

## **Proposals by the Election Committee to Momentum Group's 2021 Annual General Meeting (including reasoned statement)**

### *Description of the Election Committee's work ahead of the Annual General Meeting*

The 2020 Annual General Meeting in Momentum Group AB appointed an Election Committee comprising the following members: Peter Hofvenstam (nominated by Nordstjernan), Stefan Hedelius (nominated by Tom Hedelius), Marianne Flink (nominated by Swedbank Robur Funds) and Lilian Fossum Biner (nominated by Handelsbanken Funds), with Peter Hofvenstam as Chairman.

In accordance with the principles established by the 2020 Annual General Meeting and the Swedish Corporate Governance Code, the Election Committee has been mandated to draw up proposals on the following issues to be presented at Momentum Group's 2021 Annual General Meeting:

- election of the Chairman of the Board of Directors and other Directors,
- resolution regarding directors' fees,
- election of auditor,
- resolution regarding auditor fees,
- election of Chairman to preside over the Meeting, and
- resolution regarding changes to these instructions (if the Election Committee considers it necessary).

The Election Committee has held six meetings during which minutes were taken and maintained regular communications between the meetings.

In drafting its proposal, the Election Committee has applied rule 4.1 of the Swedish Corporate Governance Code as its diversity policy. This entails that the Election Committee has based its proposal on the requirement that the composition of the Board is to be suitable taking Momentum Group's operations, stage of development and other circumstances into account. The Election Committee has also taken into account the fact that the composition of the Directors elected by the Annual General Meeting is to be characterised by diversity and breadth of qualifications, experience and background.

The Election Committee also considers it important that the directors are able to devote the time and care required to carry out their duties as Directors of Momentum Group, and the Election Committee has therefore evaluated the Directors' assignments outside Momentum Group and the time required for these assignments.

The Election Committee has received a report from the Chairman of the Board on how the work of the Board has been carried out. The Election Committee has interviewed the Board of Directors and its overall assessment of the work of the Board shows that the Board functions well.

The Election Committee has discussed the size and composition of the Board in relation the Company's current situation and development opportunities. In general, the Election Committee is of the opinion that the qualifications of the Board are satisfactory. The aim of the Election Committee has been to maintain the Board's diversity and breadth.

In preparing its proposals regarding the election of auditor and the resolution regarding auditor fees, the Election Committee has been in contact with the Chairman of the Audit Committee in order to understand the Board and Audit Committee's assessment of the quality and efficiency of the auditor's work. The Election Committee's proposals for the election of auditor and resolution regarding auditor fees are in line with the recommendation of the Audit Committee.

### *The Election Committee's assessment of the proposed composition of the Board of Directors*

According to the Election Committee, the proposed Board of Directors has a well-balanced composition in terms of expertise and experience and a breadth of qualifications that complement one another, at the same time as continuity and diversity are taken into account. The Election Committee's proposal regarding the Board of Directors entails that 33 percent of the Directors elected by the Annual General Meeting would be women. The Election Committee is continually striving to achieve greater equality in terms of gender on the Board of Directors but is of the opinion that the proposed Board possesses the expertise and experience together with the general composition that suits Momentum Group's current needs best. The Election Committee continues to endeavour to achieve greater diversity and increased gender equality on the Board in compliance with the diversity policy in rule 4.1 of the Swedish Corporate Governance Code (the "Code"). The Election Committee is also of the opinion that the proposed Directors have sufficient time to carry out their duties as Directors of Momentum Group.

### *The Election Committee's assessment of the independence of the proposed Directors*

Taking into account the applicable Swedish rules regarding independence, the Election Committee has made the following assessment of the independence of the proposed Directors in relation to Momentum Group and the Company's management and in relation to Momentum Group's major shareholders:

- The Election Committee is of the opinion that all of the proposed Directors are independent in relation to Momentum Group and the Company's management.
- The Election Committee is of the opinion that all of the proposed Directors except Johan Sjö and Johan Eklund are independent in relation to Momentum Group's major shareholders. Johan Sjö and Johan Eklund are not independent since they are employees of Momentum Group's largest shareholder, Nordstjernan.

### *The Election Committee's assessment of the proposed directors' fees*

The Election Committee believes it is important that the directors' fees (including the fees for committee work) are set at a level that makes it possible to recruit and retain directors with a high level of internationally competitive competence to the Board of Momentum Group. The Election Committee has interviewed the Chairman of the Board regarding the scope and complexity of the Board's work and compared Momentum Group's directors' fees with the directors' fees in comparable companies listed on Nasdaq Stockholm. In light of this, the Election Committee has concluded that the proposed directors' fees and fees for committee work are on market terms and reasonable compared with companies of equivalent size and complexity.

### *The Election Committee's proposals to the 2021 Annual General Meeting*

The Election Committee proposes that the Board of Directors, to the extent it is appointed by the Annual General Meeting, comprise six regular Directors and no deputy Directors.

For the period until the next Annual General Meeting, the Election Committee proposes the re-election of Directors Johan Sjö (Director since 2019), Johan Eklund (Director since 2020), Stefan Hedelius (Director since 2016), Göran Näsholm (Director since 2019), Gunilla Spongh (Director since 2016) and Christina Åqvist (Director since 2020).

Information about the proposed Directors is available on Momentum Group's website, <https://www.momentum.group/bolagsstyrning/styrelsen>

### *Director's fees for the Chairman and other Directors*

In 2020, the following directors' fees were paid to each Director:

- Fee for Directors elected by the Annual General Meeting: SEK 280,000 per Director
- Fee for Chairman of the Board: SEK 610,000

After the acquisition of Swedol, Momentum Group AB formed a separate subsidiary Board of Directors that handled integration issues in the Group's business area Tools, Consumables, Workwear & Protective Equipment. In 2020, the subsidiary Board of Directors included two of the Directors elected by the Annual General Meeting, along with the Chairman of the Board. A special directors' fee was paid to these Directors, comprising SEK 300,000 to the Chairman of the Board and SEK 150,000 to each of the other Directors (two individuals).

In addition, a special fee of SEK 50,000 was paid to each member of the Compensation Committee (two individuals) and a fee of SEK 90,000 to the Chairman of the Audit Committee.

This means that the total fees to the Board of Directors amounted to SEK 2,800,000.

From 2021, all Directors elected by the Annual General Meeting are included not only in the Board of the Parent Company but also in the separate subsidiary Board of Directors that handles integration issues in the Group's business area Tools, Consumables, Workwear & Protective Equipment.

The Election Committee proposes unchanged total directors' fees of SEK 2,800,000, to be distributed as follows: SEK 800,000 to the Chairman of the Board, SEK 380,000 SEK to each of the other Directors elected by the Annual General Meeting and a special fee of SEK 100,000 for the Chairman of the Audit Committee. No other fees are to be paid for committee work.

This proposal entails that the total directors' fees would remain unchanged compared with the preceding year, but that the individual fees to the Directors would change compared with the preceding year. The Election Committee's overall assessment is that the total directors' fees and the distribution of fees is on market terms.

### *Election of and fees to the auditor*

The Election Committee proposes that a registered public accounting firm be appointed as the Company's auditor.

The Election Committee proposes the re-election of KPMG for the period until end of the next Annual General Meeting. KPMG has informed the Election Committee that Helena Arvidsson Älgne intends to continue serving as auditor in charge.

The Election Committee proposes that fees to the auditor be paid in accordance with approved invoices.

### *The Election Committee's proposal regarding the Chairman to preside over the 2021 Annual General Meeting*

The Election Committee proposes that Chairman of the Board Johan Sjö (or in the event that he is unable to participate, an individual appointed by the Election Committee) be appointed as Chairman to preside over the 2021 Annual General Meeting.

*Election of members of the Election Committee.*

Momentum Group's major shareholders have informed the Election Committee of their intention to propose that the Annual General Meeting appoint Peter Hofvenstam (nominated by Nordstjernan), Stefan Hedelius (nominated by Tom Hedelius), Joachim Spetz (nominated by Swedbank Robur Funds) and Lilian Fossum Biner (nominated by Handelsbanken Funds) to the Company's Election Committee ahead of the 2021 Annual General Meeting, with Peter Hofvenstam as Chairman. The shareholders who have nominated members of the Election Committee hold approximately 67 percent of the shares and 71.5 percent of the votes in Momentum Group.

*Instructions for the Election Committee*

The Election Committee has decided not to propose any changes to the instructions for the Election Committee adopted by the 2020 Annual General Meeting which, in accordance with the resolution of the Annual General Meeting, apply until further notice.