

THE NOMINATION COMMITTEE OF KITRON ASA

The nomination committee (the "**Nomination Committee**") consists of Hans-Jørgen Wibstad (Chairman), Ola Wessel-Aas and Daniel Nyhrén.

RECOMMENDATIONS TO THE ANNUAL GENERAL MEETING OF KITRON ASA, 20 APRIL 2018

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 four 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

The Nomination Committee has for previous years proposed that the Board members receive their full remuneration in cash. The Nomination Committee has, as indicated in the last year's recommendation, considered a new structure for board remuneration whereby the members of the Board of Directors will receive remuneration partly in shares of the company. Introducing this new remuneration structure would also facilitate 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.

Based on the Nomination Committee's preparatory work, the Nomination Committee proposes to introduce a remuneration structure where Board members 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:

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 484,000 per year, and ordinary Board members shall receive a remuneration of NOK 242,000 per year. This represents an approximately 20% increase of the remuneration for the previous period.

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 within 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.

Cash alternative:

Board members may choose to receive their full remuneration in cash, as for previous years. The Nomination Committee proposes that remuneration in cash shall remain unchanged from last 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 company's audit committee and the company's remuneration committee for the coming year shall increase 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 2018, and to and including April 2019:

Chairman of the Board	NOK	484,000 (cash + shares) per year 404,000 (cash) per year
Other Board members	NOK	242,000 (cash + shares) per year 202,000 (cash) per year
Chairman of the Audit Committee	NOK	7,000 per meeting*
Other Audit Committee members	NOK	6,000 per meeting*

Remuneration Committee members	NOK	4,000 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 new Board member

Ms. Päivi Marttila and Mr. Stefan Charette have informed the Nomination Committee that they do not want re-election as Board members.

The Nomination Committee unanimously proposes that Maalfrid Brath and Christian Jebsen are being elected as new members of Board of Directors. A brief synopsis of their professional background is set out below:

- Maalfrid Brath (born 1965) has since 2009 been Managing Director of Manpower Group Norway. From 1995 to 2009, she held various executive management positions in Storebrand ASA, including EVP Business Development, EVP Retail, COO of Storebrand Livsforsikring and CEO of Storebrand Fondsforsikring. Prior to 1995, she was Manager at Arthur Andersen. Brath holds an MSc degree from BI in economics and business administration and an MSc degree from NHH in professional accountancy. She is engaged in different boards and is Chairman of the Board of NHO National Federation of Services and Trade.
- Christian Jebsen (born 1967) has had a number of executive management positions including CEO of Kebony AS, CEO of Vmetro ASA, CFO/COO of Opera Software ASA and CEO of Stավdal ASA. Jebsen's professional background also includes seven years within investment banking with Nomura International in London and Enskilda Securities (SEB) in Stockholm and Oslo. Jebsen holds a B.S. degree in economics and B.A. from Copenhagen Business School.

3.3. Re-election of the other Board members and Chairperson of the Board of Directors

The Nomination Committee proposes that the other the current Board members are being re-elected to the Board of Directors of Kitron ASA for a period of one year, to the Annual General Meeting in 2019.

The Nomination Committee proposes that Tuomo Lähdesmäki is re-elected as the Chairperson of the Board of Directors, until the Annual General Meeting in 2019.

See the Annual Report 2017 for a description of the current members of the Board of Directors.

3.4. Composition of the Board of Directors following the Nomination Committees 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 2019, shall be:

- *Tuomo Lähdesmäki (Chairperson)*
- *Gro Brækken*
- *Espen Gundersen*
- *Maalfrid Brath*
- *Christian Jebsen*

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

- *Tanja Rørheim,*
- *Elisabeth Jacobsen*
- *Bjørn Martin Gottschlich*
- *Vidar Hushovd, deputy Board member*
- *Jarle Larsen, deputy Board member*
- *Andrea-Sofie Berli, deputy Board member*
- *Kristen Totland, deputy Board member*
- *Pieter Gerrif Van Der Zalm, deputy Board member*

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

4.1. Introduction

All Nomination Committee members Hans-Jørgen Wibstad, Daniel Nyhrén and Ola Wessel-Aas are elected until the Annual General Meeting 2018. Hans-Jørgen Wibstad and Daniel Nyhrén have informed that they do not wish to be re-elected for the Nomination Committee.

4.2. Election of new member to the nomination committee

The Nomination Committee finds it appropriate to reduce the number of members of the Nomination Committee to two persons.

The Nomination Committee unanimously proposes that Ole Petter Kjerkreit is being elected as a new member of the Nomination Committee. A brief synopsis of his professional background and his relationship to the company and its shareholders is set out below:

- Ole Petter Kjekreit (b.1973) holds the equivalent of a Master's degree (Siviløkonom) from NHH, Norwegian School of Economics. He has in total 17 years of experience as an equity research analyst from brokerage firms First Securities, SEB and ABG Sundal Collier. He held a position as Head of Research Norway/Global Co-Head of Research with the latter, before moving to the investor side and Stenshagen Invest in 2016. He now runs his own company OPeK Invest AS, involved in investments and certain consultancy services. Through his company Kjekreit as of 16 March 2018 owns 620.000 shares in Kitron.

4.3. Re-election of Ola Wessel-Aas

The Nomination Committee has reached the following unanimous recommendation:

The Nomination Committee proposes that Ola Wessel-Aas is being re-elected as member of the Nomination Committee for a period of one year to the Annual General Meeting of 2019. Ola Wessel-Aas will serve as the chairperson of the Nomination Committee.

Further information on the current members of the Nomination Committee is included in Kitron ASA's annual report for 2017.

4.4. 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 2019 shall be:

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

4.5. 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 4,000 per meeting and that the member of the Nomination Committee is remunerated with NOK 3,000 per meeting, subject to attendance. The remuneration is unchanged from last year.
