

REPORT ON REMUNERATION TO SENIOR EXECUTIVES AND BOARD MEMBERS FOR 2022

KITRON ASA

Prepared for the annual general meeting 28 April 2023

1. Introduction

This report on remuneration to senior executives (the "**Report**") is prepared by the board of directors of Kitron ASA ("**Kitron**" or the "**Company**" and together with its subsidiaries the "**Group**"). The Report has been prepared in accordance with the Norwegian Public Limited Liability Companies Act 1997 section 6-16b, the Norwegian Regulation on Guidelines and Report on Remuneration of Leading Employees of 2020 (Nw.: Forskrift om retningslinjer og rapport om godtgjørelse for ledende personer) section 6 and the Norwegian Accounting Act section 7-31b.

The Report comprises remuneration to the Company's CEO, CFO and other members of the management who report directly to the CEO ("**Senior Executives**"), as well as members of the board of directors who are or have been employed by, or held office in, the Company for the financial year 2022. The purpose of the Report is to provide a comprehensive, clear and understandable overview over awarded and due gross salary and remuneration to Senior Executives and board members for the last financial year and how the remuneration is in accordance with the guidelines for remuneration of Senior Executives adopted by the annual general meeting 2021 of the Company (the "**Remuneration Guidelines**") and to what extent the remuneration is linked to the performance of the Company. The Report provides details, both in total and individualised, on the remuneration of the Company's Senior Executives as well as the remuneration received by members of the Company's board of directors in their capacity as board members in the Company.

Remuneration of the members of the board of directors of the Company (except for those board members who are also employed in the Company) is covered in section 6 of this Report.

2. Company highlights in 2022

Overall company performance in 2022

Kitron's revenue for the year reached NOK 6 486.7 million (NOK 3 711.4 million), which represented a 75 per cent increase compared with 2021. The revenue growth reflects underlying growth for all business units including the acquisition of Danish EMS provider BB Electronics AS and easing of supply constraints during the year. EBITDA for the group reached NOK 621.0 million compared to NOK 341.9 million in 2021. Net profit for the year amounted to NOK 287.1 million (NOK 152.8 million), corresponding to NOK 1.45 per share (NOK 0.78). For further details on the Company's performance in 2022, reference is made to the Company's consolidated annual accounts for 2022.

Overview of the application of the remuneration guidelines in 2022

Under the Remuneration Guidelines, remuneration of Senior Executives shall be competitive and based on market terms, relate to responsibility and authority, and may consist of the following components: fixed salary, bonus scheme, share-based long term investment program, pension benefits, and other benefits.

The Remuneration Guidelines, adopted by the annual general meeting 2021, and the Company's report regarding the Company's compliance with the Remuneration Guidelines, which is reviewed and controlled by the auditor, can be found on the Company's website <https://kitron.com/investors>.

The Remuneration Guidelines, adopted by the general meeting 2021, have been fully implemented. No deviations from the Remuneration Guidelines have been decided and no derogations from the procedure for implementation of the Remuneration Guidelines have been made.

No remuneration has been reclaimed by the Company during the reported financial year.

3. Total remuneration of Senior Executives in the Company

Table 1 below sets out total remuneration, split by component, paid and due to each current or previous Senior Executive in the Company for the last financial year.

Table 1a – Total remuneration of Senior Executives in the Company in 2022 and 2021

Name of Senior Executive Position (start/end date)	Reported financial year	1 Fixed remuneration			2 Variable remuneration		4 Pension expense ⁴	5 Total remuneration	6 Proportion of fixed and variable remuneration
		Base salary	Fees	Other benefits ¹	Short-term incentive earned ²	Long-term incentive ³			
Peter Nilsson CEO (01.01.2022-31.12.2022)	2022	3 125	0	295	2 629	6 413	1 503	13 965	35%/65%
	2021	3 030	0	294	0	0	1 502	4 826	100%/0%
Cathrin Nylander CFO (01.01.2022-31.12.2022)	2022	2 220	0	282	1 868	2 746	295	7 411	38%/62%
	2021	2 153	0	282	0	0	294	2 729	100%/0%
Stian Haugen CTO (01.01.2022-31.12.2022)	2022	1 398	0	216	1 190	0	96	2 900	59%/41%
	2021	1 217	0	172	0	0	73	1 461	100%/0%
Kristoffer Asklov COO (01.01.2022-31.12.2022)	2022	2 308	0	113	1 938	845	354	5 558	50%/50%
	2021	764	0	0	0	0	269	1 033	100%/0%
Israel Losada Salvador, COO (01.01.2021-30.09.2021)	2022	-	-	-	-	-	-	-	-
	2021	1 726	0	121	0	0	204	2 051	100%/0%

¹ Other benefits include the value of any benefits or prerequisites, such as non-business or non-assignment related travel, medical, car, education and training, residence or housing, credit cards, and other benefits in kind or prerequisites.

² Short-term incentive earned includes the total monetary value of annual bonuses from the short-term incentive program for the financial year.

³ Long term incentive program includes programs that have vested during the year and shows total benefit of shares and cash consideration.

⁴ Pension expense includes contributions that effectively took place during the reported financial year to finance a fund or other pension scheme for future pension payout for the senior executive.

Table 1b – Remuneration of Senior Executives from undertakings of Kitron

Name of Senior Executive Position (start/end date) (amounts in NOK 1,000)	Reported financial year	1 Fixed remuneration			2 Variable remuneration		4 Pension expense	5 Total remuneration	6 Proportion of fixed and variable remuneration
		Base salary	Fees	Other benefits	Short-term incentive earned	Long-term incentive			
Zygmantas Dirse Managing Director, Kitron Electronics Manufacturing (Ningbo) CO Ltd., China (01.01.2022-31.12.2022)	2022	1 632	0	523	1 434	2 985	90	6 664	34%/66%
	2021	1 738	0	327	0	0	78	2 144	100%/0%
Stefan Hansson Mutas Managing Director, Kitron AB, Sweden (01.01.2022-31.12.2022)	2022	1 616	0	81	1 416	2 757	785	6 655	37%/63%
	2021	1 695	0	107	0	0	782	2 584	100%/0%
Mindaugas Sestokas Managing Director, UAB Kitron, Lithuania & VP Central Eastern Europe (01.01.2022-31.12.2022)	2022	2 092	0	62	1 757	2 985	0	6 897	31%/69%
	2021	2 080	0	27	0	0	0	2 107	100%/0%
Hans Petter Thomassen Managing Director, Kitron AS, Norway & VP North America (01.01.2022-31.12.2022)	2022	1 898	0	203	1 597	2 737	227	6 662	35%/65%
	2021	1 840	0	198	0	0	227	2 265	100%/0%
Carsten Christensen CEO BB Electronics (joined 10.01 2022)	2022	2 904	0	301	2 428	0	0	5 632	57%/43%
	2021	-	-	-	-	-	-	-	-

4. Share based remuneration

The Company has implemented a share option program for its Senior Executives comprising of up to 5,000,000 shares. The share option program was implemented in 2018 and is divided into four three-year subprograms, each with an allocation of 1,250,000 options, where the first program started in 2019, and is followed by one program every year until 2022.

The share option program entails that Senior Executives, on certain terms, may be granted a right to subscribe for shares in Kitron at NOK 0.10 per share after a vesting period of three years. The number of options that are

vested for each subprogram are linked to the development of the market capitalization at Oslo Stock Exchange, adjusted for dividends and share buy-backs. For each program to vest fully, the market capitalization adjusted for dividends and share buy-backs must increase 50 per cent. The program starts to vest at an increase of 20 per cent and will vest linearly between 20 per cent to 50 per cent.

Each subprogram is capped at 200 per cent increase of the market capitalization, adjusted for dividends and share buy-backs.

Any shares delivered as a result of exercising options are subject to a three-year lock-up period. During the first year of the lock-up period, no sales are allowed. The following two years, 1/8 of the option shares are released each quarter of the calendar year. Further, the program has a claw back clause that provides the Company with a right to purchase option shares if the option holder's employment with the Company is terminated and the criteria of the program are not met during the lock-up program.

Table 2 – Share options awarded or due to the Senior Executives for the financial year 2022

Name of Senior Executive Position (start/end date)	Options outstanding at the beginning of the year	Options granted	Options vested	Options granted and unvested	Options exercised	Option shares subject to a lock-up period	Exercise price
Peter Nilsson CEO (01.01.2022-31.12.2022)	1 030 000	225 000	350 000	905 000	350 000	183 920	0.10
Cathrin Nylander CFO (01.01.2022-31.12.2022)	370 000	75 000	150 000	295 000	150 000	79 622	0.10
Kristoffer Asklov COO (01.01.2022-31.12.2022)	250 000	100 000	50 000	300 000	50 000	50 000	0.10
Stian Haugen CTO (01.01.2022-31.12.2022)	220 000	75 000	0	295 000	0	0	0.10
Zygimantas Dirse Managing Director, Kitron Electronics Manufacturing (Ningbo) CO Ltd., China (01.01.2022-31.12.2022)	370 000	75 000	150 000	295 000	150 000	82 500	0.10
Stefan Hansson Mutas Managing Director, Kitron AB, Sweden (01.01.2022-31.12.2022)	370 000	75 000	150 000	295 000	150 000	76 020	0.10
Mindaugas Sestokas Managing Director, UAB Kitron, Lithuania & VP Central Eastern Europe (01.01.2022-31.12.2022)	370 000	75 000	150 000	295 000	150 000	102 000	0.10
Hans Petter Thomassen Managing Director, Kitron AS, Norway & VP North America (01.01.2022-31.12.2022)	370 000	75 000	150 000	295 000	150 000	82 602	0.10

Name of Senior Executive Position (start/end date)	Options outstanding at the beginning of the year	Options granted	Options vested	Options granted and unvested	Options exercised	Option shares subject to a lock-up period	Exercise price
Carsten Christensen, CEO BB Electronics (10.01.2022-31.12.2022)	0	300 000	0	300 000	0	0	0.10

5. Compliance with the remuneration guidelines and application of performance criteria

A prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company can recruit and retain qualified personnel. The Company must therefore offer a competitive total remuneration, and the Company's Remuneration Guidelines enable the Company to offer Senior Executives such competitive total remuneration. Under the Remuneration Guidelines of the Company, remuneration of Senior Executives shall be competitive and based on market terms, relate to responsibility and authority, and may consist of the following components: fixed salary, bonus scheme, share-based long term investment program, pension benefits, and other benefits.

The performance measures for the Senior Executive's variable remuneration for 2022 have been selected to promote the Company's strategy and to encourage behaviour which is in the long-term interest of the Company. In the selection of performance measures, the strategic objectives and short-term and long-term business priorities for 2022 have been taken into account. In accordance with the Remuneration Guidelines, the variable remuneration for 2022 has been determined by the achievement of predetermined and measurable criteria at both individual and company level. The Senior Executives of the Company have, both individually and as a group, been given the opportunity to influence the attainment of the criteria and the goals which have formed the basis for the assessment of the variable remuneration in 2022. Kitron's long term strategy has communicated targets for growth, EBIT and ROOC⁵. These long-term targets are broken down into annual budgets, and the annual short-term incentive is derived from the budget for those targets.

In accordance with the Remuneration Guidelines, the Senior Executives had an annual variable pay scheme during 2022 with a maximum potential of 85 percent of the base salary. For 2022 the board approved stepped targets representing 0-100% of bonus achievement for EBIT, ROOC and Growth separately. The bonus payments were then calculated based on the actual performance on these targets. For 2022, the bonus achievement on the targets were 100 %.

6. Remuneration to the board of directors

This section describes the remuneration received by the Company's board members in their capacity as board members of the Company, i.e. it does not include remuneration employee elected board members have received in their capacity as employees.

⁵ Return on Operating Capital

The proposal for remuneration of the board of directors is, pursuant to the Company's articles of association, prepared by the Company's nomination committee. The remuneration for the Company's board members is then resolved by the Company's general meeting.

The Company has in 2022 had a structure for board remuneration where the members of the board of directors have had the opportunity to choose to receive remuneration either (i) partly in cash and partly with shares of the company or (ii) fully in cash.

Under the "cash and shares alternative", the board members were obligated 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 acquisition of shares under the "cash and shares alternative" was based on the following key principles:

- The shares shall be acquired at market price.
- The shares shall be acquired by the board members as soon as practically possible after, and preferably at the same time as, the annual general meeting resolving the board remuneration.
- The acquisition of shares shall 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 will not have the opportunity to choose to participate in the share remuneration.
- Each board member shall be responsible for taxes, charges and fees levied upon them as a consequence of acquiring shares in the Company as part of the share remuneration.

If the board member chose to receive their full remuneration in cash, the total remuneration was somewhat lower than if the board member had chosen the "cash and shares alternative".

The board members in the Company are not included in any other share-based remuneration programs. Employee elected board members may be eligible to participate in such programs in their capacity as employees, cf. section 4 above.

Below is a specification of remuneration to the board of directors (amounts in NOK 1,000)

Name of board member	Position	Type of remuneration	2022	2021
Tuomo Juhani Lähdesmäki (01.01.2022-31.12.2022)	Chair	Total regular board remuneration	582	524
		Amount of board remuneration paid in cash	342	313
		Amount of board remuneration used for share acquisition	240	211
		Remuneration for chair of the remuneration committee	23	26
Gro Merete Brækken (01.01.2022-31.12.2022)	Deputy chairperson	Total regular board remuneration	268	262
		Amount of board remuneration paid in cash	201	196
		Amount of board remuneration used for share acquisition	67	66
		Remuneration for member of the audit/remuneration committee	47	26
Espen Gundersen (01.01.2022-31.12.2022)	Board member	Total regular board remuneration	268	262
		Amount of board remuneration paid in cash	201	196
		Amount of board remuneration used for share acquisition	67	66
		Remuneration for chair of the audit committee	90	37
Maalfrid Brath (01.01.2022-31.12.2022)	Board member	Total regular board remuneration	268	262
		Amount of board remuneration paid in cash	201	196
		Amount of board remuneration used for share acquisition	67	66
		Remuneration for member of the remuneration committee	23	26
Christian Jepsen (01.01.2022-27.04.2022)	Board member	Total regular board remuneration	66	262
		Amount of board remuneration paid in cash	66	196
		Amount of board remuneration used for share acquisition	-	66
		Remuneration for member of the audit committee	20	32
Bjørn Martin Gottschlich (01.01.2022-31.12.2022)	Board member	Total regular board remuneration	268	262
		Amount of board remuneration paid in cash	201	196
		Amount of board remuneration used for share acquisition	67	66
Tanja Rørheim (01.01.2022-31.12.2022)	Board member	Total regular board remuneration	268	262
		Amount of board remuneration paid in cash	201	196
		Amount of board remuneration used for share acquisition	67	66
		Remuneration for member of the audit committee	54	32
Jarle Larsen (01.01.2022-31.12.2022)	Board member	Total regular board remuneration	268	262
		Amount of board remuneration paid in cash	201	196
		Amount of board remuneration used for share acquisition	67	66

Name of board member	Position	Type of remuneration	2022	2021
Petra Grandinson (01.01.2022-31.12.2022)	Board member	Total regular board remuneration	268	262
		Amount of board remuneration paid in cash	160	157
		Amount of board remuneration used for share acquisition	108	105
		Remuneration for member of the remuneration committee	23	35
Michael L. Thomsen (27.04.2022-31.12.2022)	Board member	Total regular board remuneration	203	-
		Amount of board remuneration paid in cash	95	-
		Amount of board remuneration used for share acquisition	108	-
		Remuneration for member of the remuneration committee	9	-

7. Comparative information on the change of remuneration and company performance

Table 4a: Comparative table on the change of remuneration and company performance over the last five reported financial years (RFY) (benefit from options excluded for the years 2019 and 2022)

Annual change ⁶ (amounts in NOK 1,000)	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	(information regarding 2022)
	-4%	5%	30%	-35%	94%	40 876
	-959	1 095	7 407	-11 300	19 754	
Directors remuneration						
Peter Nilsson, CEO (01.01.2017-31.12.2022)	-2.3%	4.1%	23.8%	-29.1%	56.5%	7 552
	-122	215	1 310	-1 978	2726	
Cathrin Nylander, CFO (01.01.2017-31.12.2022)	-8.1%	21.1%	17.2%	-35.6%	70.9%	4 665
	-263	630	622	-1 506	1 936	
Kristoffer Asklöv, COO (01.09.2021-31.12.2022)	-	-	-	-	356.2%	4 713
	-	-	-	-	3 680	
Stian Haugen, CTO (01.01.2020-31.12.2022)	-	-	-	-33.3%	98.5%	2 900
	-	-	-	-730	1 439	
Zygimantas Dirse, Managing Director, Kitron Electronics Manufacturing (Ningbo) CO Ltd., China (01.01.2017-31.12.2022)	10.6%	3.5%	35.5%	-38.0%	71.6%	3 679
	237	89	906	-1 314	1 535	
Stefan Hansson Mutas, Managing Director, Kitron AB, Sweden (01.03.2017-31.12.2022)	18.2%	4.2%	42.9%	-29.8%	50.9%	3 898
	381	104	1 105	-1 095	1 314	
Mindaugas Sestokas, Managing Director, UAB Kitron, Lithuania & VP Central Eastern Europe (01.01.2017-31.12.2022)	-24.1%	43.5%	47.1%	-42.8%	85.7%	3 912
	-554	759	1 179	-1 576	1 805	
Hans Petter Thomassen, Managing Director, Kitron AS, Norway & VP North America (01.01.2017-31.12.2022)	-7.0%	11.3%	35.9%	-36.8%	73.3%	3 925
	-179	268	946	-1 318	1 660	
Carsten Christensen, CEO, BB Electronics (10.01.2022-31.12.2022)	-	-	-	-	-	5 632
	-	-	-	-	-	
Israel L Salvador, COO (01.01.2017-30.09.2021)	-3.9%	5.7%	27.4%	-50.8%	-	-
	-125	177	896	-2 114	-	
Anne Lise Hjelseth, CHROO (01.07.2017-30.04.2020)	61.9%	9.4%	-66.1%	-	-	-
	823	202	-1 556	-	-	
Tommy Storstein, Sales Director (01.01.2017-31.05.2018)	-28.5%	-	-	-	-	-
	-535	-	-	-	-	
Company's performance						
Revenue	7.5%	26.0%	20.1%	-6.4%	74.8%	6 486 734
Operating profit	5.0%	29.1%	55.1%	-23.0%	90.8%	459 589 7.1%
Market cap	24.5%	28.5%	64.7%	43.3%	19.3%	5 545 234
Average remuneration on a full-time equivalent basis of employees						
Employees of the company (all employees of the group excluding senior executives)	0.6%	11.9%	6.8%	3.0%	0.3%	342
	2	33	21	10	1	

⁶ The columns 2022 vs 2021, 2021 vs 2020 etc. represent the change in the senior executive's remuneration between the preceding financial years. The annual change is presented in a percentage showing this difference, and in absolute numbers reflecting the total amount of the remuneration of the senior executive corresponding the two financial years which are compared as included in the table(s) 1 of the report. The information regarding the total remuneration for the relevant financial year is presented in the last column.

Table 4b: Comparative table on the change of remuneration and company performance over the last five reported financial years (RFY) (benefit from options included for the years 2019 and 2022)

Annual change (amounts in NOK 1,000)	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	(information regarding 2022)
	-4%	5%	30%	-35%	195%	62 344
	-959	1 095	7 407	-11 300	41 222	
Directors remuneration						
Peter Nilsson, CEO (01.01.2017-31.12.2022)	-2.3%	261.6%	-64.4%	-29.1%	189.4%	13 965
	-122	13 812	-12 287	-1 978	9 139	
Cathrin Nylander, CFO (01.01.2017-31.12.2022)	-8.1%	172.3%	-47.9%	-35.6%	171.6%	7 411
	-263	5 141	-3 889	-1 506	4 682	
Kristoffer Asklöv, COO (01.09.2021-31.12.2022)	-	-	-	-	438.0%	5 558
	-	-	-	-	4 525	
Stian Haugen, CTO (01.01.2020-31.12.2022)	-	-	-	-33.3%	98.5%	2 900
	-	-	-	-730	-1 439	
Zygmantas Dirse, Managing Director, Kitron Electronics Manufacturing (Ningbo) CO Ltd., China (01.01.2017-31.12.2022)	10.6%	131.6%	-39.6%	-38.0%	210.8%	6 664
	237	3 251	-2 263	-1 314	4 520	
Stefan Hansson Mutas, Managing Director, Kitron AB, Sweden (01.03.2017-31.12.2022)	18.2%	167.6%	-44.3%	-29.8%	157.5%	6 655
	381	4 140	-2 931	--1 095	4 071	
Mindaugas Sestokas, Managing Director, UAB Kitron, Lithuania & VP Central Eastern Europe (01.01.2017-31.12.2022)	--24.1%	287.1%	-45.5%	-42.8%	227.3%	6 897
	-554	5 010	-3 072	-1 576	4 790	
Hans Petter Thomassen, Managing Director, Kitron AS, Norway & VP North America (01.01.2017-31.12.2022)	-7.0%	179.1%	-45.8%	--36.8%	194.1%	6 662
	-179	4 243	-3 029	-1 318	4 397	
Carsten Christensen, CEO, BB Electronics A/S (10.01.2022-31.12.2022)						5 632
Israel L Salvador, COO (01.01.2017-30.09.2021)	-3.9%	199.9%	-55.1%	-50.8%	-	-
	-125	6 176	-5 103	-2 114	-	-
Anne Lise Hjelseth CHROO (01.07.2017-30.04.2020)	61.9	86.7%	-80.1%	-	-	-
	823	1 867	-3 221	-	-	-
Tommy Storstein, Sales Director (01.01.2017-31.05.2018)	-28.5%	-	-	-	-	-
	-535	-	-	-	-	-
Company's performance						
Revenue	7.5%	26.0%	20.1%	-6.4%	74.8%	6 486 734
Operating profit	5.0%	29.1%	55.1%	-23.0%	90.8%	459 589 7.1%
Market cap	24.5%	28.5%	64.7%	43.3%	19.3%	5 545 234
Average remuneration on a full-time equivalent basis of employees						
Employees of the company (all employees of the group excluding senior executives)	0.6%	11.9%	6.8%	3.0%	0.3%	342
	2	33	21	10	1	

THE BOARD OF DIRECTOR'S STATEMENT ON

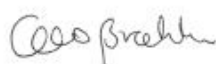
REPORT ON REMUNERATION TO SENIOR EXECUTIVES AND BOARD MEMBERS FOR 2022

The Board of Directors has today considered and adopted the Remuneration Report of Kitron ASA for the financial year 2022. The Remuneration Report is prepared in accordance with section 6-16b of the Norwegian Public Limited Liabilities Companies Act. The Remuneration Report will be presented to the Annual General Meeting 28 April 2023.

Oslo, 22 March 2023



Tuomo Lähdesmäki
Chairman




Gro Brækken
Deputy Chairman



Michael Lundgaard Thomsen
Board Member



Espen Gundersen
Board Member



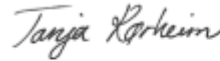
Petra Grandinson
Board Member



Maalfrid Brath
Board Member



Bjørn Gottschlich
Employee Elected Board
Member



Tanja Rørheim
Employee Elected Board
Member



Jarle Larsen
Employee Elected Board
Member