

*N.B. The English text is an unofficial translation.*

## **Explanatory statement regarding the Nomination Committee's proposal to the Annual General Meeting of Handicare Group AB (publ) held on 6 May 2020**

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*This document has been prepared pursuant to Section 2.6 of the Swedish Corporate Governance Code (the "Code"), and explains how the Nomination Committee has conducted its work and the reasoning behind certain of the Nomination Committee's proposals to the Annual General Meeting. The full list of such proposals is contained in a separate document (the "The Nomination Committee's proposals for the Annual General Meeting of Handicare Group AB (publ) on 6 May 2020") that has been published in connection with the notice to convening the Annual General Meeting.*

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### **Establishment and work of the Nomination Committee**

At the Annual General Meeting held on 8 May 2018, it was resolved that the Nomination Committee for the Annual General Meeting shall consist of one representative from each of the four largest shareholders of the company in terms of votes, who are registered in the share register maintained by Euroclear Sweden AB as of 31 August each year, and the Chairman of the Board of Directors of the company. The Nomination Committee for the 2020 Annual General Meeting consists of the following members (with nominating shareholder shown in parenthesis):

- Fredrik Näslund (Chairman) (Cidron Liberty Systems Ltd)
- Arne Lööv (Fjärde AP-fonden)
- Katja Bergqvist (Nordea Fonder)
- Espen Tidemann Jörgensen (Holta Invest Life Sciences)
- Lars Marcher, Chairman of the Board of Directors of Handicare Group AB (publ)

The Nomination Committee has held four formal meetings and has had ongoing communication in between such meetings. The main work of the Nomination Committee has been to assess, and make proposals with respect to, the composition of and the remuneration to the Board of Directors. To assist the Nomination Committee in its work, the Chairman of the Board has presented an evaluation of the current Board of Directors and its work to the Nomination Committee, and a report on the company's operations, objectives and strategies.

### **Explanation of the Nomination Committee's proposal for Board of Directors**

#### *The proposal*

The Nomination Committee *proposes* to the 2020 Annual General Meeting that the number of members of the Board of Directors shall be unaltered, i.e. seven (7). The Nomination Committee proposes that seven (7) current members of the Board of Directors are re-elected. The following members are nominated:

- Lars Marcher
- Joakim Andreasson
- Jonas Arlebäck
- Maria Carell
- Johan Ek
- Claes Magnus Åkesson
- Christina Lindstedt

Further information on all individuals proposed for election can be found in [Appendix 1](#).

The Nomination Committee proposes that Lars Marcher is re-elected as Chairman of the Board of Directors.

#### *Diversity and breadth of competence*

It is the Nomination Committee's view – consistent with the Code – that the composition of the Board should exhibit diversity and breadth, and that the members of the Board of Directors elected by the Annual General Meeting should possess those skills, experiences, and backgrounds needed for the company's operations, growth, and other conditions. The Nomination Committee has applied section 4.1 of the Code as its diversity policy.

In carrying out its work, the Nomination Committee has paid particular attention to the following factors:

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- The extent to which the current Board of Directors meets the requirements that are placed on it in light of the company's situation, strategic development and future direction.
- The goal of having a diverse, gender-balanced Board.
- The need for continuity in the work of the Board of Directors.
- The need to secure competence within digitalisation.

The Nomination Committee believes that the current members of the Board of Directors are very well suited to carry out the work of the Board of Directors of Handicare Group AB (publ) over the coming term of office. The Nomination Committee considers that the proposed members of the Board of Directors, together, have an appropriate composition to meet the company's needs with respect to its operations and its competitive situation over the coming term.

As regards diversity, the Nomination Committee has noted the following:

- Two out of seven (29%) are women, and
- Two out of seven (29%) are of partly non-Swedish nationality.

#### *Independence requirements*

Pursuant to the Code, a majority of the members of the Board of Directors elected by shareholders must be independent to the company and its executive management. Furthermore, at least two of those deemed independent of the company must also be independent in relation to the company's major shareholders. The Nomination Committee has assessed each proposed member of the Board of Directors and concluded that the Code's requirements for independence are satisfied, as set forth in the below chart.

<b>Name</b>		<b>Nationality</b>	<b>Independent from the company and its executive management</b>	<b>Independent in relation to the company's major shareholders</b>
<b><i>Re-election</i></b>				
Lars Marcher	Chairman of the Board of Directors and Chairman of the Remuneration Committee	DK	Yes	No
Joakim Andreasson	Member of the Audit Committee and the Remuneration Committee	SE	Yes	No
Jonas Arlebäck		SE	No	Yes
Maria Carell	Member of the Audit Committee	SE	Yes	Yes
Johan Ek		SE and FI	No	No
Christina Lindstedt	Member of the Remuneration Committee	SE	Yes	Yes
Claes Magnus Åkesson	Chairman of the Audit Committee	SE	Yes	Yes

#### **Instruction for the Nomination Committee**

No changes to the instruction that was adopted at the 2018 Annual General Meeting for the Nomination Committee of the company are proposed.

#### **Statement regarding election of auditor**

Pursuant to section 2.1 of the Code, the Nomination Committee is obligated to present a proposal for election of and remuneration to the company's external (statutory) auditor. The Nomination Committee's proposal shall include the recommendation of the Audit Committee. The Audit Committee has recommended Ernst & Young. For the 2020 Annual General Meeting, the Nomination Committee

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proposes the re-election of Ernst & Young AB with Authorised Public Accountant Stefan Andersson Berglund as Auditor-in-Charge. It is proposed that the fee to the auditors be paid in accordance with approved invoices.

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Stockholm, April 2020  
**Handicare Group AB (publ)**  
*The Nomination Committee*

## The Nomination Committees proposal for members of the Board of Directors

### Re-election



**Lars Marcher**, b 1962

Chairman of the Board of Directors, Chairman of the Remuneration Committee. Master of Science in Business Administration from Aarhus University and Macquarie University of Sydney.

*Current engagements:* Board member of the Danish Corporate Governance Committee, Senior advisor and Operating Chairman for Nordic Capital funds.

*Selection of previous engagements/positions:* CEO, Ambu A/S, Chairman of the Board of Danish Medico Business and Danish Industry IMU.

*Holding in Handicare:* 493,050 shares



**Joakim Andreasson**, b 1982

Member of the Audit Committee and the Remuneration Committee. Master of Science in Business Administration from Stockholm School of Economics and Lund University School of Economics and Management.

*Current engagements:* Principal Nordic Capital Advisory AB, Board member of KSG Holding AB, Cidron Legion BidCo AB, Cidron Legion MidCo AB, Cidron Legion TopCo AB.

*Selection of previous engagements/positions:* Chairman of the Board of Cidron Picture HoldCo AB and Cidron Picture MidCo AB. Board member of BUFAB AB (publ) and deputy Board member of Lindorff AB, Lindorff Second Holding AB, Lindorff Coinvest AB, Lindorff Institutional Management AB and Indif AB.

*Holding in Handicare:* 0 shares



**Jonas Arlebäck**, b 1970

Master of Science in Engineering from Chalmers University of Technology and Master of Science in Business Administration from Gothenburg School of Business, Economics and Law.

*Current engagements/positions:* CFO of Lowell Norden and CEO of Lowell Sverige AB. Board member of Holta Invest AS and Ecofarma Holding AB.

*Selection of previous engagements/positions:* CFO Handicare Group. Advisor to the Aleris group.

*Holding in Handicare:* 327,968 shares

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**Maria Carell**, b 1973

Member of the Audit Committee. Master of Social Science in International Business/Business Administration from Linköping University.

*Current engagements:* CEO and President of Revision Skincare and Goodier Cosmetics.

*Selection of previous engagements/positions:* Board member of Meda AB and Akademikliniken AB. CEO of Exeltis USA and Granda AB. President of Meda U.S. and Executive Vice President of Meda North America & South Pacific.

*Holding in Handicare:* 31,333 shares



**Johan Ek**, b 1968

Vice Chairman. Master of Science in Business Administration from Hanken School of Economics.

*Current engagements:* Chairman of the Board of GHD GmbH and Sunrise Medical. Board member of Munters Group AB. Senior Advisor and Operating Chairman for Nordic Capital Funds.

*Selection of previous engagements/positions:* Chairman of Handicare, Saferoad and Corob Engineering as well as Board member of Acino and Ramirent.

*Holding in Handicare:* 293,626 shares



**Christina Lindstedt**, b 1968

MSc in Business Administration, Economic and Commercial Law from Gothenburg University.

*Current engagements/positions:* Partner in Stockholms Affärsänglar, Board member of Swedish Lorry Parts, Scanfil Oyj and Cleanair Scandinavia.

*Selection of previous engagements/positions:* Various assignments at Electrolux and Sony Mobile Communications.

*Holding in Handicare:* 0 shares



**Claes Magnus Åkesson**, b 1959

Chairman of the Audit Committee. Master of Science in Economics and Business Administration from the Stockholm School of Economics.

*Current engagements/positions:* CFO of JM AB and Board member of Concentric AB.

*Selection of previous engagements/positions:* Board member in various companies within the JM Group.

*Holding in Handicare:* 25,000 shares