

## **AB Fagerhult – Nomination Committee; Motivated opinion and minutes regarding the proposals for the Board of Directors 2020.**

Nomination Committee Members;	Chair	Johan Hjertonsson, Investment AB Latour Jan Svensson, Chair of AB Fagerhult Johan Ståhl, Lannebo Funds Evert Carlsson, Swedbank Robur Adolfo Guzzini, Fimag
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The Nomination Committee has held two meetings with ongoing contacts over the telephone and e-mail.

At the meetings, the Nomination Committee has dealt with the issues that a Nomination Committee has to deal with according to the Swedish Code of Corporate Governance. 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 made by the Board's work. The Board's evaluation was carried out in the form of an online survey. The responses from Fagerhult's board members were compared with last year's response, but also in comparison with eleven other companies from the Latour group. This evaluation showed that the current members of the Board 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 Group.

Members' involvement has been great and the attendance rate high. In addition to taking part in the Board's own evaluation, parts of the Nomination Committee have interviewed some of the Board members individually. The Nomination Committee has been able to state that the work of the Board of Directors 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 Swedish Code of Corporate Governance (the "Code") 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, three are women and three are men, which means that the board has an even gender distribution.

The Nomination Committee makes the assessment that the proposed Board of Directors, 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.

The Nomination Committee considers that the proposed Board of Directors 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 six, without deputies. The Nomination Committee's proposal is to re-elect Jan Svensson, Eric Douglas, Cecilia Fasth, Morten Falkenberg, Teresa Enander and Annica Bresky.

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

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

The Nomination Committee propose that, due to the Covid-19 situation, that the board fees for the coming year be frozen at the current levels. These are SEK 750,000 for the chairman, SEK 350,000 for the other members (including the vice chairman). For the Audit Committee, the current fees are SEK 100,000 for the chair and SEK 75,000 for the other members.

The Nomination Committee propose to continue for 2020 with Öhrlings PricewaterhouseCoopers as the company auditors.

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

The Nomination Committee propose that the principles for establishing the Nomination Committee are the same as in 2019, i.e;

- AB Fagerhult has a Nomination Committee comprising a representative of each of the four 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 of Directors shall be coopted ("adjungerad") without the right to vote.
- The Nomination Committee is to be formed after the Chairman of the Board has identified the four 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 2019.
- 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 four largest shareholders waives their 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 four largest shareholders on the same date.
- The mandate period of the Nomination Committee is until a new Nomination Committee is appointed.



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Johan Hjertonsson

The Nomination Committee of AB Fagerhult, 23 March 2020