

## **THE NOMINATION COMMITTEE FOR SAMHÄLLSBYGGNADSBOLAGET I NORDEN AB (PUBL)'S PROPOSAL AND MOTIVATED OPINION**

### **The Nomination Committee's proposal**

The Nomination Committee proposes that Jesper Schönbeck, member of the Swedish Bar Association, is elected Chairman of the Annual General Meeting 2023.

The Nomination Committee proposes that the Board of Directors shall consist of eight members without any Deputy Members.

The Nomination Committee proposes:

- re-election of Lennart Schuss, Ilija Batljan, Sven-Olof Johansson, Hans Runesten, Anne-Grete Strøm-Erichsen, Fredrik Svensson, Eva Swartz Grimaldi and new election of Lars Rodert, and
- that Lennart Schuss is re-elected as Chairman of the Board of Directors.

The Nomination Committee proposes re-election of the registered auditing company Ernst & Young AB as Auditor for the period until the end of the Annual General Meeting 2024. Ernst & Young AB has announced that, subject to the approval of the proposal from the Nomination Committee, the Authorized Public Accountant Jonas Svensson will act as auditor-in-charge.

The Nomination Committee proposes that the fees paid to the Chairman of the Board of Directors shall amount to SEK 1,000,000 and SEK 500,000 to the other members of the Board of Directors elected by the General Meeting.

For work in the Remuneration Committee, a total fee of SEK 150,000 is proposed to be distributed with SEK 100,000 for the Chairman of the committee and SEK 50,000 for the other member. For committee work in the Sustainability Committee, a total fee of SEK 200,000 is proposed to be distributed with SEK 100,000 for the Chairman of the committee and SEK 50,000 for each other members. In case of a separate Audit Committee being established, a total fee of SEK 270,000 is proposed to be distributed with SEK 170,000 for the Chairman of the committee and SEK 50,000 for each other members. If an additional member is added to the Audit Committee, a total fee of SEK 320,000 is proposed.

Fees to the Auditor is proposed to be paid in accordance with approved invoice.

## **Motivated opinion**

The Nomination Committee for the Annual General Meeting 2023 consists of Mia Batljan (Chairman, appointed by Ilija Batljan and Ilija Batljan Invest AB), Rikard Svensson (AB Arvid Svensson), Sven-Olof Johansson (Compactor Fastigheter AB), Lennart Schuss (Chairman of the Board of Directors) and Johannes Wingborg (Co-Opted Member, Länsförsäkringar Fondförvaltning AB).

The Nomination Committee has held four minuted meetings ahead of the Annual General Meeting 2023 and contact in between.

As a basis for its work, the Nomination Committee have been presented with a report including the work of the Board of Directors and the situation of the company from the Chairman of the Board of Directors. The Chairman of the Nomination Committee Mia Batljan and the Co-Opted Member of the Nomination Committee Johannes Wingborg have discussed with all Members of the Board of Directors and taken note of the Board of Directors' own evaluation of its work. In addition, the Nomination Committee has interviewed the proposed new member.

The Nomination Committee's proposal involves re-election of all current Members of the Board of Directors and new election of Lars Rodert as new Member of the Board of Directors (see resume in [Appendix 1](#)). The Nomination Committee's assessment is that Lars Rodert will contribute with valuable competence and experience to the Board of Directors and is well suited as a Member of the Board of Directors of SBB.

The Nomination Committee consider that the proposed Board of Directors ensures an appropriate composition and size and is characterized by diversity and breadth in terms of the proposed member's competence and experience in strategically important fields for SBB. In formulating its proposal, the Nomination Committee has applied rule 4.1 of the Swedish Code of Corporate Governance (the Code) as diversity policy. The Nomination Committee has taken into account the need for a well-functioning board composition in terms of diversity and breadth, including in relation to gender, nationality, age and industry experience. In terms of gender balance, only two of the eight proposed members of the Board of Directors are currently women. However, the question of gender balance is important and prioritized by the Nomination Committee and will continue to need to be prioritized by future Nomination Committees. The Nomination Committee has taken into account that the members of the Board of Directors must be able to set aside the required time for their assignments in SBB and considers that this is the case in the light of the proposed Board members' other assignments.

In its work, the Nomination Committee has also reviewed an analysis of board fees in equivalent companies. The Nomination Committee observes that the board fees are in line with market. The Nomination Committee further proposes a reduction of the fee for work in the Remuneration Committee and the Sustainability Committee and the introduction of a fee for work in the Audit Committee, if such committee is established, as a marked adjustment to equivalent companies.

The Nomination Committee proposes the company's CEO as a Member of the Board of Directors. Considering that the CEO is the company's largest shareholder, the Nomination Committee assesses that it is beneficial for the governance of the company that the CEO is also a Member of the Board of Directors.

### **Determination on principles for appointment of Nomination Committee and instructions for the Nomination Committee**

It is proposed that the Annual General Meeting resolves that the following revised principles and instructions shall apply to the appointment of the Nomination Committee.

According to the Swedish Code of Corporate Governance (the "Code"), companies listed on a regulated market must have a Nomination Committee representing the company's shareholders. Thus, the Nomination Committee is the General Meeting's body for preparing certain appointment decisions to be decided by the General Meeting.

According to the Code, the Nomination Committee shall prepare proposals on the following issues to be submitted to the Annual General Meeting (or Extraordinary General Meeting, as applicable) for decision:

- a) proposal for the Chairman of the Annual General Meeting,
- b) proposal for the number of Members of the Board of Directors,
- c) proposal for Members of the Board of Directors,
- d) proposal for the Chairman of the Board of Directors,
- e) proposal for fees to the members of the Board of Directors distributed between the Chairman and other members and remuneration for committee work,
- f) fees for the company's auditors,
- g) election of auditors, and
- h) if applicable, proposal for a resolution on instructions to the Nomination Committee

The term of office for the appointed Nomination Committee shall run until a new Nomination Committee takes office. Remuneration shall not be paid for the work of the Nomination Committee. At the request of the Nomination Committee, the company shall provide staff resources such as secretary function in the Nomination Committee to facilitate the work of the Nomination Committee. The company shall also be able to cover reasonable costs, for example for external consultants, which the Nomination Committee deems necessary to fulfil the Nomination Committee's assignment.

The Nomination Committee shall be appointed by the Chairman of the Board of Directors contacting the four largest owner-registered shareholders according to the share register maintained by Euroclear Sweden AB as per the last banking day in August each year, or the otherwise known largest shareholders, and ask them to appoint one member each to the Nomination Committee. If such a shareholder does not wish to appoint a member, the largest

registered, or otherwise known, shareholder who is next in line is asked to appoint a member, etc.

A major shareholder or group of shareholders shall have the right to appoint one but not more members of the Nomination Committee. If the Chairman of the Board of Directors is employed by or otherwise not independent in relation to one of the shareholders among those entitled to appoint a member, such shareholder shall not be entitled to appoint a member. The Chairman of the Board of Directors will in such case be considered to be appointed by that shareholder. The appointed members, together with the company's Chairman of the Board of Directors who is the convening member, shall constitute the Nomination Committee.

The names of the members of the Nomination Committee and the names of the shareholders appointing them shall be announced at least six months before each Annual General Meeting.

The Chairman of the Nomination Committee shall, unless the members agree otherwise, be the member appointed by the largest shareholder. The Chairman of the Nomination Committee shall have a casting vote in the event of a tie.

Changes in the composition of the Nomination Committee

If, earlier than two months before the Annual General Meeting, a new shareholder due to the number of votes, passes any of the shareholders in the list of shareholders who have appointed a Member of the Nomination Committee, that shareholder may contact the Chairman of the Nomination Committee and request the appointment of a Member of the Nomination Committee. If this occurs, the member appointed by the smallest shareholder in terms of votes shall leave the Nomination Committee at the same time. If, earlier than two months before the Annual General Meeting, a shareholder who has appointed a Member of the Nomination Committee has disposed a significant part of its shareholding, so that the shareholder no longer is one of the four largest shareholders in terms of votes, that shareholder shall make the seat available. The Chairman of the Nomination Committee shall in such case contact the largest shareholder in terms of votes who has not previously been offered a seat. If that shareholder does not wish to appoint a member, the question shall be passed to the next shareholder in line, etc.

Shareholders who have appointed a Member of the Nomination Committee are entitled to dismiss such member and appoint a new representative as a Member of the Nomination Committee.

Changes in the composition of the Nomination Committee shall be published as soon as they occur.

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