

# **Nomination Committee of Nobia AB's (publ) proposals, explanatory statement and report on its work prior to the 2018 Annual General Meeting**

## **Background**

The Annual General Meeting of Nobia AB (publ) ("Nobia") appointed a Nomination Committee at the 2017 Annual General Meeting comprising the following owner representatives: Viveca Ax:son Johnsson (Nordstjernen), Torbjörn Magnusson (If Skadeförsäkring), Lars Bergkvist (Lannebo Fonder) and Arne Lööv (Fourth Swedish National Pension Fund). The shareholders represented on the Nomination Committee hold about 44 per cent of the shares and votes in Nobia.

In accordance with the instruction adopted by the Annual General Meeting, the task of the Nomination Committee has been to prepare proposals in the following matters to be presented to the 2018 Annual General Meeting of Nobia:

- the election of the Chairman and other members of the company's Board of Directors,
- the Directors' fees, divided between the Chairman and the other Board members, and any remuneration for Committee work,
- the election of and fees to auditors and deputy auditors (where applicable),
- the election of the Chairman of the Annual General Meeting, and
- the election of members of the Company's Nomination Committee for the period from the end of the Annual General Meeting until the conclusion of the following Annual General Meeting.

In addition, the Nomination Committee is to decide on whether to make any changes to the instruction for the Nomination Committee of Nobia adopted at the 2015 Annual General Meeting.

The Nomination Committee has held three meetings at which minutes were taken and the Committee members maintained regular contact between meetings. The Nomination Committee received a report from the Board Chairman on the manner in which the Board's work was conducted. Additionally, the Nomination Committee interviewed individual Board members and studied the evaluations performed internally. The Nomination Committee discussed the size and composition of the Board in light of the company's situation and strategic challenges. The Nomination Committee also evaluated the procurement of auditing services by the Board in accordance with applicable laws and regulations, including the EU Audit Regulation.

## **The Nomination Committee's proposals for decisions**

### *The election of the Chairman and other members of the company's Board of Directors*

The Nomination Committee proposes that the members of the Board of Directors who are elected by Annual General Meeting be comprised of nine individuals with no deputies.

The Nomination Committee proposes that the current Board members be re-elected: Morten Falkenberg (member since 2011), Lilian Fossum Biner (member since 2012), Nora Førisdal Larssen (member since 2011), Stefan Jacobsson (member since 2014), Ricard Wennerklint (member since 2014), Christina Ståhl (member since 2015), Jill Little (member since 2017) and George Adams (member since 2017). Tomas Billing, who has been a Board member and Chairman since 2015, declined re-election.

The Nomination Committee proposes that Hans Eckerström be elected a new Board member and also as Chairman of the Board. Hans Eckerström, born in 1972, graduated with an MSc in Mechanical Engineering from Chalmers University of Technology, and holds an MSc in Business Administration from the School of Business, Economics and Law at the University of Gothenburg. He was employed and a partner at NC Advisory, an advisor to Nordic Capital's funds, between 2001 and 2015. Hans' current Board memberships include Thule Group AB and Nordstjernan AB.

The proposal for the composition of Nobia's Board of Directors fulfils the independence requirements of the Swedish Corporate Governance Code. All of the Board members, with the exception of Hans Eckerström, Nora Førisdal Larssen and Ricard Wennerklint, are considered to be independent in relation to the company's largest owners. All of the Board members, with the exception of the President Morten Falkenberg, are considered to be independent in relation to the company and company management.

Similar to previous years, the Nomination Committee has based its proposals on ensuring that the Board is characterised by diversity and breadth in terms of competence, experience and background. The overall evaluation of the Board's work has shown that the Board functions well with good group dynamics. The Board Chairman shows great dedication in his leadership of the Board's work and creates an open and constructive atmosphere at meetings. The Nomination Committee believes that Nobia has a well-functioning Board. The proposed Board has a well-balanced composition of individuals regarding competence, gender distribution, experience and breadth in terms of a variety of qualifications that all complement each other. According to the proposal, the number of women on the Board will amount to four of the nine members elected at the Annual General Meeting including the President, i.e. 44 per cent. The gender-distribution requirements of the Swedish Corporate Governance Code are deemed to be reasonably satisfied.

The diversity policy that the Nomination Committee applied in preparing its proposal complies with Article 4.1 of the Swedish Corporate Governance Code.

#### *Fees for the Board Chairman and other Board members*

The Nomination Committee proposes an adjustment to the Directors' fees paid per Board member. The reason is that the Nomination Committee believes that the work of the Board has become increasingly comprehensive. The Nomination Committee proposes that the Directors' fee per Board member be increased from SEK 390,000 to SEK 410,000 and that the fee to the Chairman be increased from SEK 1,100,000 to SEK 1,200,000. It is proposed that no Directors' fees be paid to Board members who receive a salary from the company. The Board of Directors has decided to establish an Audit Committee comprising Lilian Fossum Biner (Chairman) and Nora Førisdal Larssen (member). It is proposed that the fee for the Chairman of the Audit Committee be adjusted from SEK 125,000 to SEK 150,000 and the fee for members of the Committee be adjusted from SEK 100,000 to SEK 125,000 per annum. It is proposed that the Board's Remuneration Committee continue its work and that no fees be paid to members of the Committee.

#### *Election of, and fees to, auditors and deputy auditors*

The Nomination Committee proposes that Deloitte AB, with Daniel de Paula as Auditor-in-Charge until further notice, be re-elected as the company's auditors for the period until the conclusion of the following Annual General Meeting.

In accordance with the Swedish Corporate Governance Code, the Nomination Committee's proposal to the General Meeting regarding election of auditors is to include the recommendation

of the Audit Committee. Nobia's Audit Committee has recommended that Deloitte AB, with Daniel de Paula as Auditor-in-Charge, be elected auditor at the Annual General Meeting. Accordingly, the Nomination Committee's proposal on auditors is consistent with the recommendation of the Audit Committee.

Furthermore, the Nomination Committee proposes that no deputy auditors be appointed. It is proposed that fees be paid in accordance with approved invoices.

*The election of the Chairman of the Annual General Meeting.*

The Nomination Committee proposes that Board Chairman Tomas Billing be appointed Chairman of the 2018 Annual General Meeting.

*Election of members of the Nomination Committee*

The Nomination Committee proposes that the Annual General Meeting elect Tomas Billing representing Nordstjernan, Torbjörn Magnusson representing IF Skadeförsäkring, Mats Gustafsson representing Lannebo Fonder and Arne Lööv representing the Fourth Swedish National Pension Fund as members of the Nomination Committee until the conclusion of the 2019 Annual General Meeting. The Nomination Committee proposes that Tomas Billing be elected Chairman of the Nomination Committee. The owners proposed to be represented on the Nomination Committee hold approximately 44 per cent of the shares and votes in Nobia.

*Instruction for the Nomination Committee*

No amendments are proposed to the instructions for the Nomination Committee as adopted at the 2015 Annual General Meeting.

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NOMINATION COMMITTEE