cent of the pensionable salary between 7.1 and 12G. No pension is accrued on the part of the salary that exceeds 12G. Basic salary is included in the basis for pension accrual. Some members of CMT are covered by closed pension schemes, see the section on individual terms and conditions.



#### 3.3 Insurance

The members of CMT are subject to the same collective insurance scheme as all KONGSBERG employees in Norway. The company has also taken out an extended group and accident insurance policy for the members of CMT.

#### 3.4 Other benefits

For members of CMT, other benefits consist of a car scheme, either a leased company car or car allowance, in addition to work-related benefits such as a phone, internet, newspapers, etc. There are no special restrictions related to which benefits that can be agreed.

#### 3.5 Early retirement agreement

KONGSBERG no longer enters into early retirement agreements, but employees who had such schemes before 1 October 2015 were able to continue such agreements. This includes two current CMT members. See the section on individual terms and conditions for a description.

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### 3.6 Bonus scheme (STI)

The purpose of the company's STI scheme is to motivate the participants to achieve the short-term targets that support the company's long-term strategic objectives and sustainable development. We have attempted to design the scheme so it is simple and easy to understand in order to stimulate behaviours that create the desired results for the company.

Growth and profitability are over time a necessary condition for creating share value, but KONGSBERG also places great emphasis on short-term profitability and positive cash flows in order to invest in future solutions and products, and to give the shareholders an annual return through dividends. The profit and capital components are therefore weighted heavier than the growth component in the scheme.

The Board decides annually whether the STI plan will be carried out, who will be invited to participate, and the KPIs in the scheme. The scheme will continue in 2024 with some changes described below.

The company's STI scheme is cash based with an accrual period of 12 months that follows the calendar year. The maximum achievable bonus for the President and CEO and other members of CMT is 50 per cent of basic salary, but the target is to achieve 30 per cent of basic salary over time. There is no minimum or guaranteed bonus.

It is possible to create individual STI agreements when the company is taking on special large projects, making major strategic investments, and dealing with demanding turnarounds and purchases that depend on short-term falls in profits. In such cases the regular STI scheme will be replaced by a separate agreement limited upwards to 40 per cent of basic salary. The President and CEO will report any such schemes to the compensation committee. No members of CMT were part of a special scheme with 40 per cent of basic salary in 2023.

The STI scheme does not give grounds for pension.

KONGSBERG's STI scheme consists of four key performance indexes (KPIs):



#### 3.6.1 EBIT

EBIT will give the participants incentives to improve the company's financial performance. EBIT is measured both at Group level and business area level (for the participants that are employed in one of KONGSBERG's business areas). Group employees are measured 100 per cent at the Group's EBIT, and business area employees are measured 25 per cent at the Group's EBIT and 75 per cent at the business area's EBIT. EBIT accounts for up to 40 per cent of the full STI.

The performance metric of EBIT is the percentage change in EBIT, by comparing the current year's EBIT with that of the previous year. 1 per cent growth gives a 2 per cent target achievement. If the company's EBIT growth is more than 20 per cent, no additional achievement is given.

In the event of a reduction in EBIT, the improvement will be zero on the relevant measurement level (for example the business area level), but improvement may yet be achieved in other measurement levels (for example Group level). The EBIT used in the STI scheme is EBIT including the income from associates.

#### 3.6.2 ROACE

ROACE will give the participants incentives to generate profit in a capital-effective way that provides positive cash flows. ROACE is measured at Group level. ROACE accounts for up to 30 per cent of the full STI.

The performance metric for ROACE is the capital cost before tax. The ROACE achievement is linear from 0–30 per cent between the threshold value which is 27 per cent and the maximum value which is 37 per cent. If the company's ROACE growth is more than 37 per cent, no additional achievement is given.

The threshold value and maximum value will be evaluated and updated annually. For 2024 the Board has decided that the threshold value for ROACE is 27 per cent, and from there a linear payment from 0 per cent to maximum achievement of 30 per cent at a ROACE of 37 per cent.

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### 3.6.3 Growth in operating revenues

Growth in operating revenues will give the participants incentives to create growth in KONGSBERG. Growth in operating revenues is measured at Group level. Growth in operating revenues accounts for up to 10 per cent of the full STI.

The performance metric for growth in operating revenues is the percentage growth in operating revenues by comparing this year's operating revenues with those of the previous year. 1 per cent growth gives a 1 per cent target achievement. If the company's growth in operating revenues grows by more than 10 per cent, no additional achievement is given.

For 2024 the Board has decided that 1 per cent growth will give a 0.5 per cent achievement.

### 3.6.4 Individual goals

The individual goals are divided into three main categories: 1) Strategy, market & innovation, 2) Operation, execution & license to operate and 3) People & innovation. Typical goals may be associated with HR, compliance, HSE, strategy and technology. Because the individual goals include business-sensitive targets and individual performance targets, they are not reproduced in this report. The specific goals and number of criteria in each main category may vary from year to year depending on KONGSBERG's priorities. The process of setting the annual goals starts after the annual strategy process to ensure consistency with KONGSBERG's most important strategic and operational goals. The President and CEO's goals for the year are first presented to the compensation committee and then to the Board for final decision.

The performance criteria for individual goals are a mix of financial and discretionary, and the various performance criteria are weighted equally. The results are measured at individual level and it is the employee's manager that sets the achievement (President and CEO for the members of CMT, and the Board for President and CEO). Individual goals account for up to 20 per cent of the full STI.

### 3.7 Share scheme (LTI)

The purpose of the LTI scheme is to achieve long-term interests and retain and strengthen the commitment of participants to KONGSBERG.

The Board decides annually whether the LTI scheme will be carried out, who will be invited to participate, and the KPIs in the scheme. Normally, the President and CEO and other members of CMT participate. The scheme will continue in 2024 with some changes described below.

The maximum potential for the President and CEO is 30 per cent of basic salary and 25 per cent of basic salary for other members of CMT.

The participants in the LTI scheme are obliged to invest the accrued LTI amount (net after deduction of calculated marginal tax) in KONGSBERG shares. These are purchased in the market and are owned with a three-year lock-in period.

If a member of CMT resigns from the company of their own initiative, or is made redundant by the company, they must, upon termination, pay back an amount to the company corresponding to the value of the shares that do not satisfy the three-year requirement, adjusted for tax (profit or loss) on the difference between

the original value of the shares and the value of the shares upon termination.

The LTI scheme does not give grounds for pension accrual.

KONGSBERG's LTI scheme consists of two key performance indexes (KPIs):



#### 3.7.1 EBIT

The threshold value for EBIT is  $EBIT > 0$ . If EBIT is higher than 0, a full payment is given for this KPI.

#### 3.7.2 ROACE

The threshold value for ROACE is  $ROACE \geq 10$  per cent. If ROACE is equal to or higher than 10 per cent, a full payment is awarded for this KPI.

In 2024 the Board has decided that ROACE must be  $\geq 20$  per cent to award a payment for this KPI.

### 3.8 Employees' share scheme

The purpose of the employees share scheme is to stimulate share ownership among employees to foster mutual interests among employees and shareholders. The Board evaluates and carries out the scheme annually. The scheme has been implemented every year since 1996.

CMT, with the exception of the President and CEO, can purchase KONGSBERG shares under the same terms and conditions as all other KONGSBERG employees. In 2023, employees could purchase KONGSBERG shares worth NOK 100,000. The purchase price includes a 25 per cent discount that the company provides. The maximum discount provided is NOK 25,000.

The company gives employees the option of receiving 80 per cent of the purchase price as an interest-free salary loan over one year. 20 per cent of the purchase price has to be paid when the shares are transferred to the employee.

There is a one-year lock-in period for shares purchased in the employees share scheme.

KONGSBERG has no arrangement for allocation of stock options or other instruments connected to the company's shares. There are no plans to introduce such schemes.

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## 4. Results variable compensation 2023

KONGSBERG's strong growth continued in 2023, and all KONGSBERG's business areas contributed significantly to the solid progress.

In September, Kongsberg Defence & Aerospace signed a contract with Poland to supply a coastal defence system for Naval Strike Missiles (NSM) with a value of NOK 16 billion. This is the biggest single contract in KONGSBERG's history, and an important milestone in our more than 200-year history.

KONGSBERG delivered more than NOK 40 billion in operating revenues and an operating profit of NOK 4.6 billion. In 2023 the Group's EBIT improved by 39 per cent. Kongsberg Maritime AS experienced an improvement of 64 per cent, Kongsberg Defence & Aerospace AS of 25 per cent and Kongsberg Discovery AS of 20 per cent. The Group's ROACE was 33.3 per cent and the Group's growth in operating revenues were 28 per cent. The Group's order backlog is now NOK 88.6 billion and we have never experienced stronger demand for the total KONGSBERG portfolio.



### 4.1 STI results

KONGSBERG's positive financial performance resulted in very good KPI achievement in the STI scheme in 2023.

KPI	Achievement
 <b>EBIT</b> (max. 40 per cent)	<ul style="list-style-type: none"> <li>• Group: 40 per cent</li> <li>• Kongsberg Maritime: 40 per cent</li> <li>• Kongsberg Defence &amp; Aerospace: 40 per cent</li> <li>• Kongsberg Discovery: 40 per cent</li> </ul>
 <b>ROACE</b> (max. 30 per cent)	<ul style="list-style-type: none"> <li>• 19 per cent</li> </ul>
 <b>Growth in operating revenues</b> (max. 10 per cent)	<ul style="list-style-type: none"> <li>• 10 per cent</li> </ul>
 <b>Individual goal</b> (max. 20 per cent)	<ul style="list-style-type: none"> <li>• <b>Geir Håøy</b>, President and CEO: 16 per cent</li> <li>• <b>Mette Toft Bjørgen</b>, Group EVP and CFO: 16 per cent</li> <li>• <b>Eirik Lie</b>, EVP KONGSBERG and President Kongsberg Defence &amp; Aerospace: 17 per cent</li> <li>• <b>Lisa Edvardsen Haugan</b>, EVP KONGSBERG and President Kongsberg Maritime: 17 per cent</li> <li>• <b>Martin Wien Fjell</b>, EVP KONGSBERG and President Kongsberg Discovery: 17 per cent</li> <li>• <b>Even Aas</b>, Group EVP Public Affairs, Communication and Sustainability: 16 per cent</li> <li>• <b>Iver Christian Olerud</b>, Group EVP Corporate Development: 16 per cent</li> <li>• <b>Christian Karde</b>, Group EVP General Counsel and Chief of Staff: 16 per cent</li> </ul>

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## 4.2 LTI results

KONGSBERG's good financial performance resulted in the following KPI results for the LTI scheme in 2023.

KPI	Achievement
 <b>EBIT</b>	<ul style="list-style-type: none"> <li>50 per cent</li> </ul>
 <b>ROACE</b>	<ul style="list-style-type: none"> <li>50 per cent</li> </ul>

### 4.2.1 Share ownership

The table below shows an overview of the number of shares that have been transferred via the LTI plan for the President and CEO and members of the CMT in 2023, and in the last four years (2019 to 2022). The total number of shares per year is also shown. This includes shares allocated through the LTI plan, shares purchased through the company's share scheme for employees, and shares otherwise purchased privately.

The total number of shares owned by the current CMT of KONGSBERG as of 31 December 2023 is NOK 140,668. This includes shares allocated through the LTI plan, shares purchased through the company's share scheme for employees, and shares otherwise purchased privately. The total value of these shares per 31 December 2023 was NOK 65,466,887.

#### Number of shares owned by CMT

Name	Type share <sup>1)</sup>	2019	2020	2021	2022	2023	Total <sup>2)</sup>
Geir Håøy President and CEO	LTI- shares	5 746	4 678	4 760	3 043	2 404	34 220
	Total shares (incl. LTI)	30 091	35 049	40 297	44 352	46 756	46 756
Mette Toft Bjørgen Group EVP and CFO, from 14. April 2023	LTI- shares					417	417
	Total shares					1 519	1 519
Gyrid Skalleberg Ingere Group EVP and CFO, to 13. April 2023	LTI- shares	2 429	1 975	2 267	1 446	1 054	9 601
	Total shares (incl. LTI)	12 383	16 638	19 393	21 116	17 170	17 170
Even Aas Group EVP Public Affairs, Communication and Sustainability	LTI- shares	1 542	1 359	1 383	884	646	10 964
	Total shares (incl. LTI)	25 805	27 444	29 315	30 476	31 295	31 295
Iver Christian Olerud Group EVP Corporate Development	LTI- shares		835	1 041	1 192	869	3 937
	Total shares (incl. LTI)		4 292	5 821	7 146	8 189	8 189
Christian Karde Group EVP General Counsel and Chief of Staff	LTI- shares		490	839	973	856	3 158
	Total shares (incl. LTI)		1 089	2 416	3 666	4 522	4 522
Lisa Edvardsen Haugan EVP KONGSBERG and President Kongsberg Maritime	LTI- shares				533	549	1 082
	Total shares (incl. LTI)				6 850	7 585	7 585
Eirik Lie EVP KONGSBERG and President Kongsberg Defence & Aerospace	LTI- shares	2 682	2 182	2 220	1 550	1 130	11 238
	Total shares (incl. LTI)	8 775	11 237	13 945	15 772	17 076	17 076
Martin Wien Fjell EVP KONGSBERG and President Kongsberg Discovery	LTI- shares					430	430
	Total shares (incl. LTI)					6 556	6 556

1) Line 1 shows LTI shares with a three-year lock-in period that were transferred to the employee's account, per year. Line 2 shows the number of shares allocated through the LTI plan, shares purchased through the company's share scheme for employees, and shares otherwise purchased privately.

2) Total: Line 1 shows how many LTI shares that were transferred for the entire period in CMT. Line 2 shows the number of shares the employee has in total.

## 5. Individual terms

Due to changes in legislation or the national guidelines for executive pay in companies with direct state ownership, the President and CEO and some members of CMT have individual terms and conditions relating to pensions and early retirement agreements. These schemes are closed for new members.

### 5.1 Compensation for removal of defined benefit pension

On 1 January 2008, KONGSBERG switched from a defined benefit pension scheme to a defined contribution pension scheme. Employees above 52 years were allowed to continue with the closed defined benefit pension scheme, while employees under 52 years received a compensation corresponding to the estimated loss in pension capital upon reaching the age of 67. The President and CEO, EVP KONGSBERG and President KDA, Group EVP Public Affairs, Communication and Sustainability and Group EVP General Counsel and Chief of Staff receive such compensation. This is adjusted annually by 2.5 per cent.

### 5.2 Closed pension scheme for salaries above 12G

KONGSBERG ended its pension scheme for salaries above 12G on 1 October 2015. Employees with salaries over 12G at this time were allowed to continue with the scheme and five members of CMT have done so.

The scheme is a closed defined benefit or defined contribution pension scheme for salaries above 12G. Accumulated funds, including return, will be paid out to the member at retirement age or if the member is leaving the company.

When transferring to a new position internally, the accrual in the scheme will cease, but the return on the previously accrued balance will be added.

The President and CEO's scheme for salaries above 12G has 18 per cent accrual on the part of the salary that exceeds 12G, up to a limit of NOK 2,424,200.

Group EVP Public Affairs, Communication and Sustainability has a 60 per cent defined benefit scheme on the part of the salary that exceeds 12 G, up to a limit of NOK 1,995,951.

Group EVP General Counsel and Chief of Staff, EVP KONGSBERG and President KDA and EVP KONGSBERG and President KD do not accrue additional contributions in the scheme, but a return on the previously accrued balance is still added.

### 5.3 Early retirement

KONGSBERG has different early retirement agreements, the content of which differs depending on when the agreements were entered into. The early retirement agreements have always been entered into in line with the applicable national guidelines for executive pay in companies with direct state ownership. No early retirement agreements has been entered into after 1 October 2015. Two members of CMT have early retirement agreement.

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The President and CEO follows what can be defined as the main model. This involves an option to retire from 65 years, but with a mutual right for KONGSBERG and the President and CEO to claim early retirement from 63 years. When retiring from 65 years, the early retirement is 65 per cent of the salary base, provided a minimum of 15 years' accrual. The accrual in other pension schemes intended to start from 67 years is maintained. However, if the President and CEO retire between 63 and 65 years, the accrual in other pension schemes will be reduced by lowering the salary base to the early retirement level. The salary base in the agreement is initially set at the annual salary before starting in the position as President and CEO (NOK 2,424,200). This is adjusted annually by the same percentage increase as the last increase in G (the basic amount in National Insurance G minus 0.75 per cent).

Group EVP Public Affairs, Communication and Sustainability has another early retirement pension agreement that provides an option to retire from 60 years. Provided there is a minimum accrual period of 10 years, the benefit is 90 per cent of salary from 60 years, with a 10 per cent reduction each year until 60 per cent of salary from 63 to 67 years. Implementation of this agreement was postponed by up to three years following a mutual request from both parties in 2019 and again for an additional two years in 2023. During the last postponement, the salary base was locked to salary as of 30 December 2023 (NOK 1,995,951).

	Compensation for transition from defined benefit to defined contribution scheme	Closed pension scheme for salaries over 12G	Early retirement agreement
Geir Håøy, President and CEO	Yes	Yes	Yes
Mette Toft Bjørgen, Group EVP and CFO	No	No	No
Eirik Lie, EVP KONGSBERG and President Kongsberg Defence & Aerospace	Yes	Accrues return	No
Lisa Edvardsen Haugan, EVP KONGSBERG and President Kongsberg Maritime	No	No	No
Martin Wien Fjell, EVP KONGSBERG and President Kongsberg Discovery	No	Accrues return	No
Even Aas, Group EVP Public Affairs, Communication and Sustainability	Yes	Yes	Yes
Iver Christian Olerud, Group EVP Corporate Development	No	No	No
Christian Karde, Group EVP General Counsel and Chief of Staff	Yes	Accrues return	No

#### 5.4 Termination of employment

The President and CEO and other members of CMT normally have a six-month notice period. During the notice period, the agreed remuneration terms and conditions will continue to apply, with the exception of STI, LTI and the employee's share scheme.

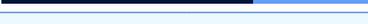
To manage KONGSBERG's need to ensure that the composition of managers is in accordance with the needs of the business, severance pay schemes may be entered into. Efforts are made to design severance pay schemes so that they are deemed acceptable internally and externally. From 2011 we have not entered into any severance pay schemes which in value exceed salary and remuneration for more than six months or until commencing a new position. In some situations it may be appropriate to deviate from this, but within the framework of six months. In previous years such agreements have been entered into for members of CMT within the framework of the Working Environment Act, but not in 2023.



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## 6. Remuneration for the CMT in 2023

Remuneration and other benefits for members of CMT is based on their period as CMT employees. Amounts are stated in NOK thousands.

Name	Year	Basic salary <sup>1)</sup>	Fixed remuneration				Variable remuneration		Total remuneration <sup>9)</sup>	Proportion of fixed remuneration	Proportion of variable remuneration	
			Paid out salary <sup>2)</sup>	Other benefits <sup>3)</sup>	Paid pension compensation <sup>4)</sup>	Pension accrued for the year <sup>5)</sup>	LTI <sup>6)</sup>	STI <sup>7)</sup>				
Geir Håøy, President and CEO	2023	6 500	6 756	277	55	1 008	1 701	2 763	12 560	64%		36%
	2022	6 200	6 439	461	53	(31)	1 524	3 100	11 546	60%		40%
Mette Toft Bjørgen, Group EVP and CFO from 14 April 2023	2023	3 300	2 039	173		75		1 010	3 297	69%		31%
Gyrid Skalleberg Ingerø, Group EVP and CFO to 13 April 2023	2023	3 264	1 210	81		29	786		2 106	63%		37%
	2022	3 264	3 420	422		98	701	1 521	6 162	64%		36%
Even Aas, Group EVP Public Affairs, Communication and Sustainability	2023	2 350	2 160	256	92	104	481	999	4 092	64%		36%
	2022	1 996	2 146	248	90	707	443	998	4 632	69%		31%
Iver Christian Olerud, Group EVP Corporate Development	2023	2 826	2 938	234		104	474	1 201	4 951	66%		34%
	2022	2 691	2 794	208		98	250	1 177	4 527	68%		32%
Christian Karde, Group EVP General Counsel and Chief of Staff	2023	2 796	2 857	279	82	289	453	1 188	5 148	68%		32%
	2022	2 421	2 482	332	80	(53)	232	1 136	4 209	67%		33%
Lisa Edvardsen Haugan <sup>9)</sup> , EVP KONGSBERG and President KM	2023	3 532	3 495	240		104	70	1 439	5 348	72%		28%
	2022	3 348	837	56		25		398	1 316	70%		30%
Eirik Lie, EVP KONGSBERG and President KDA	2023	3 663	3 822	289	81	253	819	1 504	6 768	66%		34%
	2022	3 498	3 635	402	79	(23)	734	1 667	6 494	63%		37%
Martin Wien Fjell, EVP KONGSBERG and President Kongsberg Discovery from 01 february 2023	2023	3 269	3 006	211		166		1 293	4 676	72%		28%
<b>Total remuneration for CMT</b>	<b>2023</b>		<b>28 283</b>	<b>2 040</b>	<b>310</b>	<b>2 132</b>	<b>4 784</b>	<b>11 397</b>	<b>48 946</b>	<b>67%</b>		<b>33%</b>
<b>Total remuneration for CMT</b>	<b>2022</b>		<b>21 753</b>	<b>2 129</b>	<b>302</b>	<b>821</b>	<b>3 884</b>	<b>9 997</b>	<b>38 886</b>	<b>64%</b>		<b>36%</b>
<b>Total remuneration for CMT including previous CMT members<sup>10)</sup></b>	<b>2022</b>		<b>29 885</b>	<b>2 947</b>	<b>532</b>	<b>1 362</b>	<b>5 201</b>	<b>12 843</b>	<b>52 770</b>	<b>66%</b>		<b>34%</b>

### NOTES

- 1) Basic salary as of 31 December or date of leaving the CMT.
- 2) Paid out salary for the individual in the period, including holiday pay.
- 3) The amount includes benefits such as communication, car scheme, taxable portion of insurance, cost discount in relation to KONGSBERG's share programme and other taxable benefits.
- 4) Pension compensation paid for the transition from defined benefit pension to defined contribution pension 1 January 2008.
- 5) The amount includes this year's accrual in the defined contribution pension scheme for salaries below 12G and accrual of pension for salaries above 12G as well as early retirement for those in CMT who have this. Described in more detail in the section "Individual terms and conditions".
- 6) LTI including tax compensation is periodised linearly over 3 years because the shares can only be used freely after 3 years. I.e. 1/3 for the 2021 allocation, 1/3 for the 2022 allocation and 1/3 for the 2023 allocation.
- 7) STI in the period. The amount is paid out when the accounts for this year are approved by the Board.
- 8) "Total remuneration" is the total of paid out salary, other benefits, pension compensation, pension accrual, LTI and STI.
- 9) STI for Lisa Edvardsen Haugan is corrected for the year 2022 due to pro rata pay out of the previously accrued profit bank.
- 10) Figures that were reported in 2022 are included for comparison with the annual report which includes previous members of CMT.

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### 6.1 The development of CMT's remuneration and the company's financial results

The table shows the annual change in basic salary and total remuneration for each member of the CMT, in addition to the company's financial results and average salary for other employees in the last five years. For the comparison to be relevant, and because there are major differences in the salary level between KONGSBERG's locations, the Norwegian workforce has been used as a reference in the comparison between the level for CMT and other employees. In the table the basic salary and total remuneration for those who are not CMT members for the whole year are grossed up. This is in order to provide a relevant comparison for the previous/next year. The total remuneration for CMT in the table includes paid out salary (incl. holiday pay), other reported benefits, LTI, STI, pension compensation and pension accrual for the year. Amounts are stated in NOK thousands.

The increase in the total compensation for CMT in 2023, compared with 2022, primarily derives from the general salary adjustment in line with the negotiated salary increase for KONGSBERG's companies in Norway. CMT received a slightly lower salary growth than the general employees in Norway. We would also like to comment on the following:

- The change in total remuneration for the President and CEO is primarily due to a high return on his pension accrual.
- Group EVP Public Affairs, Communication and Sustainability had a negative change in total remuneration from 2022 to 2023, which was due to changes in his early retirement agreement and the closed pension scheme for salaries above 12G. Due to these pension changes, the basic salary was adjusted upwards to be competitive.
- The change in total remuneration for Group EVP Corporate Development is primarily due to the fact that accrual in the LTI scheme is periodised linearly over 3 years.
- The change in total remuneration for Group EVP General Counsel and Chief of Staff is primarily due to a high return on his pension accrual. He also had a change in basic salary due to a change in position.

Corporate management team	2019	2020	2021	2022	2023
Geir Håøy, President and CEO	10 383	10 565	11 230	11 546	12 560
Change in total remuneration from last year	16,85 %	1,75 %	6,29 %	2,81 %	8,78 %
Change in basic salary from last year	3,50 %	0,00 %	3,30 %	12,90 %	4,80 %
Mette Toft Bjørgen CMT from 14 April 2023 Group EVP and CFO					3 297
Change in total remuneration from last year					
Change in basic salary from last year					
Gyrid Skalleberg Ingerø CMT to 13 April 2023 Group EVP and CFO	4 487	5 413	5 837	6 162	6 318
Change in total remuneration from last year	17,22 %	20,64 %	7,83 %	5,57 %	2,53 %
Change in basic salary from last year	3,40 %	12,82 %	3,04 %	4,20 %	-
Even Aas, Group EVP Public Affairs, Communication and Sustainability	6 172	3 368	4 082	4 632	4 092
Change in total remuneration from last year	87,88 %	-45,43 %	21,20 %	13,47 %	-11,66 %
Change in basic salary from last year	12,02 %	0,00 %	3,32 %	4,20 %	18,00 %
Iver Christian Olerud CMT from 1 November 2020 Group EVP Corporate Development		4 050	3 942	4 527	4 951
Change in total remuneration from last year			-2,67 %	14,84 %	9,37 %
Change in basic salary from last year			3,30 %	4,20 %	5,00 %
Christian Karde CMT from 1 September 2020 Group EVP General Counsel and Chief of Staff		3 711	3 830	4 209	5 148
Change in total remuneration from last year			3,21 %	9,90 %	22,31 %
Change in basic salary from last year			3,33 %	14,80 %	15,50 %
Lisa Edvardsen Haugan CMT from 1 October 2022 EVP KONGSBERG and President KM				5 264	5 348
Change in total remuneration from last year					1,60 %
Change in basic salary from last year					5,50 %
Eirik Lie, EVP KONGSBERG and President KDA	5 306	5 924	6 416	6 494	6 768
Change in total remuneration from last year	12,37 %	11,65 %	8,31 %	1,22 %	4,22 %
Change in basic salary from last year	3,40 %	0,00 %	12,80 %	4,20 %	4,70 %
Martin Wien Fjell EVP KONGSBERG and President KD					5 101
Change in total remuneration from last year					
Change in basic salary from last year					
Average basic salary for other employees in the Group companies in Norway	747	758	783	816	862
Change in basic salary from last year	3,20 %	1,45 %	3,30 %	4,20 %	5,60 %
<b>The Group's operating profit EBIT</b>	<b>1 029</b>	<b>1 905</b>	<b>2 863</b>	<b>3 309</b>	<b>4 600</b>
<b>Change in EBIT from last year</b>	<b>46,79 %</b>	<b>85,13 %</b>	<b>50,29 %</b>	<b>15,58 %</b>	<b>39,01 %</b>

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## 7. Remuneration for the Board in 2023

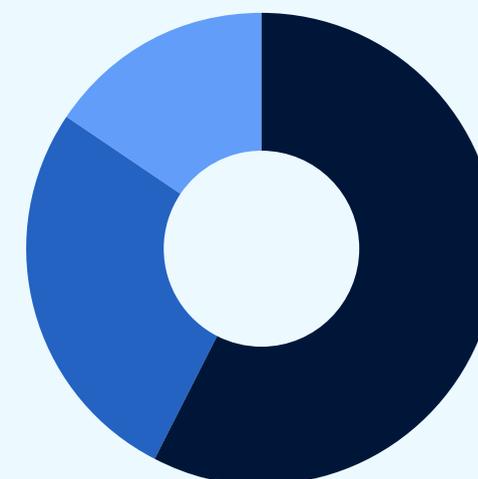
The remuneration for the Board consists of board fees and fees for committee work. The members of the Board's two committees receive a fixed fee in addition to the regular board fee. As of 31 December 2023 there are three members in the audit committee and four members in the compensation committee. The annual fees are presented and adopted at the annual general meeting. Amounts are stated in NOK.

Board	Year	Board fee	Fee audit committee	Fee compensation committee	Total remuneration	Number shares	Number of board meetings <sup>1)</sup>
Eivind K. Reiten, Chairman	2023	632 333		76 650	708 983	3 850	15
	2022	583 667		73 633	657 300	3 850	12
Anne-Grete Strøm-Erichsen, Board member, deputy chair, to May 2023	2023	103 400		16 717	120 117	2 000	4
	2022	306 800		49 600	356 400	2 000	12
Per Arthur Sørli, Board member, deputy chair, from May 2023	2023	311 021	115 300		426 321	3 400	15
	2022	287 334	110 334		397 668	3 400	11
Morten Henriksen, Board member	2023	299 033	154 400		453 433	4 960	15
	2022	287 334	134 333		421 667	4 960	11
Merete Hverven, Board member	2023	299 033		30 538	329 571		14
	2022	287 334			287 334		11
Kristin Færøvik, Board member, from May 2023	2023	202 200		30 538	232 738		8
Oda Ellingsen, Board member	2023	299 033	115 300		414 333	1 524	15
	2022	287 334	110 334		397 668	1 350	12
Rune Fanøy, Board member	2023	299 033		51 617	350 650	216	15
	2022	287 334		49 600	336 934	216	12
Jo Even Bjerknes, Board member, to May 2023	2023	109 471			109 471		4
	2022	287 334			287 334	177	7
Kjersti Rød, Board member, from May 2023	2023	215 823			215 823	2 127	11
	2022	63 930			63 930	1 983	4
<b>Total remuneration for the Board</b>	<b>2023</b>	<b>2 770 380</b>	<b>385 000</b>	<b>206 060</b>	<b>3 361 440</b>	<b>18 077</b>	
<b>Total remuneration for the Board</b>	<b>2022</b>	<b>2 678 401</b>	<b>355 001</b>	<b>172 833</b>	<b>3 206 235</b>	<b>17 936</b>	
<b>Total remuneration for the Board including previous Board members<sup>2)</sup></b>	<b>2022</b>	<b>2 691 101</b>	<b>355 001</b>	<b>172 833</b>	<b>3 218 935</b>	<b>22 695</b>	

1) In 2023 the Board held 15 meetings of which four were extraordinary (12 board meetings in 2022).

2) Figures that were reported in 2022 are included for comparison with the annual report which included previous members of the Board

Meetings held in 2023



- Board meetings, 15
- Compensation committee, 4
- Audit committee, 7

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## 8. Report on the 2023 financial year

The remuneration for executive management personell of KONGSBERG for the 2023 financial year was performed in line with the guidelines that were approved at the annual general meeting in 2021.

No remuneration agreements were entered into or amended that have significant effects for KONGSBERG or the shareholders in the previous financial year.

The Board has reviewed and approved the executive management remuneration report for Kongsberg Gruppen ASA for the 2023 financial year. The remuneration report was prepared in accordance with Section 6-16 b of the Public Limited Liability Companies Act and regulations given pursuant to this provision.

The executive management remuneration report will be presented at the annual general meeting in May 2024.

Oslo, 14 March 2024

**Eivind Reiten**  
Chairman

**Per A. Sørli**  
Deputy chair

**Merete Hverven**  
Board member

**Morten Henriksen**  
Board member

**Kristin Færøvik**  
Board member

**Kjersti Rød**  
Board member

**Rune Fanøy**  
Board member

**Oda Linn A. Ellingsen**  
Board member

**Geir Håøy**  
President and CEO



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Medlemmer av Den norske Revisorforening

### INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REMUNERATION REPORT

To the General Meeting of Kongsberg Gruppen ASA

#### Opinion

We have performed an assurance engagement to obtain reasonable assurance that Kongsberg Gruppen ASA's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2023 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

#### Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

#### Our independence and quality control

We are independent of the company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. The firm applies International Standard on Quality Management, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 14 March 2024  
ERNST & YOUNG AS  
Anders Gøbel  
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been prepared for information purposes only.)



KONGSBERG