

## Proposals and statement from the Nomination Committee of Lifco AB ahead of the 2022 Annual General Meeting (AGM)

### 1. Background

The 2021 AGM established principles for the establishment of a Nomination Committee, whereby the Nomination Committee shall consist of representatives of the five largest shareholders in terms of votes based on a list of owner-registered shareholders from Euroclear Sweden AB or other reliable shareholder information as per 31 August 2021 plus the Chairman of the Board. Prior to the 2022 AGM, the Nomination Committee was announced on 22 October 2021 and consists of Carl Bennet (*Carl Bennet AB*), Chairman, Per Colleen (*the Fourth National Swedish Pension Fund/Fjärde AP-fonden*), Hans Hedström (*Carnegie Funds*), Frank Larsson (*SHB Fonder & Liv*) and Javiera Ragnartz (*SEB Fonder & Liv*). All shareholders have had an opportunity to contact the Nomination Committee and submit nomination proposals.

Following this time, no change has occurred in the Nomination Committee's composition. The members have established that there are no conflicts of interest that could impact their assignment. At the first meeting of the Nomination Committee, Carl Bennet was appointed Chairman of the Nomination Committee.

The Nomination Committee shall present proposals regarding the election of the Chairman of the AGM, election of the Chairman and other members of the Board, election of auditors and fees to be paid to the Board members and the auditors.

### 2. Nomination Committee's proposals

The Nomination Committee submits the following proposals for resolution by the 2022 AGM:

**Chairman of the AGM:** The Chairman of the Board, Carl Bennet, shall be elected Chairman of the AGM.

**Board of Directors:** The number of Board members is to be ten, with no deputies. The following Board members are to be re-elected: Carl Bennet, Ulrika Dellby, Dan Frohm, Erik Gabrielson, Ulf Grunander, Annika Espander, Johan Stern, Caroline af Ugglas, Axel Wachtmeister and Per Waldemarson. Carl Bennet is to be re-elected Chairman of the Board.

Information on all of the members proposed for re-election is available on the company's website [lifco.se](http://lifco.se).

**Fees for the Board of Directors and Board committees:** Fees for the Board of Directors, excluding fees for Board Committees, shall be paid in a total amount of SEK 6,760,000, of which SEK 1,352,000 for the Chairman and SEK 676,000 to each of the other Board members elected by the General Meeting who are not employees of the Group. Fees for work in the Audit Committee shall be paid in an amount of SEK 268,000 for the Committee Chairman and SEK 134,000 for each of the other members. Fees for work in the Remuneration Committee shall be paid in an amount of SEK 144,000 for the Committee Chairman and SEK 89,000 for each of the other members.

**Auditor:** The company shall have one auditor, with no deputies. The AGM shall re-elect the registered public accounting firm PricewaterhouseCoopers AB as auditor for the period up until the end of the 2023 AGM. Authorised Public Accountant Cecilia Andrén Dorselius is intended to be

Auditor-in-Charge. Remuneration of the auditor will be paid in accordance with approved account. The proposal concerning auditor complies with the Audit Committee's recommendation.

**Instructions for the Nomination Committee:** Principles for the appointment of and instructions for the Nomination Committee are adopted as follows:

**Principles for the Nomination Committee's appointment and instructions for the Nomination Committee**

The Nomination Committee ahead of the AGM shall consist of representatives of the five largest shareholders in terms of votes based on a list of owner-registered shareholders from Euroclear Sweden AB or other reliable shareholder information as per 31 August 2022 plus the Chairman of the Board. In addition, a representative of the minority shareholders who is independent of the company and its major shareholders shall be included as a member of the Nomination Committee, if the Chairman of the Board in consultation with a representative of the largest shareholder in terms of voting rights finds it appropriate. The Chairman of the Board shall convene the first meeting of the Nomination Committee.

The member who represents the largest shareholder in terms of voting rights shall be appointed Chairman of the Nomination Committee. As the Code stipulates that the Chairman of the Board or another Board member shall not be the Chairman of the Nomination Committee, Lifco AB deviates from the Code's recommendations as the Chairman of the Board represents the largest shareholder in terms of votes. If, earlier than two months before the AGM, one or more shareholders who have appointed a Nomination Committee member no longer belong to the five largest shareholders in terms of voting rights, the member/s appointed by this/these owner/s shall make their place/s available and the shareholder/s who is (are) now one of the five largest shareholders in terms of voting rights will be entitled to appoint its/their representative/s. If significant changes have occurred in the ownership conditions of the minority shareholder who has appointed a representative and should the Nomination Committee find this appropriate, another minority shareholder shall be contacted and this shareholder will be entitled to appoint a representative or, alternatively, the Nomination Committee's work will continue without appointing a new representative of the minority shareholders. If a member leaves the Nomination Committee before its work has been completed and the Nomination Committee finds it desirable to appoint a replacement, such a replacement is to be sought from the same shareholder or, if this shareholder no longer belongs to the largest shareholders in terms of voting rights, from shareholders who are next in turn in respect of size, or if a representative of the minority shareholders is leaving the Nomination Committee, a replacement is to be sought from the same shareholder or another minority shareholder. Changes in the composition of the Nomination Committee must be published immediately.

The composition of the Nomination Committee is to be announced not later than six months before the AGM. No remuneration is to be paid to members of the Nomination Committee. Any necessary overhead expenses for work on the Nomination Committee will be defrayed by the company. The Nomination Committee's term of office extends until the time that the composition of the following Nomination Committee has been announced. The Nomination Committee must take into account the stipulations of the Swedish Companies Act and the Swedish Corporate Governance Code when conducting its work and making its proposals. The Nomination Committee shall present ahead of the AGM proposals concerning Chairman of the AGM, the number of AGM-elected Board members, Chairman of the Board, other AGM-elected Board members, number of auditors, the auditor/s,

Board fees divided among the Chairman and other Board members, as well as remuneration for Committee work, remuneration of the company's auditor and, when applicable, any changes in the proposals for principles for the Nomination Committee.

### **3. Nomination Committee's statement on its work ahead of the 2022 AGM**

The Nomination Committee held two minuted meetings prior to the 2022 AGM. Between these meetings, the Nomination Committee's members maintained regular contact and further dialogue by telephone.

The Nomination Committee addressed all of the issues that the Nomination Committee is required to address in accordance with the Swedish Corporate Governance Code, which are reported on in greater detail below. In order for the company to fulfil its information obligations in relation to the shareholders, the Nomination Committee has also informed the company of how the Nomination Committee's work has been performed and about the proposals that the Nomination Committee has decided to make.

As a basis for its work, the Nomination Committee has reviewed the accounts of the company's operations in 2021. Further, the Nomination Committee has reviewed the submitted nomination proposals and the performed evaluation of the Board and its work. The results of the evaluation, which have been reported in their entirety to the Nomination Committee, showed that the current Board members represent broad-based skills with solid industry knowledge and considerable financial expertise, as well as knowledge of international conditions and markets. The evaluation also showed that the rate of attendance at Board meetings was high and that all of the Board members showed considerable commitment.

The Nomination Committee has also reviewed the Audit Committee's evaluation of the cooperation with the currently elected auditing firm and the Audit Committee's adopted proposals concerning the election of auditor.

No remuneration has been paid to the members of the Nomination Committee.

### **4. The Nomination Committee's reasoned statement concerning the proposal for the election of Board members**

In view of the result of the evaluation that the Nomination Committee has reviewed, and the requirements placed on the Board due to Lifco's current position and future orientation, the Nomination Committee has proposed that the number of AGM-elected Board members are to be ten, with no deputies.

All of the members have declared their availability for re-election to the Board of Directors.

The Nomination Committee has proposed that all of the current Board members shall be re-elected: Carl Bennet, Ulrika Dellby, Dan Frohm, Erik Gabrielson, Ulf Grunander, Annika Espander, Johan Stern, Caroline af Ugglas, Axel Wachtmeister and Per Waldemarson. The Nomination Committee has proposed the re-election of Carl Bennet as Chairman of the Board.

The Lifco Group currently has extensive operations within several industries, with subsidiaries that are at various development phases, from established international groups to smaller entrepreneurial companies. The Nomination Committee finds it warranted that the Board of Directors' expertise and experiences shall reflect the breadth of Lifco's business. The Nomination Committee's assessment is that the Board members, all in all, possess a combination of solid expertise and experience that is well adapted to the company.

In terms of its size, versatility and breadth of expertise, experience and background, the proposed Board is considered on the whole to have an appropriate composition with respect to the company's operations, stage of development, strategy and other circumstances.

The Nomination Committee applies Item 4.1 of the Swedish Corporate Governance Code ("the Code") as its diversity principle when preparing its proposal for the election of Board members and considers that its proposal entails that the Board's composition – in accordance with what is stated in Item 4.1 of the Code – continues to be appropriate in regard to the company's operations, stage of development and other conditions, and characterised by diversity and breadth in terms of the skills, experience and background of the AGM-elected Board members.

The Nomination Committee aims for an even gender distribution. Of the currently proposed Board members, three are women and seven are men (corresponding to 30.0 per cent and 70.0 per cent, respectively). On 10 June 2021, the proportion of women who are Board members in all Swedish listed companies was 34.8 per cent (39.2 per cent in large cap companies)<sup>1</sup>. According to the Swedish Corporate Governance Board an even gender distribution should be sought. An even gender distribution should therefore be assigned particular importance in connection with the election of new Board members. The Nomination Committee is also of the opinion that continuity in Board work is of considerable importance and proposes re-election of all AGM-elected Board members who have stood for re-election and re-election of the Chairman of the Board.

The Nomination Committee has also assessed the independence of the Board members. The Nomination Committee is of the opinion that its proposals concerning the composition of Lifco's Board of Directors fulfil the independence requirements of the Code. Accordingly, the Nomination Committee has considered the fact that Per Waldemarson, in his capacity as President and CEO, is to be regarded as dependent in relation to the company and company management, and that Carl Bennet, Dan Frohm, Erik Gabrielson and Johan Stern, in their capacities as Board members of Lifco's principal shareholder Carl Bennet AB, are to be regarded as dependent in relation to major shareholders. The Nomination Committee is of the opinion that the other proposed Board members – Ulrika Dellby, Ulf Grunander, Annika Espander, Caroline af Ugglas and Axel Wachtmeister – are independent in relation to the company and the company management as well as major shareholders.

During its preparations, the Nomination Committee has also evaluated previously adopted remuneration levels for the Board members. Taking this review into account, the Nomination Committee has proposed a slight adjustment of the remuneration level.

In accordance with the Audit Committee's recommendation, the Nomination Committee has decided to recommend that the AGM re-elects the PricewaterhouseCoopers AB auditing firm as auditor for the forthcoming term and that audit fees are to be paid in the amount invoiced and approved.

In addition, The Nomination Committee has reviewed the current instructions for the Nomination Committee, and has decided that no changes will be proposed.

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Stockholm, February 2022

**The Nomination Committee of Lifco AB (publ)**

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<sup>1</sup> Statistics prepared by the Swedish Corporate Governance Board (pertains to AGM-elected Board members and CEO).