

AB Fagerhult – The Nominating Committee’s report, recommendations and reasoned statement ahead of the 2022 Annual General Meeting.

Nomination Committee Members;

Chair Johan Hjertonsson, Investment AB Latour

Jan Svensson, Chair of AB Fagerhult (Co-opted)

Johan Ståhl, Lannebo Fonder

Jan Särilvik, Nordea Funds

Jannis Kitsakis, The Fourth Swedish National Pension Fund (AP4)

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 Corporate Governance 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. 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 twenty other companies from the Latour group. 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 Fagerhult 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.

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.

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, Teresa Enander and Annica Bresky.

Morten Falkenberg will not stand for re-election in 2022, and it is proposed that Magnus Meyer will be proposed to the board, replacing Morten Falkenberg.

Magnus Meyer, born 1967 was previously President of WSP in Sweden and most recently President and CEO of WSP Europe. Prior to that, he was CEO of the architectural firm Tengbomgruppen AB for several years. He has also held various senior positions at GE Real Estate and Ljungberggruppen AB, and worked as a technical attaché in the USA. Magnus sits on several company boards, including HiQ, Goodbye Kansas, Kinnarps AB,

Slättö Förvaltning AB, Coor Service Management and Vasakronan AB. Magnus holds a master degree in engineering and a technology licentiate degree in construction and information technology, from the Royal Institute of Technology (KTH), Stockholm.

Jan Svensson is proposed to continue as the company'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 980,000 for the chairman, SEK 380,000 for the other members (including the vice chairman), SEK 130,000 for the chair of the Audit Committee (AC) and SEK 78,000 for the other members of the AC.

Further, the Nomination Committee propose that the Remuneration Committee (RC) shall also be awarded a fee. The fees are proposed as SEK 50,000 for the chair of the RC and SEK 25,000 for the other member(s) of the RC.

Nomination Committee proposes that KPMG LLP be appointed as the new company auditors at the AGM 2022.

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, 2020 and 2021, i.e;

- AB Fagerhult 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 of Directors shall be Co-opted ("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 2021.
- 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 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 4 largest shareholders on the same date.
- The mandate period of the Nomination Committee is until a new Nomination Committee is appointed.



Johan Hjertonsson

The Nomination Committee of AB Fagerhult, 8 March 2022