

## **The Nomination Committee's statement explaining its proposal to the Board of Sectra AB, including a presentation of the work of the Nomination Committee ahead of the 2018 AGM**

In accordance with the principles adopted by the 2017 Annual General Meeting (AGM), the Chairman of the Board contacted the largest shareholders in the autumn of 2017 to form a Nomination Committee tasked with preparing proposals ahead of the 2018 AGM. Before agreeing to the assignment, the members of the Nomination Committee assessed whether it would create a conflict of interest and notified the company that no conflict of interest existed.

The members of the Nomination Committee were announced in a press release on December 8, 2017 and comprised the following members:

- Carl-Erik Ridderstråle, Chairman of the Board (convener). Independent in relation to the company and its management.
- Torbjörn Kronander, Board member, President and CEO of Sectra AB and the company's largest shareholder.
- Jan-Olof Brüer, Board member of Sectra AB and the company's second-largest shareholder (Chairman).
- Jan Särllvik, representative of Nordea Investment Funds, which is the company's fourth-largest shareholder. Independent in relation to the company and its management.

Jan-Olof Brüer, who is the company's second-largest owner in terms of votes, was appointed Chairman of the Nomination Committee since Torbjörn Kronander, the company's largest owner in terms of votes, decided to abstain from chairmanship due to his role as President of Sectra AB. The members of the Nomination Committee jointly represent 43% of the votes in Sectra AB.

### **Work of the Nomination Committee ahead of the 2018 AGM**

According to the nomination process, the Nomination Committee is to draft proposals for the following:

- Chairman of the AGM
- Board of Directors
- Chairman of the Board
- Board fees to the Chairman and other members of the Board of Directors, and remuneration for committee work
- Fees to the company's auditors
- Principles for appointing the next Nomination Committee

The Nomination Committee has held regular meetings and phone discussions since it was appointed in autumn 2017. In addition, individual meetings were held with new Board members proposed for election. The Nomination Committee meetings and discussions mainly focused on reviewing the balance of complementary expertise on the Board, the need to recruit new Board members and the assessment of prospective Board members, the assessment of the work of the current Board, and discussions concerning the number of Board members and Board fees. In accordance with the Swedish Corporate Governance Code, the Nomination Committee's assessment paid particular attention to the diversity and breadth of the Board's composition as well as the requirement of working toward an even gender balance.

As a basis for its work, the Nomination Committee has reviewed the Board's assessment of its work and the Chairman of the Board's presentation of the work of the Board, and held talks with the members of the Board. This review shows that the Board has been active and extremely dedicated, and that the members had a high attendance rate.

When preparing the Nomination Committee's proposal regarding Board fees, an analysis and comparison was conducted with similar companies in order to gain an understanding of what a reasonable fee would be. Given that the Board fees were raised at the 2017 AGM, the Nomination Committee has therefore proposed that the Board fees remain unchanged, meaning that the Chairman of the Board is to receive SEK 450,000 and the other Board members SEK 225,000. It is proposed that remuneration for committee work remain unchanged for the

second consecutive year, meaning that the Chairman of the Audit Committee is to receive SEK 80,000 and the other members of the Audit Committee SEK 40,000.

When discussing the proposal for the election of auditors and fees for audit work, the Nomination Committee was assisted by the Audit Committee. The Nomination Committee proposes that the 2018 AGM elect Grant Thornton as the public accounting firm for the company, with Authorized Public Accountant Mia Rutenius as Auditor in Charge, until the close of the 2019 AGM. The Nomination Committee also proposes auditors' fees be paid in accordance with approved invoices. The proposals follow the recommendation presented by the Board's Audit Committee to the Nomination Committee.

The Nomination Committee proposes that the principles for appointing the Nomination Committee as laid down at the 2017 AGM and applied for the past ten years shall continue to apply for future AGMs.

### Proposal to the Board of Directors

Board members Carl-Erik Ridderstråle and Jakob Svärdröm have notified the Nomination Committee that they are declining reelection.

The Nomination Committee proposes:

- The Board of Directors should comprise seven Board members with no deputies.
- The reelection of:
  - Anders Persson
  - Christer Nilsson
  - Tomas Puusepp
  - Torbjörn Kronander
  - Ulrika Hagdahl
  - Jan-Olof Brüer
- The new election of:
  - Birgitta Hagenfeldt
- The election of Jan-Olof Brüer as Chairman of the Board.

### Presentation of the proposed Board members

A presentation of the individuals proposed by the Nomination Committee for reelection to the Board of Directors is available on [www.sectra.com/board\\_of\\_directors](http://www.sectra.com/board_of_directors) and a presentation of the individuals proposed as new members is set out below.

#### **Birgitta Hagenfeldt**

Born: 1961

Education: MBA, University of Örebro in Sweden

Professional experience: CFO and deputy CEO Avanza Bank Holding. Previously Head of administration RAM Rational Asset Management AB and Authorized Public Accountant and Head of Financial Auditing at KPMG

Other posts: No other significant posts

Independence: Yes. Independent in relation to the company, management and the company's major shareholders

Sectra holdings: 0

### Reasoned opinion concerning the proposal of Board members

The Nomination Committee is of the opinion that work on Sectra's Board has functioned effectively. In consideration of the areas of expertise where the Board needs strengthening, the Nomination Committee has looked for individuals with experience in economics, finance and accounting. The Nomination Committee has therefore proposed the election of Birgitta Hagenfeldt, who currently serves as CFO and Deputy CEO of Avanza and whose previous experience as an authorized public accountant will add expertise and valuable knowledge to the Board. The Nomination Committee also believes that Birgitta Hagenfeldt has demonstrated through her actions that she shares Sectra's value of focusing on customer satisfaction.

Through this proposal, the Nomination Committee believes that Sectra's expertise will be strengthened through the addition of an individual whose values are compatible with those of the other members of the Board. The Nomination Committee is of the opinion that the expertise and experience that are important for Sectra, and that the Nomination Committee believes are required to meet Sectra's future challenges and needs, will be properly represented on the Board of Directors. In light of this, the Nomination Committee's assessment is that there is no need to further renew or supplement the composition of the Board.

The Nomination Committee has assessed each member's capacity to devote sufficient time and dedication to the Board assignment and assessed the extent to which the Board fulfils the requirements that will be imposed on it considering the company's operations, situation and future direction. In the opinion of the Nomination Committee, all the proposed members have at their disposal the dedication and time required to perform the assignment as a member of Sectra's Board of Directors.

During the course of its work, the Nomination Committee applied rule 4.1 of the Swedish Corporate Governance Code as its diversity policy. The Nomination Committee took into account the importance of greater diversity on the Board of Directors with regard to gender, expertise, age and nationality as well as business experience and background. The Nomination Committee is of the opinion that the diversity of the proposed composition of the Board of Directors is appropriate, since the experience and competence of its members match the Sectra Group's priorities. If the AGM resolves in accordance with the Nomination Committee's proposal, 29% of the AGM-elected members of Sectra's Board of Directors will be women.

The Nomination Committee is also of the opinion that the proposed composition of the Board fulfils the requirements of the Swedish Corporate Governance Code with regard to the number of independent members in relation to the company and its management, and major shareholders in the company. The Nomination Committee has found nothing that indicates cause to question the independence of the Board members designated as independent.

Linköping, August 2018

The Nomination Committee of Sectra AB (publ)