

## GUIDELINES FOR THE AUDITOR'S AND ASSOCIATED PERSONS' NON-AUDITING WORK

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- 1.1 These Guidelines are resolved and approved by the Board of Directors of Kongsberg Automotive Holding ASA ("KAH") 6 June 2005. The Guidelines shall also be resolved by and approved by the Board of Directors of each company within the KA Group.
- 1.2 These Guidelines applies with respect to an Auditor performing audit on a company within the KA Group including but not limited to the group level audit.
- 1.3 The primary task of the Auditor shall be to perform the audit work required by law and professional standards with the care, competence and integrity required by law and such standard. To much non-auditing work being assigned to the Auditor and/or any Associated Person may jeopardise this position and diminish the public confidence in the Auditor's integrity and independence of KAH.
- 1.4 Consequently, before assigning any non-audit work to the Auditor and any Associated Person, the relevant decision-making body in KAH must make a careful assessment that the assignment (a) is clearly in the best interest of KAH and b) is not likely to jeopardise the Auditor's integrity and independence in light of the following factors:
  - (i) Audit work should have the auditor's top priority and performance of non-audit work must not be prioritized at the sacrifice of audit work;
  - (ii) Management must assure that no conflict of interest may potentially arise as a consequence of the auditor performing both auditing and non-auditing work for the Company;
  - (iii) Non-audit work should not be assigned unless there are beneficial reasons to the company in doing so including:
    - The Auditor is asked to provide standard company law confirmations (assessment and payment confirmations etc. in share issues and mergers and de-mergers etc).
    - The Auditor's first hand knowledge of the relevant KAH business field or operations,
    - The Auditor's or Auditor Associate's special know how and expertise on the relevant legal jurisdiction or GAAP applicable. This includes the preparation of tax reporting schedules in countries where it is common market practice that the tax department of the auditing firm undertakes this work. One example of this would be the market practise in the USA.

- 1.5 By “Auditor Associated Person” is meant any person being partner or employed within the same company as the legally appointed Auditor, or any firm formally associated with the auditor (including legal and transaction services firms) and any partner or employee within such firms.
- 1.6 The auditor’s fee for non-auditing work should as a general rule be agreed in advance. If the pre-agreed or potential fee for a single task for non-auditing work exceeds 10 per cent of the total remuneration to the Auditor the previous accounting year, the auditor’s mandate should be decided by the Board of Directors of KAH. The Management must keep the Board of Directors informed of major non-auditing work performed by the Auditor and Auditor Associated Person.
- 1.7 The Management must annually provide the Board of Directors with an account of the auditor’s remuneration divided into statutory auditing work and non-auditing work, with an identification of the relevant non-auditing work.
- 1.8 The total remuneration for non-auditing work for the Auditor and any Auditor Associated Person within in a single year shall not exceed (50) per cent of the total remuneration for audit work.