

Proposals and opinions from the Nomination Committee of Lifco AB ahead of the 2020 Annual General Meeting (AGM)

1. Background

The 2019 AGM established principles for the establishment of a Nomination Committee, whereby the Nomination Committee was to comprise the Chairman of the Board, one representative for each of the company's five largest shareholders as per 31 August 2019 and one representative for the minority shareholders. Prior to the 2020 AGM, the Nomination Committee was announced on 23 October 2019 and consists of Carl Bennet (*Carl Bennet AB*), Chairman, Per Colleen (*the Fourth National Swedish Pension Fund/AP4*), Adam Gerge (*Didner & Gerge Funds*), Hans Hedström (*Carnegie Funds*) and Marianne Nilsson (*Swedbank Robur Funds*). All shareholders have had an opportunity to contact the Nomination Committee and submit nomination proposals.

Following this time, no change has occurred in the Nomination Committee's composition. The members have established that there are no conflicts of interest that could impact their assignment. At the first meeting of the Nomination Committee, Carl Bennet was appointed Chairman of the Nomination Committee.

The Nomination Committee shall present proposals regarding the election of the Chairman of the AGM, election of the Chairman and other members of the Board, election of auditors and fees to be paid to the Board members and the auditors.

2. Nomination Committee's proposals

The Nomination Committee submits the following proposals for resolution by the 2020 AGM:

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

Board of Directors: The number of Board members is to be ten, with no deputies. The following Board members are to be re-elected: Carl Bennet, Ulrika Dellby, Erik Gabrielson, Ulf Grunander, Annika Espander Jansson, Johan Stern, Axel Wachtmeister and Per Waldemarson. Dan Frohm and Caroline af Ugglas shall be elected new members of the Board. Carl Bennet is to be re-elected Chairman of the Board.

Board members proposed for new election: Dan Frohm, born 1981, is CEO of DF Advisory LLC and Director of the Boards of Arjo AB, Carl Bennet AB, Elanders AB, Getinge AB and Swedish-American Chamber of Commerce, Inc. He holds a M.Sc. in Industrial Engineering and has previously served as management consultant at Applied Value LLC in New York. Dan Frohm and related parties hold 50,618 class B shares in Lifco. He is independent in relation to the company and the company's management, but not in relation to the company's major shareholder.

Caroline af Ugglas, born 1958, is Deputy Managing Director of the Confederation of Swedish Enterprise and Director of the Boards of AMF and Beijer Alma AB. She holds a degree in economics from Stockholm University and has previously served as Head of Equities at Livförsäkrings AB Skandia as well as Director of the Boards of Acando AB, Connecta AB, Lindab International AB and Investment

AB Latour. Caroline af Ugglas and related parties hold 1,000 class B shares in Lifco. She is independent in relation to the company and the company's management as well as in relation to the company's major shareholders.

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

Fees for the Board of Directors and Board committees: Fees for the Board of Directors, excluding fees for Board Committees, shall be paid in a total amount of SEK 6,350,000, of which SEK 1,270,000 for the Chairman and SEK 635,000 to each of the other Board members elected by the General Meeting who are not employees of the Group. Fees for work in the Audit Committee shall be paid in an amount of SEK 250,000 for the Committee Chairman and SEK 125,000 for each of the other members. Fees for work in the Remuneration Committee shall be paid in an amount of SEK 135,000 for the Committee Chairman and SEK 83,000 for each of the other members.

Auditor: The company shall have one auditor, with no deputies. The AGM shall re-elect the registered public accounting firm PricewaterhouseCoopers AB as auditor for the period up until the end of the 2021 AGM. Authorised Public Accountant Eric Salander is intended to be Auditor-in-Charge. Remuneration of the auditor will be paid in accordance with approved account. The proposal concerning auditor complies with the Audit Committee's recommendation.

Instructions for the Nomination Committee: New principles for the appointment of and instructions for the Nomination Committee are adopted as follows:

Principles for the Nomination Committee's appointment and instructions for the Nomination Committee

The Nomination Committee ahead of an AGM shall consist of representatives of the five largest shareholders in terms of votes based on a list of owner-registered shareholders from Euroclear Sweden AB or other reliable shareholder information as per 31 August 2020 plus the Chairman of the Board. In addition, a representative of the minority shareholders who is independent of the company and its major shareholders shall be included as a member of the Nomination Committee, if the Chairman of the Board in consultation with a representative of the largest shareholder in terms of voting rights find it appropriate. The Chairman of the Board shall convene the first meeting of the Nomination Committee.

The member who represents the largest shareholder in terms of voting rights shall be appointed Chairman of the Nomination Committee. If, earlier than two months before the AGM, one or more shareholders who have appointed a Nomination Committee member no longer belong to the five largest shareholders in terms of voting rights, the member/s appointed by this/these owner/s shall make their place/s available and the shareholder/s who is (are) now one of the five largest shareholders in terms of voting rights will be entitled to appoint its/their representative/s. If significant changes have occurred in the ownership conditions of the minority shareholder who has appointed a representative and should the Nomination Committee find this appropriate, another minority shareholder shall be contacted and this shareholder will be entitled to appoint a representative or, alternatively, the Nomination Committee's work will continue without appointing a new representative of the minority shareholders. If a member leaves the Nomination Committee before its work has been completed and the Nomination Committee finds it desirable to appoint a

replacement, such a replacement is to be sought from the same shareholder or, if this shareholder no longer belongs to the largest shareholders in terms of voting rights, from shareholders who are next in turn in respect of size, or if a representative of the minority shareholders is leaving the Nomination Committee, a replacement is to be sought from the same shareholder or another minority shareholder. Changes in the composition of the Nomination Committee must be published immediately.

The composition of the Nomination Committee is to be announced not later than six months before the AGM. No remuneration is to be paid to members of the Nomination Committee. Any necessary overhead expenses for work on the Nomination Committee will be defrayed by the company. The Nomination Committee's term of office extends until the time that the composition of the following Nomination Committee has been announced. The Nomination Committee must take into account the stipulations of the Swedish Companies Act and the Swedish Corporate Governance Code when conducting its work and making its proposals. The Nomination Committee shall present ahead of the AGM proposals concerning Chairman of the AGM, the number of AGM-elected Board members, Chairman of the Board, other AGM-elected Board members, number of auditors, the auditor/s, Board fees divided among the Chairman and other Board members, as well as remuneration for Committee work, remuneration of the company's auditor and, when applicable, any changes in the proposals for principles for the Nomination Committee.

3. Nomination Committee's statement on its work ahead of the 2020 AGM

The Nomination Committee held two minuted meetings prior to the 2020 AGM. Between these meetings, the Nomination Committee's members maintained regular contact and further dialogue by telephone.

The Nomination Committee addressed all of the issues that the Nomination Committee is required to address in accordance with the Swedish Corporate Governance Code, which are reported on in greater detail below. In order for the company to fulfil its information obligations in relation to the shareholders, the Nomination Committee has also informed the company of how the Nomination Committee's work has been performed and about the proposals that the Nomination Committee has decided to make.

As a basis for its work, the Nomination Committee has reviewed the accounts of the company's operations in 2019. Further, the Nomination Committee has reviewed the submitted nomination proposals and the performed evaluation of the Board and its work. The results of the evaluation, which have been reported in their entirety to the Nomination Committee, showed that the current Board members represent broad-based skills with solid industry knowledge and considerable financial expertise, as well as knowledge of international conditions and markets. The evaluation also showed that the rate of attendance at Board meetings was high and that all of the Board members showed considerable commitment. In addition, the Nomination Committee has conducted interviews with a number of the current AGM-elected Board members.

The Nomination Committee has also reviewed the Audit Committee's evaluation of the cooperation with the currently elected auditing firm and the Audit Committee's adopted proposals concerning the election of auditor.

No remuneration has been paid to the members of the Nomination Committee.

4. The Nomination Committee's reasoned statement concerning the proposal for the election of Board members

In view of the result of the evaluation that the Nomination Committee has reviewed, and the requirements placed on the Board due to Lifco's current position and future orientation, the Nomination Committee has proposed that the number of AGM-elected Board members are to be ten, with no deputies.

All of the members have declared their availability for re-election to the Board of Directors.

The Nomination Committee has proposed that all of the current Board members shall be re-elected: Carl Bennet, Ulrika Dellby, Erik Gabrielson, Ulf Grunander, Annika Espander Jansson, Johan Stern, Axel Wachtmeister and Per Waldemarson. Dan Frohm and Caroline af Ugglas shall be elected new members of the Board and Carl Bennet shall be re-elected Chairman of the Board.

The Lifco Group currently has extensive operations within several industries, with subsidiaries that are at various development phases, from established international groups to smaller entrepreneurial companies. The Nomination Committee finds it warranted that the Board of Directors' expertise and experiences shall reflect the breadth of Lifco's business. The Nomination Committee's assessment is that the Board members, all in all, possess a combination of solid expertise and experience that is well adapted to the company.

In terms of its size, versatility and breadth of expertise, experience and background, the proposed Board is considered on the whole to have an appropriate composition with respect to the company's operations, stage of development, strategy and other circumstances.

The Nomination Committee applies Item 4.1 of the Swedish Corporate Governance Code ("the Code") as its diversity principle when preparing its proposal for the election of Board members and considers that its proposal entails that the Board's composition – in accordance with what is stated in Item 4.1 of the Code – continues to be appropriate in regard to the company's operations, stage of development and other conditions, and characterised by diversity and breadth in terms of the skills, experience and background of the AGM-elected Board members.

The Nomination Committee aims for an even gender distribution. Of the currently proposed Board members, three are women and seven are men (corresponding to 30.0 per cent and 70.0 per cent, respectively). On 10 June 2019, the proportion of women who are Board members in all Swedish listed companies was 36.7 per cent (39.2 per cent in large cap companies)¹. The Swedish Corporate Governance Board announced in April 2014 certain levels of ambition for the gender distribution of boards of directors in Swedish listed companies, namely at least a 40 per cent share for either gender following the 2020 AGM season, and at least a 35 per cent share for either gender in large cap companies following the 2017 AGM season (in both cases, excluding employee representatives). Accordingly, the question of even gender distribution should be assigned particular importance in connection with the election of new Board members. The Nomination Committee is also of the opinion that continuity in Board work is of considerable importance and proposes re-election of all

¹ Statistics prepared by the Swedish Corporate Governance Board (pertains to AGM-elected Board members).

AGM-elected Board members who have stood for re-election and re-election of the Chairman of the Board.

The Nomination Committee has also assessed the independence of the Board members. The Nomination Committee is of the opinion that its proposals concerning the composition of Lifco's Board of Directors fulfil the independence requirements of the Code. Accordingly, the Nomination Committee has considered the fact that Per Waldemarson, in his capacity as President and CEO, is to be regarded as dependent in relation to the company and company management, and that Carl Bennet, Dan Frohm, Erik Gabrielson and Johan Stern, in their capacities as Board members of Lifco's principal shareholder Carl Bennet AB, are to be regarded as dependent in relation to major shareholders. The Nomination Committee is of the opinion that the other proposed Board members – Ulrika Dellby, Ulf Grunander, Annika Espander Jansson, Caroline af Ugglas and Axel Wachtmeister – are independent in relation to the company and the company management as well as major shareholders.

During its preparations, the Nomination Committee has also evaluated previously adopted remuneration levels for the Board members. Taking this review into account, the Nomination Committee has proposed a slight adjustment of the remuneration level.

In accordance with the Audit Committee's recommendation, the Nomination Committee has decided to recommend that the AGM re-elects the PricewaterhouseCoopers AB auditing firm as auditor for the forthcoming term and that audit fees are to be paid in the amount invoiced and approved.

In addition, the Nomination Committee has formulated proposals for new updated principles for appointing the Nomination Committee and instructions for such a Nomination Committee to apply up until the end of the 2021 AGM.

Stockholm, March 2020

The Nomination Committee of Lifco AB (publ)