

# Proposals and Statement by the Nomination Committee of Arjo AB (publ) in respect of the 2023 Annual General Meeting

## 1. Background

In accordance with the resolution of Arjo's 2020 Annual General Meeting, the Nomination Committee in respect of the Annual General Meeting shall be composed of members appointed by the three largest shareholders in terms of voting rights as of August 31 of each year, and the Chairman of the Board of Directors. In addition, if the Chairman of the Board, in consultation with the member appointed by the largest shareholder in terms of voting rights, deems it appropriate, it shall include an, in relation to the company and its major shareholders, independent representative of the minor shareholders as a member of the Nomination Committee. The Nomination Committee in respect of the 2023 Annual General Meeting has comprised the Chairman of the Nomination Committee Carl Bennet (*Carl Bennet AB*), Jannis Kitsakis (*Fjärde AP-fonden*), Marianne Nilsson (*Swedbank Robur Fonder*), and the Chairman of the Board of Directors Johan Malmquist. After consulting with the Chairman of the Nomination Committee, the Chairman of the Board has not considered it justified to appoint a representative for the minor shareholders ahead of the 2023 Annual General Meeting.

In accordance with a resolution at Arjo's 2020 Annual General Meeting, the Nomination Committee has the task to present proposals regarding election of the Chairman at the General Meeting, election of the Chairman of the Board of Directors and other members of the Board of Directors and election of auditor, and proposals regarding remuneration to the Board of Directors and the auditors.

All shareholders have had the opportunity to present nomination proposals to the Nomination Committee prior to the 2023 Annual General Meeting.

## 2. Proposals by the Nomination Committee

The Nomination Committee makes the following proposals in respect of the 2023 Annual General Meeting:

**Chairman of the Annual General Meeting:** The Chairman of the Board, Johan Malmquist, shall be elected Chairman of the Meeting.

**Board of Directors:** The number of Board members elected by the General Meeting shall be seven, without deputy members. Johan Malmquist, Carl Bennet, Dan Frohm, Eva Elmstedt, Ulf Grunander, Carola Lemne and Joacim Lindoff shall be re-elected as Board members. Johan Malmquist shall be re-elected as Chairman of the Board.

Information about all members proposed for re-election is available on the company's website, [www.arjo.com](http://www.arjo.com).

### Board and Committee fees:

Board fees, excluding remuneration for Committee work, shall be paid in a total of SEK 4,942,125, of which SEK 1,578,375 (1,525,000) to the Chairman and SEK 672,750 (650,000) to each of the other Board members elected by the General Meeting who are not employees of the Group. Work in the Audit Committee shall be compensated with SEK 279,450 (270,000) to the Chairman and SEK 139,725 (135,000) to each of the other members, and work in the Remuneration Committee shall be compensated with SEK 150,075 (145,000) to the Chairman and SEK 106,605 (103,000) to each of the other members.

**Auditor and auditor fees:** The registered auditing company Öhrlings PricewaterhouseCoopers AB shall be re-elected as auditor for the period until the end of the 2024 Annual General Meeting in accordance with the Audit Committee's recommendation. If elected, Öhrlings PricewaterhouseCoopers AB has informed that Cecilia Andrén Dorselius will be auditor-in-charge. Fees to the auditor shall be paid in accordance with approved invoices.

### **3. Report by the Nomination Committee regarding its work prior to the 2023 Annual General Meeting**

Ahead of the 2023 Annual General Meeting, the Nomination Committee has held two meetings at which minutes were kept. In addition, the members of the Nomination Committee have had ongoing contact and maintained further dialogue by telephone between the meetings. All members of the Election Committee have carefully considered whether there is a conflict of interest to accept the assignment as member of the Election Committee of Arjo.

The Nomination Committee has addressed all matters that the Nomination Committee must address according to the Swedish Corporate Governance Code (the "Code"), which is further described below. Furthermore, in order for the company to be able to fulfil its information obligations towards the shareholders, the Nomination Committee has informed the company of how the work of the Nomination Committee has been conducted and of the proposals the Nomination Committee has decided to submit.

As a basis for its work, the Nomination Committee has reviewed the annual accounts for the company's operations in 2022. Further, the Nomination Committee has reviewed nomination proposals received and the evaluation made of the Board and its work. The result of the evaluation has been presented in its entirety to the Nomination Committee. In addition, the Nomination Committee has interviewed one of the current Board members elected by the General Meeting.

In addition, the Nomination Committee has been informed of the Audit Committee's evaluation of the cooperation with the currently elected auditing firm and the Audit Committee's advocated proposal for election of auditor.

No remuneration has been paid to the members of the Nomination Committee.

### **4. Statement by the Nomination Committee on the proposed Board of Directors**

The Board's evaluation, which the Nomination Committee has reviewed, shows that the current Board members represent a broad spectrum of expertise with sound industry knowledge, extensive financial know-how and knowledge regarding international conditions and markets. The evaluation also showed that the attendance rate at Board meetings was high and that all Board members demonstrated a high level of commitment.

Based on the result of the evaluation reviewed by the Nomination Committee, and the demands placed on the Board as a result of Arjo's position and future focus, the Nomination Committee proposes that the number of Board members elected by the General Meeting shall be seven.

All Board members have declared themselves available for re-election to the Board.

The Nomination Committee has proposed that all members be re-elected: Johan Malmquist, Carl Bennet, Dan Frohm, Eva Elmstedt, Ulf Grunander, Carola Lemne and Joacim Lindoff, and that Johan Malmquist is re-elected as the Chairman of the Board. The Nomination Committee's assessment is that the Board members together possess solid skills and experience, well adapted for the company and that Johan Malmquist, with his significant experience of the company and Board work, has proved to be and will continue to be well suited to organize and lead the Board's work.

In summary, the proposed Board of Directors is deemed to have the size, versatility and breadth of expertise, experience and background required and is appropriate with regard to the company's operations, phase of development and other relevant circumstances, including relevant sustainability aspects. The Nomination Committee applies rule 4.1 of the Code as diversity policy in the development of the proposal to the Board and is of the opinion that the proposal entails a Board composition that will continue to be appropriate to the company's operations, phase of development and other relevant circumstances as well as exhibit diversity and breadth with regard to the Board members' qualifications, experience and background, as set out in rule 4.1 of the Code.

The Nomination Committee strives for equal gender distribution on the Board, which are given specific attention in relation to election of new Board members. The proposed Board members comprise two women and five men (equivalent to approximately 28.6 and 71.4 per cent, respectively), entailing that there is room for improved gender balance. The Nomination Committee wants to emphasize the importance that future Nomination Committees continue an active work towards achieving a more even gender distribution among the Board members.

In addition, the Nomination Committee has assessed the independence of the Board members. It is the Nomination Committee's opinion that its proposal for Board members meets the Code's independence requirements. The Nomination Committee deems that Joacim Lindoff is to be regarded as dependent in relation to the company and the executive management, and that Carl Bennet and Dan Frohm are to be regarded as dependent in relation to major shareholders. The Nomination Committee deems the other proposed Board members – Johan Malmquist, Ulf Grunander, Eva Elmstedt and Carola Lemne – to be independent in relation to the company and the executive management as well as the major shareholders.

In addition, in its preparations, the Nomination Committee has reviewed previously decided fee levels for the members of the Board. Taking such a review into account, the Nomination Committee has proposed some adjustment of the fee level.

In accordance with the Audit Committee's recommendation, the Nomination Committee has chosen to recommend to the Annual General Meeting re-election of the auditing firm PricewaterhouseCoopers AB as auditor for the forthcoming term and that fees shall be paid according to approved invoice.

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Malmö in March 2023

**The Nomination Committee of Arjo AB (publ)**