

Proposals and Statement by the Nomination Committee of Lifco AB in Respect of the Annual General Meeting 2018

1. Background

At the AGM 2017, principles for the establishment of a Nomination Committee were adopted, entailing that the Nomination Committee shall consist of the Chairman of the Board, representatives of each of the Company's five largest shareholders per 31 August 2017 and one representative of the minor shareholders. The Nomination Committee in respect of the 2018 AGM consists of Carl Bennet (*Carl Bennet AB*), Chairman, Anna-Karin Celsing (*representative of minority shareholders*), Per Colleen (*the Fourth National Swedish Pension Fund*), Hans Hedström (*Carnegie Funds*), Marianne Nilsson (*Swedbank Robur Funds*) and Adam Nyström (*Didner & Gerge Funds*). The composition of the Nomination Committee in respect of the 2018 AGM was announced on 26 October 2017 and all shareholders have had the possibility to approach the Nomination Committee with nomination proposals.

The Nomination Committee shall submit proposals concerning the election of the Chairman of Annual General Meetings, the election of the Chairman of the Board and other members of the Board, the election of auditors, as well as fees to be paid to the Board and auditors.

2. Proposals by the Nomination Committee

The Nomination Committee makes the following proposals in respect of the 2018 AGM:

Chairman of the AGM: The Chairman of the Board, Carl Bennet, shall be elected chairman of the Meeting.

Board of Directors: The number of Board members elected by the General Meeting shall be ten, without deputy members. Carl Bennet, Gabriel Danielsson, Ulrika Dellby, Erik Gabrielson, Ulf Grunander, Anna Hallberg, Annika Espander Jansson, Fredrik Karlsson, Johan Stern and Axel Wachtmeister shall be re-elected as Board members. Carl Bennet shall be re-elected as Chairman of the Board.

Information concerning all members proposed for re-election is available on the company's website lifco.se.

Board and Committee fees: Board fees, excluding remuneration for Committee work, shall be paid in a total of SEK 5,920,000, of which SEK 1,184,000 to the Chairman and SEK 592,000 to each of the other Board members elected by the General Meeting who are not employees of the Group. Work in the Audit Committee shall be compensated with SEK 220,000 to the Chairman and SEK 110,000 to each of the other members, and work in the Remuneration Committee shall be compensated with SEK 126,000 to the Chairman and SEK 77,000 to each of the other members.

Auditor: The Company is to have one auditor, with no deputies. The registered auditing firm, PricewaterhouseCoopers AB, shall be re-elected as auditor for the period up until the end of the annual general meeting of shareholders in 2019. The Authorised Public Accountant Eric Salander will serve as Auditor-in-Charge. Audit fees shall apply as agreed. The proposal regarding the auditors is in accordance with the Audit Committee's recommendation.

Nomination Committee: The AGM is proposed

- to instruct the Chairman of the Board to convene a Nomination Committee for the AGM 2019, composed of the Chairman of the Board, one representative of each of the

Company's five largest shareholders as per 31 August 2018, as well as one representative of the minority shareholders,

- that, in the event any of the five largest shareholders refrains from exercising its right to appoint a representative to the Nomination Committee, such right shall pass to the shareholder that, next to these five shareholders, has the largest shareholding in the Company,
- that, in the event a representative no longer represents the relevant shareholder, or otherwise resigns from the Nomination Committee prior to the completion of its work, such shareholder shall be offered the opportunity to appoint a new representative to the Nomination Committee,
- that, in the event a representative represents a shareholder that has sold all or the main part of its shareholding in Lifco, the Nomination Committee may resolve that such member shall resign and, if deemed appropriate by the Nomination Committee, offer another representative for a larger shareholder a place in the Nomination Committee, and
- that the Nomination Committee shall perform such duties that fall on the Nomination Committee in accordance with the Swedish Code of Corporate Governance.

3. Statement by the Nomination Committee on the proposed Board of Directors

Ahead of the 2018 AGM, the Nomination Committee has held three meetings at which minutes were kept. As a basis for its work, the Nomination Committee has reviewed the annual accounts for the company's operations in 2017. Further, the Nomination Committee has reviewed nomination proposals received and the evaluation made by the Board and its work. The evaluation revealed that the current Board members represent a broad spectrum of expertise with sound industry knowledge and extensive financial know-how with regard to international conditions and markets. The evaluation also showed that the attendance rate at Board meetings was high and that all Board members demonstrated a high level of commitment.

Based on the results of the evaluation reviewed by the Nomination Committee, and the demands placed on the Board as a result of Lifco's position and future focus, the Nomination Committee proposes that the number of Board members elected by the General Meeting shall be ten, without deputies, and that Carl Bennet (Chairman of the Board), Gabriel Danielsson, Ulrika Dellby, Erik Gabrielson, Ulf Grunander, Anna Hallberg, Annika Espander Jansson, Fredrik Karlsson, Johan Stern and Axel Wachtmeister shall be re-elected as Board members.

The Lifco Group currently has a broad base of operations within a number of industries and has subsidiaries in a variety of different development phases, from established international groups to smaller entrepreneurial companies. The Nomination Committee believes that this motivates the premise that the competencies and experience of the Board members is to reflect the breadth of Lifco's operations. In order to meet this requirement the Nomination Committee has proposed that the Board be comprised of ten members.

The Nomination Committee is of the opinion that the proposal entails a Board composition that will continue to be appropriate to the company's operations, phase of development and other relevant circumstances as well as exhibit diversity and breadth of qualifications, experience and background. In respect of the composition of the Board, the diversity policy and related objective has been applied as set out in rule 4.1 of the Swedish Code of Corporate Governance.

The Nomination Committee strives for equal gender distribution on the Board. The proposed Board members comprise three women and seven men (equivalent to 30.0 and 70.0 per cent, respectively). As per 10 June 2017, the percentage of women on all Swedish listed company boards amounted to 33.2 per cent (39.0 per cent in the so-called Large Cap companies).¹ In April 2014, the Swedish Corporate Governance Board published certain aspiration levels concerning gender distribution in the boards of listed companies, namely at least 40 per cent of each gender after General Meetings held in 2020 and at least 35 per cent of each gender in major companies after the General Meetings in 2017 (in both cases exclusively of employee representatives). The issue of equal gender distribution should

¹ Statistics compiled by the Swedish Corporate Governance Board (refers to board members elected at General Meetings).

be given particular attention in connection with the election of new Board members, which have been the case when the latest Directors were elected. The Nomination Committee is of the opinion that the continuity of the board work is of vital importance and proposes re-election of all Board members elected at the General Meeting and re-election of the Chairman of the Board.

In addition, the Nomination Committee has assessed the independence of the Board members. The Nomination Committee believes that its proposal regarding the composition of the Board in Lifco fulfils the requirements of independence as stipulated in the Code. In preparing its proposal, the Nomination Committee has considered that Fredrik Karlsson, in his capacity as CEO, is to be regarded as dependent in relation to the Company and the executive management, and that Carl Bennet, Erik Gabrielson and Johan Stern as representative of and Board members in, respectively, Lifco's principal owner Carl Bennet AB, are to be regarded as dependent in relation to major shareholders. The Nomination Committee deems the other proposed Board members – Gabriel Danielsson, Ulrika Dellby, Ulf Grunander, Anna Hallberg, Annika Espander Jansson and Axel Wachtmeister – to be independent in relation to the company and the executive management as well as the major shareholders.

Stockholm in March 2018

The Nomination Committee of Lifco AB (publ)