

**Appendix to the Notice of the Extra ordinary General Meeting of TANDBERG asa
to be held on 18 January at 3 pm.**

Re. Item 5 on the Agenda:

It is the Boards view that it is essential for the continued success of TANDBERG that the key personnel is strongly incentiviced to work hard and successfully. It is our experience that rich incentive deals create rapid and profitable growth in an American subsidiary, even though the incentives are on a scale quite unheard of in Norway. The Board suggest a plan with the following details:

It is proposed to establish a tree year performance based option plan consisting of 750.000 options up to 1.000.000 options. The strike price of the options is to be the share price at closing the day of the announcement of the appointment of Andrew Miller as new CEO and suggested Vice Chairman of the Board, 3 January 2002.

The options will be earned as follows:

- a. 275.000 options will vest on commencement of employment as consideration of the current option plan that is given up.
- b. 158.333 options will vest each year that the Company achieves a minimum profitable annual sales growth of 40%. A maximum of 241.667 will vest each year that the Company achieves profitable sales growth of 50%. The number of options for sales growth between 40% and 50% achieved will be pro-rated.
- c. If short-fall of the minimum performance or not achieve the maximum number of options in a year, then this can be made up the following year if reaching the combined performance targets on a cumulative basis.
- d. All earned options must be exercised within fours years from the date of employment.
- e. Options and strike price will be adjusted for share splits ect.

The Board strongly seeks the Meeting's approval that the authority be delegated to the Board for the issue of up to 1.000.000 new shares each of nominal value NOK 1 in a private placement with Andrew Miller at closing cost on 3 January 2002. The new shares shall rank equal in all respects with the old shares. The pre-emption rights of existing shareholders as provided by § 10-4 of the Public Companies Act are to be waived. It is proposed that this mandate is valid until 31 December 2003. The Board will seek to extend the mandate to year 2005 at a later General Meeting.

It is today 62 639 197 shares outstanding in TANDBERG asa.

Suggested resolution:

“The Board is granted the authority to issue up to 1.000.000 new shares each of nominal value NOK 1 in a private placement with Andrew Miller at closing cost on 3 January 2002. The new shares shall rank equal in all respects with the old shares. The pre-emption rights of existing shareholders as provided by § 10-4 of the Public Companies Act are to be waived. It is proposed that this mandate is valid until 31 December 2003. The Board will seek to extend the mandate to year 2005 at a later General Meeting”.