GUIDELINES ON SALARY & OTHER REMUNERATION FOR EXECUTIVE PERSONNEL AT KONGSBERG AUTOMOTIVE

PRESENTED FOR APPROVAL BY THE ANNUAL GENERAL MEETING OF KONGSBERG AUTOMOTIVE ASA ON 23 MAY 2025 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).

1. Main Objectives

Kongsberg Automotive ASA with subsidiaries ("the Company" or "KA") shall be able to attract and retain executives with the competence and motivation to realize the short- and long-term objectives of the Company. The main compensation element offered to executive personnel is the annual base salary which represents a decent payment for a decent performance and shall be proportionate to the value created. In addition, KA shall offer a combination of a short-term incentive plan based on financial performance of the Company and long-term incentive plan that reward the development of the value of the Company's share. The objective for these plans is to align executive incentives with the interests of shareholders and other stakeholders.

2. Population Scope for the Guidelines

The Guidelines on salary and other remuneration for executive personnel at KA ("Guidelines") outline the main principles for remuneration for persons defined as "a leading person" in the Company pursuant section 5-31b of the Norwegian Accounting Act. This definition includes the Company's Board of Directors ("the Board"), the President & CEO ("CEO") and the members of the Global Leadership Team ("GLT") at KA.

3. Description of Compensation Elements for the CEO and GLT

3.1. Purpose of Annual Base Salary and Variable Pay

KA offers annual base salary levels which are competitive, but not market leading in the markets where the Company operates. The annual base salary shall reflect the scope of responsibility and complexity, as well as individual experience and performance over time and is benchmarked against the market. The annual base salary is generally reviewed once per year and may be adjusted if the scope of responsibility materially changes.

The incentive plans at KA shall contribute to further financial performance and long-term strategies and goals for the company and ensure that shareholder and management interests are aligned. Performance based short-term and long-term incentives in relation to annual base salary and total target compensation increase with higher responsibility. The Short-Term Incentive ("STI") provides incentives 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 Long-Term Incentive ("LTI") shall provide incentives to increase shareholder value in the long term and therefore connected to the share price development.

3.2. Short-Term Incentive Plan

The CEO and GLT are eligible to participate in the STI, which is a global incentive plan designed to motivate and incentivize eligible employees for their contributions to KA's financial objectives within the term of one calendar year. The KPI(s) as well as performance targets for the STI plan are recommended by the Compensation Committee ("CC") and approved by the Board. The plan is based on an objective, transparent, and measurable leading KPI: Return on Capital Employed ("ROCE"). Specifically, the plan focuses on two components: the annual improvement of Group ROCE from current financial year result to previous financial year result, and on the actual Group ROCE result achieved on that performance year. All eligible participants in the plan have the same Group KPI to reach for, regardless of function or business area. For the STI plan to start paying out, the Earnings Before Taxes ("EBT") must be positive, which is the trigger point for the variable pay. If the trigger point is met, the STI plan provides tiered payout levels which are linked to different performance levels reached for ROCE. The maximum sum of the STI payout is capped at the max STI as a percentage of annual base salary per individual. The STI plan is approved annually by the Board.

3.3. Long-Term Incentive Plan

The CEO and GLT are eligible to participate in the LTI plan, which is a cash-based plan and consists of an LTI cash payout occurring one year after the LTI plan is communicated to participants. The LTI cash payout is directly linked to the STI outcome, which is based on the ROCE level achieved. Given the direct link to STI, the same trigger applies for the LTI cash payout (i.e. EBT must be positive). After LTI cash payout is made, participants are obliged to purchase KA shares and hold them for 2 years (lock-in period). The LTI cash payout is capped at the max LTI as a percentage of base salary. Participants hold actual shares, thereby aligning their interests with those of shareholders. The individual LTI value as a percentage of base salary is based on the role and responsibility. The LTI plan is approved annually by the Board.

3.4. Total Target Compensation

The Total Target Compensation for the CEO and GLT comprises both fixed (annual base salary) and variable (STI and LTI) components. The proportion of variable compensation relative to the base salary may differ among individuals due to variations in their respective compensation structures, as well as the fact that bonus payouts are a function of financial performance as described above.

3.5. Pension Plans

Pension plans shall be in accordance with recognized standards and prevailing practice for comparable manufacturing companies in the countries where the CEO and GLT are based and further, compliant with applicable law.

3.6. Benefits in Kind

Remuneration may include customary benefits in kind such as car allowance or company car, or coverage of telephone and internet costs. Additional benefits in kind deemed appropriate and modest by the Company may also be granted at the Company's discretion, subject to such benefits not being of unusual nature considering practice in comparable companies and markets and the benefits otherwise being in accordance with the principles set out in these Guidelines.

3.7. Extraordinary Compensation

The GLT may be granted additional compensation in extraordinary circumstances on an ad hoc basis. Extraordinary circumstances may include increased responsibilities for a specific period of time. Additional compensation in extraordinary circumstances, such one-off awards for exceptional responsibilities, may be granted. Any such awards must be approved by the Board and will be disclosed in the Remuneration Report of the following year.

4. Term of Employment Agreements

4.1. Term and Termination of Employment

Employment agreements are permanent. Notice periods for employment contracts for GLT shall be 6 months conditional upon applicable law. The CEO position has a 6-month notice period for voluntary resignation and a 12-month notice period for employer termination.

4.2. Agreements on Payments Related to Termination, Severance, and Early Retirement

The Company does not have a global policy related to termination payments, severance payments, early retirement, or termination of employment. The Company follows legal requirements or union requirements (if applicable), in compliance with applicable law and local regulations. Any agreement made is dependent on local regulations and defined on a case-by-case consideration.

5. The Process

5.1. Revision of Guidelines

The Guidelines remain valid for a period of four years. The Compensation Committee may propose revisions of the Guidelines to the Board subject to approval by the following Annual General Meeting.

5.2. Deviations from Guidelines

In exceptional circumstances, the Board may temporarily deviate from these Guidelines and decide on exceptions to safeguard the interests of the Company, should it undergo significant changes, such as mergers or de-mergers, consolidation or split of shares, acquisition, or divestitures or in the event that the company is significantly affected by events that were not reasonably foreseeable when the Guidelines were approved and implemented. The Board may further establish extraordinary incentives in connection with reorganizations, larger acquisitions, divestments, and similar transactions in order to facilitate the strategic objectives of the Company. Such remedies shall be limited in time. Any deviations from the Guidelines shall be described in the Remuneration Report the following year.

5.3. Process for Determining Compensation Package

The compensation package for the CEO position is prepared and proposed by the Compensation Committee and approved by the Board.

The compensation packages for the GLT positions are prepared by Executive Vice President People & Culture and proposed by the CEO to the Compensation Committee for approval.

5.4. STI Plan Adjustments

In the event of major acquisitions, mergers, or a significant divestiture or similar changes to the Company are made, then the STI plan targets and KPI may be adjusted accordingly by the CEO subject to approval by the Compensation Committee and ultimately by the Board.

5.5. LTI Plan Adjustments

In the event of a corporate transaction involving the Parent Company (including without limitation; a share split, issuance of rights, extraordinary dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination or exchange of shares) the Board may modify the terms of outstanding awards in such manner as the Board may determine as reasonable under the circumstances to permit participants to realize some of the benefits intended to be granted to them under the LTI. Such modifications may include, without limitation, (i) accelerating or extending the restriction period of previous plans as well as the expiry date of previous plans, and (ii) modifying the exercise price, number, amount, or kind of securities which may be purchased in accordance with Outstanding Stock Options from previous plans.

5.6. Conflict of Interest

Compensation Committee members and the Board shall abstain from consideration and decision on matters of a potential or perceived conflict of interest.

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6. Repayment

The Company has not implemented any formal regulations relating to repayment of compensation and benefits. Claims for repayment are subject to applicable law.

7. Remuneration of the Board of Directors

7.1. Process

The remuneration of the Board is determined by the Company's Annual General Meeting ("AGM"). The remuneration shall be approved on an annual basis. The remuneration of the members of the Board is proposed by the Company's nomination committee. The members of the nomination committee are elected by the AGM. The work of the nomination committee is governed by the articles of association and by Guidelines that have been approved by the AGM. The proposal of the nomination committee will be included in the notice of the AGM or such other general meeting where the remuneration of the Board will be considered. Remuneration of employee representatives on the Board in their capacity of employees falls outside the scope of by these Guidelines.

7.2. Type of Remuneration

The remuneration of the Board will consist of a fixed annual amount or a fixed amount per meeting. Members of board committees for compensation and for audit will receive additional compensation for their participation. The remuneration will be payable in cash. The Company may reimburse travel expenses and other relevant expenses incurred by the Board in connection with the performance of their duties. The Board does not receive any variable or performance-based remuneration, nor stock options. Furthermore, the Board are not members of the Company's pension plans and do not have any rights to pension from the Company.

7.3. Agreements

The Company does not enter into agreements with the Board in relation to their engagement as Board members. The AGM can remove any member of the Board at its discretion at any time with immediate effect by a simple majority vote. No member of the Board is entitled to any compensation upon termination of their engagement as members of the Board.

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