



The Nomination Committee's motivated statement regarding election of Board members at the 2020 Annual General Meeting

The Nomination Committee's composition and report on its work

The Nomination Committee was appointed in accordance with the procedures established by the 2019 Annual General Meeting. Considering that one of the five largest shareholders chose not to participate in the work of the Nomination Committee and has abstained from the right to appoint a member, the Nomination Committee ahead of the 2020 Annual General Meeting consists of representatives by each of the four largest shareholders in the company in terms of votes as per the last business day in September:

- Henrik Jorlén, chairman, (Jorlén family).
- Gun Boström, (Boström family).
- Lovisa Hamrin, (Herenco).
- Johan Ståhl (Lannebo Fonder).

The Nomination Committee duties has consisted of those following from the Swedish Corporate Governance Code and the resolution by the 2019 Annual General Meeting.

The Nomination Committee has held one meeting documented by minutes and has also maintained contact per phone and via email. Information about Nolato's business and its strategic position provided by the Company's CEO Christer Wahlquist and the chairman of the Board Fredrik Arp has formed the basis for the Nomination Committee's proposals. Further, the Nomination Committee has taken the evaluation of the Board into account.

On the basis of the above, the Nomination Committee has assessed the extent to which the present Board of Directors meets the demands that will be placed on the Board in the form of the company's future focus and development. Factors including the Board's size and composition, in terms of for example industry experience, expertise and diversity, were discussed in this context. The Nomination Committee has thereby observed its diversity policy, which follows from the Swedish Corporate Governance Code.

The Nomination Committee's proposals for election of the Board and the Chairman of the Board

The Nomination Committee makes the following proposals:

- that the Board of Directors shall consist of eight ordinary members elected by the shareholders meeting and no deputies.
- Re-election of all current Board members with the exception of Henrik Jorlén who declined re-election.
- Election of Erik Lynge-Jorlén as a member of the Board.

Thus, the Nomination Committee proposes that the following persons are elected as members of the Board for the period until the end of the 2021 Annual General Meeting:

- Fredrik Arp, chairman of the Board
- Dag Andersson
- Sven Boström-Svensson
- Lovisa Hamrin
- Åsa Hedin
- Lars-Åke Rydh
- Jenny Sjö Dahl
- Erik Lynge-Jorlén

Erik Lynge-Jorlén was born in 1979. Erik is educated in Business Administration at Copenhagen Business School, holds a Bachelor of Education and has completed a board member education programme. Erik currently works as a school teacher at a secondary school. Erik currently has no board assignments or other significant duties in Nolato or in other companies.

Holdings in Nolato (incl. family and companies): 35,000 B-shares.

Erik is independent in relation to the company and senior executives but is dependent in relation to major shareholders.

Presentations of the board members proposed for re-election is available on the company's website under "Corporate Governance", "Board of Directors".

The Nomination Committee's motivated statement regarding its proposals

The Nomination Committee's discussions have been based on achieving diversity and breadth, as well as a broad representation of men and women on the Board. In connection with Henrik Jorlén abstaining from re-election, the Nomination Committee has considered which characteristics that can complement the Board as well as how the continuous renewal process within the Board best should be implemented. The Nomination Committee has assessed that Erik Lynge-Jorlén is a good complement to the current Board and is considered to be able to contribute towards the renewal process within the Board in a good way.

The Nomination Committee applies rule 4.1 of the Swedish Code of Corporate Governance as diversity policy. The Nomination Committee's proposal involves that three out of eight Board members are women. The elected Board represents both continuity and development and the Board work is conducted with the aim of benefitting from both of these perspectives.

It is the Nomination Committee's assessment that the proposed Board meets the requirements for diversity and the breadth of competence, experience and background required by Nolato's current position and future development.

The Nomination Committee has evaluated the proposed Board members independence in accordance with the Swedish Corporate Governance Code. The Nomination Committee's assessment is that all of the proposed Board members are independent in relation to the company and the senior executives and that five out of eight proposed Board members are independent in relation to major shareholders in

the company. Therefore, the Board's composition meets the requirements of the Swedish Code of Corporate Governance regarding independent Board members.

March 2020

The Nomination Committee of Nolato AB