

**THE NOMINATION COMMITTEE'S PROPOSALS FOR THE ANNUAL GENERAL MEETING
THURSDAY MAY 9, 2019**

CONTENT

1. The nomination committee's proposals to the Annual General Meeting, report and reasoned statement
2. Instruction for the nomination committee



PROPOSALS BY THE NOMINATION COMMITTEE TO THE ANNUAL GENERAL MEETING, REPORT ON ITS WORK AND REASONED STATEMENT IN RELATION TO THE PROPOSAL REGARDING ELECTION OF BOARD OF DIRECTORS

The proposals by the nomination committee to the Annual General Meeting of Nyfosa AB

The nomination committee of the company has been appointed in accordance with the principles resolved by a previous General Meeting. The nomination committee has, prior to the Annual General Meeting 2019, comprised of Johannes Wingborg appointed by Länsförsäkringar Fondförvaltning AB (chairman of the nomination committee); Lennart Francke, appointed by Swedbank Robur fonder; Mikael Falck, appointed by Kåpan Pensioner; Thomas Ehlin, appointed by Fjärde AP-fonden and Bengt Kjell, chairman of the Board of the company.

The nomination committee hereby presents the following proposals for the Annual General Meeting.

- It is proposed that attorney at law Victoria Skoglund be elected chairman of the meeting.
- The Board of Directors shall consist of seven members. The company shall have one auditor, with no alternate.
- To Directors of the Board, for the period until the end of the next Annual General Meeting, the following is proposed. Re-election of Johan Ericsson, Marie Bucht Toresäter, Lisa Dominguez Flodin, Jens Engwall, Per Lindblad and Kristina Sawjani as Directors of the Board and election of Mats Andersson as new Director of the Board. The current chairman of the Board, Bengt Kjell, has declined re-election. No deputy Directors are proposed. Information about the proposed Directors is available on the company's webpage: www.nyfosa.com.
- It is proposed that Johan Ericsson be elected as new chairman of the Board.
- Remuneration, for the period until the end of the next Annual General Meeting, of SEK 425,000 (previously SEK 370,000) shall be paid to the chairman of the Board and that SEK 170,000 (previously SEK 160,000) shall be paid to each other Director elected by the General Meeting who are not employed by the company. It is further proposed that for work in the audit committee, an annual remuneration of SEK 60,000 (previously SEK 50,000) shall be paid to the chairman of the audit committee and SEK 30,000 (previously SEK 25,000) to each other member of the audit committee. In addition, it is proposed that for work in the remuneration committee, SEK 40,000 (previously SEK 30,000) shall be paid to the chairman of the remuneration committee, and SEK 20,000 (previously SEK 15,000) to each other member of the remuneration committee.
- It is proposed, in accordance with the audit committee's recommendation, that the registered accounting firm KPMG AB be reappointed as auditor for the period until the end of the next Annual General Meeting. KPMG AB has given notice that Mattias Johansson, authorized public accountant, will be the principally responsible auditor. Neither the nomination committee's proposal nor the audit committee's recommendation has been subject to influence of a third party nor subject to any contract terms limiting the choice of auditor.
- Fees will be paid to the auditor in accordance with approved invoices.

The wording "*if not otherwise agreed upon by the members*" in Section 1 Paragraph 3 of the instructions for the nomination committee shall be changed to "*if not otherwise decided upon by the nomination committee*". Other principles on composition and duties of the nomination committee

adopted by the General Meeting shall apply to the nomination committee until new instructions are adopted.

Report of the nomination committee's work and reasoned statement regarding the proposed Board

In accordance with Section 2.6 and 4.1 of the Swedish Corporate Governance Code, the nomination committee gives the following statement prior to the Annual General Meeting's election of Board of Directors.

The composition of the nomination committee was published on the company's webpage. The nomination committee has had, according to a resolution by the previous General Meeting, the assignment to present proposals to the Annual General Meeting regarding the number of Directors, the composition of the Board of Directors including the chairman of the Board of Directors and remuneration to the Board of Directors. Further, the nomination committee has had the assignment to propose chairman of the meeting, auditors and their remuneration, as well as changes in the applicable rules for the nomination committee, if considered necessary.

Information has been available on the company's webpage stating that shareholders have had the opportunity to submit proposals to the nomination committee. Proposals should have been submitted to the nomination committee no later than January 21, 2019 to be processed as constructive as possible. No proposals have been submitted to the nomination committee.

The nomination committee has held three meetings with additional contacts in between. In its work, the nomination committee has interviewed all Board members. The current chairman of the Board, Bengt Kjell, has informed the nomination committee that he declines re-election. The nomination committee has discussed the demands that will be imposed on the Board of Directors due to the company's operations, development stage, requirements of sustainability and other circumstances, as well as governance and control in order to assess the Board of Directors' size and appropriate composition. Based on these contacts, the nomination committee considers that the Board of Directors' work is carried out very well. In light of Bengt Kjell declining re-election, the nomination committee's work has been focused on finding a new chairman and Director of the Board. The nomination committee has evaluated several candidates. The current Director of the Board Johan Ericsson has informed the nomination committee that he is available as new chairman of the Board, and after contacts and discussions, the nomination committee has decided to propose Johan Ericsson as new chairman of the Board. The nomination committee considers it desirable adding experience from investments and debt and equity capital markets to the Board, in addition to extended competence on corporate governance matters and regulations as well as capital structure matters. It is the nomination committee's opinion that the proposed Director Mats Anderson possess great experience and competence within these areas.

When performing its duties, the nomination committee has taken into account the requirements set by the Swedish Corporate Governance Code regarding the diversity and breadth of the Board of Directors and the strive for gender balance. The nomination committee has in its proposal for election of the Board of Directors applied Section 4.1 of the Swedish Corporate Governance Code as its diversity policy.

The nomination committee is of the opinion that the proposed Board of Directors has the diversity and breadth with respect to qualifications, experience and background that is necessary in order to understand and lead the company's business. Further, the proposal means that the Board of Directors will consist of 3 women and 4 men. As the proportion of women amounts to almost 43 percent, the nomination committee concludes that the Swedish Corporate Governance Board's target of approximately 40 percent of the least represented gender is fulfilled.

Following an assessment of the independency of the Directors of the Board, the nomination committee has found that the proposed Board of Directors of the company complies with the independency requirements in the Swedish Corporate Governance Code.

English translation for information purposes only. If there are differences between the English translation and the Swedish original, the Swedish text will take precedence.

INSTRUCTION FOR THE NOMINATION COMMITTEE

The following principles for the composition and work of the nomination committee in Nyfosa AB, Corp. Reg. No. 559131-0833, (the “**Company**”) shall be applicable until the General Meeting resolves otherwise.

1. THE COMPOSITION OF THE NOMINATION COMMITTEE

The chairman of the Board shall contact the four shareholders holding the highest percentage of voting rights in the Company as shown in the share register kept by Euroclear Sweden as of July 31 and each shareholder will get the opportunity to appoint one representative who together with the chairman of the Board will constitute the nomination committee.

If any of the shareholders holding the highest percentage of voting rights does not exercise its right to appoint a member, the right to appoint such a member is transferred to the shareholder holding the next highest percentage of voting rights who does not already have the right to appoint a member of the nomination committee.

The chairman of the nomination committee shall be the member who represents the shareholder holding the highest percentage of voting rights, if not otherwise decided upon by the nomination committee. However, the chairman of the Board shall never be the chairman of the nomination committee.

The names of the members of the nomination committee shall be published as soon as the nomination committee has been appointed but no later than six months before the next Annual General Meeting. The nomination committee is appointed for a mandate period commencing at the time its composition is published until a new nomination committee has been appointed.

If there is a change in the ownership of the Company after July 31 but before the nomination committee's complete proposals have been published, and if a shareholder, which after this change in ownership becomes one of the four shareholders holding the highest percentage of voting rights in the Company, presents a request to the chairman of the nomination committee about joining the nomination committee, this shareholder will after approval of the nomination committee have the right to appoint one additional member of the nomination committee.

If a member appointed by a shareholder leaves the nomination committee during its term or if such a member is unable to fulfil its assignment, the nomination committee shall request the shareholder who has appointed the member to within reasonable time appoint a new member. If the shareholder does not exercise its right to appoint a new member, the right to appoint such member passes to the shareholder holding the following highest percentage of voting rights, who has not already appointed or refrained from appointing a member of the nomination committee. Changes in composition of the nomination committee shall be made public immediately.

2. DUTIES OF THE NOMINATION COMMITTEE

The nomination committee shall perform its duties in accordance with this instruction and applicable rules. In its assignment it is included that the nomination committee shall present proposals regarding the matters below, to be put forward to the Annual General Meeting:

- proposal for number of Directors and auditors and, where applicable, deputies of auditors,

- proposal for chairman of the General Meeting,
- proposal for Directors of the Board,
- proposal for chairman of the Board,
- proposal for fees payable to the Board, divided between the chairman and the other Directors, as well as fees payable for committee work,
- proposal for auditors and, where applicable, deputies of auditors,
- proposal for fees payable to the auditor and
- where considered necessary, proposed amendments to these instructions for the nomination committee.

At other General Meetings than the Annual General Meeting, the proposals of the nomination committee shall include the appointments that shall take place at the meeting.

The proposals of the nomination committee shall be addressed to the Company and sent to the chairman of the Board no later than six weeks before the Annual General Meeting and comply with the Swedish Companies Act as well as paragraph 4.1 in the Swedish Corporate Governance Code regarding appointment of Board of Directors.

3. MEETINGS

The nomination committee shall meet when necessary in order to fulfil its duties, however, at least once a year. Notice to meetings shall be issued by the chairman of the nomination committee. If a member requests that the nomination committee shall convene, that request shall be complied with.

The nomination committee is competent to make decisions if at least two of its members are present. The decisions of the nomination committee are passed by a simple majority of votes cast by members present at the meeting. In the event of tied votes, the chairman has the casting vote.

4. FEES

No fee shall be paid to the members of the nomination committee. However, the Company is responsible for reasonable costs which are associated with the duties of the nomination committee.

5. ATTENDENCE OF THE NOMINATION COMMITTEE AT GENERAL MEETINGS

Representatives of the nomination committee should always attend the Annual General Meeting.

6. CHANGES OF THIS INSTRUCITON

The nomination committee shall continuously evaluate these instructions and its work and submit proposals of such changes of this instruction when considered appropriate.

Adopted at the Annual General Meeting May 9, 2019

The Nomination Committee of Nyfosa AB