

## **Presentation of the work of the Nomination Committee in Arise AB (publ) for the Annual General Meeting in 2020**

### *Background*

The Nomination Committee (the “Committee”) in Arise AB (publ) (“Arise” or the “Company”) has been appointed according to the resolution made by the Annual General Meeting (“AGM”) on May 8, 2019. The Committee for the AGM 2020 has thus consisted of Johan Claesson (appointed by company and himself), Jan Barchan (Briban Invest AB), Bengt Hellström (Tredje AP-fonden), Leif Jansson (appointed by company and himself) and the Chairman of the Board Joachim Gahm. Johan Claesson has been the Chairman of the Committee.

The Committee has had the task to draft proposals to be presented at the AGM of 2020 on:

- election of Chairman of the AGM,
- election of number of members of the Board of Directors,
- election of members of the Board of Directors,
- election of Chairman of the Board of Directors,
- election of auditor,
- Board of Directors’ remuneration and auditors’ remuneration, and
- procedure on appointing the Committee for the AGM in 2021.

### *Work of the Committee*

The Committee has held six meetings and the members have had continuous contacts.

One of the Committee’s main assignments is to propose election of the Board of Directors. The Board of Directors shall with regard to the Company’s activity, development stage and conditions in general have an appropriate composition. The Committee has based its work on information regarding the Company’s activity and goals, as well as the members of the Board of Directors who were available for re-election. The Company’s Chairman of the Board of Directors has also ensured that the Committee has received relevant information about the Board of Directors’ work during the year. The Committee has analyzed the composed experience and qualification of the Board of Directors, and has also discussed measures to over time achieve a gender balance.

When preparing its proposals the Nomination Committee has applied the diversity policy laid down by the Board of Directors. Rule 4.1 of the Swedish Corporate Governance Code constitutes part of this diversity policy. The Nomination Committee has therefore taken into consideration that the Board of Directors, in view of Arise’s business, development phase, prevailing business and social conditions and circumstances in general, should be characterized by diversity and breadth regarding the competence, experience and background of the members of Board of Directors elected by the AGM. In addition, an even gender balance has been strived for. By applying the above, the Nomination Committee has received a good basis for determining whether the composition of the Board of Directors is appropriate and if Arise’s need for competence, experience and diversity in the Board of Directors is satisfied.

The Committee proposes that;

- the Board of Directors shall consist of four ordinary members,

- Jon Brandsar, Joachim Gahm and Maud Olofsson shall be re-elected as ordinary members of the Board of Directors,
- Johan Damne shall be elected as new ordinary member of the Board of Directors,
- Joachim Gahm shall be re-elected as Chairman of the Board of Directors, and
- attorney Jonas Frii shall be appointed as Chairman of the AGM.

Johan Damne, born 1963, holds a Bachelor of Business Administration (B.B.A.) from Växjö University and is, inter alia, CEO of Claesson & Anderzén Aktiebolag and board member of Catella AB (publ). Moreover, Johan Damne holds several Board and management positions in other companies within the Claesson & Anderzén Group. Johan Damne is considered to be independent in relation to the company and its management, but not in relation to major shareholders in Arise. Johan Damne holds no shares in Arise.

Information of the members of the Board of Directors proposed for re-election can be found in the Annual Report and at Arise website, [www.arise.se](http://www.arise.se).

The Committee makes the assessment that the Board of Directors has been well functioning during the time period and that the members of the Board of Directors who are available for re-election together possess the competence and the qualifications required to lead the Company's continued development. The Committee believes that the proposed new board member will bring valuable complementary skills and experience to the Board of Directors.

The Committee has assessed that the proposed composition of four members of the Board of Directors well meets the Company's needs and otherwise the requirements of the Swedish Corporate Governance Code. Furthermore, the Committee can conclude that the proposed composition of the Board of Directors consists of one woman and three men. Thus, the gender diversity is 25 % / 75 %. The Committee's ambition is that the gender balance shall increase further over time.

The Committee has discussed the Board members' independence and concluded the following:

	Independent in relation to the Company and its management	Independent in relation to major shareholders
Jon Brandsar	Yes	Yes
Johan Damne	Yes	No
Joachim Gahm	Yes	Yes <sup>1)</sup>
Maud Olofsson	Yes	Yes

<sup>1)</sup> The Committee has in its assessment of Joachim Gahm's independence specifically considered that Johan Claesson through companies, which control approximately 29.9 percent of the votes in Arise, also control approximately 48 percent of the votes in Catella AB (publ), of which Joachim Gahm is a member of the Board of Directors.

The proposed Board of Directors in Arise thus fulfills the Swedish Corporate Governance Code's requirements of Board members' independence.

The Committee has also considered the resolution relating to proposal for appointment of auditor since the auditor's term expires at the AGM 2020. The Committee has noted the Audit Committee's evaluation of the audit and the Audit Committee's recommendation to re-elect Öhrlings PricewaterhouseCoopers AB as auditor. The Committee has found that Öhrlings PricewaterhouseCoopers AB meet with applicable requirements of competence and independ-

ence. The proposal for appointment of auditor is thus that the Committee proposes, in accordance with the recommendation from the Audit Committee, that one registered public accounting firm without deputy is appointed and that the registered public accounting firm Öhrlings PricewaterhouseCoopers AB is re-elected as the Company's auditor for the period until the end of the first AGM held after 2020. Öhrlings PricewaterhouseCoopers AB has informed that the authorized public accountant Magnus Willfors will continue to be appointed as the principal auditor. Magnus Willfors' other assignments as auditor includes i.a. Sydkraft AB, Ringhals AB, Carl Bennet AB and Elanders AB.

The Committee has also approved the Audit Committee's recommendation that the remuneration for the auditor shall be paid according to customary standards and approved invoice.

Furthermore, the Committee proposes that remuneration for the Board of Directors and its Committees shall be paid with a maximum of SEK 1,675,000, which means that the remuneration per Board member is unchanged since previous year but that the total proposed remuneration increases with SEK 250,000 since the Board is proposed to be increased by one board member. SEK 625,000 is remuneration to the Chairman and SEK 250,000 is remuneration to every other member of the Board who is not employed by the Company. SEK 250,000 in total is proposed to be paid in remuneration for work in the Audit Committee (of which the Chairman receives SEK 100,000 and every other member SEK 75,000), and SEK 50,000 in total is proposed to be paid for the work in the Remuneration Committee (of which the Chairman receives SEK 50,000).

It is noted that the possibility for members of the Board of Directors to invoice board remuneration is very limited. However, if taxable conditions allow for invoicing and if invoicing is cost-neutral for Arise, it is proposed that the members of the Board of Directors shall be able to invoice his or her remuneration through a company. If a member of the Board of Directors invoices board remuneration through a company, the remuneration shall be adjusted for social security contributions and value added tax in accordance with law, so that cost neutrality for Arise is achieved.

The Committee proposes that the Committee for the AGM in 2021 shall consist of five members, who shall be appointed by the four largest shareholders as of the beginning of October, and consist of the Chairman of the Board of Directors. If a substantial change of ownership occurs no later than six weeks before the AGM in 2021, an additional member could be appointed. Remuneration shall not be paid to the members of the Committee.

The Committee's other proposals are included in the notice to attend the AGM.

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April 2020

Arise AB (publ)

The Nomination Committee