

GUIDELINES FOR REMUNERATION TO SENIOR MANAGERS

- 1.1 This document is resolved and adopted 6 June 2005 by the Board of Directors of Kongsberg Automotive Holding ASA (“KAH”). It shall however also be resolved and approved by the Board of Directors in each subsidiary company within the KA Group.
- 1.2 No Compensation Committee has been appointed as of the date of these Guidelines. Such committee will be appointed by the Board of Directors in the autumn 2005. Consequently the Board of Directors in each Group company shall decide the remuneration to be paid to the MD of that company. This shall be decided by a convened meeting of the Board of Directors. The board of Directors of KAH and/or the CEO of KA may issue further instructions for the remunerations of the MDs in subsidiary companies, to the respective boards.
- 1.3 In addition to annual salary, the CEO may be granted rights under an incentive scheme to be adopted by the Board of Directors. Other members of management may also be granted rights under the incentive scheme referred to above.
- 1.4 The incentive scheme referred to in section 1.3 above may include option programs or similar incentive schemes linked to the Company’s performance. Such incentive schemes will be approved in advance by the General Meeting of KA subject to proposal from the Board of Directors of KA. Any proposal shall include details of allocation criteria, the actual value of the option schemes, accounting consequences for the Company and the potential share dilution.
- 1.5 Terms for remuneration of the other senior managers in the KA Group shall be decided by the CEO in accordance with guidelines drawn up by the Board of Directors. The CEO may discuss matters related to such remuneration with the Chairman of the Board of Directors to the extent the CEO deems necessary and advisable, and in any case if the proposed remuneration exceeds the guidelines drawn up by the Board of Directors.