

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 2020 is composed by Jannis Kitsakis (representing Fourth AP Fund and acting as chairman of the nomination committee), Christian Salamon (chairman of the board of directors of NCAB), Per Hesselmark (R12 Kapital AB), Henrik Schmidt (Montanaro Asset Management), Henrik Söderberg (C WorldWide Asset Management) and Kristofer Flack (SEB Investment Management).

The work of the nomination committee

The nomination committee has held four meetings, at which minutes were taken, in advance of the general meeting 2020 and in addition has had several contacts on an informal basis. The nomination committee has interviewed a selection of the independent as well as dependent directors and the auditor of NCAB. 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.

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 seven 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 to the board of directors remains unchanged and is set to SEK 2 775 000 in total to be allocated with SEK 700 000 to the chairman of the board and SEK 350 000 to each of the directors of the board who are not employees of the group, SEK 150 000 to the chairman of the audit committee and SEK 50 000 to each of the members of the audit committee who are not employees of the group and SEK 25 000 to each of the members of the remuneration committee 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 in written form using a number of parameters in order to evaluate the board of directors and its work. In addition, the nomination committee has interviewed a selection of the independent as well as dependent directors and the auditor of the company. 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 (seven 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 basic principle for remuneration of the board of directors is that it should be competitive in order to ensure that NCAB can attract and retain board members with relevant qualifications. Based on the nomination committee's evaluation of the level of remuneration to the board of directors in comparison with board remuneration paid in other comparable companies, the proposal of the nomination committee is that remuneration to the board of directors for the board and committee work remains at the current level.

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.

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NCAB Group AB (publ)
The nomination committee