

## THE NOMINATION COMMITTEE OF KITRON ASA

The nomination committee (the "**Nomination Committee**") consists of Ole Petter Kjerkreit (chairperson), and Christian Jebsen.

## RECOMMENDATIONS TO THE ANNUAL GENERAL MEETING OF KITRON ASA, 28 APRIL 2023

### 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*

The Company has for several years practiced a structure for board remuneration 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 3.5% for ordinary members and for the Chairman of the Board 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 621,000 (up from 600,000) per year, and ordinary Board members shall receive a remuneration of NOK 280,000 (up from 270,000) 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 466,000 (up from 450,000) per year, and ordinary Board members shall receive a remuneration of NOK 233,000 (up from 225,000) 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 approximately 3.5% per meeting, NOK 4,800 per meeting.

With respect to the level of remuneration for the audit committee, the Nomination Committee finds an increase of approximately 3.5% as appropriate. The Nomination Committee proposes accordingly that the remuneration to the members of the Board's audit committee shall be NOK 94,000 for the chairman and NOK 47,000 for other members.

## 2.3. Summary

Based on the above, the Nomination Committee proposes the following remuneration to the Board members for the coming year, from and including April 2023, and to and including April 2024:

Chairman of the Board	NOK	621,000 (cash + shares) per year, or 466,000 (cash) per year
Other Board members	NOK	280,000 (cash + shares) per year, or 233,000 (cash) per year
Chairman of the Audit Committee	NOK	94,000 per year
Other Audit Committee members	NOK	47,000 per year
Remuneration Committee members	NOK	4,800 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 of Directors shall have from three to six shareholders' elected members as resolved by the General Meeting.

The Nomination Committee proposes to continue the long-lasting 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 2024.

The Nomination Committee proposes that Tuomo Lähdesmäki is re-elected as the Chairperson of the Board of Directors, until the Annual General Meeting in 2024.

After input from some of the Company's shareholders and in accordance with the Norwegian Corporate Governance Code, the Nomination Committee proposes that the Annual General Meeting is given the opportunity to vote on each candidate separately, in addition to voting on the proposed Board of Directors as a whole.

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 2022 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 2024, 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 currently 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 dialogue inter alia with shareholders of the company, the Nomination Committee found it appropriate that a third member is elected to the Nomination Committee.

Ole Petter Kjerkreit and Christian Jebsen were both elected for a term of one year in 2022 and are up for election. Both have made themselves available for re-election to the Nomination Committee for one year to the Annual General Meeting 2024.

#### *4.2. Re-election of Ole Petter Kjerkreit and Christian Jebsen*

The Nomination Committee has reached the following unanimous recommendation:

The Nomination Committee proposes that Ole Petter Kjerkreit is re-elected as chairperson and that Christian Jebsen is re-elected as member of the Nomination Committee. Both are proposed elected for a period of one year to the Annual General Meeting of 2024. 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 2022.

#### *4.3. Election of new member to the Nomination Committee*

The Nomination Committee has approached Atle Hauge with respect to being elected as a new member of the Nomination Committee. Mr Hauge has accepted being a candidate as member to the Nomination Committee.

The Nomination Committee unanimously proposes that Atle Hauge is being elected as a new member of the Nomination Committee for a period of one year to the Annual General Meeting 2024. A brief synopsis of his professional background and his relationship to the company and its shareholders is set out below:

Atle Hauge (b. 1978) holds the equivalent of a Master's degree (Siviløkonom) from NHH, Norwegian School of Economics, partly completed at Cornell University in the US. He has worked in the financial industry for 19 years in various roles. He was a research analyst and later investment banker at Carnegie Investment Bank before joining a family office as investment director in 2013. In 2021 he became Senior Portfolio Manager at ODIN Fund Management and now manages a 10 billion kroner equity fund focused on Norwegian companies. As of 9 March 2023, ODIN Norge is the second largest shareholder in Kitron with about 13,3m shares.

#### *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 2024 shall be:

- Ole Petter Kjerkreit (chairperson)
- Christian Jebsen

- Atle Hauge

#### *4.5. Proposal for remuneration of the members of the Nomination Committee*

With respect to the level of remuneration for the members of the Nomination Committee, the Nomination Committee finds an increase of approximately 3.5% as appropriate. The Nomination Committee recommends accordingly that the chairperson of the Nomination Committee is remunerated with NOK 68,000 per year and that the members of the Nomination Committee is remunerated with NOK 52,000 per year.

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