

## **The Nomination Committee's motivated statement regarding election of Board members at the 2024 Annual General Meeting**

### **The Nomination Committee's composition and report on its work**

In accordance with the nomination procedure in the current instruction for the Nomination Committee, the five largest shareholders in the company in terms of votes as per the last business day in September 2023 has appointed the following individuals to the Nolato Nomination Committee in relation to the Annual General Meeting 2024:

- Henrik Jorlén, chairman (Jorlén family)
- Gun Boström (Boström family)
- Lovisa Hamrin (Hamrin family)
- Anna Magnusson (Första AP-fonden)
- Katarina Hammar (Nordea Fonder)

The Nomination Committee consists of representatives of shareholders who together control approximately 71 percent of all votes in Nolato.

The Nomination Committee duties has consisted of those following from the Swedish Corporate Governance Code (the "**Code**") and the resolution by the 2020 Annual General Meeting.

The Nomination Committee has held three meetings documented by minutes and has also maintained contact per phone and via email. Information about Nolato's business and its strategic position provided by the Company's CEO, Christer Wahlquist, and the chairman of the Board, Fredrik Arp, has formed the basis for the Nomination Committee's proposals. Further, the Nomination Committee has taken the evaluation of the Board into account.

On the basis of the above, the Nomination Committee has assessed the extent to which the present Board of Directors meets the demands that will be placed on the Board in the form of the company's future focus and development. Factors including for example the Board's size and composition, in terms of for example industry experience, competence and diversity, were discussed in this context.

No proposals have been received by the Nomination Committee from other shareholders.

### **The Nomination Committee's proposals for election of the Board and the Chairman of the Board**

The Nomination Committee makes the following proposals:

- That the Board of Directors appointed by the General Meeting shall consist of eight ordinary members with no deputies.

- Re-election of Fredrik Arp, Carina van den Berg, Tomas Blomquist, Sven Boström, Lovisa Hamrin, Åsa Hedin and Erik Lynge-Jorlén. Lars-Åke Rydh has declined re-election.
- New election of Klas Forsström as ordinary Board member.
- Re-election of Fredrik Arp as the Chairman of the Board.

Thus, the Nomination Committee proposes that the following persons are elected as members of the Board for the period until the end of the 2025 Annual General Meeting:

- Fredrik Arp, Chairman of the Board,
- Carina van den Berg,
- Tomas Blomquist,
- Sven Boström,
- Lovisa Hamrin,
- Åsa Hedin,
- Erik Lynge-Jorlén, and
- Klas Forsström.

Klas Forsström, who is proposed as a new member of the Board, currently serves as President and CEO of Munters Group AB, a globally leading actor in climate solutions for industrial applications. In addition, Klas is a board member of IPCO AB, a member of IVA (the Royal Swedish Academy of Engineering Sciences), and a board member of IVA's Business Executives Council. Klas, who is born in 1967, has over 20 years of experience in senior executive positions within the Sandvik Group. Klas does not hold any shares in Nolato.

Klas Forsström is independent in relation to the company and senior executives as well as in relation to major shareholders.

Presentations of the Board members proposed for re-election is available on the company's website under "Corporate Governance", "Board of Directors".

Other proposals from the Nomination Committee concerning resolutions at the 2024 Annual General Meeting appear from the notice of the Annual General Meeting.

### **The Nomination Committee's motivated statement regarding its proposals**

The Board shall, in accordance with clause 4.1 of the Code, have a composition appropriate to the company's operations, phase of development and other relevant circumstances. The Board members elected by the Annual General Meeting are collectively to exhibit diversity and breadth of qualifications, experience and background. The company is to strive for gender balance on the Board.

The Nomination Committee's discussions have been based on achieving diversity and breadth, as well as a broad representation of men and women on the Board. In its proposal for the Board, the Nomination Committee has taken into account the Board's competence in terms of industry knowledge and experience of long-term strategy work. Experience of corporate governance in listed companies, general experience of active board work and continuity of the Board have also been important assessment criteria for the Nomination Committee during the preparation of the proposal for Board members. The starting point has been the company's future challenges and the competence that Nolato's Board onwards should possess, both together and individually.

In light of the above, the Nomination Committee's proposal is that Klas Forsström be elected as new Board member in Nolato and that all current Board members who are at disposal are re-elected. The Nomination Committee's assessment is that Klas Forsström will contribute with valuable competence and experience and that he is very well suited as a Board member of Nolato.

It is the Nomination Committee's assessment that the proposed Board meets the requirements for diversity and the breadth of competence, experience and background required by Nolato's current position and future development. The Nomination Committee has applied clause 4.1 in the Code as diversity policy when preparing the proposal regarding the Board. If all the members who are proposed for re-election and new election are elected, the proportion of female members on the Board is kept at the same level as before, i.e. that three out of eight Board members are women. The Nomination Committee considers that the issue of diversity is important and that it is central that future Nomination Committees continue to work actively to achieve a gender balance on the Board.

In its work to prepare proposals for the 2024 Annual General Meeting the Nomination Committee has evaluated the proposed Board members independence in accordance with the Code. The Nomination Committee's assessment is that all of the proposed Board members are independent in relation to the company and the senior executives and that five out of eight proposed Board members are independent in relation to major shareholders in the company. Therefore, the Board's composition meets the requirements of the Code regarding independent Board members.

The Nomination Committee has reviewed the current instruction for the Nomination Committee, which was adopted by the 2020 Annual General Meeting, and has decided not to propose any changes.

April 2024

The Nomination Committee of Nolato AB (publ)