

THE NOMINATION COMMITTEE OF KITRON ASA

The nomination committee (the "**Nomination Committee**") consists of Ola Wessel-Aas (chairperson), and Ole Petter Kjerkeit.

RECOMMENDATIONS TO THE ANNUAL GENERAL MEETING OF KITRON ASA, 23 APRIL 2019

1. Introduction

According to Kitron ASA's Articles of Association, the Nomination Committee shall submit to the General Meetings its proposals in respect of the following matters:

- Proposals for remuneration to the members of the Board of Directors
- Proposals for candidates for election to the Board of Directors
- Proposals for candidates for election to the Nomination Committee
- Proposals for remuneration to the members of the Nomination Committee

The Nomination Committee has held approximately 10 meetings in connection with the preparation of this proposal.

The Nomination Committee has been in contact with the company's largest shareholders, the company's board of directors (the "**Board of Directors**" or "**Board**") and the company's executive personnel as part of its work on proposing candidates for election to the Board of Directors.

Through this process, the Nomination Committee has obtained information from various sources to make its recommendation as set out herein.

2. Proposal for remuneration to the Board of Directors and Board committee members

2.1. *Remuneration to the Board of Directors*

At the Annual General Meeting in 2018, a new structure for board remuneration was resolved whereby the members of the Board of Directors may choose to receive remuneration either (i) partly in cash and partly shares of the company or (ii) fully in cash, see further details below.

The optionality to receive shares has been welcomed by the Board and facilitates further ownership of shares in the company by Board members, in line with the recommendations of the Code of Practice for Corporate Governance section 11. The Nomination Committee has not been made aware of any circumstances that implies a need to adjust the structure for remuneration to Board members, which seems to be functioning well.

With respect to the level of Board remuneration, the Nomination Committee finds an increase of approximate 3% as appropriate.

Based on the Nomination Committee's preparatory work, the Nomination Committee proposes to continue the remuneration structure where Board members may invest in the company's shares as set out below. The Board members may choose to receive their full remuneration in accordance with one of the alternatives set out below:

Alt. (i) Cash and shares alternative:

Board members may choose to receive their remuneration partly in cash and partly in shares as set out below. Choosing this alternative will establish a right and an obligation to acquire shares in the company (the "**Share Remuneration**").

In case of the Share Remuneration, the remuneration to the Chairman of the Board shall be NOK 514,000 (up from 498,500) per year, and ordinary Board members shall receive a remuneration of NOK 257,000 (up from 249,000) per year.

Board members shall have an obligation to acquire a number of shares in the company having a market value corresponding to at least 25% of the gross total remuneration paid to such Board member (excluding remuneration as chair/member of Board committees).

The Nomination Committee deems it most appropriate to leave it to the company to decide how the Board member shall acquire the shares based on the following key principles:

- The shares shall be acquired at market price.
- The shares should be acquired by the Board members as soon as practically possible after the General Meeting has been held. The Board members should preferably acquire the shares at the same time.
- The acquisition of shares must be made in accordance with applicable legislation and Kitron's internal routines for handling inside information and rules for primary insiders.
- The shares shall be acquired with a long-term ownership perspective.
- Deputy Board members may not choose to participate in the Share Remuneration.
- Each Board member is responsible for taxes, charges and fees levied upon them as a consequence of acquiring shares in the company as part of the Share Remuneration.

Alt. (ii) Cash alternative:

Board members may choose to receive their full remuneration in cash (the "**Cash Remuneration**").

In case of the Cash Remuneration, the remuneration to the Chairman of the Board shall be NOK 428,000 (up from 416,000) per year, and ordinary Board members shall receive a remuneration of NOK 214,000 (up from 208,000) per year.

2.2. Remuneration to members of committees under the Board of Directors

The Nomination Committee proposes that the remuneration to the members of the Board's audit committee and the Board's remuneration committee for the coming year shall increase with NOK 200 per meeting.

2.3. Summary

Based on the above, the Nomination Committee proposes the following remuneration the Board members for the coming year, from and including May 2020, and to and including April 2021:

Chairman of the Board	NOK	514,000 (cash + shares) per year, or 428,000 (cash) per year
Other Board members	NOK	257,000 (cash + shares) per year, or 214,000 (cash) per year
Chairman of the Audit Committee	NOK	7,400 per meeting*
Other Audit Committee members	NOK	6,400 per meeting*
Remuneration Committee members	NOK	4,300 per meeting*

* Subject to attendance

3. Proposals for candidates for election to the Board of Directors

3.1. Introduction

Pursuant to the Articles of Association, Kitron ASA's Board of Directors shall have from three to six shareholders' elected members as resolved by the General Meeting.

As from 2017, the members to the Board of Directors have been elected for a term of one year. The Nomination Committee proposes to continue the practice of considering the Board composition annually. An annual consideration will allow for a more concrete assessment of the composition of the Board of Directors, taken as a whole, at each annual general meeting, and facilitate that the company has a Board of Directors that reflect the shareholder structure of the company. The Nomination Committee has also considered the need for continuity in the Board of Directors and that such shorter election period may lead to a weakening of this principle. However, it is the Nomination Committee's assessment that continuity considerations may be adequately attended to through its work and recommendations to the General Meeting in dialogue with the company's largest shareholders, the Board of Directors and the company's executive personnel.

The Nomination Committee has reached the following unanimous recommendation:

3.2. Election of Board members

The Nomination Committee has not been informed of any Board members not being available for re-election.

The Nomination Committee proposes that the current Board members are re-elected to the Board of Directors of Kitron ASA for a period of one year, to the Annual General Meeting in 2021.

The Nomination Committee proposes that Tuomo Lähdesmäki is re-elected as the Chairperson of the Board of Directors, until the Annual General Meeting in 2021.

The Nomination Committee also proposes Petra Grandinson (CV attached) as an additional member to the Board of Directors.

Petra Grandinson is currently a Director at Epiroc UK & Ireland and brings a combination of operations and commercial experience to the table, having worked with advanced electrical hand tools, larger capital equipment and technology infrastructure products and solutions. This includes first-hand knowledge as a customer of Electronic Manufacturing Services. She also brings an international experience, having lived in China for five years and currently living in the UK for three years. She has had significant exposure to R&D organisations. She is leading sales teams today in the UK/Ireland market and has had larger operational responsibilities of up to 500 people, directly managing both R&D and manufacturing organisations. Ms Grandinson is independent of any shareholder and has no previous commercial relationship with the company.

In considering the composition of the Board, the Nomination Committee has taken into account the capacity of the Board to carry out its duties, the diversity of background and experience and the ability to function effectively as a collegiate body. The Board composition is set out to fill roles and cover relevant areas of expertise necessary for the overall management of Kitron. During recent years the Board has seen some changes and the Nomination Committee, inter alia on the basis of its assessment of the current Board composition, believes it is important to establish continuity for the company. In addition, the Nomination Committee confirms that the proposal satisfies the criteria for independence as recommended in the Norwegian Corporate Governance Code.

Please refer to the annual report 2019 for a description of the current members of the Board of Directors.

3.3. Composition of the Board of Directors following the Nomination Committee's proposal

Subject to the Annual General Meeting's resolution, the shareholder elected members of the Board of Directors of Kitron ASA until the Annual General Meeting in 2021, shall be:

- Tuomo Lähdesmäki (Chair person)
- Gro Brækken
- Espen Gundersen
- Maalfrid Brath
- Christian Jebsen
- Petra Grandinson

In addition, the following Board members have been elected by and between the employees:

- Jarle Larsen
- Tanja Rørheim,
- Bjørn Martin Gottschlich
- Vidar Hushovd, deputy Board member
- Elisabeth Jacobsen, deputy Board member
- Andrea-Sofie Berli, deputy Board member
- Kristen Totland, deputy Board member
- Torunn Lofstad, deputy Board member
- Vidar Hushovd, deputy Board member

4. Proposals for candidates for election and remuneration to the Nomination Committee

4.1. Introduction

The Nomination Committee consists of two persons. The committee's work has been conducted in line with previous years' practice and it has maintained its ability to have contact with and receive inputs from shareholders, the board of directors and the company's executive personnel. None of the committee members are board members or executive personnel of the company. Based on its self-evaluation and its dialogue inter alia with shareholders of the company, the Nomination Committee found it appropriate that the two-member structure is continued.

Ola Wessel-Aas and Ole Petter Kjerkreit were both elected for a term of one year in 2019 and are up for election. Both have made themselves available for re-election.

4.2. Election of Nomination Committee

As no other candidates have been proposed, the Nomination Committee finds it appropriate to propose that the current members are being re-elected as members of the Nomination Committee for a period of one year to the Annual General Meeting of 2021.

Further information on the current members of the Nomination Committee is included in Kitron ASA's annual report for 2019.

4.3. Composition of the Nomination Committee following the Nomination Committee's proposal

Subject to the General Meeting's resolution, the members of the Nomination Committee of Kitron ASA, until the Annual General Meeting in 2021 shall be:

- Ola Wessel-Aas (chairperson)
- Ole Petter Kjerkreit

4.4. Proposal for remuneration of the members of the Nomination Committee

The Nomination Committee recommends that the chairperson of the Nomination Committee is remunerated with NOK 4,200 per meeting and that the member of the Nomination Committee is remunerated with NOK 3,200 per meeting, subject to attendance. The remuneration is changed from the level of the last two years of NOK 4,000 and NOK 3,000, respectively.

- CV Petra Grandinson -

Career history

Epiroc UK & Ireland, Director, Oct 2017- ongoing

Atlas Copco Nanjing, China Operations Manager / General Manager, Nov 2012-Sept 2017

Atlas Copco Tools Logistics Manager Feb 2006-Nov 2012

Lysholm technologies AB Supply chain management, Nov 2003-Feb 2006

Ericsson AB Project and line manager MSI, Aug 2001-Nov 2003

Ericsson Radio Access AB Strategic purchaser, June 1997-April 1999

Saft Nife AB, Responsible for logistics at Swedish sales, Aug 1995-May 1997

Saft Nife AB, Master planning and production engineering, Feb 1994-Aug 1995

SIDA scholarship project in Tanzania "Evaluation of drought relief transport in South-East Africa" 1993

Master thesis "Effektivare elavtal", Televerket 1992-1993

Education

Master of Science in Vehicle engineering, System technologies, KTH (Royal institute of technology) 1987-1993

3 years Technical high school, Electrical engineering, Åsö gymnasium, 1984-1987

Leadership Courses

FEM, Executive Management Program, SSE Executive education, total 3 weeks, 2015

Explore Program, Atlas Copco, 4 days Nov 2014

IMP, International Management Program. SSE Executive education, management and business program, 3 weeks, 2010

Group Female Mentorship program (GFMP) – management program and project @ Atlas Copco 2009-2010, within the GFMP: project for CTS division "How to get customer satisfaction at the heart of all we do"

High potential – management program & project @ Atlas Copco, 14 days, 2007

LCC, Leadership Core Curriculum @ Ericsson, 18 days, 2002-2003

Language skills

Swedish mother tongue

English fluent

French conversation