



THE BOARD'S REPORT ON REMUNERATION GUIDELINES FOR SENIOR MANAGEMENT AT SIMRAD OPTRONICS ASA

1. INTRODUCTION

Pursuant to the requirement under §6-16a, of the Norwegian Public Limited Companies Act, the Board in public limited companies shall produce a report containing guidelines for setting the remuneration of the CEO and other senior management (Senior management). The Remuneration Guidelines were approved by the Board of Simrad Optronics ASA 28 March 2008. The Guidelines will be proposed to Annual General Assembly on 30 April 2008.

The guidelines are recommendations and valid for the accounting year 2008. Deviations from the guidelines shall be approved by the Board, and be included in the minutes of the Board meeting with a justification. Regarding share based remuneration the Board considers the guidelines to be mandatory.

2. DECISION MAKING AUTHORITY

The Board shall approve the remuneration of the CEO. The CEO shall set the remuneration of other senior managers. The Board shall supervise the remuneration of other senior managers, and can stipulate additional clarifications to the Guidelines. If the CEO wishes to offer remuneration to senior managers that exceed the Guidelines, then this has to be approved by the Board.

3. REMUNERATION GUIDELINES FOR SENIOR MANAGEMENT FOR 2007

Remuneration of senior managers in the Company shall be based on the following principles:

Base Salary

The Base salary shall be determined based on the position, responsibility, competence, and seniority. The salary shall be competitive.

Yearly Bonus

There is as of today no bonus system in Simrad Optronics ASA. The Board is considering introducing an equivalent bonus system to the one in force in the subsidiary Vinghøg AS. This bonus system stipulates a maximum bonus payment of 10% of net salaries in the company, if an EBITDA margin of 15% is reached. The bonus payment is distributed evenly among all employees based on number of hours worked.

Fringe benefits

The company shall not offer fringe benefits except for the following:

- Free mobile phone
- Paid memberships in associations related to the position
- Finance of further education

Fringe benefits that pertains all employees are also valid for senior managers.

Share base remuneration

The company does not, as of today, offer remuneration to senior managers in the form of shares, subscription rights or options. Other forms of remuneration based on shares or the development of the share price are not offered either. Senior managers will be offered the same share purchase programs as other employees when and if these are programs are offered.

Pension plans

Senior employees have the same pension plans as other employees. After 1 March 2007 all new senior managers will only be offered the same contribution based pension plan of 4% as all other employees are offered. Senior managers employed before 1 March 2007 will keep their original pension plans except the additional pension covering salaries higher than 12 G.

Resignation period and compensation

Senior managers shall have a maximum of six months resignation period. The CEO has possibility of maximum 12 months salary after termination. Apart from this, in individual cases and depending on the position, up to six months salary after termination of employment can be given.

Other variable elements of remuneration

The Company shall not, in addition to what is mentioned above, offer additional variable remuneration, or additional elements on the base salary

4. REMUNERATION GUIDELINES FOR SENIOR MANAGEMENT FOR 2007

The Company's policy for remuneration of senior managers for the accounting year 2007 has been in line with the main principles mentioned under point 3, and has only deviated from the guidelines by offering the CEO who was employed in 2007 the possibility of 12 months salary after termination.