

THE NOMINATION COMMITTEE OF KITRON ASA

The Nomination Committee consists of Hans-Jørgen Wibstad (Chairman), Erik Törnberg and Ola Wessel-Aas.

RECOMMENDATIONS TO THE ORDINARY GENERAL MEETING OF KITRON ASA, 25 APRIL 2017

1. Introduction

According to the Norwegian Code of Practice for Corporate Governance (the “Code”), with which Kitron ASA has stated that it intends to comply, and 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 and Board committees
- Proposals for candidates for election to the Board of Directors
- Proposals for candidates for election of and remuneration to 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 Board of Directors and the company’s executive personnel as part of its work on proposing candidates for election to the Board of Directors.

Through this process and other sources the Nomination Committee has obtained information 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

For the coming year the Nomination Committee proposes that the remuneration to the Chairman of the Board shall be NOK 404,000 per year, and that ordinary Board members receive a remuneration of NOK 202,000 per year. This represents approximately 2% increase of the remuneration for the previous period.

The Nomination Committee believes that Board members should have incentives that are aligned with the interests of the company's shareholders. Share ownership is an alternative to achieve such aligned interest. The Nomination Committee will therefore aim at introducing share remuneration in its future recommendations to the General Meeting.

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

The Nomination Committee proposes that the remuneration to the members of the Audit Committee and the Remuneration Committee shall increase by NOK 150 per meeting.

2.3. Summary

Based on the above, the Nomination Committee proposes the following remuneration for the coming year, as from and including May 2017 and to and including April 2018:

Chairman of the Board	NOK	404,000 per year
Other Board members	NOK	202,000 per year
Chairman of the Audit Committee	NOK	6,800 per meeting*
Other Audit Committee members	NOK	5,800 per meeting*
Remuneration Committee members	NOK	3,800 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 shall have from 7 to 11 members as resolved by the General Meeting.

The General Meeting has for previous periods elected members to the Board of Directors for a term of two years. The Nomination Committee proposes that the election period for Board members elected going forward is set at one year. Such shorter period will allow for a more concrete assessment of the composition of the Board taken as a whole at each Ordinary 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 election period for the Board members Stefan Charette, Päivi Marttila and Gro Brækken expires at the Ordinary General Meeting 2017.

The Nomination Committee has reached the following unanimous recommendation:

3.2. Election of new Board member

Arne Solberg has served as a member of the Board of Director of Kitron ASA and its predecessor for almost 20 years and has informed the Nomination Committee that he wishes to resign. The Committee accepts Mr. Solberg's wish and will take the opportunity to express its gratitude and acknowledgement for the significant contribution he has made to the management and development of Kitron over such a long period of time.

As a new Board member the Nomination Committee proposes Espen Gundersen, born 1964. Mr Gundersen is deputy CEO and CFO of Tomra ASA since 2009 and has broad, commercial and operational competence from high-tech industries, extensive international experience and comprehensive M&A experience from several industries.

The Nomination Committee proposes that Espen Gundersen is elected to the Board of Directors of Kitron ASA for a period of one year, to the Annual General Meeting in 2018.

3.3. Re-election of board members

The Nomination Committee proposes that the other Board members standing for election is being re-elected to the Board of Directors of Kitron ASA for a period of one year, to the Annual General Meeting in 2018.

Tuomo Lähdesmäki was by the Annual General Meeting 2016 elected as the Chairman of the Board of Directors to the Annual General Meeting in 2018.

See the Annual Report 2016 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 election, the shareholder elected members of the Board of Directors of Kitron ASA will include:

- *Tuomo Lähdesmäki (Chairman)*
- *Päivi Marttila*
- *Gro Brækken*
- *Stefan Charette*
- *Espen Gundersen*

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*
- *Hege Asphjell, 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, Erik Törnberg and Ola Wessel-Aas are elected until the Annual General Meeting 2017.

4.2. Election of members to the Nomination Committee

The Nomination Committee has reached the following unanimous recommendation:

Hans-Jørgen Wibstad, Erik Törnberg and Ola Wessel-Aas stand for re-election. The Nomination Committee proposes that Hans-Jørgen Wibstad and Ola Wessel-Aas are re-elected as Nomination

Committee members for a period of one year, to the Annual General Meeting of 2018, and that Daniel Nyhrén is elected a new member of the Nomination Committee for a period of one year. Daniel Nyhrén has been employed by Creades since 2007. Hans-Jørgen Wibstad will serve as Chairman of the Nomination Committee.

Further information on the current members of the Nomination Committee is included in Kitron ASA's annual report for 2016.

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

Subject to the Annual General Meeting's election, the members of the Nomination Committee of Kitron ASA will include:

- Hans-Jørgen Wibstad (Chairman)
- Daniel Nyhrén
- Ola Wessel-Aas

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

The Nomination Committee recommends that the Chairman of the Nomination Committee is remunerated with NOK 4,000 per meeting and the other members of the Nomination Committee are remunerated with NOK 3,000 per meeting, subject to attendance. The remuneration is unchanged from last year.
