

REMUNERATION REPORT

2021



KONGSBERG
AUTOMOTIVE

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**KEY
DEVELOPMENTS
IN
REMUNERATION
2021**

NOTE 1 COMPANY SITUATION OVERVIEW IN 2021

The COVID-19 pandemic has negatively affected the market situation and the market did not really recover in 2021 as it had been expected previously. On the contrary, the situation became even more challenging with the continued semiconductor supply crisis, signs of which were first seen by Kongsberg Automotive (KA) towards the end of 2020. This shortage came on top of the ongoing macroeconomic and health challenges brought about by the pandemic. This unexpected supply chain crisis has led to major additional costs along the entire value chain with regard to material prices, logistic costs, underutilized capacities, production inefficiencies, and revenue/profit losses. All of KA's business segments and business units were affected. The revenue from continuing business in 2021 recovered to a level of EUR 831.4 million, which went up 21% compared to 2020. KA achieved an adjusted EBIT of EUR 50.7 million, resulting in an adjusted EBIT margin of 6.1%.

In 2021, KA made progress on its strategic move to start the product portfolio transformation through the divestitures of two business divisions. These divestitures strengthen our exposure to the commercial vehicle and off-road segments. The company experienced short-term supply chain difficulties that have put the automotive industry under pressure, such as raw material prices, dynamic production and demands due to COVID-19 affecting automotive sales, and shortages of key materials. In spite of these headwinds, the company has coped with stringent countermeasures such as customer negotiations, operational excellence, and supplier negotiations.

Business wins in *Powertrain & Chassis (P&C)* secured in 2021 amounted to EUR 93.7 million in annualized revenues, which corresponds to EUR 302.1 million in lifetime revenue. Most programs will launch in the 2025–2026 timeframe. P&C continues to gain market share in China and the United States, where revenues increased by 35%

and 24% year-over-year, respectively. The positive development in adjusted EBIT, which amounted to EUR 25.2 million, was driven by improvement initiatives in all functions, the introduction of innovative processes, and a strict and efficient control process for variable and fixed costs across all sites of the P&C business.

In the Speciality products segment, *Off-Highway* won new business to supply the displays and keypads to a major OEM in North America worth EUR 238.4 million in lifetime revenues and EUR 29.8 million in annualized revenues with a lifetime of eight years. *Fluid Transfer Systems (FTS)* secured incremental new business in Europe, North America, and China with a balanced representation in both passenger and commercial vehicle categories for both our current range and new products for EV applications. In 2021, FTS was also awarded further content for an off-road SUV for a new automotive entrant. Demand for industrial hose products was exceptionally strong and continues to look so in the coming year. Plans to increase capacity in two plants is expected over the next 12–18 months. *Couplings* won several new contracts with key customers, confirming excellent customer relationships and that the market values the advantages that the Raufoss ABC™ offers, thanks to its superior technology and the fact it meets partners' requirements in terms of green technology and sustainability. In developing its global footprint, Couplings also began to operate in Brazil and South Korea during 2021, with the aim of improving its customer service levels.

NOTE 2 KEY DEVELOPMENTS IN BOD REMUNERATION 2021


At the Annual General Meeting in June 2021, all five shareholder-elected members of the Board were re-elected, one employee-elected member was re-elected, and two new employee-elected members were elected. This maintains the number of Board members at eight, consisting in total of five shareholder-elected and three employee-elected members. The Annual General Meeting adopted a Remuneration Policy

which is applicable to the Board in 2021 and onwards. Approval was also given to increase the remuneration of shareholder-elected members by 3.4% and employee-elected members by 3.8%. The remuneration for the Chairman of the Board remained unchanged from 2020. All remuneration in 2021 to the Board has been in line with the approved Remuneration Policy.

NOTE 3 KEY DEVELOPMENTS IN EXECUTIVE REMUNERATION 2021

In accordance with the decision at the Annual General Meeting in June 2021, the remuneration of executives during 2021 was governed by the Remuneration Principles adopted in 2021. All remuneration in 2021 to executive management was in line with the approved Remuneration Principles. The remuneration level is a result of solid business results and individual performance by the executives. All salary increases from 2021 were in line with the country average increase, as is the case for the rest of the management teams globally. In 2021, the company

did not reach the short-term incentive plan threshold related to the group adjusted EBIT in order for the bonus to be triggered, and for this reason the executives did not get any payout under this program. To mitigate this negative effect, the Compensation Committee approved the use of a specific budget to allocate a discretionary bonus to a selected number of employees. The long-term incentive was granted under the same plan design and terms and conditions as in 2020.



REMUNERATION OF BOARD OF DIRECTORS

NOTE 4 REMUNERATION POLICY

The remuneration is proposed by the Nomination Committee and approved by the Annual General Meeting. The shareholder-elected directors hold no other assignment in the company than the directorships to the Board and memberships to committees to the Board. The Board members are not entitled to performance-related compensation and are not granted or entitled to any share options. The Board members were not awarded any KOA shares in 2021. The Board members were

not offered any stock options, warrants, or participation in other incentive schemes. The Board members did not receive any compensation from the company other than the remuneration for the directorship and remuneration for Board committees work as described below. The compensation is paid in arrears semi-annually.

NOTE 5 REMUNERATION COMPOSITION

The remuneration of the Board of Kongsberg Automotive ASA comprises a fixed base fee, plus a fixed fee for the members of the Board Committees, and the reimbursement of expenses related to the Board activities.

Additional compensation for 2021

In 2021, there was an additional one-time compensation fee paid out to the Board of Directors (excluding Chairman) for extraordinary work during 2020 and 2021.

Social security taxes

In 2021, Kongsberg Automotive ASA paid social security taxes imposed by authorities in Norway in relation to the Board members based in Norway.

Expenses

In 2021, Kongsberg Automotive ASA held most of its Board of Directors meetings online; however, one physical meeting took place and for this the company reimbursed any reasonable expenses relating to travel

and accommodation for the Board members. The professional fees in connection with assistance on tax-related matters incurred by Board members based outside of Norway are reimbursed.

Directors' and officers' liability insurance and indemnification

In 2021, Kongsberg Automotive ASA upheld and paid the costs of customary directors' and officers' liability insurance covering also members of the Board. It is the policy of the Company to indemnify Board members against additional claims subject to certain conditions more fully described in the Remuneration Policy. In 2021, Kongsberg Automotive ASA did not indemnify its Board Members against claims for damages.

NOTE 6 BOARD AND COMMITTEE FEE LEVELS 2021

The compensation to the Directors of the Board of Kongsberg Automotive ASA for 2021 was stipulated by the resolution of the Annual General Meeting of June 10, 2021 as follows:

Remuneration of the Board of Directors

NOK	ANNUAL COMPENSATION	ADDITIONAL COMPENSATION FOR 2020/2021
Chairman of the board	510,000	–
Board director elected by shareholders	455,000	100,000
Board director elected by employees	135,000	50,000
Deputy directors	8,000	–

NOTE 6 BOARD AND COMMITTEE FEE LEVELS 2021 (CONTINUED)

The compensation to the members of the Board committees of Kongsberg Automotive ASA for 2021 was by the resolution of the Annual General Meeting of June 10, 2021 stipulated as follows:

Remuneration of the Compensation Committee

NOK	ANNUAL COMPENSATION
Chairman	60,000
Committee member	45,000

Remuneration of the Audit Committee

NOK	ANNUAL COMPENSATION
Chairman	90,000
Committee member	70,000

NOTE 7 BOARD REMUNERATION 2021

The table below includes the total remuneration of each Board member in 2021, including any remuneration for their membership of the different committees. The total remuneration for each Board member sup-

ports the focus of the Board on corporate strategy, supervision, organization, and governance, thus contributing to the long-term interests of the company.

Remuneration to Board of Directors

NAME	POSITION	COMPEN- SATION COMMITTEE KEUR**	AUDIT COMMITTEE KEUR**	BOD FEES* KEUR**	TOTAL 2021	TOTAL 2020
Firas Abi-Nassif*	Chair	5.9	–	50.2	56.1	53.2
Emese Weissenbacher	Board member	–	6.9	54.6	61.5	49.2
Ellen M. Hanetho	Board member	–	6.9	54.6	61.5	47.6
Gerard Cordonnier	Board member	4.4	8.9	54.6	67.9	46.4
Peter Schmitt	Board member	4.4	–	54.6	59.0	45.2
Bjørn Ivan Ødegård	Employee representative	2.2	–	18.2	20.4	12.1
Siw Reidun Waeras	Employee representative (from 02.06.2021)	–	–	6.6	6.6	–
Knut Magne Alfsvag	Employee representative (from 02.06.2021)	–	–	6.6	6.6	–
Jon-Ivar Jørnby	Employee representative (until 31.01.2020)	–	–	–	–	2.7
Leif Havard Stromhaug	Employee representative (until 02.06.2021)	–	–	11.6	11.6	10.1
Tonje Sivesintajet	Employee representative (until 02.06.2021)	2.2	–	11.6	13.8	14.2
Total – BoD		19.2	22.6	323.2	365.0	280.7

* Remuneration for Firas Abi-Nassif is paid to Teleios Capital Partners.

** FX Rate used was NOK/EUR 10.16333

NOTE 8 SHAREHOLDINGS BY THE BOD

As at December 31, 2021, the Board held shares at Kongsberg Automotive as follows:

Shares owned by Board of Directors as at 31.12.21

NAME	POSITION	NO. OF SHARES	
		2021	2020**
Firas Abi-Nassif*	Chair	0	0
Ellen M. Hanetho	Board member	112,777	1,127,770
Emese Weissenbacher	Board member	0	0
Gerard Cordonnier	Board member	0	0
Peter Schmitt	Board member	0	0
Bjørn Ivan Ødegård	Employee representative	21,972	219,713
Knut Magne Alfsvag	Employee representative	0	0
Siw Reidun Waeras	Employee representative	7,500	75,000
Total number of shares		142,249	1,422,483

* No own shares but Teleios owns 251,887,884 Kongsberg Automotive shares

** Share figures reflect amounts before share consolidation



REMUNERATION OF EXECUTIVE MANAGEMENT

The Board of Directors has established guidelines for the remuneration to the executive management. The remuneration to the management is reviewed annually by the Compensation Committee and the Board. The guidelines are available on the company's website and are present-

ed to the Annual General Meeting for an advisory vote. Performance-related remuneration such as bonuses and share option programs are based on the company's financial results and are subject to absolute limits.

NOTE 9 REMUNERATION GUIDELINES

According to the Remuneration Policy adopted by the Annual General Meeting in June 2021, the company's Remuneration Guidelines dated June 2021 provide the framework for the remuneration of executive management in 2021. The Remuneration Principles are available at [kongsbergautomotive.com](https://www.kongsbergautomotive.com), under the Corporate Governance section:

https://www.kongsbergautomotive.com/globalassets/uploadeddocuments/corporate-governance/guideline_for_salary_and_remuneration_210610.pdf

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 incentive (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.

NOTE 10 REMUNERATION COMPOSITION

The structure of total remuneration should be 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 and total compensation increase with higher responsibility.

In 2017, the Board commissioned external consultants, Willis Tower Watson, to benchmark Kongsberg Automotive's remuneration principles and philosophy for its executives. The directions given to the consultants were 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-market 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, in 2018 and 2019, a strong focus was made to implement a consistent and transparent incentive structure for the top 200 positions embedded into a strong communication roll-out.

Regarding benefits, in addition to fixed and variable salary, other benefits such as health insurance, internet, 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 allowance shall be allowed to vary in accordance with local conditions.

Regarding pensions, executives participate in the same pension plans as other employees within the legal entities in which they are employed.

Regarding other payments, this is mainly made up by the social security costs as dictated by the legal requirements of each country where the executives are based.

Regarding any extraordinary payments, in 2021 we had some ad-hoc payments specific to this year which relate to special tasks such as the closing of our divestiture projects and specific spot bonus based on targets set by the CEO. All payments were approved by the CC beforehand. On the contrary, some of these payments may relate to operational expenses such as relocation allowances. These payments are not part of the regular compensation.

NOTE 11 EXECUTIVE REMUNERATION IN 2021

Executive Remuneration other than CEO (KEUR)

NAME	POSITION	UNTIL/FROM	FIXED ELEMENTS			VARIABLE ELEMENTS			DEFERRED ELEMENT		TOTAL 2021	TOTAL 2020
			BASE SALARY	PENSION	BENEFITS	STI ¹	EX-TRAORDINARY PAYMENTS ²	OTHER ³	SUB-TOTAL	LTI ⁴		
Norbert Loers	CFO ⁵	Until 31.08.2021	383.9	51.9	–	0.0	295.7	64.4	795.9	0.0	795.9	860.7
Frank Heffter	CFO	From 01.07.2021	161.9	19.3	–	0.0	45.4	14.3	240.8	0.0	240.8	N/A
Christian Amsel	CTO	From 01.08.2021	154.2	18.3	–	0.0	136.5	15.5	324.5	0.0	324.5	N/A
Bob Riedford	President, P&C		250.8	0.0	6.7	0.0	68.5	7.5	333.5	61.3	394.8	693.8
David Redfearn	EVP, Fluid Transfer		195.4	63.3	–	0.0	47.5	0.0	306.2	28.2	334.4	296.1
Linda Nyquist-Evenrud	SVP, Couplings		198.2	9.2	–	0.0	41.9	0.0	249.3	26.5	275.8	227.2
Robert Pigg	SVP, Off Highway		368.0	0.0	12.0	0.0	261.8	7.5	649.3	32.9	682.2	546.2
Jon Munthe	General Counsel		180.6	9.2	–	0.0	37.6	0.0	227.3	26.9	254.3	221.9
Dzeki Mackinowski	EVP, Purchasing		254.9	82.1	–	0.0	44.9	15.1	397.0	37.9	434.9	469.7
Marcus von Pock	EVP, HR & Comm		292.4	33.3	–	0.0	59.6	29.7	415.1	41.9	456.9	422.4
Virginia Grando	EVP, QA		240.6	23.6	–	0.0	–	25.1	289.3	34.3	323.6	342.9
Doug Tushar	SVP, IS&T		210.6	0.0	3.6	0.0	35.3	7.5	257.1	0.0	257.1	267.8
Total – Management other than CEO			2,891.5	310.2	22.4	0.0	1,074.6	186.6	4,485.3	289.9	4,775.2	4,348.8

1 - STI: Under the current STI plan there has been no payouts as the fundamental qualifier was not reached

2 - Extraordinary Payments include ad-hoc payments specific for FY 2021 and are not part of regular compensation such as relocation allowances, spot bonus, bonus as CoCEO

3 - Other: Includes social security costs

4 - LTI: Reflects the LTI plan costs for 2021 under the IFRS II standards

5 - Norbert Loers was the CFO up to 30.06.2021; after this time he performed the role of Special Projects Director

NOTE 12 BREAKDOWN OF CEO REMUNERATION IN 2021

Executive Remuneration other than CEO (KEUR)

NAME	POSITION	UNTIL/FROM	FIXED ELEMENTS			VARIABLE ELEMENTS			DEFERRED ELEMENT		TOTAL 2021*	TOTAL 2020**
			BASE SALARY	PENSION	BENEFITS	STI ¹	EX-TRAORDINARY PAYMENTS ²	OTHER ³	SUB-TOTAL	LTI ⁴		
Joerg Buchheim	President and CEO	From 01.05.2021	450.1	55.1	–	0.0	464.3	97.2	1066.7	129.4	1,196.1	953.1

* From May 2021 to December 2021 for current CEO Joerg Buchheim. The remuneration to the CoCEOs from January 2021 to April 2021 is included in the executive remuneration table for Robert Pigg and Norbert Loers.

** From January 2020 to September 2020 for former CEO Henning Jensen

1 - STI: Under the current STI plan there has been no payouts as the fundamental qualifier was not reached.

2 - Extraordinary Payments include ad-hoc payments specific for FY 2021 and are not part of regular compensation such as relocation allowances, spot bonus

3 - Other: Includes social security costs

4 - LTI: Reflects the LTI plan costs for 2021 under the IFRS II standards

NOTE 13 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 markets in

which we operate. Salaries are regularly benchmarked versus salary statistics provided by a global compensation consultant (Willis Towers Watson) and other relevant market data.

NOTE 14 SHORT TERM INCENTIVE PLAN 2021

The Management Incentive Plan (MIP) is the short-term incentive plan ("STI") at Kongsberg Automotive and it is targeted at the executive population 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 within the term of one calendar year. The plan is based on objective, transparent, and measurable pillars.

- Earnings targets (Group and business unit)
- New business wins targets (Group and business unit)
- Corporate cash flow

The performance goals for the MIP are recommended by the CC and approved by the Board, depending on the defined needs of the company for each year. Therefore, each year there is a dedicated meeting with the Compensation Committee in which the KPIs are chosen based on the relevance and need for the company to be driven to specific targets

for the next financial period. These goals support the sustainable performance and growth of the company by pushing each of the business unit to work together as a team, One KA, and not only to strive to obtain their own isolated business unit targets. Following this logic, there is a fundamental qualifier or threshold that the company should reach as a whole and related to a specific group adjusted EBIT level. Without reaching this threshold, there will be no payout under this plan, even if the business units have reached their own goals. In addition to the threshold as a trigger measure, at least 20% of the plan's payout is based on the group's EBIT performance.

The target bonus for the CEO is 90% of gross base salary. For all other participants the individual target bonus ranges – according to role and responsibility – between 55% and 10% of gross base salary, with the chance to achieve a maximum 200% of target bonus. The maximum cash bonus is capped at 200% of gross base salary.

METRIC	WEIGHTING	TARGET	PERFORMANCE 2021	STI OUTCOME
Threshold group EBIT for any payout from STI 2021	Trigger	Index 80 – 120	< index 80	0%
Earnings (adjusted EBIT) – group	20%	Index 80 – 120	< index 80	0%
Earnings (adjusted EBIT) – business unit	20%	Index 80 – 120	Within index	0%
New business wins	15% – 20%	Index 80 – 120	Within index	0%
Corporate cash flow	40% – 45%	Index 80 – 120	Within index	0%

For 2021 there was no bonus paid to eligible participants under the MIP program, as the defined fundamental qualifier or threshold (related to a certain level of group adjusted earnings) was not reached. This led to no payout to participants under this specific program.

Special Recognition Award

To reward outstanding performance during 2021 and to mitigate the unwanted negative effects from a year without any short-term incentive, the management suggested to the CC a new incentive for 2021 called the Special Recognition Award for selected top performers and key contributors to our special projects, adjusted to the new reality of a COVID recovery phase. This program amounts to a partial amount of the previous MIP plan. This was presented and approved by the CC, and it will be granted to a group of executives as well as the high performers and critical key managers. This was approved by the CC.

Special retention program for global leadership team

As the company was pursuing multiple potential activities including M&A activities, it was determined that there was a need for securing the continued service of key members of the company management. Consequently, a retention scheme was introduced in 2019, which will

run until the end of 2022. The participants of this special retention scheme are some selected global business unit leaders and global functional leaders who report to the CEO. The retention scheme consists of an extension to their notice period in their contract from 12 months up to 36 months on the side of the company which is valid up to December 31, 2022. After this date the notice period shall return to what was stipulated originally in each contract.

Special retention program for top management

As the company pursued activities including M&A activities, it was determined that there was a need for securing the continued service of key employees and knowledge holders from the business units to be divested. Consequently, a retention scheme was introduced in 2021 for selected employees outside of the executive management in the form of a bonus with the condition to stay within the company until deal closure. Employees would be entitled to this bonus as long as they do not turn in their resignation before the closing of the deal. This was offered to key employees that would secure the success during the transition and also at the buyer's company, in the form of a percentage of annual base salary ranging from 20% to 35% depending on the level of contribution, or based on a specific amount per employee.

NOTE 15 SHARE-BASED REMUNERATION

The Board of Directors has established in the past years share option programs for executives and selected managers that have been approved by shareholders at 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. The new LTI plan design introduced in 2018 offers an equally weighted mix of two plan types. Half of the respective LTI target award will be allocated into performance-contingent stock options (SO), the other half is based on time-vested restricted stock units (RSU).

The vesting of the performance-contingent stock options is based on total shareholder return (TSR) performance against a defined relative peer group of dedicated automotive companies. If we clearly outperform this peer group with more than one standard deviation from average, 100% of granted stock options will vest. With a performance at the average level of our peer group, 75% of options will vest. If we are lower than one standard deviation from average of the peer group, no manager will receive any stock options. The vesting period is defined as three years from grant, and the overall lifetime of the plan is additionally seven years to exercise (10 years in total).

Approximately 150 executives are eligible (mainly our global leadership team, senior leadership team, and managers with a confirmed legacy of LTI eligibility) and selected key employees at lower levels. The individual LTI target value is based on the role and responsibility and is increased with higher responsibility and level (between 40% and 10% of base salary). Based on the individual LTI target level as a percentage of base salary of each eligible participant, the number of performance-contingent stock options and restricted shares were derived.

In 2021, we had the vesting events coming from the LTI 2018 and LTI 2019 tranches. The stock option portion of the plan did not vest, as the performance condition linked to the relative TSR was not reached, therefore the vesting was zero.

Regarding the comprehensive Share Ownership Guidelines, which includes 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, it has been decided to prolong the compliance period for one more year, allowing participants to gather shares for six years.

NOTE 15 SHARE-BASED REMUNERATION (CONTINUED)

LTI awards from 2018 – 2021

MEMBER	SPECIFICATION OF PLAN	PERFORMANCE PERIOD	AWARD DATE	VESTING DATE	EXERCISE PERIOD	STRIKE PRICE OF THE SHARE NOK	OPENING BALANCE		DURING THE YEAR		CLOSING BALANCE	
							SHARE OPTIONS AWARDED AT THE BEGINNING OF THE YEAR*	SHARE OPTIONS AWARDED	SHARE OPTIONS VESTED	SHARE OPTIONS SUBJECT TO A PERFORMANCE CONDITION	SHARE OPTIONS AWARDED AND UNVESTED	
Joerg Buchheim, CEO	RSU plan	2021 – 2024	10.06.21	10.06.24	N/A	N/A	–	1,124,189	–	–	1,124,189	
	SO plan	2021 – 2024	10.06.21	10.06.24	Until 10.06.2031	3.02	–	1,581,698	–	1,581,698	1,581,698	
	RSU plan	2019 – 2022	N/A	N/A	N/A	N/A	–	–	–	–	–	
	SO plan	2019 – 2022	N/A	N/A	N/A	N/A	–	–	–	–	–	
	RSU plan	2018 – 2021	N/A	N/A	N/A	N/A	–	–	–	–	–	
	SO plan	2018 – 2021	N/A	N/A	N/A	N/A	–	–	–	–	–	
Norbert Loers, CFO	RSU plan	2021 – 2024	N/A	N/A	N/A	N/A	–	–	–	–	–	
	SO plan	2021 – 2024	N/A	N/A	N/A	N/A	–	–	–	–	–	
	RSU plan	2019 – 2022	15.05.19	25% of shares: 15.05.20 25% of shares: 17.05.21 50% of shares: 16.05.22	N/A	N/A	173,694	–	–	–	–	
	SO plan	2019 – 2022	15.05.19	16.06.22	Until 15.05.2029	79.00	–	–	–	–	–	
	RSU plan	2018 – 2021	05.06.18	33% of shares: 05.06.19 33% of shares: 05.06.20 34% of shares: 07.06.21	N/A	N/A	54,205	–	–	–	–	
	SO plan	2018 – 2021	05.06.18	07.06.21	Until 06.06.2028	106.00	–	–	–	–	–	
Bob Riedford, President P&C	RSU plan	2021 – 2024	10.06.21	10.06.24	shares N/A	N/A	–	160,791	–	–	160,791	
	SO plan	2021 – 2024	10.06.21	10.06.24	Until 10.06.2031	3.02	–	226,227	–	226,227	226,227	
	RSU plan	2019 – 2022	15.05.19	25% of shares: 15.05.20 25% of shares: 17.05.21 50% of shares: 16.05.22	N/A	N/A	149,265	–	49,755	–	99,510	
	SO plan	2019 – 2022	15.05.19	16.06.22	Until 15.05.2029	79.00	147,553	–	–	14,755	14,755	
	RSU plan	2018 – 2021	05.06.18	33% of Shares: 05.06.19 33% of Shares: 05.06.20 34% of Shares: 07.06.21	N/A	N/A	45,894	–	45,894	–	–	
	SO plan	2018 – 2021	05.06.18	07.06.21	Until 06.06.2028	106.00	86,259	–	–	–	–	
David Redfearn, EVP Fluid Transfer	RSU plan	2021 – 2024	10.06.21	10.06.24	N/A	N/A	–	99,257	–	–	99,257	
	SO plan	2021 – 2024	10.06.21	10.06.24	Until 10.06.2031	3.02	–	139,651	–	139,651	139,651	
	RSU plan	2019 – 2022	15.05.19	25% of shares: 15.05.20 25% of shares: 17.05.21 50% of shares: 16.05.22	N/A	N/A	57,975	–	19,325	–	38,650	
	SO plan	2019 – 2022	15.05.19	16.06.22	Until 15.05.2029	79.00	57,307	–	–	5,731	5,731	
	RSU plan	2018 – 2021	05.06.18	33% of shares: 05.06.19 33% of shares: 05.06.20 34% of shares: 07.06.21	N/A	N/A	19,031	–	19,031	–	–	
	SO plan	2018 – 2021	05.06.18	07.06.21	Until 06.06.2028	106.00	35,768	–	–	–	–	
Linda Nyquist–Evenrud, SVP Couplings	RSU plan	2021 – 2024	10.06.21	10.06.24	N/A	N/A	–	99,305	–	–	99,305	
	SO plan	2021 – 2024	10.06.21	10.06.24	Until 10.06.2031	3.02	–	139,719	–	139,719	139,719	
	RSU plan	2019 – 2022	15.05.19	25% of shares: 15.05.20 25% of shares: 17.05.21 50% of shares: 16.05.22	N/A	N/A	52,998	–	17,666	–	35,332	
	SO plan	2019 – 2022	15.05.19	16.06.22	Until 15.05.2029	79.00	52,392	–	–	5,239	5,239	
	RSU plan	2018 – 2021	05.06.18	33% of shares: 05.06.19 33% of shares: 05.06.20 34% of shares: 07.06.21	N/A	N/A	15,373	–	15,373	–	–	
	SO plan	2018 – 2021	05.06.18	07.06.21	Until 06.06.2028	106.00	28,895	–	–	–	–	

NOTE 15 SHARE-BASED REMUNERATION (CONTINUED)

LTI awards from 2018 – 2021

MEMBER	SPECIFICATION OF PLAN	PERFORMANCE PERIOD	AWARD DATE	VESTING DATE	EXERCISE PERIOD	STRIKE PRICE OF THE SHARE NOK	OPENING BALANCE		DURING THE YEAR		CLOSING BALANCE	
							SHARE OPTIONS AWARDED AT THE BEGINNING OF THE YEAR*	SHARE OPTIONS AWARDED	SHARE OPTIONS VESTED	SHARE OPTIONS SUBJECT TO A PERFORMANCE CONDITION	SHARE OPTIONS AWARDED AND UNVESTED	
Robert Pigg, SVP Off Highway	RSU plan	2021 – 2024	10.06.21	10.06.24	N/A	N/A	–	105,207	–	–	105,207	
	SO plan	2021 – 2024	10.06.21	10.06.24	Until 10.06.2031	3.02	–	148,023	–	148,023	148,023	
	RSU plan	2019 – 2022	15.05.19	25% of shares: 15.05.20 25% of shares: 17.05.21 50% of shares: 16.05.22	N/A	N/A	73,850	–	24,617	–	49,233	
	SO plan	2019 – 2022	15.05.19	16.06.22	Until 15.05.2029	79.00	73,002	–	–	7,300	7,300	
	RSU plan	2018 – 2021	05.06.18	33% of shares: 05.06.19 33% of shares: 05.06.20 34% of shares: 07.06.21	N/A	N/A	20,495	–	20,495	–	–	
	SO plan	2018 – 2021	05.06.18	07.06.21	Until 06.06.2028	106.00	38,519	–	–	–	–	
Jon Munthe, General Counsel	RSU plan	2021 – 2024	10.06.21	10.06.24	N/A	N/A	–	88,505	–	–	88,505	
	SO plan	2021 – 2024	10.06.21	10.06.24	Until 10.06.2031	3.02	–	124,524	–	124,524	124,524	
	RSU plan	2019 – 2022	15.05.19	25% of shares: 15.05.20 25% of shares: 17.05.21 50% of shares: 16.05.22	N/A	N/A	57,926	–	19,309	–	38,617	
	SO plan	2019 – 2022	15.05.19	16.06.22	Until 15.05.2029	79.00	57,261	–	–	5,726	5,726	
	RSU plan	2018 – 2021	05.06.18	33% of shares: 05.06.19 33% of shares: 05.06.20 34% of shares: 07.06.21	N/A	N/A	18,670	–	18,670	–	–	
	SO plan	2018 – 2021	05.06.18	07.06.21	Until 06.06.2028	106.00	35,089	–	–	–	–	
Dzeki Mackinowski, EVP Purchasing	RSU plan	2021 – 2024	10.06.21	10.06.24	N/A	N/A	–	153,383	–	–	153,383	
	SO plan	2021 – 2024	10.06.21	10.06.24	Until 10.06.2031	3.02	–	215,804	–	215,804	215,804	
	RSU plan	2019 – 2022	15.05.19	25% of shares: 15.05.20 25% of shares: 17.05.21 50% of shares: 16.05.22	N/A	N/A	86,851	–	28,950	–	57,901	
	SO plan	2019 – 2022	15.05.19	16.06.22	Until 15.05.2029	79.00	85,850	–	–	8,585	8,585	
	RSU plan	2018 – 2021	N/A	N/A	N/A	N/A	–	–	–	–	–	
	SO plan	2018 – 2021	N/A	N/A	N/A	N/A	–	–	–	–	–	
Marcus von Pock, EVP HR & Comm	RSU plan	2021 – 2024	10.06.21	10.06.24	N/A	N/A	–	145,991	–	–	145,991	
	SO plan	2021 – 2024	10.06.21	10.06.24	Until 10.06.2031	3.02	–	205,404	–	205,404	205,404	
	RSU plan	2019 – 2022	15.05.19	25% of shares: 15.05.20 25% of shares: 17.05.21 50% of shares: 16.05.22	N/A	N/A	87,913	–	29,304	–	58,609	
	SO plan	2019 – 2022	15.05.19	16.06.22	Until 15.05.2029	79.00	86,903	–	–	8,690	8,690	
	RSU plan	2018 – 2021	05.06.18	33% of shares: 05.06.19 33% of shares: 05.06.20 34% of shares: 07.06.21	N/A	N/A	26,380	–	26,380	–	–	
	SO plan	2018 – 2021	05.06.18	07.06.21	Until 06.06.2028	106.00	49,582	–	–	–	–	
Virginia Grando, EVP QA	RSU plan	2021 – 2024	10.06.21	10.06.24	N/A	N/A	–	120,119	–	–	120,119	
	SO plan	2021 – 2024	10.06.21	10.06.24	Until 10.06.2031	3.02	–	169,003	–	169,003	169,003	
	RSU plan	2019 – 2022	15.05.19	25% of shares: 15.05.20 25% of Shares: 17.05.21 50% of shares: 16.05.22	N/A	N/A	71,564	–	23,855	–	47,709	
	SO plan	2019 – 2022	15.05.19	16.06.22	Until 15.05.2029	79.00	70,741	–	–	7,074	7,074	
	RSU plan	2018 – 2021	05.06.18	33% of shares: 05.06.19 33% of shares: 05.06.20 34% of shares: 07.06.21	N/A	N/A	21,683	–	21,683	–	–	
	SO plan	2018 – 2021	05.06.18	07.06.21	Until 06.06.2028	106.00	40,752	–	–	–	–	

NOTE 16 SHAREHOLDINGS BY EXECUTIVE MANAGEMENT

As at December 31, 2021, the executive management held shares at Kongsberg Automotive as follows:

Shares owned by management as at 31.12.21

NAME	POSITION	NO. OF SHARES
Joerg Buchheim	CEO & President	0
Frank Heffter	CFO	345,000
Christian Amsel	CTO	15,000
Bob Riedford	President, Powertrain & Chassis	312,304
David Redfearn	EVP, Fluid Transfer	398,532
Linda Nyquist-Evenrud	SVP, Couplings	320,489
Robert Pigg	SVP, Off Highway	95,503
Jon Munthe	General Counsel	131,518
Dzeki Mackinowski*	EVP, Purchase	1,095,949
Marcus von Pock	EVP, Human Resources & Comm	351,983
Virginia Grando	EVP, QA	150,711
Doug Tushar	SVP, IS&T	0
Total number of shares		3,216,989

* Including shares owned by closely related persons

NOTE 17 RECONCILIATION AGAINST ANNUAL REPORT 2021

A reconciliation of total remuneration for executive management between this Remuneration Report and remuneration and fees recognized in the statement of comprehensive income in Table 28 in our Annual Report is provided in the table below.

Remuneration and fees recognized in the Statement of Comprehensive Income

KEUR	2021	2020 ***
Total remuneration of the Board of Directors	365.0	280.7
Gross base salary to the CEO* from 01.05.2021	450.1	509.9
CEO short-term incentive*	464.3	0.0
CEO long-term incentive costs**	129.4	221.0
Pension costs to the CEO*	55.1	99.9
Other remuneration to the CEO*	97.2	122.4
Management salaries other than to the CEO	2,891.5	3,097.5
Bonus, LTI costs and other remuneration of management other than the CEO	1,573.5	1,340.6
Pension costs of management other than the CEO	310.2	283.5
Total	6,336.4	5,955.3

* Compensation from May to December 2021

** Long-term incentives plans – share-based compensation. The amounts represent the expenses accounted for in 2021 according to IFRS 2.

*** Compensation for previous CEO Henning Jensen from Jan to Sept 2020.

NOTE 18 RECLAIM OF VARIABLE REMUNERATION

Kongsberg Automotive has not implemented any formal regulations relating to the repayment of compensation and benefits. Claims for repayment are subject to applicable law. In 2021, Kongsberg Automotive

did not pursue any actions related to reclaiming or repayments of variable remuneration.

NOTE 19 DEROGATIONS AND DEVIATIONS FROM THE REMUNERATION POLICY AND FROM THE PROCEDURE FOR ITS IMPLEMENTATION

The 2021 remuneration of executives did not deviate from the remuneration guidelines and was therefore in line with the Remuneration Policy.

NOTE 20 INFORMATION ON SHAREHOLDER VOTE

The Guidelines for Salary and Other Remuneration for the senior executives in Kongsberg Automotive were approved by the Annual General Meeting of Kongsberg Automotive ASA on June 10, 2021 in accordance with the Norwegian Public Limited Liability Companies Act § 6–16a and the appurtenant Regulation for Guidelines and Reporting of Remuneration to Personnel in Executive Positions (FOR 2020–12–11 2730). During the meeting, the chairperson of the meeting referred to the proposal by the Board of Directors in the notice. In accordance

with the proposal from the Board of Directors, the Annual General Meeting made the following resolution: The Annual General Meeting approved the Guidelines for Salary and Other Remuneration to Senior Executives.

The resolution was passed with the required majority, cf. Section 5–17 (1) of the Norwegian Public Limited Companies Act. See the table below for the approval of the Agenda Item 9 – Approval of the Guidelines for Salary and Other Remuneration to Senior Executives:

Approval of the Guidelines for Salary and Other Remuneration to Senior Executives during the Annual General Meeting 2021

Ordinary	240,466,388	33,218,026	108,559	273,792,973
Votes cast in %	87.83%	12.13%	0.04%	
Representation of SC in %	87.83%	12.13%	0.04%	100%
Total SC in %	22.80%	3.15%	0.01%	25.96%
Total	240,466,388	33,218,026	108,559	273,792,973

NOTE 21 COMPENSATION RECEIVED FROM OTHER GROUP COMPANIES

In 2021, no member of the executive management received any compensation from other group companies.



**REMUNERATION
AND COMPANY
PERFORMANCE
2017 – 2021**

NOTE 22 EXECUTIVE REMUNERATION, EMPLOYEE REMUNERATION, AND COMPANY PERFORMANCE

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

The STI and LTI shall contribute to further financial performance and long-term strategies and goals for the company. The structure of the total target compensation shall be highly performance- and success-oriented to ensure that shareholder and management interests are aligned. Performance-based short-term and long-term incentives in re-

lation to the annual base salary and total target compensation increase with higher responsibility. The STI provides incentives to the top executives to prioritize defined objectives for each year. The STI is thus a dynamic instrument which allows adjustment each year to the specific needs of the company. The LTI shall provide incentives to the senior management to increase shareholder value in the long term.

A summary of the development of the executive remuneration, of employee remuneration, and of company performance in the five-year period 2017 – 2021 is provided in the table below.

Executive remuneration from 2017 – 2021 (KEUR)

NAME	POSITION	NOTE	2017	2018	2019	2020	2021
Joerg Buchheim	President & CEO	Employment started 01.05.2021.	n/a	n/a	n/a	n/a	1,196.1
% change			n/a	n/a	n/a	n/a	n/a
Norbert Loers	Chief Financial Officer	Employment started 2017 until 31.08.2021. Compensation 2020 and 2021 includes additional compensation for interim role as Co-CEO.	750.6	834.8	593.3	860.7	795.9
% change			n/a	11%	-29%	45%	-8%
Frank Heffter	Chief Financial Officer	Employment started 01.07.2021.	n/a	n/a	n/a	n/a	240.8
% change			n/a	n/a	n/a	n/a	n/a
Christian Amsel	Chief Technology Officer	Employment started 01.08.2021.	n/a	n/a	n/a	n/a	324.5
% change			n/a	n/a	n/a	n/a	n/a
Robert Riedford	President Powertrain & Chassis	Started role 28.11.2017. Role relocated to the USA in 01.01.2021.	288.3	582.8	497.3	693.8	394.8
% change			n/a	102%	-15%	40%	-43%
David Redfearn	Executive Vice President FTS		369.0	282.5	256.4	296.1	334.4
% change			37%	-23%	-9%	15%	13%
Linda Nyquist-Evenrud	Senior Vice President Couplings		220.1	268.3	204.2	227.2	275.8
% change			n/a	22%	-24%	11%	21%
Robert Pigg	Senior Vice President Off Highway	Compensation 2020 and 2021 include additional compensation for interim role as Co-CEO.	275.5	339.8	276.5	546.2	682.2
% change			n/a	23%	-19%	98%	25%
Jon Munthe	General Counsel		334.9	305.0	223.7	221.9	254.3
% change			44%	-9%	-27%	-1%	15%
Dzeki Mackinowski	Executive Vice President Purchasing	Employment started 01.05.2019. Role relocated to Sweden in 01.06.2021.	n/a	n/a	326.6	469.7	434.9
% change			n/a	n/a	n/a	44%	-7%
Marcus von Pock	Executive Vice President Human Resources & Communications	Employment started 01.11.2017.	68.5	472.5	374.9	422.4	456.9
% change			n/a	590%	-21%	13%	8%
Virginia Grando	Executive Vice President Quality & HSE	Employment started 02.11.2017.	67.6	376.2	296.8	342.9	323.6
% change			n/a	457%	-21%	16%	-6%
Doug Tushar	Senior Vice President of Information Systems and Technology	Start date in this position on 17.09.2019.	n/a	n/a	70.7	267.8	257.1
% change			n/a	n/a	n/a	279%	-4%
Henning Jensen	Former President & CEO	Start date in this position on 01.06.2016 until 09.09.2020	1,508.2	1,525.1	1,004.8	953.2	n/a
% change			1.1%	-34.1%	-5.1%	n/a	n/a

+ Disclosure: The differences in the salaries are based mainly on bonus payouts and exchange rates. In 2019 there was no STI bonus payout. In 2020 and 2021 there was a discretionary bonus payout.

NOTE 22 EXECUTIVE REMUNERATION, EMPLOYEE REMUNERATION, AND COMPANY PERFORMANCE (CONTINUED)

Employee remuneration 2017 – 2021

KEUR	2017*	2018	2019	2020	2021
Average employee remuneration excl. executives	18.70	19.17	20.68	20.53	21.17
Average remuneration growth		2.50%	7.89%	-0.77%	3.13%

* Estimation through global consolidated data in 2017.

Company's performance 2017 – 2021

MEUR	2017	2018	2019	2020	2021
Revenue in MEUR	1,056.6	1,123.1	1,160.9	969.3	1,166.8
% change	7.2%	6.3%	3.4%	-16.5%	20.4%
Adjusted EBIT margin in %	4.7%	6.7%	6.1%	1.1%	3.3%
% change	64.2%	41.1%	-8.2%	-81.9%	203.0%
Adjusted EBIT in MEUR	49.8	74.7	70.9	10.7	39.0
% change	76.0%	50.0%	-5.1%	-84.9%	264.7%

DECLARATION TO THE REMUNERATION REPORT 2021

Responsibility Statement

The Board of Directors' statement on the Remuneration Report

The Board of Directors has today considered and adopted the Remuneration Report of Kongsberg Automotive ASA for the financial year 2021. The Remuneration Report is prepared in accordance with section 6 – 16b of the Norwegian Public Limited Liability Companies Act. The Remuneration Report will be presented to the Annual General Meeting 2022 for an advisory vote.

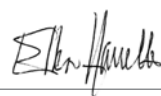
Oslo, April 29th 2022



Firas Abi-Nassif
Chairman



Emese Weissenbacher
Board member



Ellen M. Hanetho
Board member



Gerard Cordonnier
Board member



Peter Schmitt
Board member



Knut Magne Alfsvåg
Employee elected



Siw Reidun Wærås
Employee elected



Bjørn Ivan Ødegård
Employee elected



Joerg Buchheim
President and CEO

To the General Meeting of Kongsberg Automotive ASA

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REPORT ON SALARY AND OTHER REMUNERATION TO DIRECTORS

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Kongsberg Automotive ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2021 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 as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and 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, 29 April 2022

Deloitte AS



Espen Johansen

State Authorised Public Accountant



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