

## Report on the Nomination Committee's work and its proposals to the Annual General Meeting of Climeon AB (publ) on 19 May 2020

### Work of the Nomination Committee

As announced in a press release on November 9, 2019, and as further approved by the Extraordinary General Meeting held on December 17, 2019, Climeon AB's shareholders established a Nomination Committee in order to fulfil the duties ensuing from the Swedish Code of Corporate Governance.

The Nomination Committee is comprised of the following members:

- Anne Holm Rannaleet, Chair of the Nomination Committee, appointed by the shareholder Joachim Karthäuser
- Helen Öström, appointed by the shareholder Thomas Öström
- Niklas Johansson, appointed by the shareholder Handelsbanken Fonder
- Annelie Enquist, appointed by the shareholder Skandia Sverige Hållbar
- Per Olofsson, the Chairman of the Board

The Nomination Committee has held six minuted meetings and has also been in continuous contact inbetween meetings and considered material and proposals. During these meetings, the Committee has dealt with the matters that it has a duty to deal with under the Swedish Code of Corporate Governance. Among other things, the Committee has discussed and considered

- the extent to which the current Board matches the demands that will be made on the Board as a result of Climeon's size, position and future direction;
- the renewal process of the Board membership
- the number of Board members;
- the composition of the Board with regard to experience, gender and background, as well as potential conflicts of interest that may arise as a result in the Board's work,
- the areas of competence that are and should be represented on the Board;
- the remuneration of the Board; and
- the election and remuneration of auditor(s).

As part of this process, the Committee has interviewed all the current Board members and conducted a recruitment process. The Nomination Committee has studied the external Board evaluation undertaken by by a third party, and reviewed the written Instruction for the Nomination Committee adopted at the Extraordinary General Meeting held on 17 December 2019. The Nomination Committee has received and taken note of the audit committee's recommendation to the Board concerning the election of auditor(s). The Nomination Committee has in its work aimed to achieve gender balance within the Board and that the Board should be characterized by diversity and breadth in competence, experience and background. The Nomination Committee has applied Section 4.1 in the Swedish Code of Corporate Governance as its diversity policy when processing its proposal regarding the election of Board members.

The Nomination Committee has kept Climeon updated on the progress of its work and on the proposals that it has decided to submit.

The Nomination Committee has received, discussed and considered proposals from shareholders.

### Proposals of the Nomination Committee to the AGM

#### Election of the Chairman of the Meeting

The Nomination Committee proposes that the lawyer Sven Rasmusson at Rasmusson & Partners Advokat AB be elected Chairman of the AGM.

#### Number of directors and deputies

The Nomination Committee proposes that the Board should comprise of seven (7) members (previous year 7) and no deputy directors (previous year 0) for the period up to the next AGM.

### Number of auditors and deputies

The Nomination Committee proposes that one auditing firm with one designated auditor is appointed.

### Fees for the Board of Directors and auditor

The Nomination Committee proposes that the Board fee will be SEK 1,400,000 (previous year SEK 780,000); whereof SEK 400,000 is to be allocated to the Chairman (previous year SEK 240,000) and SEK 200,000 (previous year SEK 120,000) to all other non-executive Board members. In addition a fee of SEK 40,000 (SEK 0) shall be paid to the Chairman of the remuneration committee and SEK 20,000 (SEK 0) to each other member of the remuneration committee and a fee of SEK 80,000 (SEK 0) shall be paid to the Chairman of the audit committee and SEK 40,000 to each other member of the audit committee.

The Nomination Committee proposes that the auditor will be paid a fee in accordance with an invoicing of reasonable costs approved by the company.

### Election of Board members and Chairman of the Board

The Nomination committee proposes that the present board members Per Olofsson, Thomas Öström, Olle Bergström, Vivianne Holm and Therese Lundstedt be re-elected and that Charlotte Strand will be elected as a new member. Per Olofsson is proposed to be re-elected as Chairman and Jan Svensson as Vice Chairman.

Charlotte Strand, born in 1961 in Denmark, has a Master of Science (Cand. Oecon) from Aarhus University in Denmark. Charlotte Strand has several years of experience as CFO/Finance Manager within the Danish energy group Dong Energy and also as Senior Vice President/CFO of the subsidiary Dong Energy Wind Power. Charlotte Strand has also several years of experience from board work and is presently a board member of PostNord AB, Flügger A/S, Per Aarsleff A/S and of Esvagt A/S. She has experience from being the Chairman of the audit committees in two of these companies.

Information about the Board members proposed for re-election and election is available on the company's website [www.climeon.com](http://www.climeon.com). The Motivated Statement of the Nomination Committee regarding the proposal of Board member election is attached hereto as [Appendix 1](#).

### Auditor

The Nomination Committee proposes re-election of the audit firm Deloitte AB. It is noted that Deloitte AB has notified that the chartered accountant Johan Thelander will remain as designated auditor if Deloitte AB is re-elected.

### Appointment of Nomination Committee and Instruction for the Nomination Committee

The Nomination Committee proposes that the Nomination Committee for 2021 shall be appointed in accordance with the Instruction for the Nomination Committee adopted at the Extraordinary General Meeting held on December 17, 2019 which is available on the company's website ([www.climeon.com](http://www.climeon.com)), but with the adjustment that the Chairman of the Board shall in September contact the four largest shareholders based on available shareholder statistics from Euroclear Sweden AB as at the last banking day of August and other reliable shareholder information which has been provided to the company at such time. The four members appointed by the shareholders shall together with the Chairman of the Board form the Nomination Committee. The Committee shall appoint one of its members as its Chair.

The Nomination Committee shall execute the duties stipulated in the Instruction for the Nomination Committee. The proposal for an updated Instruction for the Nomination Committee, to be adopted at the forthcoming AGM, is attached as Appendix 2.

Stockholm April 2020  
The Nomination Committee of Climeon AB (publ)  
Anne Holm Rannaleet (Chair)