

## **The nomination committee's explanatory statement regarding its proposal for election of the board of directors in NCAB Group AB (publ)**

The nomination committee of NCAB Group AB ("NCAB") before the annual general meeting 2022 is composed by Ulrik Grönvall (Swedbank Robur and chairman of the nomination committee), Per Hesselmark (R12 Kapital), Henrik Schmidt (Montanaro Asset Management), Christoffer Geijer (SEB Investment Management) and Christian Salamon (chairman of the Company).

### ***The work of the nomination committee***

The nomination committee has held five meetings, at which minutes were taken, in advance of the general meeting 2022 and in addition has had several contacts on an informal basis. The nomination committee has interviewed all of the directors. The nomination committee has also been presented the board of directors' evaluation of the board work. Special attention has been paid to the composition of the board of directors and how the board of directors works as a group, and the nomination committee has discussed the evaluation of the board of directors' work. Shareholders have had the opportunity to submit proposals and opinions to the nomination committee in accordance with the instructions set out on NCAB's website. No proposals from shareholders have been received. The nomination committee has also discussed and evaluated the level of remuneration to the board of directors and compared it to remuneration levels for comparable companies and analysed the time committed by the board of directors on board and committee work.

### ***The nomination committee's proposal regarding the board of directors***

The nomination committee hereby proposes the following.

- that the board of directors shall consist of eight directors appointed by the general meeting without deputy directors,
- that all directors shall be re-elected
- that Christian Salamon is re-elected chairman of the board and
- that the remuneration of the board of directors is set to SEK 3,725,000 (3,125,000) in total to be allocated with SEK 700,000 (700,000) to the chairman of the board and SEK 350,000 (350,000) to the directors of the board with a major shareholding who are not employees of the group and SEK 525,000 (350,000) to other directors of the board who are not employees of the group. Further, SEK 175,000 (150,000) shall be allocated to the chairman of the audit committee and SEK 75,000 (50,000) to each of the members of the audit committee who are not employees of the group and SEK 25,000 (25,000) to each of the members of the remuneration committee (including its chairman) who are not employees of the group.

### ***Explanatory statement***

The nomination committee has, as a basis for the work in the committee, been given a presentation by the chairman of the board regarding the board of directors and its work. Further, the nomination committee has been given a presentation of the board of director's own evaluation, which has been conducted through a structured survey in order to evaluate the board of directors and its work. In addition, the nomination committee has interviewed all of the directors. The size of the board of directors as well as its composition, regarding for example industry experience, competence and dependence, has been discussed. The conclusion of the evaluation and the interviews have shown an extensive commitment amongst all directors, that the board of directors works well as a group and that it has the right composition and a high level of competence.

The nomination committee has, in its work preparing for the annual general meeting, had the aim of assuring that the board of directors as a whole has the competence and the experience needed, taking into account NCAB's current position and phase of development as well as the board's ability to continue to lead the company successfully. The nomination committee has, in its work with the proposal, applied section 4.1 of the Swedish Corporate Governance Code as its diversity policy. The nomination committee has therefore taken into account the need for diversity and breadth of qualifications, experience and background of the board of directors, with respect to the future strategy, governance and control of the company. The nomination committee has worked on the basis that diversity is important in composing the board and that gender balance is desirable.

The nomination committee's opinion is that the current number of directors of the board (eight directors appointed by the general meeting) is a suitable number of directors.

The nomination committee's opinion is that the proposed board of directors is a group of people with breadth and a multitude of skills who are motivated and suitable for the tasks required of the board of NCAB. The nomination committee is also of the opinion that the directors supplement each other with regards to competence and experience.

The nomination committee proposes a total increase of the board fee of just under 20 percent. The rationale for this is that the company shall offer a reasonable fee for the time that the board members commit and are expected to commit, given the company's current size and international presence combined with the company's expected future organic growth and expansion activity.

In preparation for this year's annual general meeting, the nomination committee has analysed the board fee and evaluated the possibility of differentiating the remuneration to the board members. The committee has noted that some members of the board today have significant direct or indirect ownership in the company, while some members do not. The nomination committee is of the opinion that the incentive for board work as a significant shareholder is created mainly through the value development of the shareholding. In the proposal, the nomination committee has assumed that board members who have a direct or indirect shareholding more than 1.0% of the company's share capital are considered to have a significant incentive through their shareholding. Based on the above, the nomination committee proposes that the board fee be set to SEK 3,725,000 (3,125,000) in total to be allocated with SEK 700,000 (700,000) to the chairman of the board and SEK 350,000 (350,000) to the directors of the board with a major shareholding who are not employees of the group and SEK 525,000 (350,000) to other directors of the board who are not employees of the group. Further, SEK 175,000 (150,000) shall be allocated to the chairman of the audit committee and SEK 75,000 (50,000) to each of the members of the audit committee who are not employees of the group and SEK 25,000 (25,000) to each of the members of the remuneration committee who are not employees of the group.

Christian Salamon and Per Hesselmark have not participated in the decisions of the nomination committee as far as it concerns themselves.

The nomination committee's opinion is that the proposed board of directors fulfils the requirements pursuant to the Swedish Corporate Governance Code regarding board members' independence.

Presentations of the directors of the board proposed for re-election by the nomination committee are available on NCAB's website.

Stockholm in March 2022  
NCAB Group AB (publ)  
The nomination committee