



ANNUAL MEETING
Monday, October 3rd, 2016
1725 Duke Street, Suite 600, Alexandria, VA 22314

Annual Meeting of Members

Dear Member,

Please find enclosed the documents prepared for the Annual Meeting of
Members, held at
1725 Duke St Suite 600, Alexandria, Va.

Agenda Annual Meeting of Members

1. Review & approve agenda for Annual Meeting of Members 2016
2. Review & approve Minutes from Annual Meeting 2015
3. Review & approve financials for 2015
4. Presentation of Annual report 2015 – 2016
5. Organizational update
6. Appointments and re-election
7. Points for discussion
8. Other business
9. Adjournment

Minutes 2015 Annual Meeting of Members

The 2015 Annual Meeting was held on October 12th at 1725 Duke St Suite 600, Alexandria, VA. The meeting started at 9am and lasted until 10am.

NADIC's President, Vidar Skjelstad, called the meeting to order and welcomed members.

Attendance at the Annual Meeting 2015 in person:

Brett Gardner
Dan Cunningham
Einar Gustafson
Erlend Skjold
Jon Andre Garberg
Martin Grimsgaard
Nina Langli
Pete Sioma
Sayanthan Kamalanathan
Scott Burk
Torbjørn Svensgård
Torgrim Jørgensen
Trygve Gustavsen
Vidar Skjelstad

Attendance at the Annual Meeting 2015 by phone:

Chloé Friberg

1) Review and approve proposed agenda for Annual Meeting of 2015

A motion was made to approve the proposed agenda for the annual meeting.

The motion was approved.

First: Martin Grimsgaard

Second: Torbjørn Svensgård

2) Approval of the Minutes – Annual Meeting 2014

A motion was made to approve the minutes from Annual Meeting 2014.

The motion was approved

First: Scott Burk

Second: Pete Sioma

3) Report of the Treasurer – Financial Report

Ms. Friberg presented the financials, balance sheet as of Sept 30 2015 and Profit/Loss for Oct 2014 – Sept 2015. The board approved the budget for 2016 at the BoD meeting. There is an increase in income, which is mainly due to the Nor-Am conference. NADIC has maintained a stable income from membership dues compared to last year and it is expected to stay on the same level in FY16. NADIC also has income from the NACC-MA, Innovation Norway, the Ministry of Foreign Affairs and the Ministry of Trade, Industries and Fisheries. The activity level and correspondingly expenses has been higher, but this has also given more income. Mr. Skjelstad notes that NADIC has been generous with the NACC-MA with respect to hours demanded.

A motion was made to approve the financial report.

*The motion was carried.
First: Pete Sioma
Second: Torbjørn Svensgård*

4) Annual report

Mr. Skjelstad presented the annual report for 2014-2015 activities, stating and describing the highlight of the past year. In connection with AUSA 2015 there was a reception at the ambassador's residence. However, this was not straightforward. NADIC should not take for granted the support we receive from the ambassador, but this reception is a great example of the value NADIC brings its members. The annual reception gives access to very important people, and NADIC should make sure that we get the reception next year. Mr. Gustafson pointed out that the ambassador picked out the VIPs. The support from the ambassador and the embassy is key to get VIP's like Heidi Shu to attend. Mr. Skjelstad argues that as we did not get a lot from the Congressional side, we can start planning the Nor-Am to get Congressmen to attend. Mr. Skjelstad notes that the Nor-Am 2015 conference was a big success and that NADIC should focus on hosting one big event instead of several smaller ones. The Nor-Am conference should continue to be NADIC's big event. The embassy has been

deeply involved, which is an explanation for the great success. Mr. Gustafson notes that Frank Kendall was supposed to be one of the key speakers on Nor-Am 2015 but due to last minute changes it didn't work out. This should not happen again as it creates tension within the Nor-Mod. Mr. Gustafson and Mr. Skjelstad stresses that we should continue to invite and also do some back channeling to get the high level speakers. As the Minister of Defense Øystein Bø is invited we should push for Kendall for Nor-Am 2016.

Mr. Skjelstad mentions the commemoration NADIC hosted of the Norwegian Liberation Day and that we should make this a tradition. NADIC will continue the collaboration with FSi as it is a good arena for recruiting new members. Discussion followed on the annual ComDef conference and Mr. Gustafson stresses that it is important to have a strong attendance. Mr. Gustafson suggests we build a relationship with the people behind the ComDef conference and that they might support NADIC. An update followed on the working dinner with the Conservative Party. Mr. Svensgård notes that the White Paper is completed and waiting to be approved. The paper is an update of the current strategy but not with any significant changes. FSi has been collaborating closely with the Conservative Party in building the paper. Mr. Skjelstad notes that NADIC will continue to participate in events like the working dinner. Mr. Skjelstad gave an organizational update. NADIC has increased its staff and upgraded the general manager position. NADIC will continue the internship program with American University. NADIC will continue to work closely with the Norwegian Embassy, the office of the Defense Attaché and the NACC-MA. Mr. Skjelstad stresses that we should aim to get the Defense Attaché to attend more events. Discussion followed on the AFA event and that we should push for the Defense Attaché to attend.

The motion to approve the annual report was carried.

First: Scott Burk

Second: Torbjørn Svensgård

5) Appointments and re-election

Mr. Vidar Skjelstad presented the Board of Directors and suggested a motion to:

- Appoint Ola Skrivervik as a new director (replacing previous Nammo Talley Directors Unlimited)
- Re-elect Mr. Skjelstad as President for 2015-2016

The motion was carried.

First: Pete Sioma

Second: Scott Burk

6) Points of Discussion

6 a) Message from the President

NADIC is dependent upon providing value for its members. NADIC works to establish a fair playing field in the US market for its members to compete for defense contracts. This is a great task and the process is incremental. It is important to work closely with influential people across the board and Washington, DC. NADIC is moving forward at a slow pace. Mr. Skjelstad makes a comment on agenda point 6b from last year about establishing a Nor-Am treaty. The working group consists of Scott Burk, Torgrim Jørgensen, Arne Skjærpe, Einar Gustafson... but the group has not been very active thus far. Mr. Skjelstad strongly encourages the group to continue this effort. Ms. Friberg is currently in Norway to get her Visa and uses this as an opportunity to conduct research that NADIC can leverage. The value NADIC brings to its members is access to important people. Even the smallest company will get access to people it normally would not. Going through NADIC is easier than going as an individual company.

6 b) Discuss accounts receivables and which actions to take

NADIC will follow a set procedure to handle accounts receivables. After the initial invoice, the member company will receive a phone call from the staff after 60 days. After 90 days the president will issue a formal letter. If the member company has failed to submit payment after 120 days the membership will be terminated.

6 c) Discuss benefits for the respective membership levels

There is and has to be a differentiation between bronze and gold memberships. Thus far, bronze members have received the same treatment as gold members, and there has not been any differentiation. Ms. Friberg notes that the respective membership levels and their benefits are listed on the NADIC brochure and on the web page, however, NADIC has been kind and given bronze members the same treatment. In conclusion, NADIC should be more strict and not give members more than what they pay for. Mr. Sioma notes that the initial rule was to only invite presidents, CEO's and board members to NADIC VIP dinners, but NADIC has moved away from that rule. Mr. Skjelstad suggests NADIC goes back to the initial rule.

6 d) Discussion on whether NADIC should consider attending other shows and exhibitions

There is a general agreement that NADIC should have stronger attendance on Air Force shows, especially if the event takes place in Washington DC or within close proximity. Mr. Sioma points out that the AFA in National Harbor is a good opportunity for companies as it comes in relation to other shows as well. Mr. Jørgensen mentions SOFIC that takes place in Tampa in May and that the event is especially good for small Norwegian companies with niche products. SOFIC focuses on innovation and is an early buyer. Mr. Jørgensen stresses that it is difficult to get a booth, and that generally one needs a 40x40 to secure the booth. He recommends getting a booth immediately. Discussion followed on whether NADIC should become a member of NDIA (the US equivalent to FSi), and if so, NDIA should be able to become a member of NADIC in return. Mr. Burk notes that KPS is attending SOFIC this year and if necessary they can leverage and assist. This is to be followed up with Chloe, Nina and Chantel. Mr. Sioma comments that it could be advantageous to go through the FSi banner to avoid the issue of whether NADIC should allow (NDIA?) becoming a member. Ms. Friberg and Mr. Svensgård will coordinate this effort.

6 e) Input from members

None.

7) Other business

Mr. Cunningham brought up the question whether it is too soon to suggest potential speakers for the Nor-Am spring conference. Mr. Gustafson replies that it is very much appreciated. Mr. Skjelstad notes that NADIC has to decide on a topic for the conference. Mr. Gustafson gave an update on the Nor-Am treaty working group and the progress so far. The working group has not been very active. The group has conducted a working dinner and a gathering at the Norwegian Embassy. He stresses that opinions on whether we should aim for such a treaty is divided within the Norwegian Ministry of Defence, and that this makes it difficult to conclude on recommendations and the way forward. Mr. Gustafson has met with his counterparts at the embassies of UK and Australia to learn more about their treaties with the US, how it works and how they are different from the MoU's and the Declaration of Independence. The topic of a Nor-Am treaty was also carefully worded at the Nor-Am conference 2015. Mr. Gustafson underlines that it is a good idea to extend our networks in the part of the government that would be involved in this question. Mr. Gustafson notes that Puneet Talwar approached NADIC, which shows that NADIC grows stronger. Discussion followed on whether NADIC can become part of NTIP and whether MoU or a treaty would give the same treatment as NTIP. Mr. Gustafson notes that the industry should speak with a strong voice if there is a wish to obtain a treaty, and in addition we should push to have the MoU revised as it is not updated and does not reflect the current situation and needs. Mr. Gustafson stresses that we need to build awareness within the Ministry of Foreign Affairs to get their support

8. Adjournment

Motion to adjourn
First: Vidar Skjelstad
Second: Pete Sioma

The Annual Meeting of Members 2015 ended at 10am on October 12th 2015.

Nina Langli
Acting Secretary

Financials Annual Meeting of Members

Accounting is done by Abacus Bookkeeping INC
Audit & Tax return is done by Huey & Associates PC

Enclosed:

Balance Statement as of December 31 2015
Profit/Loss statements January-December 2015
Year by year comparison and 2017 Budget

09/09/16

NADIC
Balance Sheet
As of December 31, 2015

	Dec 31, 15
ASSETS	
Current Assets	
Checking/Savings	
Burke & Herbert Bank	31,063.09
Total Checking/Savings	31,063.09
Accounts Receivable	
Pledges Receivable	30,944.09
Total Accounts Receivable	30,944.09
Total Current Assets	62,007.18
Fixed Assets	
Fixed Asset:	
Accumulated Depreciation	-3,854.88
Computers	1,725.68
Event Equipment	3,625.20
Total Fixed Asset	1,496.00
Total Fixed Assets	1,496.00
TOTAL ASSETS	63,503.18
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Payroll Liabilities	
Federal Withholding	345.00
State Withholding	175.00
Total Payroll Liabilities	520.00
Total Other Current Liabilities	520.00
Total Current Liabilities	520.00
Total Liabilities	520.00
Equity	
Retained Earnings	54,003.27
Net Income	8,979.91
Total Equity	62,983.18
TOTAL LIABILITIES & EQUITY	63,503.18

09/09/16

NADIC
Profit & Loss
January through December 2015

	Jan - Dec 15
Ordinary Income/Expense	
Income	
Events	110,743.18
Membership Dues	72,000.00
Other Types of Income	16,250.00
Reimbursed Wire Fees	272.00
Total Income	199,265.18
Gross Profit	199,265.18
Expense	
Business Expenses	25.00
Contract Services	3,757.79
Event Expenses	86,019.28
Facilities and Equipment	8,809.59
Operations	8,298.76
Other Types of Expenses	10,652.69
Payroll Expenses	64,829.00
Penalties	46.94
Travel and Meetings	7,846.22
Total Expense	190,285.27
Net Ordinary Income	8,979.91
Net Income	8,979.91



Norwegian-American Defense & Homeland Security Industry Council

FINANCIAL STATEMENT 2013/2014 / 2015 / 2016 / 2017

Annual Meeting 2016

	Actuals 2013	Actuals 2014	Actuals 2015	Estimate 2016	Budget 2017
INCOME					
Membership Dues	44,800.00	69,500.00	72,000.00	93,000.00	96,000.00
Event Income	5,370.00	11,720.00	110,743.18	174,500.00	175,000.00
Other Income	0	5,000.00	16,522.00	28,000.00	35,500.00
Total Income	<u>50,170.00</u>	<u>86,220.00</u>	<u>199,265.18</u>	<u>295,500.00</u>	<u>306,500.00</u>
EXPENSES					
Registration fee	26.00	25.00	25.00	25.00	25.00
Contract Services	12,565.00	15,978.25	2,757.79	2,000.00	2,000.00
Event Expenses	29,812.93	31,367.62	86,019.28	130,000.00	132,000.00
Facility & Equipment	0	1,208.00	8,809.59	32,000.00	35,000.00
Bad Debt	0	0	6,250.00	0	0
Subscriptions & Dues	0	0	304.7	0	0
Print-Copy & postage	0	115.48	45.17	445.00	500.00
Supplies	1,189.48	1,915.06	403.89	1,850.00	2,000.00
Telecom	9.55	0	126.75	1,500.00	1,500.00
Website	3,118.89	822.20	1,347.95	1,500.00	400.00
Bank & wire fees	207.00	930.7	521.25	201.00	300.00
Credit Card fees	0	0	568.54	1,091.81	1,000.00
Insurance/Health	0	2,662.46	1,402.81	2,355.00	3,800.00
Visa & work auth	0	1,768.07	1,980.39	1,956.73	3,000.00
Legal	2,617.80	0	1,000.00	2,300.00	3,000.00
Expenses, other	6,686.82	1,199.76		200.00	200.00
Memberships	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Payroll	0	16,380.00	64,829.00	36,055.00	37,500.00
FSi Consulting	0	0	0	60,000.00	60,000.00
Penalties	0	0	46.94	10.00	0
Suspense	0	0	0	93.79	0
Education	0	0	0	0	2,000.00
PR & Marketing	0	0	0	100.00	0
Travel & meetings	1,535.19	2,470.13	7,846.22	11,500.00	10,000.00
Total Expense	<u>63,768.66</u>	<u>82,842.73</u>	<u>190,285.27</u>	<u>291,183.33</u>	<u>300,225.00</u>
Net Income	-13,598.66	3,377.27	8,979.91	4,316.67	6,275.00

MEMBERSHIP OVERVIEW

MEMBERSHIPS

	2013	2014	2015	2016 Current
<i>Platinum</i>	4	4	4	4
<i>Gold</i>	3	4	5	7
<i>Silver</i>	1	1	1	1
<i>Bronze</i>	14	14	13	23
Total Members	22	23	23	35

With 35 members as of today, NADIC increased its membership database with over **50%** so far this year!

OUR MEMBERS

Platinum

- 1.Kongsberg Defense Systems
- 2.Kongsberg Protech Systems
- 3.NAMMO Energetics
- 4.NAMMO Inc.

Gold

- 5.Axnes Aviation
- 6.Chemring Nobel
- 7.Kitron Inc.
- 8.Norsk Titanium
- 9.Prox Dynamics
- 10.T&G Elektro
- 11.Umoe Mandal

Silver

- 12.Fsi

Bronze

- 13.ADI
- 14.Bramer Group
- 15.Comrod

- 16.Cornerstone Government Affairs
- 17.DSG Technology
- 18.Dspnor
- 19.Hexagon Ragasco AS
20. JARI
- 21.Kem & Associates
- 22.Kongsberg Maritime
- 23.Kongsberg Satellite Services
- 24.Light Structures
- 25.Nordic Shelter AS
- 26.O'Brien, Gentry & Scott, LLC
- 27.Ontime Networks
- 28.Product Knowledge
- 29.Projection Design /BARCO
- 30.Squarehead
- 31.Teleplan
- 32.TTS Marine
- 33.Vandeventer Black
- 34.Vestdavit
- 35.Vinghøg

ANNUAL REPORT

2015

WORKING DINNER WITH THE CONSERVATIVE PARTY



On the occasion of the Norwegian Conservative Party's trip to Washington, D.C., Kongsberg Defense Systems (KDS) hosted a working dinner to update and brief the delegation on current opportunities and issues. The working dinner featured presentations from Mr. Vidar Skjelstad, President of KDS and NADIC, and Mr. Torbjørn Svensgård, Director of the Norwegian Defence and Security Industries Association. The delegation from the Conservative Party included Mr. Trond

Helleland (House majority leader) and Mr. Tord Bergesen (Int. Secretary/Political Advisor for foreign affairs and defense). The working dinner provided NADIC a unique opportunity to shed light on issues and barriers related to the U.S. defense market, and the initiative was very welcomed by the Conservative Party.

AUSA ANNUAL MEETING & EXPOSITION



NADIC and members jointly exhibited at the AUSA Annual Meeting and Exposition. During the trade show, NADIC members received the opportunity to brief the delegation from the Norwegian Ministry of Defense, lead by Deputy Armaments Director John Laugerud. AUSA is the largest land power exposition and professional development forum in North America, and NADIC exhibited with a 20x30sq ft booth, an increase from earlier year.

VISIT FROM DEPUTY MINISTER OF FOREIGN AFFAIRS MORTEN HØGLUND



In conjunction with the visit of the Deputy Minister of Foreign Affairs Morten Høglund, Kongsberg Defense Systems hosted a business seminar in their Alexandria office. Several NADIC members were present and everyone received the opportunity to brief the delegation about their company as well as their outlook on 2016. NADIC's management team updated the delegation about NADIC, its mission and achievements. The seminar was followed by an informal working dinner. The business seminar was a valuable venue for NADIC and its members to communicate with Official Norway.

2016

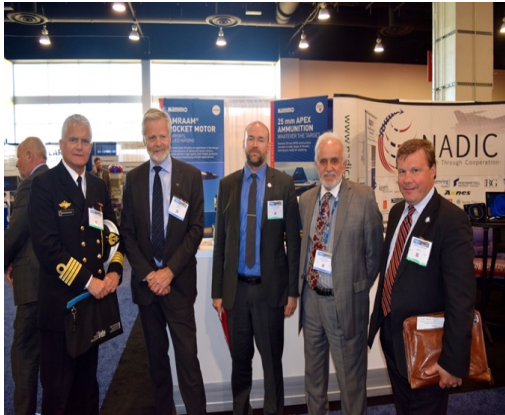
NADIC's 4TH ANNUAL NORWEGIAN-AMERICAN DEFENSE CONFERENCE



The 4th Annual Norwegian-American Defense Conference took place at the National Press Club in D.C., on May 19, 2016. The conference had a record breaking attendance of 160 guests. The conference gathered representatives from the Norwegian and American governments, militaries and industries to discuss “A World in Change – Partner Nations: a Source of

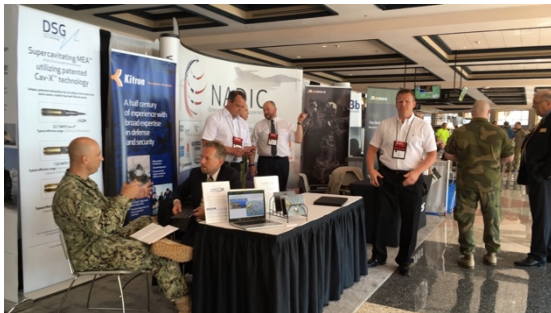
Innovation”. Speakers included Deputy Secretary of Defense Robert Work, Deputy Defense Minister Øystein Bø, Congressman Rick Larsen (D-WA), Lt Gen Arnold Bunch, Military Deputy, Office of the Assistant Secretary of the AF for Acquisition, Dr. John Hamre from CSIS and many more. During the luncheon, DEFSEC Work and Bø held a press conference where DEFSEC Work stressed that the U.S. will look towards more industrial cooperation with Norwegian defense firms in the future. The Annual Norwegian-American Defense Conference was a great success, and will continue to be NADIC's signature event.

NADIC AT NAVY LEAGUE SEA-AIR-SPACE EXPOSITION



NADIC and 7 members exhibited at SAS with a 20x20sq ft booth – our record thus far. During show hours, NADIC members got to brief the delegation from the Norwegian Ministry of Defense, lead my Armaments Director Morten Tiller. NADIC gold members also received the opportunity to host a working lunch with the delegation. During NL SAS, NADIC hosted B2B meetings between Norwegian firms and U.S. lobbyists, consultants and attorneys, a new feature this year.

SPECIAL OPERATIONS INDUSTRY CONFERENCE (SOFIC)



NADIC attended SOFIC in Tampa, FL for the first time. 3 NADIC members exhibited under the NADIC umbrella, and the week was full of exciting events. The Special Operations is an early buyer, which makes this event valuable for smaller Norwegian firms with niche products. NADIC would like to add this annual event to its calendar.

SHOWCASE FOR COMMERCE, JOHNSTOWN



NADIC took part in the 26th Annual showcase for Commerce. A high level list of speakers which also included Senator Robert Casey and Congressman Keith Rothfus. NADIC also spoke at the Press Conference following the Showcase – on the topic of our important collaboration with Johnstown area and how it supports and increases opportunities for Norwegian Defense Industry.

FAR/DFAR SEMINAR, OSLO



NADIC was delighted to attend FSi's Seminar on FAR/DFAR and US acquisition regulations in Oslo with a great presentation from Attorney Stephen Knight.. NADIC also got an opportunity to hold welcome remarks and to give a introduction and update on NADIC, our mission/goals and underline the close collaboration with FSi. Many NADIC members were present in the audience and the seminar topics were very valuable to all attendees.

EUROSATORY, PARIS



NADIC visited the Norwegian Pavilion at Eurosatory in Paris. This was a great inspiration to consider future possibilities for NADIC to host National Pavilions at US trade shows. Networking and meeting with FSi Members gave the opportunity to give an update on NADIC which resulted in new members for our organization. NADIC also attended the Paris ComDef conference, where Nor NAD Tiller and Hon Katrina McFarland joined a panel discussion on National Perspectives: Regional Groupings VS Collective Security.

ORGANIZATIONAL UPDATES

In August 2016, we thanked our associate Nina Langli after her 1-year assignment with NADIC and for the great effort she put into our organization, helping it grow and expand.

In September 2016, NADIC engaged Karoline Ramnæs as the new associate for NADIC. Ms. Ramnæs was previously a student at American University and held a part-time internship at the Royal Norwegian Embassy, working closely with Mr. Einar Gustafson, Counselor for Defense Industry Cooperation and Minister Counselor Mr Leif Trana. Ms. Ramnæs has worked with NADIC during her Embassy internship and contributed to the execution of the 4th annual Norwegian-American Defense Conference. She is currently on a 1-year assignment with NADIC and we look forward to

NADIC has experienced a great year. We set goals to increase our membership base as well as expand our events and professionalize our organization. Since January, NADIC has gone from 23 to 35 members. That constitutes a growth of more than 50%. Furthermore, we have experienced more interest in our events and increased dialogue with our members. The 4th Annual Norwegian-American Defense Conference was a great success with record high attendance and a large profit. The strong lineup of speakers illustrates that NADIC receives increased recognition from the Department of Defense and U.S. Congress. The sponsorship interest from major US defense companies proves as well there is high value and importance in the annual conference and our organization.

BOARD OF DIRECTORS

Board of Directors

Chairman of the board

Mr. Pete Sioma

Directors

Mr. Martin Grimsgaard (T&G Elektro)
Mr. Torgrim Jørgensen (Vingtech)
Mr. Erlend Skjold (Chemring Nobel AS)
Mr. Torbjørn Svensgård (FSi)

Directors Unlimited

Mr. Scott Burk (KPS)
Mr. Ola Skrivervik (NAMMO Inc.)
Mr. Vidar Skjelstad (KDS)
Mr. Pete Sioma (NAMMO Energetics)

Officers

President

Mr. Vidar Skjelstad

Treasurer/Secretary

Ms. Chloe Friberg

OTHER BUSINESS



ADJOURN