

THE NOMINATION COMMITTEE OF KITRON ASA

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

RECOMMENDATIONS TO THE ANNUAL GENERAL MEETING OF KITRON ASA, 27 APRIL 2022

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 20 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 approximately 2.5% for ordinary members as appropriate. The Nomination Committee proposes a higher level for the Chairman of the Board (+14%) as it better reflects the workload, responsibility, and involvement that the role entails. It is also a reflection of the current Chairman's role in the successful growth and expansion of the company over the past 8 years.

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 600,000 (up from 527,000) per year, and ordinary Board members shall receive a remuneration of NOK 270,000 (up from 263,000) 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 450,000 (up from 439,000) per year, and ordinary Board members shall receive a remuneration of NOK 225,000 (up from 219,000) 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 remuneration committee for the coming year shall increase with 2,5% per meeting.

Further, the nomination Committee proposes that the remuneration to the members of the Board's audit committee shall be NOK 90,000 for the chairman and NOK 45,000 for other members. This represents a somewhat higher than normal increase in the remuneration to the board committee members in Kitron and reflects the increased amount of work and responsibility for the members of the audit committee and a wish from the Nomination Committee to align the remuneration with what is regarded marked median remuneration for audit committee members in the Norwegian market. The remuneration is calculated as a lump sum instead of remuneration per meeting as done previously, for practical reasons.

2.3. Summary

Based on the above, the Nomination Committee proposes the following remuneration the Board members for the coming year, from and including April 2022, and to and including April 2023:

Chairman of the Board	NOK	600,000 (cash + shares) per year, or 450,000 (cash) per year
Other Board members	NOK	270,000 (cash + shares) per year, or 225,000 (cash) per year
Chairman of the Audit Committee	NOK	90,000 per year
Other Audit Committee members	NOK	45,000 per year
Remuneration Committee members	NOK	4600 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 been informed that Christian Jebsen does not wish to be available for re-election this year. As a consequence, the Nomination Committee has sought to find a suitable replacement and is proposing Michael Lundgaard Thomsen as a new board member to replace Christian Jebsen. Mr. Thomsen is a Danish citizen with a Master of Science in Manufacturing Management and Systems from Aalborg University in Denmark and more than 25 years of executive, international experience in various functions within a number of different industries, including process instrumentation, electronics, mobile hydraulics and IT. A summary of Mr. Thomsen's CV is included in appendix 1.

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

The Nomination Committee proposes that the current Board members, other than Christian Jebsen, are re-elected to the Board of Directors of Kitron ASA, in addition to the election of Mr. Thomsen, for a period of one year, to the Annual General Meeting in 2023.

The Nomination Committee proposes that Tuomo Lähdesmäki is re-elected as the Chairperson of the Board of Directors, until the Annual General Meeting in 2023.

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 2021 for a description of the current members of the Board of Directors.

3.3. 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 2023, shall be:

- Tuomo Lähdesmäki (Chair person)
- Gro Brækken
- Espen Gundersen
- Maalfrid Brath
- Petra Grandinson
- Michael Lundgaard Thomsen

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

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 2021 and are up for election. Ola Wessel-Aas has chosen not to be available for re-election while Ole Petter Kjerkreit has made himself available for re-election.

4.2. Election of Nomination Committee

As Christian Jebsen has decided to not take re-election as a board member, the committee has approached Mr. Jebsen with respect to being elected as a member of the Nomination Committee. Mr. Jebsen has accepted being a candidate for the Nomination Committee and will bring firsthand insight to the inner workings of the Board to the Nomination Committee. The Nomination Committee therefore proposes that Ole Petter Kjerkreit is re-elected as chairperson and that Christian Jebsen is elected as a new member of the Nomination Committee. Both are proposed elected for a period of one year to the Annual General Meeting of 2023. Ole Petter Kjerkreit represents a few large shareholders of Kitron ASA. Christian Jebsen is also an individual shareholder of the company.

Further information on the candidates is included in Kitron ASA's annual report for 2021.

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 2023 shall be:

- Ole Petter Kjerkreit (chairperson)
- Christian Jebsen

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 65,000 per year and that the member of the Nomination Committee is remunerated with NOK 50,000 per year. The remuneration is broadly equivalent to the amount received by the Nomination Committee in the recent years but is calculated as a lump sum instead of remuneration per meeting as was done previously, for practical reasons.

Appendix 1 – Summary CV for Michael Lundgaard Thomsen

Michael Lundgaard Thomsen

Michael was born in 1964 and is a Danish citizen. He holds a Master of Science in Manufacturing Management and Systems from Aalborg University in Denmark.

Mr. Lundgaard Thomsen is currently Managing Director/CCO at Aalborg Portland A/S and brings more than 25 years of executive, international experience in various functions within a number of different industries, including process instrumentation, electronics, mobile hydraulics and IT.

For the past 17 years, he has held executive management positions as CEO and COO in three different companies and prior to joining Aalborg Portland A/S, he spent seven years as CEO of Siemens Flow Instruments A/S, a role he was promoted into after being Global Operations Manager overlooking production, supply chain management, including customer service, product maintenance and product certification. He has also acted as a Factory Manager/COO at Linak A/S and during his just over ten years in various roles at Danfoss A/S, he spent two years in the US where he held the overall responsibility for supply chain management.

In addition to his operational responsibilities, he holds several board member and chair positions in various companies and institutions. In 2019 he was appointed as chairman for the climate partnership for energy intensive companies by the Danish Government.