

To the shareholders in  
**Kongsberg Automotive ASA**



Kongsberg, 8 June 2020

## **NOTICE OF THE ANNUAL GENERAL MEETING**

The shareholders are hereby notified that the Annual General Meeting of Kongsberg Automotive ASA (the "**Company**") will be held on

**30 June 2020 at 10:00 AM Norwegian time.**

**Venue: Felix Conference Centre, Bryggetorget 3, 0250 Oslo**

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

- 1. Opening of the Annual General Meeting by Mr. Firass Abi-Nassif, Chairman of the Board**
- 2. Registration of attending shareholders and shares represented by proxy**
- 3. Election of a chairperson of the meeting and a co-signer for the minutes**  
The Board of Directors (the "**Board**") proposes that Simen Mejl ander is elected to chair meeting.
- 4. Approval of the notice and agenda**  
The Board proposes that the notice and agenda are approved.
- 5. Adoption of the consolidated and parent company financial statements for 2019, 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's proposed resolutions (Attachment 1).
- 6. Election of directors of the Board and stipulation of remuneration to the Board**
  - 6.1 Election of directors to the Board of Directors
  - 6.2 Stipulation of remuneration to the Board of Directors and the Board committees  
The Nomination Committee's recommendation is attached (Attachment 3).
- 7. Election of members to the Nomination Committee and stipulation of the remuneration to the Nomination Committee**
  - 7.1 Election of members to the Nomination Committee, including its chairman
  - 7.2 Stipulation of remuneration to the Nomination Committee  
The Nomination Committee's recommendation is attached (Attachment 3).
- 8. Approval of the Auditor's fee**  
The Board's proposal is attached (Attachment 1).
- 9. Advisory vote of the non-binding part of the Board's statement regarding the determination of salaries and other remuneration to the management pursuant to § 6-16a of the Norwegian Public Limited Liability Companies Act**  
The Board's proposal is attached (Attachment 1 and 2).
- 10. Approval of the binding part of the Board's statement regarding the determination of salaries and other remuneration to the management pursuant to § 6-16a of the Norwegian Public Limited Liability Companies Act**  
The Board's proposal is attached (Attachment 1 and 2).

**11. Authorization to the Board to purchase of treasury shares**

The Board's proposal is attached (Attachment 1).

**12. Authorization to the Board to increase the share capital**

The Board's proposal is attached (Attachment 1).

**Please note: Due to the corona pandemic and meeting restrictions, shareholders are urged not to attend the Annual General Meeting in person. Shareholders are urged to vote in advance or deliver a proxy with voting instructions. Please refer to further information under the heading "*Registration procedures and general information*".**

***Registration procedures and general information***

**Due to the corona pandemic and meeting restrictions, shareholders are urged not to attend the Annual General Meeting in person.**

**Shareholders with access to VPS Investor Services are urged to use the advance voting function by accessing VPS Investor services or by following the link at the Company's IR pages <https://www.kongsbergautomotive.com/investor-relations/>. Shareholders who do not have access to VPS Investor Services are urged to provide a proxy with voting instructions per item to the CEO Mr. Henning E. Jensen or any person appointed by him as set out in Appendix 4 to this notice. A voting proxy without instructions can also be granted to the CEO Mr. Henning E. Jensen or any person appointed by him through VPS Investor Services or by using Appendix 4 to this notice. The registration deadline in VPS Investor Services is 29 June, 2020 at 14:00 hrs (Norwegian time). Proxies sent by post or e-mail must be received at the latest by the same deadline at the following address: Nordea Bank Norge ASA, Issuer Services, Postbox 1166 Sentrum, 0107 Oslo or [issuerservices.no@nordea.com](mailto:issuerservices.no@nordea.com).**

Shareholders who wish to attend the Annual General Meeting in person or with a representative are required to register attendance no later than 25 June, 2020 at 12:00 hrs (Norwegian time) through VPS Investor Services or by sending the attendance form enclosed as Appendix 5 to Nordea Bank Norge ASA, Issuer Services, Postbox 1166 Sentrum, 0107 Oslo, [issuerservices.no@nordea.com](mailto:issuerservices.no@nordea.com). Shareholders or representatives not complying with this deadline, will be denied access to the meeting in accordance with section 7 of the articles of association and the Norwegian Public Limited Companies Act Section 5-3 due to the current corona pandemic restrictions in Oslo.

The Company reserves the right to have the Chairman of the Board, board members, the CEO or any other person required to be present at the Annual General Meeting, or any representative of such persons, attending the meeting through videolink or phone in accordance with section 2-3 of the temporary act concerning exemptions from the requirements to hold physical meetings in the company legislation to mitigate consequences of the Covid-19 outbreak. The Company also reserves the right to conduct the meeting as an electronic meeting in accordance with the said act, in which case information about access procedures will be sent to all shareholders who have registered for attendance by the deadline set out above.

The Company's annual report and annual accounts for 2019 as well as the attachments to this notice are available at the Company's office and on the web pages <https://www.kongsbergautomotive.com/investor-relations/>. Other documents that will be presented at the Annual General Meeting and proposals for resolutions are accessible at the same web pages.

With regard to events after the latest balance sheet day, reference is made to the interim financial reports and stock exchange releases published by the Company through the Oslo

Stock Exchange information system and in particular the stock exchange releases published in April and May 2020, including the Company's investor presentation published on 20 May 2020 and the notice to the extraordinary general meeting 15 June 2020 dated 22 May 2020.

The Company has issued 447,991,012 shares each carrying one vote. All shares have equal rights. At the date of this notice, the Company owns 98,454 treasury shares for which voting rights may not be exercised. Shareholders should note that the Company by notice dated 22 May 2020 has summoned for an extraordinary general meeting to be held on 15 June 2020 for approval of a proposed reduction of the share capital by reduction of the par value per share from NOK 0.50 to NOK 0.10 and issuance of 7,000,000,000 new shares with a corresponding share capital increase of NOK 700,000,000 (the "**Private Placement**") as well as an authorization to the Board to issue up to 3,000,000,000 new shares with a corresponding share capital increase of up to NOK 300,000,000 (the "**Subsequent Offering**"). The notice and agenda for the extraordinary general meeting 15 June is available at the Company's web pages <https://www.kongsbergautomotive.com/investor-relations/> and the minutes from the meeting will be available on the same web pages.

The shareholders have the right to speak at the Annual 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 Annual 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.

Kongsberg, 8 June 2020

For the Board of Directors of Kongsberg Automotive ASA

Firass Abi-Nassif  
Chairman of the Board

Attachments:

1. Proposed resolutions
2. The Board's statement regarding the determination of salaries and other remuneration to the management pursuant to § 6-16a of the Norwegian Public Limited Liability Companies Act
3. The Nomination Committee's recommendation for members to the Board and Nomination Committee as well as fees to the members of the Board and Nomination Committee
4. Proxy form with and without voting instruction
5. Attendance form

**RE: Item 5 on the Agenda: Adoption of the consolidated and parent company financial statements for 2019, 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 for 2019 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 2019.*

*The Annual General Meeting allocated the Kongsberg Automotive ASA's annual result as follows: Transferred to retained earnings EUR 12.7 millions.*

The statement on corporate governance will be considered.

**RE: Item 8 on 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 2019 at 150,500 EUR.*

The total fee for auditing of Kongsberg Automotive group companies (excluding Kongsberg Automotive ASA) in 2019 amounted to 576,200 EUR.

**RE: Item 9 on the Agenda: Advisory vote of the non-binding part of the Board's statement regarding the determination of salaries and other remuneration to the management pursuant to § 6-16a of the Norwegian Public Limited Liability Companies Act**

Pursuant to § 6-16a of the Norwegian Public Limited Liability Companies Act, the Board has prepared a statement regarding the determination of salaries and other remuneration of the management. The statement is attached as Attachment 2.

According to § 6-16a of the Norwegian Public Limited Liability Companies Act, elements of the statement concerning remuneration linked to shares or the share price are binding for the Board while other parts of the statement is non-binding. In accordance with the Norwegian Corporate Governance Code the non-binding part and the binding part will be discussed separately under items 9 and 10, respectively.

Under item 9 the Board proposes that the Annual General Meeting votes in favor of the non-binding part of the statement.

**RE: Item 10 on the Agenda: Approval of the binding part of the Board's statement regarding the determination of salaries and other remuneration to the management pursuant to § 6-16a of the Norwegian Public Limited Liability Companies Act**

Reference is made to the introduction under item 9. Under item 10 the Board proposes that the Annual General Meeting approves the binding part of the statement regarding the determination of remuneration of the management. The statement is attached as Attachment 2. The binding part of the statement consists of the statement on the long-term incentive plan (LTI), the Employee Offering and Existing RSUs Dilution Compensation as set out in Attachment 2 and as further outlined below. The Employee Offering shall replace new grants under the 2020 LTI plan.

The Employee Offering and the Existing RSUs Dilution Compensation

- 1) The Board may carry out a separate employee offering (the "Employee Offering") to eligible participants in the long term incentive program to subscribe to shares in KA on the same terms as the Subsequent Offering for up to 25% of each such employee's annual base pay. The eligible participants exclude employees and citizens from the US, Canada, China, Brazil and India due to legal requirements and as further determined by the Board. Total maximum subscriptions under the Employee Offering shall consist of maximum 300 million new shares issued at a subscription price of NOK 0.10 per share.
- 2) For all employees that are holding non vested RSUs, the Board may grant additional RSUs in order to compensate for the dilution experienced through the Private Placement and the Subsequent Offering as specified in the terms and conditions of the long term incentive plan awards (the "Existing RSUs Dilution Compensation"). There will be no dilution compensation for the shares issued in conjunction with the Employee Offering. Assuming that the Private Placement and Subsequent Offering is fully subscribed, this would lead to a maximum of additional shares issued of 65 million shares to carry out the Existing RSUs Dilution Compensation. This figure will be finally calculated based on the actual number of shares issued in the Private Placement and the Subsequent Offering. There are currently slightly less than 3.1 million non-vested RSUs outstanding
- 3) Following the execution of the Employee Offering and the Existing RSUs Dilution Compensation there will be no other RSU or stock awards until 2021.

**RE: Item 11 on the Agenda: Authorization to the Board to purchase of treasury shares**

Up until the Annual General Meeting in 2020, the Board has had an authorization to acquire treasury shares with a total nominal value of up to 10 per cent of the Company's share capital.

The Board proposes that the Annual General Meeting grants a new authorization to the Board to acquire treasury shares which shall be effective until the ordinary Annual General Meeting in 2021 or at latest 30 June 2021.

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 Long Term Incentive Program. The authorization would also be expedient in the event of any acquisition where settlement takes place wholly or partially in the form of KOA shares.

The number of shares and amounts stated in the proposed authorization assumes that the proposal to reduce the share capital by reduction of nominal value per share from NOK 0.50 to NOK 0.10 and to increase the share capital of the Company by NOK 700,000,000 to NOK 744,799,101.20 is approved by the extraordinary general meeting convened for 15 June 2020. If such proposals are not approved, the Board will amend this proposal in advance of the annual general meeting to correspond to 10% of the number of shares issued and share capital of the Company at the time of the Annual General Meeting as well as the par value per share at such time.

The Board proposes that the general meeting passes the following resolution:

*"The Board is authorized to acquire up to 744,799,101 treasury shares on behalf of the company, cf. §§ 9-2 ff. of the Norwegian Public Limited Companies Act, on the following conditions:*

- (i) *The company can acquire up to 744,799,101 treasury shares, each of par value NOK 0.10 and with a total nominal value of up to NOK 74,479,910.1. 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 of directors may find appropriate.*
- (ii) In the event treasury shares are divested, 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.*
  - (iii) The shares shall be acquired at current market prices within a range between NOK 0.10 and NOK 10 per share.*
  - (iv) The authorization shall apply up to the company's ordinary Annual General Meeting in 2021, or up to and including 30 June 2021 at the latest."*

**RE: item 12 on the Agenda – Authorization to the Board to increase the share capital**

The Board proposes that the Annual General Meeting authorizes the Board to increase the Company's share capital. The purpose of the authorization is to allow the Board to increase the share capital for the purpose of (i) honoring the Long Term Incentive Plan from previous years, (ii) conduct the Employee Offering and (iii) conduct the Existing RSUs Dilution Compensation, as described in agenda item 10. The authorization can only be applied for (ii) and (iii) if the extraordinary general meeting convened for 15 June 2020 resolves to authorize the Board to increase the share capital by the Subsequent Offering and the Subsequent Offering is completed. The proposed authorization is further limited to issuance of 360,000,000 new shares, each of par value NOK 0.10.

The proposed authorization involves setting aside the shareholders' preferential right to subscribe for new shares. This is required to achieve the purpose of the Long Term Incentive Plan, the Employee Offering and the Existing RSUs Dilution Compensation as further set out under item 10 and in Attachment 2.

The Board proposes that the general meeting passes the following resolution:

- (i) "The board of directors is authorized under section 10-14 (1) of the Public Limited Companies Act to increase the Company's share capital by up to NOK 36,000,000 through the issuance of up to 360,000,000 new shares, each of par value of NOK 0.10.*
- (ii) The preferential rights of the shareholders to subscribe shares under the Norwegian Public Limited Companies Act section 10-4 may be set aside.*
- (iii) The authorization includes the right to increase the Company's share capital against cash contributions. The authorization does not cover share capital increases against contribution in kind etc, cf. section 10-2 of the Norwegian Public Limited Liability Act. The authority does not cover resolutions on mergers in accordance with section 13-5 of the Norwegian Public Limited Companies Act.*
- (iv) The authorization shall apply up to the company's ordinary Annual General Meeting in 2021, or up to and including 30 June 2021 at the latest.*
- (v) The authorization shall co-exist with other existing authorizations.*
- (vi) The board of directors is authorized to amend section 4 of the Company's articles of association as required by any capital increase resolved by the board of directors pursuant to this authorization."*

## 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 (KA) Management to the 2020 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 the interests of shareholders and other stakeholders.

### REMUNERATION GOVERNANCE

The KA 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 makes 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 responsibilities and level in the organization.

In 2017, the Board commissioned external consultants, Willis Tower Watson, in order to benchmark KA's remuneration principles and philosophy for the 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. As a consequence of this decision, from 2018 a strong focus was made to implement a consistent and transparent incentive structure for the executives and management population of around 200 leaders.

As the Company could pursue multiple potential divestitures, it was decided to secure the continued service of key members of KA's management. Consequently, a retention scheme was introduced until the end of 2022 for the CEO and the CEO direct reports in the form of an extension of the employer notice period of 1–3 years for these managers.

### PRINCIPLES FOR BASE SALARY

The fixed salary should reflect the individual's area of responsibility and performance over time. KA offers base salary levels, which are competitive, but not market leading in the market in which we operate. Salaries are regularly benchmarked versus salary statistics provided by our global compensation consultant (Willis Towers Watson) and 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 and if applicable business segment or unit)
2. New business wins (Group / business segment / unit)
3. Cash Flow

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

For 2019 there was no cash bonus paid to any participant, as the defined fundamental qualifier, a minimum earnings level for the company, was not reached.

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

The Board of Directors has established in the past years share option and RSU programs for executives and selected managers that have been approved by the Annual General Meeting and have been outlined in our Annual Report.

The 2018 LTI plan introduced an equally weighted value-mix of two plan types (RSU and SO). 50% of the respective LTI award value was allocated into performance-contingent stock options (SO), the other half consisted of time-vested restricted shares units (RSU).

The vesting of the performance-contingent stock options is based on our total shareholder return (TSR) performance against a defined peer group of automotive suppliers. Only in the event we outperform this peer group by more than one standard deviation from average, 100% of granted stock options will vest. With a performance within one standard deviation of our peer group, 75% of options will vest. If we perform at levels worse than one standard deviation from the peer group, the performance-contingent stock options will not vest and be forfeited. The vesting period is defined as three years from the grant date, and the overall lifetime of the plan is additionally seven years to exercise (10 years in total).

The time-vested restricted shares will have a defined vesting period of three years. In 2018 – to mitigate the cash flow impacts of the substantial pay-mix adjustment – there will be a staggered vesting for each vesting year of one third of the total restricted shares. In 2019 the staggered vesting offered 25% in Year 1, 25% in Year 2, and 50% in Year 3. Based on the individual LTI target of each eligible participant, the number of performance-contingent stock options and restricted shares were derived.

Approximately 150 executives, mainly our Global Leadership Team, the Senior Leadership Team and positions with confirmed legacy of LTI eligibility, and 25 key employees at lower levels have been granted eligibility and participation in the LTI program. Each individual LTI target value is based on the role and responsibility and increases with higher responsibility and level in the organization (between 70% and 10% of base salary). The new LTI program debuted in 2018. In June 2019 the second grant took place and more than 4.3 million SO and 2.5 million RSU were granted. The acceptance rate of the program was 93% and the respective executives committed to a comprehensive share ownership guideline, which included an individual holding of shares in the amount of between 50% and 200% of gross base salary over the period of the next five years.

The unvested RSUs granted are dilution protected; the number of shares granted will therefore be adjusted.



Due to the Corona-Crisis and the impacts on our business situation we propose to forego the 2020 LTI plan and replace it with the below proposed Employee Offering to take place on terms identical to the Private Placement and Subsequent Offering.

From a long term variable compensation standpoint, this will lead to an unusual LTI related scheme for 2020 consisting of two components; voluntary participation in the Employee Offering and the dilution adjustment to non vested RSUs. This scheme would replace the regular structure LTI in 2020.

The Employee Offering and the Existing RSU Dilution Compensation:

1. In order to offer our employees the opportunity to invest in KA on the same terms as in the Subsequent Offering (as defined in the June EGM agenda), we are seeking approval for the Employee Offering as described in the invitation to the 2020 AGM. Such offering would, upon approval from the shareholders, involve an offer to eligible participants in the LTI program to subscribe to shares in KA on the same terms as the Subsequent Offering for up to 25% of their respective pre-tax annual base pay. The eligible participants exclude employees and citizens from the US, Canada, China, Brazil and India due to legal requirements. If all the eligible LTI participants subscribe in full to the Employee Offering, the total maximum subscriptions under the Employee Offering will consist of maximum 300 million new shares issued at a subscription price of NOK 0.10 per share. This program is considered a valuable investment opportunity for the LTI participants and upon approval, the Employee Offering would replace the 2020 LTI program.
2. The RSUs granted have been dilution protected as specified in the terms and conditions of the LTI awards. Consequently, the number of non-vested outstanding RSUs need to be adjusted accordingly assuming that the proposed resolutions for the June 2020 EGM were passed. There are currently around 3.1 million non-vested RSUs outstanding. Assuming that the Private Placement and Subsequent Offering (as defined in the June EGM agenda) are fully subscribed, this would lead to a maximum of additional shares issued of around 65 million shares to carry out the Existing RSUs Dilution Compensation. This figure will be finally calculated based on the actual number of shares issued in the Private Placement and the Subsequent Offering. There will be no dilution compensation for the shares issued in conjunction with the Employee Offering.

## PRINCIPLES FOR BENEFITS

In addition to fixed and variable salary, other benefits such as health insurance, internet and telephone might be provided to our employees. The total value of these benefits should be modest and only account for a small part of the total remuneration package. Principles for company car and car allowance vary in accordance with local conditions. It should be noted that the only country with a significant number of company cars is Germany.

### Pension:

Executives participate in the same pension plans as the other employees within the unit in which they are employed. The CEO has no special retirement or pension agreement.

## SEVERANCE PAY & NOTICE PERIODS

The CEO's agreed period of notice is 6 months.

The CEO has 12 months severance pay (base salary) and is not entitled to such redundancy payment in the event he himself terminates the employment.

At the year-end no other executives had any agreements for redundancy payment. The notice period for the rest of the CEO direct reports is 6 months.

**Recommendation from the Nomination Committee to the annual general meeting (AGM) on June 30, 2020****Election of Directors**

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

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

Ellen M. Hanetho has 20 years of experience from investment banking and private equity as a finance and cross-border business development executive, structuring and executing several scaling and buy-and-build strategies for Nordic and global companies.

She is founder and Chairman of the Board of Cercis AS, an investment company established in 2020, taking companies with proven green technologies into new markets including China.

From 2013 to 2019, Ellen was CEO of Frigaard Invest AS, the strategic investment arm Frigaardgruppen. Prior to this, Ellen has held positions at Credo Partners in Oslo, Goldman Sachs Investment Banking Division in London and the Brussels Stock Exchange and Citibank in Brussels.

Ellen is born in 1964 and was elected as a director of the Board of KOA in 2016. She holds a Bachelor of Science in Business Administration from Boston University and an MBA from Solvay Business School in Brussels and has completed executive programmes at INSEAD and Harvard Business School.

Ellen M. Hanetho currently holds directorships in MPC Container ASA, Stokke Industri AS, Fearnley Securities AS and Fearnley Pensjonskasse AS.

**Firas Abi-Nassif**, Independent Director (re-election)

Born 1974. Firas is the co-founder of Teleios Capital Partners, an investment firm based in Switzerland with over \$1 billion in assets under management. Teleios invests in mid-cap companies across all sectors in Europe, with the objective of creating long-term value for all shareholders. Founded in 2013, Teleios manages assets on behalf of an institutional investor base of endowments, foundations and pension plans. Prior to founding Teleios, Firas spent 6 years as a senior investment professional focusing on listed and private companies, following an 8 year-long career in various key engineering roles, while also serving as special advisor to the President and CEO of 3Com Corp, and as advisor on sector reform to the Lebanese Cabinet Minister of Telecommunications. From 2008 to 2011, Firas served as Head of Technology and Telecommunications investments at Vision Capital, a New York-based special situations investment firm with \$1 billion in assets under management. From 2007 to 2008, Firas worked in Investment Banking at Credit Suisse in New York, focusing both on Corporate Finance and M&A. From 2000 to 2005, Firas was a founding team member of Airvana, a worldwide leading vendor of wireless infrastructure equipment, acquired by a consortium of private equity funds for \$535 million, after going public on the Nasdaq. From 1997 to 2000, Firas was a senior engineer at Motorola where he led critical research and development projects. Firas obtained an Engineering degree in Computer and Communications with Distinction from the American University of Beirut in 1996, an MS in Electrical Engineering from Northeastern University in 1998, and an MBA with honors from Harvard Business School in 2007. Over the course of his career, Firas produced seven internationally patented inventions in the field of telecommunications, which are referenced by over 200 other United States patents. Current Public Board Memberships are none. He was first elected as a director 2018.

**Emese Weissenbacher**, Independent Director (re-election)

Emese Weissenbacher has spent her entire 25-year professional career in the automotive sector for Mann+Hummel where she started in the HR area. She soon transitioned into Controlling and Marketing before taking on general management leadership roles in operations and business units.

She holds the position as CFO and member of the management board of Mann+Hummel since 2015.

Emese is born in 1964. She has studied economics at the Babes-Bolyai University in Cluj Napoca / Romania followed by a degree from the University of Stuttgart as technisch orientierte Diplom Kauffrau in Controlling and Business Development.

She successfully completed the Advanced Management Program at the Harvard Business School in 2015.

Emese Weissenbacher is a Non-Executive Director in Affinia Group Holdings Inc. She was first elected as a director in 2019.

**Gerard Cordonnier**, Independent Director (re-election)

Gerard Cordonnier has spent 25 years in the automotive industry mostly with Continental AG and Grammer AG. In Continental, he held various finance and controlling positions including the interim CFO position until 2012. Gerard Cordonnier was CFO of Grammer AG from 2015 to 2019. He currently is an Independent Consultant. During Gerard's diverse career he has worked across the world including Japan, China and the US and he has extensive experience in M & A and restructuring activities. He has also served on numerous subsidiary boards.

Gerard Cordonnier is born in 1956. He holds a Degree in Economics and Law, from the University of Namur, Belgium.

Currently Gerard holds no Board Member positions in Public Listed Companies. He was first elected as a director in 2019.

**Peter Schmitt**, Independent Director (re-election)

Peter Schmitt has spent 22 years in the automotive industry working most of his career for various divisions and business units of Siemens. In addition to his automotive experience, he also has experience from the energy sector of Siemens as well as from Osram, a Siemens spinoff in the lighting and semiconductor industry. Most of Peter Schmitt's previous positions have been in the areas of finance and general management.

Peter Schmitt is born 1961. Peter Schmitt (PS) is educated from Abitur, Gregor-Mendel-Gymnasium, Amberg and subsequently attended the Head Office Training (Stammhauslehre) with Siemens AG, Nuremberg, Erlangen, Dusseldorf, Berlin and Rosslyn (ZA), which can be considered a Siemens internal equivalent of an academic degree.

Current Peter holds no Board Member position in publicly listed companies. He was first elected as a director in 2019.

**APPROVAL OF DIRECTOR'S FEES FOR THE PERIOD 2020/2021**

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

It is proposed that each of the Directors elected by the KOA shareholders, other than the Chair, shall receive NOK 440.000 for the period.

Directors elected by the employees shall receive NOK 130.000 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 2020/2021**

Chair 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.

Chair 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 Nomination Committee Chairman in 2010. To be re-elected for a period until the next General Meeting.

**Synnøve Gjønnnes**, Portfolio Manager, KLP, Oslo. Synnøve Gjønnnes holds a degree from the ESADE Business School. She has Capital Market experience from Pareto Securities and Kværner ASA in Oslo from 2013 to 2018. Presently she is Portfolio Manager with KLP Aksje Norge from 2018. To be re-elected for a period until the next General Meeting.

**Lasse Johan Olsen**. Deputy Head of Norwegian Branch, Nordea Funds Ltd., Nordea Funds, Norwegian Branch, Oslo. Lasse J. Olsen has education from Nord Universitet, Bodø, Norway, BI Norwegian School of Management, Oslo and the University of North Dakota, Grand Forks, USA. To be elected for a period until the next General Meeting. (New).

**APPROVAL OF COMPENSATION TO THE MEMBERS OF THE NOMINATION COMMITTEE.****PERIOD 2020/2021:**

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 communicated with members of the KOA Board and the CEO during the election period.

Since the 2019 AGM the Committee Chairman has communicated with several shareholders in the company.

The Nomination Committee is of the opinion that the nominated Board of Directors will have the necessary qualifications to meet challenges ahead. All Board Members have in this election period contributed in a constructive way to the Company's best interest on and in between Board Meetings. 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, 8 May 2020

Synnøve Gjønnnes

Hans Trogen

Tor Himberg-Larsen

Chairman