

Fagerhult Group AB (publ) – The Nominating Committee’s report, recommendations and reasoned statement ahead of the 2024 Annual General Meeting

Nomination Committee Members; Chair Johan Hjertonsson, Investment AB Latour
Jan Svensson, Chair of Fagerhult Group AB (Co-opted)
Jan Särllvik, Fjärde AP-Fonden
Björn Henriksson, Nordea Funds
Sussi Kvart, Handelsbanken Funds

The Nomination Committee has held three meetings with ongoing contacts over the telephone and e-mail.

At the meetings, the Nomination Committee has dealt with the issues in accordance with the Swedish Code of Corporate Governance (the “Code”). No comments have been received from the shareholders to the Nomination Committee in the relevant issues.

The Nomination Committee has taken note of the evaluation of the work done by the Board of Directors (the “Board”). The Board's evaluation was carried out in the form of an online survey during autumn/winter 2023. The responses from the Board members were compared with last year’s responses, but also in comparison with twenty-one other companies from the Latour group. The Nomination Committee or part thereof has had individual meetings with the CEO and President and with the Board members who are independent in relation to the company, the company management and/or to the major shareholders in the company. Based on the abovementioned evaluation work and the aforementioned meetings, the Nomination Committee’s assessment is that the current Board members represent a broad competence, with solid industrial and financial expertise. The Board members also represent a good knowledge of international conditions and the markets that are relevant to the Fagerhult Group.

The Board members' involvement has been great and the attendance rate high. The Nomination Committee has been able to state that the work of the Board has worked well.

In preparing its proposal for the Board, the Nomination Committee has in particular taken into account the requirements that the company's strategic development, international operations and governance and control place on the Board and made a balance between stability in a well-functioning Board and a continuous need for renewal. The Nomination Committee has also highlighted the Code’s requirements for versatility, breadth, gender distribution, age and independence. In this respect, the Nomination Committee has applied the Code’s rule 4.1 as a diversity policy. Of the proposed members, four are women and three are men, which means that the Board has a satisfactory gender distribution. Further, the Nomination Committee has specifically considered the Board’s competence within the sustainability area. The Nomination Committee’s assessment is that sustainability is an area of priority in the Board’s work.

The Nomination Committee makes the assessment that the proposed Board, with regard to the company's operations, development phase and conditions in general, has an appropriate composition in order to meet the needs of the company's operations.

Fagerhult Group is in an international expansion both organically and through acquisitions. The Nomination Committee wants to secure the current Board into the future, to continue to ensure the high level of competence and to maintain equal gender distribution.

The Nomination Committee considers that the proposed Board fulfills the requirements regarding independence in relation to the company, the company management and the company's major shareholders.

The number of Board members is proposed to be seven, without deputies. The Nomination Committee's proposal is to re-elect Jan Svensson, Eric Douglas, Cecilia Fasth, Teresa Enander, Magnus Meyer and Eva Elmstedt.

It is proposed that Annica Bresky will be elected to the Board as the seventh member.

Annica Bresky is a Non-Executive Board member of Ørsted AS and was President and CEO of Stora Enso between 2019-2023. Prior to that she was Executive Vice President of Stora Enso Consumer Board division, President and CEO of Iggesund Paperboard (Holmen AB) and held leading positions at BillerudKorsnäs AB.

Jan Svensson is proposed to continue as the Board's chairman and Eric Douglas to continue as vice chairman.

The Nomination Committee propose that the board fees for the coming year be as follows; SEK 1,100,000 for the chairman, SEK 425,000 for the other members (including the vice chairman), SEK 160,000 for the chair of the Audit Committee (the "AC") and SEK 90,000 for the other member(s) of the AC, SEK 54,000 for the chair of the Remuneration Committee (the "RC") and SEK 27,000 for the other member(s) of the RC.

Based on the Audit Committee's suggestion, the Nomination Committee proposes that the registered auditing firm KPMG AB be appointed auditors for the period until the next Annual General Meeting.

The Nomination Committee proposes that Jan Svensson be appointed to be the chairman of the upcoming Annual General Meeting.

The Nomination Committee proposes that the principles for establishing the Nomination Committee are the same as in 2019, 2020, 2021, 2022 and 2023, i.e;

- Fagerhult Group AB has a Nomination Committee comprising a representative of each of the 4 largest shareholders or owner groups in terms of the number of votes, and also the Chairman of the Board, although the Chairman of the Board shall be co-opted (Swe "adjungerad") without the right to vote.
- The Nomination Committee is to be formed after the Chairman of the Board has identified the 4 largest shareholders in the company in terms of the number of votes that are to make up the Nomination Committee along with the Chairman. The identity of these shareholders is to be based on the shareholders' register and list of nominees maintained by Euroclear Sweden AB and refer to shareholders registered under their own names or as members of an owner group as per 31 August 2024.
- It shall not be necessary to change the composition of the Nomination Committee if only marginal changes in the ownership of shares occur after this control date and if one of the 4 largest shareholders waives its right to appoint a representative, this right is then transferred to the next shareholder that has the largest shareholding of the shareholders not identified as one of the 4 largest shareholders on the same date. If a representative chooses to leave the Nomination Committee before the mandate period has expired, the appointing shareholder has the right to appoint a replacing representative. Any changes in the Nomination Committee shall be made public without undue delay.
- The mandate period of the Nomination Committee is until a new Nomination Committee is appointed.

Stockholm, 13 February 2024

The Nomination Committee in Fagerhult Group AB (publ)