

# Instructions for the nomination committee and principles for the appointment of the members of the nomination committee

## 1. Introduction

This document has been produced by Brock Milton Capital AB, 556683–5608, to be submitted to the Annual General Meeting for approval. The general meeting is responsible for reviewing and approving these instructions at least once a year. The nomination committee is authorized to carry out necessary updates to the instructions for submission to the general meeting for adoption.

## 2. Appointment of members of the nomination committee

The Company shall have a nomination committee comprising four members, one of whom shall be the chair of the board. The three largest shareholders in terms of voting rights (both directly registered and nominee registered) are entitled to appoint one member each to the nomination committee. The three largest shareholders are based on the ownership statistics the Company receives from Euroclear Sweden AB two months before information regarding the finally appointed nomination committee is to be published.

The chair of the board shall, in conjunction with the appointment of a new nomination committee, contact the three largest shareholders and invite them to name in writing, within 30 days, the person the shareholder wishes to appoint as a member of the nomination committee. If the consulted shareholder does not wish to exercise their right to appoint a member, the next largest shareholder by voting rights shall instead be asked, and so on, until the nomination committee comprises three members. More than three additional shareholders, beyond the three largest shareholders, do not need to be contacted, however, unless the chair of the board considers there to be a particular reason for doing so.

Information regarding the designated nomination committee shall include the names of the appointed members, along with the name of the nominating shareholder, and shall be published at least six months before the planned Annual General Meeting.

The nomination committee's mandate period extends until a new nomination committee is appointed. The chair of the nomination committee shall, unless the members of the nomination committee agree otherwise, be the member appointed by the largest shareholder in terms of voting rights.

If one or more of the shareholders that appoint members of the nomination committee are no longer one of the three largest shareholders, the member appointed by this or these shareholders shall make their seat on the committee available and the shareholder or shareholders that are then among the three largest shareholders in terms of voting rights shall be entitled to appoint a member.

Unless there are specific reasons, however, no changes shall be made to the composition of the nomination committee if only marginal changes in the number of votes have occurred or if the change occurs later than two months before the Annual General Meeting.

The shareholders that appoint members of the nomination committee have the right to dismiss this member and appoint a new member to the nomination committee, as well as to appoint a new member if the member appointed by the shareholder decides to leave the nomination committee. Changes in the composition of the nomination committee shall be published as soon as they occur.

## 3. Requirements for the members of the nomination committee

The following requirements apply to the members of the nomination committee:

- A majority of the members of the nomination committee shall be independent in relation to the Company and its management.
- At least one member of the nomination committee shall be independent in relation to the largest shareholder in the Company in terms of voting rights or to the group of shareholders that co-operate in the management of the Company.
- Neither the CEO nor any other member of the management shall be a member of the nomination committee.
- The board members in the Company can be included in the nomination committee, but they shall not constitute a majority of the members of the nomination committee. If more than one board member is included in the nomination committee, not more than one of them can be dependent in relation to the major shareholders of the Company.
- Neither the chair of the board nor any other board member may be chair of the nomination committee.

#### **4. Responsibilities of the nomination committee**

The nomination committee shall make proposals for:

- a) Chair of the Annual General Meeting,
- b) The number of board members and the number of auditors,
- c) Fees and other remuneration for the board members and members of the various committees and the remuneration of the auditors,
- d) Election of the chair of the board and other board members\*, along with the election of the auditors; and
- e) Changes to the instructions for the nomination committee.

\* The nomination committee shall, at the general meeting at which the election of directors and auditors is to take place, present and justify their proposals, taking into account the provisions on the composition of the board of directors set out in point 4.1 of the Code. Particular attention shall be paid to the need for the diversity and breadth of the board of directors and the endeavor to achieve gender balance.

If the Company establishes an audit committee, the nomination committee's proposal for the appointment of the auditor shall include the audit committee's recommendation. If the proposal differs from the audit committee's recommendation, the nomination committee shall justify the reasons for not following the committee's recommendation.

The nomination committee shall inform the Company of its proposal at least six weeks before the Annual General Meeting. In conjunction with the nomination committee informing the Company of its proposal, the committee shall, according to point 2.6 of the Code, provide on the Company's website a reasoned opinion regarding its proposal for the board of directors, taking into account the provisions for the composition of the board of directors set out in point 4.1 of the Code.

#### **5. Meetings of the nomination committee**

The nomination committee meets when necessary. The chair of the nomination committee will convene such meetings, which shall be held as soon as possible thereafter. The chair of the Company's board will convene the first meeting.

The nomination committee has a quorum if more than half of the members attend a meeting.

The nomination committee's decisions are made by a simple majority. In the event of an equal number of votes, the chair of the nomination committee has the casting vote.

Minutes shall be kept of the meetings of the nomination committee. The minutes shall record the decisions taken by the nomination committee. The minutes shall be signed by the person who took the minutes.

## **6. Fees and expenses**

The members of the nomination committee shall not receive any remuneration from the Company. Any expenses incurred in connection with performance of the work of the nomination committee shall be borne by the Company, subject to the approval of the chair of the board of directors.

## **7. Confidentiality**

The members of the nomination committee must not provide unauthorized information to third parties regarding the Company's affairs or the work of the nomination committee of which the member becomes aware in the course of their duties.