

CORPORATE GOVERNANCE – TAKE-OVERS

(adopted at a board meeting held on 30 April 2008)

In the Norwegian Code of Practice for Corporate Governance the following principles have been established:

“The board of directors should establish guiding principles for how it will act in the event of a take-over bid.

During the course of a take-over process, the board of directors and management of both the party making the offer and the target company have an independent responsibility to help ensure that shareholders in the target company are treated equally, and that the target company’s business activities are not disrupted unnecessarily. The board of the target company has a particular responsibility to ensure that shareholders are given sufficient information and time to form a view of the offer.

The board of directors should not seek to hinder or obstruct take-over bids for the company’s activities or shares unless there are particular reasons for this. In the event of a take-over bid for the company’s shares, the company’s board of directors should not exercise mandates or pass any resolutions with the intention of obstructing the take-over bid unless this is approved by the general meeting following announcement of the bid.

If an offer is made for a company’s shares, the company’s board of directors should issue a statement evaluating the offer and making a recommendation as to whether shareholders should or should not accept the offer. If the board finds itself unable to give a recommendation to shareholders on whether or not to accept the offer, it should explain the background for not making such a recommendation. The board’s statement on a bid should make it clear whether the views expressed are unanimous, and if this is not the case it should explain the basis on which specific members of the board have excluded themselves from the board’s statement. The board should consider whether to arrange a valuation from an independent expert. If any member of the board or executive management, or close associates of such individuals, or anyone who has recently held such a position, is either the bidder or has a particular personal interest in the bid, the board should arrange an independent valuation in any case. This shall also apply if the bidder is a major shareholder. Any such valuation should be either appended to the board’s statement, be reproduced in the statement or be referred to in the statement.

Any transaction that is in effect a disposal of the company's activities should be decided by a general meeting, except in cases where such decisions are required by law to be decided by the corporate assembly."

Kongsberg Automotive will follow these recommendations.

The Group has no mechanisms against take-over bids in its by-laws, and has implemented no other measures limiting the possibility to buy shares in the company.

A new paragraph has been included in the rules of procedure for the Board of Directors. The new paragraph describes the guiding principles for how the Board of Directors should act in the event of a take-over bid. The Board of Directors should ensure that the shareholders of Kongsberg Automotive are treated equally, and that the Group's business activities are not unnecessarily disrupted.

In the event of a take-over bid the Board of Directors should issue a well founded evaluation of the bid. The evaluation should pay due consideration to how the acquisition will create long-term value for Kongsberg Automotive.