

Motion for resolution on principles for the appointment of the Nomination Committee (point 12)

The Nomination Committee is appointed ahead of the Annual General Meeting and comprises representatives for the three largest shareholders in terms of voting rights in the company as registered in the shareholders' register maintained by Euroclear Sweden AB, or otherwise known shareholders on the last day of trading in August each year, and the Chairman of the Board, who is also to convene the Nomination Committee to its first meeting. The representatives are appointed by the three largest shareholders in terms of voting rights in the company but represent all shareholders in the company.

If one or more of the three largest shareholders in terms of voting rights refrain from appointing a member of the Nomination Committee, entitlement to appoint such a member is transferred to the next largest shareholder in terms of voting rights who is not already entitled to appoint a member of the Nomination Committee. The procedure continues until the Nomination Committee comprises four members.

The names of the members and shareholders they represent are normally published on the company's website not later than six months prior to the AGM. The Nomination Committee elects its Chairman from amongst its members at its first meeting. The mandate period of the Nomination Committee extends until a new Nomination Committee is appointed.

Any changes in the company's ownership structure after the last day of trading in August, but before the date occurring three months before the next AGM, and if any shareholder who following this change has become one of the three largest shareholders in terms of voting rights in the company expresses an interest to the Chairman of the Nomination Committee to be included in the Nomination Committee, this shareholder is entitled, pursuant to the rules of the Nomination Committee, to either appoint an additional member of the Nomination Committee or a member to replace the member appointed by the smaller shareholder in terms of voting rights following the ownership changes.

A shareholder who has appointed a member of the Nomination Committee is entitled to dismiss the member and appoint a new member. If such a change takes place, the shareholder must without delay notify the Chairman of the Nomination Committee thereof (or, if the Chairman of the Nomination Committee is to be replaced, notify the Chairman of the Board). The notification is to include the name of the dismissed member and the individual who will replace this member on the Nomination Committee.

If a member who represents a shareholder on the Nomination Committee leaves their assignment early, the Nomination Committee must without delay encourage the shareholder who appointed said member to appoint a new member. If a new member is not appointed by the shareholder, the Nomination Committee must offer other major shareholders, in terms of voting rights, the opportunity to appoint a member of the Nomination Committee. Such an offer is to be made in turn to the largest shareholders in terms of voting rights (meaning firstly to the largest shareholder in terms of voting rights who has not already appointed a member to the Nomination Committee or who has previously renounced such a right, and subsequently to the second largest shareholder in terms of voting rights who has not already appointed a member of the Nomination Committee or who has previously renounced such right, and so forth). The procedure continues until the Nomination Committee is at full strength. A member that leaves their assignment early must notify the Chairman of the Nomination Committee to this effect (or, if the Chairman of the Nomination Committee is leaving, notify the Chairman of the Board).

The Nomination Committee must fulfil the requirements concerning its composition as set out in the Swedish Corporate Governance Code (the “Code”). If larger shareholders with entitlement to appoint members of the Nomination Committee wish to appoint individuals who mean the requirements for the composition of the Nomination Committee, as stated in the Code, are not fulfilled, the first choice of member by a larger shareholder takes preference over a smaller shareholder. When appointing a new member, the shareholder who is to appoint a new member must take into consideration the current composition of the Nomination Committee. Changes to the composition of the Nomination Committee must be published on the company’s website when finalised.

The Nomination Committee must perform its assignment in accordance with the instructions above, the Code and other applicable rules. The assignment includes presenting proposals regarding:

- (a) The Chairman of the AGM.
- (b) The number of AGM-elected Board members.
- (c) The election of the Chairman and other AGM-elected members of the Board.
- (d) Fees and other remuneration of each of the AGM-elected Board members and members of the Board’s committees.
- (e) Election of auditor.
- (f) Fees for the auditor.
- (g) Election of the Nomination Committee, alternative decision on the principles for appointing the Nomination Committee, and a decision on the instruction for the Nomination Committee.

Other information

No fees are to be paid to the members of the Nomination Committee. However, the company will defray reasonable costs associated with the work of the Nomination Committee.

These principles for the appointment of a Nomination Committee are conditional on the company’s shares being admissible for trading, free of any restriction, on Nasdaq Stockholm or an equivalent marketplace in 2019.