

# **The nomination committee's proposals to the annual general meeting 2022 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 annual general meeting 2021 in Nordic Waterproofing Holding AB (NWP), resolved to appoint a nomination committee, with the main task to prepare proposals for the annual general meeting 2022 in accordance with the requirements set forth in the Swedish Corporate Governance Code.

Based on the ownership of NWP as of 2021-08-31, the nomination committee shall be formed on the basis of the largest shareholders of the company with the chairman of the board as co-opted. Based on this, a nomination committee consisting of representatives of major shareholders was formed. These consisted of Ulf Hedlundh (Svolder AB), Joachim Spetz (Swedbank Robur), Anna Sundberg (Handelsbanken Fonder) and Erik Kjellgren (Länsförsäkringar Fonder) as well as NWP's chairman of the board Mats O Paulsson. The nomination committee constituted itself consisting of the above persons and with Ulf Hedlundh as chairman of the nomination committee. This was disclosed through a press release on 2021-09-15. During the process, ownership statistics have shown that Alcur Fonder and Tredje AP-fonden have become larger shareholders than Länsförsäkringar Fonder. However, both Alcur Fonder and Tredje AP-fonden have announced that they are relinquishing representation. The shareholders represented in the nomination committee have a voting and equity share of approximately 35 per cent in NWP.

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 2022. 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, prior to the meeting, held three meetings and has further had several contacts. 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, have 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. Outcomes of the interviews have been presented to the chairman of the board. 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 meritorious. With regard to NWP's business activities within the Nordic countries, and also gradually in the immediate area outside of 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 code's recommendations of equality for the board of directors. Through this year's proposal, the code's recommendation is met again.

NWP's articles of association stipulate that the board of directors shall comprise of at least four and at the most eight. 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. It is the nomination committee's assessment that the current board members are well suited for their assignment, both individually and jointly. At last year's annual general meeting, the board was decreased by one member to six members. Allan Lindhard Jørgensen has declined re-election and is proposed to be replaced by Hannele Arvonen, which means that the number of board members continues to be proposed to be six.

The nomination committee proposes **Hannele Arvonen** as a new board member. Hannele Arvonen has technical academic education from the University of Helsinki, with a special focus on forest management and forest industry. She was born 1966 and is a Swedish and Finnish citizen. Arvonen has mainly worked within Swedish-based forest industry, in gradually more demanding management functions. This includes, in particular, site manager at Holmen Paper Mill in Hallstavik and Iggesund Paperboard, as well as President and CEO of Setra Group and Sveaskog. It is the nomination committee's opinion that Hannele Arvonen has valuable experiences as a leader for Nordic industrial groups as well as special expertise within forest raw materials, an increasingly important input for NWP.

Furthermore, the nomination committee proposes that the annual general meeting re-elects Mats O Paulsson as chairman of the board. 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 Swedish Corporate Governance Code are met.

The nomination committee has further resolved to propose remuneration to the board of directors amounting to SEK 650,000 to the chairman and SEK 300,000 to each ordinary member. This represents an increase for ordinary members with SEK 10,000 for each member and SEK 50,000 for the chairman. The remuneration in the audit committee is proposed to amount to SEK 125,000 to the chairman and SEK 50,000 to each member (2) as well as SEK 50 000 to the chairman of the remuneration committee and SEK 25 000 to each member (1). The remuneration of the chairman of the audit committee represents an increase of SEK 25,000 and reflects a progressively bigger responsibility and scope for that assignment. In total, this means a proposed remuneration to the board of directors of SEK 2,450,000, compared with last year's SEK 2,325,000, an increase of 5.4 per cent. It is the nomination committee's opinion that the 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 fairly unchanged since NWP was listed on the stock exchange.

The nomination committee further proposes that the remuneration of the company's auditors shall be paid according to reviewed invoice.

At the annual general meeting 2019, the auditing company Deloitte, registered in Denmark, was elected as NWP's auditors for a mandate period of one year and was re-elected 2020. 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 NWP's board's audit committee. The overall assessment is that the audit has been intensified and professionalised. 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. The nomination committee's proposal has been preceded by a corresponding proposal from NWP's board of directors and audit committee. With regard to the procurement of audit services in 2019, 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:

- as chairman of the annual general meeting appoint Mats O Paulsson, or the person he appoints.
- the board shall be comprised of six (six) board members.
- remuneration to the board of directors, for the period until the end of the next annual general meeting, shall amount to SEK 2,150,000 (2,050,000), of which SEK 650,000 (600,000) to the chairman of the board and SEK 300,000 (290,000) to each of the other board members. The proposal entails an increase of the total remuneration amounting to SEK 100,000, corresponding to an increase of 4.9 per cent.
- remuneration for assignments in the remuneration committee shall be paid with SEK 50,000 (unchanged) for its chairman and SEK 25,000 (unchanged) for member. For the chairman of the audit committee, remuneration shall be paid with SEK 125,000 (100,000) and, to each member, SEK 50,000 (unchanged).
- remuneration to the auditor shall be paid on specified, by the board of directors' reviewed and approved, current accounts.
- re-election of the board members Leena Arimo, Steffen Baungaard, Riitta Palomäki, Mats O. Paulsson and Hannu Saastamoinen.
- election of Hannele Arvonen.
- Mats O. Paulsson is elected as chairman of the board.
- The registered auditing company Deloitte AB is elected as the company's auditor for the mandate period up until the annual general meeting 2023.

### 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 28 April 2022

#### **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.

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 auditors

The nomination committee's opinion is that the board of directors proposed by the nomination committee has a suitable composition, characterised 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 Swedish Corporate Governance 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.

Stockholm in January 2022

The Nomination Committee of Nordic Waterproofing Holding AB (publ)

Ulf Hedlundh  
*Chairman*

Erik Kjellgren

Joachim Spetz

Anna Sundberg

Appendix: Information about the proposed board members (please also see the annual report for 2021)

## Information about the proposed board members

### **Hannele Arvonen**

*Born:* 1966.

*Education:* Master's degree (certificated forester) from Helsinki University, Finland. Bachelor's degree (International Relations) from Beloit College, USA.

*Other assignments:* CEO and partner of Flooré AB, board member of Metsäkonepalvelu Oy.

*Previous assignments:* CEO of Sveaskog and Setra Group, different senior executive positions within Holmen and Metsä Board.

*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

### **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, DEKO A/S, MB Packaging A/S and Fredrikshøj Ejendomme A/S. Vice chairman of Arkil Holding A/S. Board member in MT Højgaard Holding A/S, Carl Ras A/S and EBK Huse 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

### **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 board 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:* Chairman of the board of Rototec Group AB and MTC Flextek OY. Board member of M&G BV, Veho Group OY and Bemsiq AB.

*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