

# **The Nomination Committee's proposals to the annual general meeting 2021 and information regarding the proposed board of directors as well as motivated statement regarding the Nomination Committee's proposal for election of board of directors and auditor**

## The Nomination Committee's proposals, presentation and motivated statement to the annual general meeting 2021

The extraordinary general meeting in Nordic Waterproofing Holding AB (publ) ("NWP") on 12 August 2020, resolved to appoint a nomination committee, with the main task to prepare proposals for the annual general meeting 2021 in accordance with the requirements set forth in the Swedish Corporate Governance Code (the "Code").

Based on the ownership of NWP as of 31 December 2020, the Nomination Committee consists of Ulf Hedlundh (Svolder AB, chairman of the Nomination Committee), Joachim Spetz (Swedbank Robur), Viktor Henriksson (Carnegie Fonder) and Anna Sundberg (Handelsbanken Fonder), representing approximately 35.5 per cent of the votes of all shares in NWP, and Mats O. Paulsson (chairman of the board of directors). The Canadian owner Mawer Investment Group declined to participate in this year's Nomination Committee.

The assignments of the Nomination Committee include preparations of proposals in respect of the election of the chairman of the board of directors and other members of the board of directors, as well as the chairman of the annual general meeting 2021. In addition, the Nomination Committee shall issue proposals regarding fees and remuneration to the board of directors and additional fees and remuneration for committee work, as well as the fees and remuneration to the auditor. Furthermore, the Nomination Committee submits a proposal for the election of the auditor, subject to the recommendation by the board of directors and the Audit Committee.

The Nomination Committee has reviewed the work conducted by the board of directors and has held four meetings and has further had several contacts in order to prepare the proposals for the annual general meeting 2021. The outcome of the evaluation of the Nomination Committee's work has been summarised and recorded in minutes. In order to assess to which extent the current board of directors meet the prescribed requirements due to the company's situation and future orientation, the size and composition of the board of directors, in terms of competence, experience, gender balance and background, has been discussed. The Nomination Committee has conducted interviews with all members of the board of directors in order to evaluate, determine and verify the essential parts of the board of directors' work. Furthermore, the chairman of the board of directors has provided the Nomination Committee with the board of directors' own evaluation of their conducted work.

A central aspect of the Nomination Committee's work is to identify board members and potential board members with relevant experience from primarily Nordic business. Senior positions such as CEO, CFO, COO, CIO and CTO are particularly valuable. With regard to NWP's business activities within the Nordic countries, as well as gradually in the surrounding area outside the Nordic countries, the Nomination Committee deems it valuable that there are experience and background from several Nordic countries and that the board of directors consists of

several nationalities. In addition, the Nomination Committee considers it to be important that the company adheres to the Swedish Corporate Governance Code's recommendations of equality for the board of directors. As a result of Kristina Willgård not being available for re-election, the proposal does no longer meet the recommendation stated in the Code. This circumstance should be taken into consideration by next year's Nomination Committee.

NWP's articles of association stipulate that the board of directors shall comprise of at least four (4) members and at the most eight (8) members and that no deputies shall be appointed. It is the assessment of the Nomination Committee that the board of directors for NWP is most efficient with a number between these external boundaries. Furthermore, the Nomination Committee assesses that current board members are well suited for their assignment, both individually and jointly. At last year's annual general meeting, the board was expanded by one member. Now, when a member does not wish to run for re-election, it is the Nomination Committee's overall assessment that the number of board members should return to six.

The Nomination Committee proposes the re-election of the following board members: Leena Arimo, Steffen Baungaard, Allan Lindhard Jørgensen, Riitta Palomäki, Mats O. Paulsson and Hannu Saastamoinen. Furthermore, the Nomination Committee proposes that the annual general meeting re-elects Mats O. Paulsson as chairman of the board. Mats O. Paulsson has been a member of the NWP board of directors since 2017 and chairman of the board since 2020.

In assessing the independence of the proposed members of the board of directors in relation to the company and major shareholders, the Nomination Committee has concluded that all the proposed board members are independent with regard to both the company and towards major shareholders. Thus, the requirements of independent board members stipulated in the Code are met.

The Nomination Committee proposes that remuneration to the board of directors, for the period until the next annual general meeting, is paid in the amount of SEK 600,000 (500,000) to the chairman of the board and SEK 290,000 (275,000) each to the other members, in the amount of SEK 100,000 (100,000) to the chairman of the audit committee and SEK 50,000 (50,000) each to the other members of the audit committee, and in the amount of SEK 50,000 (50,000) to the chairman of the remuneration committee and SEK 25,000 (25,000) each to the other members of the remuneration committee.

If the annual general meeting resolves in accordance with the Nomination Committee's proposal for the composition of the board, and if the number of members of the audit committee and the remuneration committee remains as before, the total remuneration amount to SEK 2,325,000, compared with last year's SEK 2,425,000. The reduction is due to the proposal to reduce the board of directors by one member. The Nomination Committee is of the opinion that the proposed remuneration to the board of directors is in the upper quartile of comparable Swedish listed companies. However, the Nomination Committee has taken into consideration that the selection of professional board members is made from several Nordic countries, where the remuneration for a board member is generally higher, together with the fact that the remuneration for the board of directors has remained unchanged since the company was listed on the stock exchange.

Prior to the election of the auditor, the Nomination Committee has obtained various comments on the current auditor's work, but also generally with regard to the quality of the entire auditing team, especially from the NWP board's Audit Committee. The overall assessment is that the audit has been intensified and professionalized. It is, according to the Nomination Committee, desirable that there is continuity in the ongoing audit as well as geographical proximity to the auditors leading the assignment. In light of the above, the Nomination Committee proposes that the company should have one auditor without a deputy auditor, as well as the re-election of the registered auditing company Deloitte AB as the company's auditor for the period until the next annual general meeting. Additionally, the Nomination Committee proposes that remuneration to the company's auditor shall be paid in accordance with the reviewed invoice. The Nomination Committee's proposal has been preceded by a corresponding proposal from NWP's board of directors and the board's Audit Committee. With regard to previous

years procurement of audit services, there is no obligation or requirement according to EU audit legislation, for auditors' rotation for this annual general meeting.

### The Nomination Committee's proposal

The Nomination Committee proposes the following:

- Mats O. Paulsson, or the person he appoints, is elected chairman of the meeting.
- The number of board members elected by the annual general meeting is six (before seven) without deputies. The company shall have one (1) auditor without a deputy auditor.
- The remuneration to the board of directors, for the period until the next annual general meeting, are paid in the amount of SEK 600,000 (500,000) to the chairman of the board and SEK 290,000 (275,000) each to the other members, in the amount of SEK 100,000 (100,000) to the chairman of the audit committee and SEK 50,000 (50,000) each to the other members of the audit committee, and in the amount of SEK 50,000 (50,000) to the chairman of the remuneration committee and SEK 25,000 (25,000) each to the other members of the remuneration committee.

If the annual general meeting resolves in accordance with the nomination committee's proposal for the composition of the board, and if the number of members of the audit committee and the remuneration committee remains as before, the total fees amount to SEK 2,325,000, compared with last year's SEK 2,425,000. The reduction is due to the proposal to reduce the board of directors by one member.

- The remuneration to the auditor shall be paid in accordance with the reviewed invoice.
- Re-election of board members Leena Arimo, Steffen Baungaard, Allan Lindhard Jørgensen, Riitta Palomäki, Mats O. Paulsson and Hannu Saastamoinen.
- Re-election of Mats O. Paulsson as chairman of the board.
- The registered auditing company Deloitte AB is, in accordance with the audit committee's recommendation, elected as the company's auditor for the period until the next annual general meeting.

### Principles for the appointment of the Nomination Committee

The Nomination Committee proposes the following instruction for Nomination Committee, to apply until further notice.

#### **Instruction for the Nomination Committee of Nordic Waterproofing Holding AB (publ)**

Applicable as of 29 April 2021

#### **1. OVERALL RESPONSIBILITIES AND OBJECTIVES**

The main objective and responsibility of the Nomination Committee (the "Committee") is to present proposals for the nomination of the chairman and members of the board of directors in Nordic Waterproofing Holding AB (the "Company").

The Committee is appointed in accordance with the routines and procedures resolved by the annual general meeting in the Company.

#### **2. APPOINTMENT OF THE COMMITTEE**

It is proposed that the Committee shall consist of four members. Each member shall be appointed by each of the four largest shareholders who wish to appoint such a member. The chairman of the board of directors shall be co-opted on the Committee and shall convoke the first meeting.

The chairman of the Committee shall, if the members of the Committee do not agree otherwise, be the member that represents the shareholder controlling the largest number of votes.

The Committee shall be composed based on shareholder statistics from Euroclear Sweden AB and other reliable shareholder information which have been provided to the Company as of the last banking day in August the year before the annual general meeting. When determining who are the four largest shareholders with regard to the number of votes held, a group of shareholders shall be considered one owner if they (i) have been organised as a group in the Euroclear-system or (ii) have made public and notified the Company that they have made a written agreement to take, through the coordinated exercise of voting rights, a common long-term view on the management of the Company.

The chairman of the board of directors shall, when such ownership information is available, contact a representative of each of the four largest shareholders, each of whom shall have the right to appoint a member to the Committee.

If any of the four largest shareholders refrain from appointing an owner representative, or if an owner representative resigns or relinquishes the position before the assignment is complete, the chairman of the board of directors shall contact the next shareholder in consecutive order, up until the sixth owner, who shall be entitled to appoint a member of the Committee. If, despite such contact, only three shareholder representatives have been appointed as of 31 January during the same year as the annual general meeting is to be held, the Committee shall be able to constitute itself with three ordinary members.

The names of the members of the Committee and the shareholders they represent shall be made public as soon as they have been appointed and at the latest six months prior to the annual general meeting. Any changes in the composition of the Committee shall be made public as soon as such changes have occurred.

If, during the mandate period of the Committee, one or more of the shareholders having appointed a representative to the Committee no longer is among the four largest shareholders with regard to the number of votes held, the representatives appointed by these shareholders shall resign, and the shareholder or shareholders who then are among the four largest shareholders with regard to the number of votes held, may appoint their representatives. Unless there are special circumstances, no changes shall be made in the composition of the Committee if the change occurs later than three months prior to the annual general meeting.

A shareholder that has become one of the four largest shareholders on account of a more significant change in the number of votes held later than three months prior to the annual general meeting shall, however, be entitled to appoint a representative who shall be invited to participate in the Committee's work as a co-opted member.

A shareholder who has appointed a representative as a member of the Committee has the right to dismiss such member and appoint a new representative as a member of the Committee.

The mandate period for the Committee shall be for the period until a new Committee has been appointed.

The Committee shall, when performing its duties, fulfil the tasks that otherwise rest upon the Committee under the Swedish Code on Corporate Governance ("the Code"). The Company shall, upon request of the Committee, provide personnel resources – such as a secretary function – to the Committee to facilitate its work. If needed, the Company shall also pay reasonable costs for external consultants that the Committee deems necessary in order for the Committee to be able to fulfil its assignment.

### **3. DUTIES**

#### **The Committee shall:**

- Evaluate to what extent the board of directors satisfies requirements based on the Group's business, future development and independence criteria, i.a. by reviewing the results from the board of directors' evaluation.

- Establish requirement profiles for the members of the board of directors.
- Evaluate the appropriate number of members of the board of directors.
- Prepare and submit proposals regarding the chairman and other members of the board of directors, proposal regarding fees and other compensation for the chairman and each of the directors as well as remuneration for committee work.
- Prepare and submit a proposal regarding the election of auditor and auditor's fees.
- Prepare and submit a proposal regarding the chairman of the annual general meeting.
- Submit its proposals to the Company in such a time that they can be included in the notice to the annual general meeting and at the same time be presented on the Company's website.
- Provide an account of how the Committee has performed its work and a statement explaining its proposals regarding the board of directors with regard to the requirements concerning the composition of the board of directors contained in the rules of the Code so that this statement can be presented on the Company's website.
- Present and elaborate on its proposals at the annual general meeting, taking the rules of the composition of the board of directors contained in the Code into account.
- To the extent deemed necessary, prepare and submit proposals regarding amendments of this Instruction for the Committee.

#### **4. ORGANISATION**

##### **4.1 Members**

- (a) The annual general meeting shall decide upon such routines by which the members of the Committee are nominated.
- (b) The chairman of the Committee shall, if the members of the Committee do not agree otherwise, be the member that represents the shareholder controlling the largest number of votes. In case of equal votes in the Committee, the chairman shall have the casting vote. The chairman of the Committee may not be the chairman of the board of directors of the Company or a member of the board of directors of the Company.
- (c) The Committee shall consist of a such number of members as specified above and in accordance with what is prescribed in the Code.
- (d) The majority of the members of the Committee shall be independent of the Company and its executive directors.
- (e) The majority of the members of the Committee shall not be members of the board of directors of the Company. The CEO and other members of the senior management of the Company may not be members of the Committee.

##### **4.2 Meetings**

- (a) The Committee shall meet as often as necessary in order to fulfil its duties and responsibilities. The time of the annual general meeting shall be taken into consideration when planning the meetings.
- (b) Meetings are to be convened by the chairman of the Committee, but can also be convened by any of the other members of the Committee.
- (c) The person convening a meeting shall circulate an agenda which shall be drafted jointly with the chairman of the Committee one week before the Committee meeting. Supporting documentation shall, if possible, be distributed at the same.
- (d) Minutes of the meetings shall be kept by the chairman of the Committee and be securely filed.
- (e) The chairman of the Committee shall circulate the minutes of the meeting to the members of the Committee within two weeks after a Committee meeting.

## 5. REPORTING RESPONSIBILITIES ETC

The Committee shall regularly update and report to the owner(s) who appointed the Committee.

The Committee shall annually review the Instruction for the Committee.

## The Nomination Committee's motivated statement regarding proposals for the board of directors and election of auditor

The Nomination Committee's opinion is that the board of directors proposed by the Nomination Committee has a suitable composition, characterized by versatility and breadth with regard to the members' competence, experience, gender and background (with the application of the diversity policy in accordance with rule 4.1 of the Code). Furthermore, it is the Nomination Committee's assessment that the proposed registered accounting firm has the desired experience, expertise and integrity to perform an audit in accordance with generally accepted auditing standards for the benefit of all the company's shareholders.

### Information about the proposed board members

#### **Leena Arimo**

*Born:* 1963.

*Education:* Master's degree from Helsinki University of Technology, Finland.

*Other assignments:* CFO of the Finnish subsidiary to the listed Swedish installation and real estate service group Bravida.

*Previous assignments:* CFO of divisions within Lemminkäinen and CEO at Lemcon Networks.

*Independent in relation to major shareholders:* Yes

*Independent in relation to the Company:* Yes

*Current share ownership in Nordic Waterproofing (own and closely related):* 0

#### **Steffen Baungaard**

*Born:* 1967.

*Education:* Master of Business Economics at Copenhagen Business School, Denmark, Bachelor's degree from Copenhagen University of Technology, Denmark and leadership courses from IMD Business School, Switzerland, and Harvard Business School, USA.

*Other assignments:* Chairman of the board of Brøndum Holding A/S. Vice chairman of Arkil Holding A/S. Board member in Huscompagniet A/S, DEKO A/S, Carl Ras A/S, Frederikshøj Ejendomme A/S and M.B Packaging A/S.

*Previous assignments:* Group CEO of HusCompagniet A/S, CEO/Executive Vice President NCC Danmark A/S and Sales director VELFAC A/S.

*Independent in relation to major shareholders:* Yes

*Independent in relation to the Company:* Yes

*Current share ownership in Nordic Waterproofing (own and closely related):* 0

#### **Allan Lindhard Jørgensen**

*Born:* 1965.

*Education:* Bachelor of Commerce, Accounting, Copenhagen Business School, Denmark.

*Other assignments:* CEO of Dovista A/S. Chairman of the Boards of Velfac A/S, Rational Vinduer A/S, and Svenska Fönster AB. Board member of OH Industri A/S and Pankas A/S.

*Previous assignments:* Board member of Huscompagniet A/S, CEO of Kemp & Lauritzen A/S, COO of NCC AB, CEO of Eurodan-huse A/S, chief accountant with Eurodan-huse A/S, auditor with PricewaterhouseCoopers A/S.

*Independent in relation to major shareholders:* Yes

*Independent in relation to the Company:* Yes

*Current share ownership in Nordic Waterproofing (own and closely related):* 0

**Riitta Palomäki**

*Born:* 1957.

*Education:* Master of Science in Accounting and ICT from Turku School of Economics and Business Administration, Finland.

*Other current assignments:* Member of the Board of Directors, Chair of the Audit Committee at OP Financial Group.

*Previous assignments:* Board member, Chair of the Audit Committee and member of the Remuneration Committee at HKScan Oyj, Executive Vice President and CFO of Uponor Oyj, Board member and Chair of the Audit Committee of Componenta Oyj, CFO of Kuusakoski Group, various managerial positions at Konecranes and ABB Finland.

*Independent in relation to major shareholders:* Yes

*Independent in relation to the Company:* Yes

*Current share ownership in Nordic Waterproofing (own and closely related):* 5,000

**Mats O. Paulsson**

*Born:* 1958.

*Education:* Master of Science in Engineering from Lund University of Technology, Sweden.

*Other assignments:* Chairman of the Boards of Caverion Oy, Nordisk Bergteknik AB and Svevia AB. Board member in BE Group AB and Bösarps Grus & Torrbruk AB.

*Previous assignments:* CEO of Bravida AB, CEO of Strabag Scandinavia AB and CEO of Peab Industri AB. Member of the boards of Acando AB, Elda Acquisition AB, Paroc Oy, Ramirent Plc, BTH Bygg AB, KEWAB, Mark & Energibyggarne AB and Win Group AB.

*Independent in relation to major shareholders:* Yes

*Independent in relation to the Company:* Yes

*Current share ownership in Nordic Waterproofing (own and closely related):* 15,000

**Hannu Saastamoinen**

*Born:* 1960.

*Education:* Master's degree from Helsinki School of Business, Finland.

*Other assignments:* Senior advisor Investment AB Latour in Finland. Owner and CEO of Sandbacka Advisory Services Oy.

*Previous assignments:* CEO Swegon Group AB. Senior positions in among other Munters, Huurre Group, TAC Svenska, Carrier Refrigeration and Electrolux.

*Independent in relation to major shareholders:* Yes

*Independent in relation to the Company:* Yes

*Current share ownership in Nordic Waterproofing (own and closely related):* 0

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Stockholm in February 2021  
Nordic Waterproofing Holding AB (publ)  
*The Nomination Committee*