

# THE NOMINATION COMMITTEE'S PROPOSALS AND MOTIVATED STATEMENT TO THE ANNUAL GENERAL MEETING OF CLIMEON AB (PUBL) ON MAY 16, 2023, INCLUDING THE NOMINATION COMMITTEE'S WORK REPORT

Climeon AB's Nomination Committee for 2023 has been constituted based on the ownership as per 31 August 2022 and comprises the following members:

- Helen Öström, the Chairman of the Nomination Committee, appointed by the shareholder Thomas Öström.
- Joachim Karthäuser, appointed by himself
- Björn Wasing, appointed by the shareholder SEB-Stiftelsen, Skandinaviska Enskilda Bankens Pensionsstiftelse
- Peter Lindell appointed by the shareholder Cidro Förvaltning AB
- Håkan Osvald, the Chairman of the Board

The Nomination Committee initiated its work during October and has held two minuted meetings and held separate interviews with the present Board members and the CEO regarding among all the Board evaluation.

Shareholders have been informed of the possibility to submit proposals to the Nomination Committee, but no proposals have been received.

During the Committee meetings, the Committee has dealt with the matters that it has a duty to deal with under the Swedish Code of Corporate Governance.

## ***Proposals of the Nomination Committee to the AGM and motivated statement***

### *Election of the Chairman of the Meeting*

It is proposed that the lawyer Sven Rasmusson will be appointed as Chairman of the AGM.

### *Number of Board members and deputies*

It is proposed that the Board should comprise of five (5) ordinary Board members (previous year 5) and no deputies (previous year 0) for the period up to the next AGM.

### *Number of auditors and deputies*

It is proposed that one auditing firm is appointed as the company's auditor.

### *Fees for the Board of Directors and auditor*

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

remuneration committee. A fee of SEK 80,000 (SEK 80,000) shall be paid to the Chairman of the audit committee and SEK 40,000 (SEK 40,000) to each other member of the audit committee. In addition to this, it is proposed that a total fee of SEK 100,000 should be paid to the legal committee that may be appointed by the Board of which one or two members of the Board may be included and where the proposed fee should be distributed within the legal committee according to the Board's decision.

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

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

The Nomination Committee has seen it as important to have continuity within the Board and that the Board as previously years, has an appropriate size and competence for various areas important for the Company with respect to the current situation.

It is therefore proposed that the present Board members Thomas Öström, Anders Lindberg, Liselotte Duthu Törnblom, Peter Carlberg and Håkan Osvald will be re-elected. Håkan Osvald is proposed as Chairman of the Board (re-election).

Information about the Board members proposed is available at the company's website [www.climeon.com](http://www.climeon.com).

#### *Motivated statement regarding the Board and fee proposal*

The Nomination Committee has applied Section 4.1 of the Swedish Code of Corporate Governance as its diversity policy when processing its proposal as regards election of Board members. The Nomination Committee has in its work considered the aim to achieve gender balance within the Board and that the Board should be characterized by diversity and breadth in competencies, experience and backgrounds.

The Nomination Committee has been informed of the Board evaluation that has been done mainly through the above-mentioned interviews.

The Nomination Committee has in connection with its work considered which characteristics, experience and competencies should complement the Board as Climeon moves into its next development phase. This began during 2021 with the recruitment of Lena Sundqvist as new CEO and the investments into servicing the marine segment, which have intensified during 2022 and the development of a new product which to a great extent will replace the existing. In addition, the Committee has evaluated and discussed how the continuous renewal process within the Board best can be effected.

The Nomination Committee considers that the proposed Board members individually and as a group possess a wide range of competencies and experience that are relevant for Climeon's business, but also as regards accounting, capital markets, financing, legal, sustainable businesses, and in generating long-term shareholder value and good board work in general.

Overall, the Nomination Committee considers that the proposed Board members together constitute a Board of Directors which meets the requirement of continuity and has the versatility and breadth of competencies, experience and background required with respect to Climeon's business, development phase and other circumstances. The Nomination Committee is aware that its final proposal has not reached all the way as regards the number of female members. The Nomination Committee's work to strive for an even gender distribution will continue and the intention is to strengthen the number of female members. The Nomination Committee notes in this context that the company has a female CEO, Lena Sundqvist, who participates in Board meetings, although not as an elected member. The Nomination Committee's proposal of Board members fulfils the independence requirements in accordance with the Swedish Code of Corporate Governance.

The Nomination Committee has discussed the level and structure of the Board compensation. A basic principle when assessing Board fees is that these shall be competitive and make it possible to recruit and retain individuals with the best possible competence. When assessing the level of fees, a comparison has been made in relation to Board fees in companies of equal size and complexity, and it has also been taken into account that the AGM 2020 decided to increase the Board fees in accordance with the Nomination Committee's proposal. Against this background, the

Nomination Committee has concluded that the present level and structure are reasonable and well justified.

With regard to the proposal regarding the possibility for the Board to appoint a legal committee consisting of one to two members, the background is as follows. Over the years, the company has entered into complex agreements and will continue to do so and occasionally with large customers and banks. Since the Board has many years of experience and competence as company lawyer and in negotiation of complicated agreements, the Nomination Committee has seen it as an opportunity for the company to save external legal fees or alternatively hire a company lawyer by making use of that competence within the Board. Then it is also reasonable that compensation will be paid for work which is not normally included in a Board assignment.

#### *Auditor*

The Nomination Committee proposes, in accordance with the audit committee's recommendation, re-election of the audit firm Deloitte AB. It is noted that Deloitte AB has notified that the chartered accountant Daniel Wassberg will be the main auditor if Deloitte AB is re-elected.

#### *Instructions for the Nomination Committee*

The Nomination Committee has reviewed the current instructions for the Nomination Committee, which were approved by the Annual General Meeting 2020, and a majority of the members in the Nomination Committee have concluded that no changes will be proposed. The member Peter Lindell has put forward a proposal for updates to the instructions for the Nomination Committee, which means that the chairman of the board should not be a member of the nomination committee but, where appropriate, participate as co-opted. Peter Lindell therefore proposes that the AGM decides to adopt the attached updated instructions for the Nomination Committee instruction, Appendix A.

Stockholm, April 2023

The Nomination Committee of Climeon AB (publ)