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KIT - Application for exemption from Section 5-13 of the Securities Trading Act in respect of the language requirement for disclosure of notifiable information

We refer to the application from Kitron ASA of 12.12.2013. The application seeks exemption from the requirement set out in Section 5-13 of the Securities Trading Act to use the Norwegian language when publicly disclosing notifiable information. Kitron is currently disclosing all notifiable information in Norwegian and English. The company has applied for permission to use the English language solely when disclosing such information.

An issuer for which Norway is the home state must, in principle, use the Norwegian language when publicly disclosing notifiable information, cf. Securities Trading Act, Section 5-13, first paragraph. Oslo Børs has the authority to grant exemptions from this general principle, cf. Regulation No. 1359 of 6 December 2007 on submission of disclosure of acquisition of large shareholdings announcements, publication of disclosure of acquisition of large shareholdings announcements and publication of notifiable trades, as well as delegation of authority to grant exemptions from the language requirements of the Securities Trading Act (hereinafter the "Regulation"). Section 3 of the Regulation states as follows:

"Section 3 Delegation of authority to grant exemptions from the language requirement

A regulated market on which securities are admitted to trading can grant exemptions from the requirements set out in Section 5-13, first and second paragraphs, of the Securities Trading Act to use the Norwegian language when publicly disclosing notifiable information. When considering whether to grant such an exemption, consideration shall be given to the composition of the issuer's shareholders, how onerous it is seen to be for the issuer to publish information in Norwegian in addition to the other language, the issuer's working language, and whether the issuer was exempted from the language requirement prior to this Regulation coming into force."

The Regulation was prepared by The Financial Supervisory Authority of Norway ("Finanstilsynet"), and in the consultation document for the Regulation issued on 5 November 2007, Finanstilsynet made the following comments on the delegation of authority (Consultation document, item 3):

"The preparatory work on the Securities Trading Act recognized the general principle that issuers for which Norway is the home state should provide information in the Norwegian language. However, the preparatory work did not address which matters should be taken into account when exercising judgement to grant exemptions. Finanstilsynet takes the view that exemptions should be considered on a case-by-case basis, and specifies certain conditions that the regulated market should take into account when considering exemptions. Matters to be taken into account should be the composition of shareholders, how onerous it is seen to be for the issuer to publish information in Norwegian in addition to the other language, the issuer's working language, and the issuer's historic practice (i.e. whether the issuer was exempted from the language requirement prior to the regulation coming into force)."

Oslo Børs has carefully evaluated the supporting information set out in the company's application in relation to the criteria set out in the Regulation mentioned above.

Oslo Børs is of the view that the supporting information provided is sufficient to justify an exemption from the language requirement for Kitron ASA.

In reaching its decision, Oslo Børs has taken into account that about 56 % of the employees in Kitron are based outside of Norway and the common working language of the group is English. The application further states that the company's executive management predominantly consist of non- Norwegian citizens and the working language of the executive management group is also English. Further the application states that the language used in connection with board meetings, including all documentation, is English, as five nationalities are represented on the board, and 6 out of 11 board members are non-Norwegian citizens.

Even though only 2, 2% of the number of shareholders in Kitron are of a foreign nationality, foreign ownership in the company amounts to 52, 2 %. In other words the majority of the shares in Kitron are held by non- Norwegian investors. Also, the largest shareholder of Kitron, representing 32, 96% is Finnish, and the working language with the major shareholder is English.

The company also argues that publishing all disclosures in two languages is a substantial burden, especially for a company with limited support staff and without dedicated employees handling communications and investor relations.

After taking all these matters into account, it is apparent that it would be onerous to require the company to use the Norwegian language for reporting. On the basis on the company's international character with English as its working language, with executive management and the board of directors consisting mainly of non- Norwegian citizens, with the majority of ownership held by non- Norwegian investors and largest shareholder being non- Norwegian it might not be expected that the company maintains its current Norwegian external communication.

Against the background described above, Oslo Børs has reached the following decision:

Pursuant to Section 3, first paragraph, of Regulation No. 1359 of 6 December 2007, Oslo Børs hereby approves the application by Kitron ASA for exemption from the provisions of Section 5-13 of the Securities Trading Act.

This decision is an individual decision in the terms of the Public Administration Act and can be appealed to Finanstilsynet, and any appeal must be made within three weeks from the date on which notification of the decision reaches the party concerned, cf. Sections 28 and 29 of the Public Administration Act, cf. Section 1. Any appeal must be addressed to Finanstilsynet and sent to Oslo Børs.

Yours sincerely
OSLO BØRS ASA



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