

Principles for the establishment of the nomination committee and instructions to the nomination committee

Principles for the establishment

The chair of the board shall – no later than two weeks after the end of the third quarter of Stille's financial year each year – ensure that the company's three largest shareholders or shareholder groups are offered the opportunity to each appoint one member to serve on the nomination committee. The determination shall be based on Euroclear Sweden AB's shareholder register (grouped by owner) as of the last banking day in September, or such other documentation as shareholders or shareholder groups at that time present as evidence of their shareholding. Where one or more shareholders decline to appoint a member to the nomination committee, one or more of the next largest shareholders in terms of ownership share shall be offered the opportunity to appoint a member to the nomination committee. However, no more than five additional shareholders need to be contacted, unless the chair of the board finds that there are special reasons to do so. When shareholders are contacted with a request to appoint a member to the nomination committee, the chair of the board shall establish necessary procedural rules, such as a deadline for responses, etc.

The nomination committee shall consist of a minimum of three members in total, excluding the chair of the board. The chair of the board shall also convene the first meeting of the nomination committee.

The composition of the nomination committee shall be made public as soon as it has been appointed. The chair of the nomination committee shall, unless the members agree otherwise, be the member appointed by the largest shareholder in terms of votes. However, the chair of the board or any other board member shall not serve as chair of the nomination committee. The nomination committee shall hold its mandate until a new nomination committee has been appointed. No remuneration shall be paid to the members of the nomination committee.

A member shall leave the nomination committee if the shareholder who appointed that member no longer belongs to the three largest shareholders or shareholder groups in terms of votes. If the nomination committee thereafter no longer has at least three members, the chair of the board shall endeavor to have a new member appointed in accordance with the principles set out above. However, unless there are special reasons, no changes shall be made to the composition of the nomination committee if only minor changes in voting numbers have occurred or if the change occurs later than two months before the annual general meeting.

A shareholder who has appointed a member to the nomination committee shall have the right to dismiss such member and appoint a new member to the nomination committee.

Tasks of the nomination committee

The nomination committee shall prepare and submit the following proposals to the annual general meeting:

- election of chair of the annual general meeting
- election of the chair of the board and members of the company's board of directors
- election of auditor and, where applicable, alternate auditor
- proposal on remuneration to the chair of the board, board members, auditor and, where applicable, committee work
- principles for the establishment of the nomination committee

The chair of the board shall, in an appropriate manner, provide the nomination committee with information regarding the board's competence profile and working methods.

Meetings

The nomination committee shall meet as often as necessary to fulfill its tasks, but no less than twice annually. Notice of meetings shall be issued by the chair of the nomination committee (with the exception of the first meeting, which shall be convened by the chair of the board). A member may request that the nomination committee be convened.

The nomination committee shall have a quorum when at least half of the members participate. However, no decision on a matter may be taken unless, as far as possible, all members have been given the opportunity to participate in the deliberation of the matter. The decision of the nomination committee shall be the opinion for which more than half of the members present vote or, in the event of a tie, the opinion supported by the chair of the nomination committee.

A report on the work of the nomination committee in the form of proposals and statements from the nomination committee shall be published on the company's website in due time before the annual general meeting..

Amendments to these instructions

The nomination committee shall continuously evaluate these instructions and the work of the nomination committee and may submit proposals to the annual general meeting for such amendments to these instructions as the nomination committee has deemed appropriate. The instructions shall apply until the general meeting resolves otherwise.