

Dividend Policy for Kongsberg Automotive ASA

1. Purpose

This dividend policy outlines the principles guiding how Kongsberg Automotive ASA distributes dividends to shareholders. The goal is to ensure predictability, transparency, and alignment with the Company's long-term strategy, financial position, and obligations under Norwegian law.

2. Guiding Principles

- The Company aims to provide shareholders with competitive and sustainable returns over time, consisting of dividends and share price appreciation.
- Dividend and capital allocation decisions shall balance:
 - the company's profitability and cash flow
 - capital requirements for growth and investments
 - the company's risk profile
 - and the need for a solid equity ratio

3. Dividend Level

- The Company's long-term target is to distribute up to 50% % of annual net profit as dividends over a business cycle.
- Actual dividends may deviate from this range based on:
 - market conditions
 - investment opportunities
 - liquidity considerations
 - extraordinary events

4. Frequency of Dividend Payments

- The Company intends to pay dividends annually, following approval by the General Meeting
- The Board may propose additional extraordinary dividends if justified by the Company's financial position and permitted by law

5. Legal and Financial Constraints

Dividend payments shall comply with:

- the Norwegian Public Limited Liability Companies Act
- the Company's Articles of Association
- and any covenants or restrictions in financing agreements. The Board of Directors shall generally maintain at least 30% headroom against any covenant thresholds after dividend payments

Dividends may only be distributed from distributable equity and must not jeopardize the Company's ability to meet its obligations.

6. Board Responsibilities

- The Board of Directors shall annually evaluate the dividend policy
- The Board shall propose dividends to the General Meeting based on the Company's financial results, future prospects, and capital needs
- The Board may recommend withholding dividends in years where reinvestment or financial stability is prioritized

7. Communication

The Company will communicate its dividend policy and dividend decisions clearly through:

- annual reports
- stock exchange announcements
- and investor presentations

The publication of the proposed annual dividend for any given financial year shall be made in the fourth quarter report for that financial year. The dividend policy shall be publicly available on the Company's website.

8. Amendments

This dividend policy may be amended by the Board of Directors. Any material changes will be communicated to shareholders without delay.