

# Report on how the Nomination Committee has conducted its work and complete proposal for the 2022 Annual General Meeting

*N.B. The English text is an unofficial translation. In case of discrepancy between the English and the Swedish version, the Swedish version shall prevail.*

## The Nomination Committee's work

### Composition

The Nomination Committee in view of the 2022 Annual General Meeting has consisted of Johan Conradsson (Chairman; appointed by Procuritas Capital Partners V LP), Daniel Petersen (appointed by DIMELA Ltd), and Suzanne Sandler (appointed by Handelsbanken Fonder). In addition, the Chairman of the Board Ketil Eriksen has been an adjunct member of the Nomination Committee. The members of the Nomination Committee have been appointed in accordance with the company's Instruction for the Nomination Committee ("the Instruction"). Nicolas Norlin, Head of Legal at the company, has served as secretary to the Nomination Committee.

### Contacts and meetings

The Nomination Committee has, in addition to a significant number of informal contacts and Teams meetings, held five (5) meetings at which minutes have been kept. No remuneration has been paid for the work in the Nomination Committee. The meetings have mainly been focused on the following:

- Discussion on the Nomination Committee body as such, its main duties, work, and the Instruction (taking into special consideration the company's status as newly listed).
- Review of Board evaluation and interviews with the Board members and the CEO (see further "Evaluation of the Board's work etc.")
- Review of the Board's and the committees' composition
- The Audit Committee's recommendation regarding auditor.
- Benchmarking of remuneration.
- Recruitment of Board members proposed to be newly elected, including procurement of and contacts with recruitment agencies.
- Production of complete proposal/statement to the Annual General Meeting.

### Evaluation of the Board's work etc.

During the autumn of 2021, a comprehensive evaluation of the Board's work was carried out under the supervision of the Chairman of the Board. The evaluation is a systematic and structured process that has been prepared with the help of external expertise and is carried out on an annual basis. The work of the committees has also been evaluated.

The Chairman of the Board has reported the results of the evaluation, which was in all material respects positive, to the Nomination Committee. The Nomination Committee has also conducted interviews with each of the Board members and with the CEO. The Nomination Committee's overall assessment is that the Board's work functions well. The Nomination Committee intends to follow up that the comments made are considered by the Board and executive management going forward.

## **2. The Nomination Committee's proposal for the 2022 Annual General Meeting**

### Election of Chairman at the meeting

The Nomination Committee proposes lawyer Björn Kristiansson with KANTER Advokatbyrå KB as Chairman of the meeting or, if he is unable to attend the meeting, the person appointed by the Board.

### Determination on the number of the members of the Board

According to the Articles of Association of the company, the Board shall consist of a minimum of three and a maximum of ten members, with no deputies. The Nomination Committee deems the current size of the Board, six Board members, appropriate and proposes that the number of Board members shall be six.

### The Board

The Nomination Committee's proposal is that Mattias Feiff, Gunilla Spongh, Thomas Ekman and Shu Sheng are re-elected as ordinary Board members for the period until the end of the next Annual General Meeting. The Nomination Committee further proposes election of Henrik Theilbjørn as ordinary Board member and chairman of the Board and Thomas Schwarz as ordinary Board member for the period until the end of the next Annual General Meeting. Ketil Eriksen and Stefan Rönn have declined re-election.

Information about the Board members proposed for re-election and the auditor can be found in the company's annual report and on the company's website

[www.piercgroup.com](http://www.piercgroup.com).

With regards to Henrik Theilbjørn and Thomas Schwarz, who is proposed to be newly elected, the Nomination Committee wishes to emphasize the following.

Henrik Theilbjørn is a Danish citizen born 1961 and holds a Master of Science in International Economics and Management from Aarhus University. Current assignments include Chairman of the Board of Boozt AB (publ), which he was part of making and public listing, DAY Birger Mikkelsen A/S, Masai Group A/S, Unique Furniture A/S, ELKA Rainwear A/S and Traede Aps; Board member of MP Strømper A/S and Sahva A/S, Advisory Board member of Scan Global Logistics A/S and CEO of EMMADS Invest A/S. Previous assignments include e.g., Chairman of the Board in Bygghemma Group AB (publ), where

he headed the growth development and public listing in 2018, and companies in the Borch Textile and Birger Christensen groups.

Henrik Theilbjørn's long experience from international trade/e-commerce and processes in competitive categories, chairmanships in fast-growing listed companies, strategic versatility and personal qualities make him a welcome addition to the company's Board

Thomas Schwarz is a German citizen born in 1965 and holds educations in economics at German chambers of commerce. He has been Managing Partner of O'NEAL Europe GmbH & Co. since 2002. KG. Previous positions include product development, sales / purchasing and marketing services in the MC, MX and MTB sector, including Hein Hericke GmbH, Eurobike AG and DiFi Dierk Filmer GmbH.

It is the Nomination Committee's opinion that Thomas Schwarz's extensive industry, market, product, supplier and sourcing knowledge and experience and personal qualities make him a welcome addition to the company's Board.

Neither Henrik Theilbjørn or Thomas Schwarz currently hold, directly or indirectly any shares in the company.

#### Remuneration of the Board

Fees to the Board and remuneration for committee work are proposed in accordance with the following (to be paid proportionally to the term of office).

- 450 000 SEK to the chairman of the Board (450 000).
- 200 000 SEK to each of the other board members (200 000).
- 100 000 SEK to the chairman of the Audit Committee (60 000).
- 50 000 SEK to each of the other members of the Audit Committee (30 000).
- 30 000 SEK to the chairman of the Remuneration Committee (30 000).
- Mattias Feiff and Shu Sheng shall not receive any Board fees or remuneration for committee work.

Additional compensation for travel time of 20 000 SEK per physical board held in Sweden is proposed to be paid to Board members domiciled abroad.

The total remuneration for work in the Board and its committees is thus proposed, with an unchanged number of remunerated members in the Board committees, to amount to 1 230 000 SEK , which is to be compared with 970 000 SEK for the Annual General Meeting year ending with the 2022 Annual General Meeting.

The Nomination Committee wants to emphasize that the proposed fees for Board work and the Board's chairman is unchanged compared to last year, and that the increase in Board fees is mainly attributable to Stefan Rönn not being remunerated for Board work. The proposed increase in the remuneration for the work in the Audit Committee reflects the efforts and time required by the members of the Audit Committee.

The Nomination Committee deems that the proposed remuneration levels are motivated by the company's need to continue to be able to attract the Board competence required for the company's future development. In preparing the proposal, an extensive benchmarking of remuneration to other companies has been made, considering factors such as sector and turnover.

#### Auditor

The Nomination Committee proposes, in accordance with the Audit Committee's recommendation, that the registered accounting firm Ernst & Young AB is re-elected as auditor for the period until the end of the next Annual General Meeting 2023.

#### Remuneration of the auditor

The Nomination Committee proposes that remuneration to the company's auditor, as in previous years, shall be paid in accordance with approved invoices. The Nomination Committee has been assisted by the Audit Committee in preparing the proposal for remuneration of the auditor.

### **3. The Nomination Committee's motivated statement according to item 2.6 in the Swedish Corporate Governance Code (regarding proposals for Board election)**

As part of its assessment of the Board and its composition, the Nomination Committee has, as mentioned above, reviewed the internal evaluation of the Board's work in the autumn of 2021 and otherwise informed itself about the Board's work through e.g. interviews with all members of the Board and the company's CEO.

The Nomination Committee has noted that the Board members' commitment has been great with high meeting attendance levels and that the co-operation within the Board and its committees has worked well. When composing the Board, the Nomination Committee has applied the rules on the composition of the Board in the Swedish Corporate Governance Code (the "Code"), including rule 4.1 on diversity, breadth and gender balance and considered the Board's needs in terms of competence, experience, need for renewal and replacement; in particular due to the fact that the Chairman of the Board, Ketil Eriksen, at an early stage declared himself unavailable for re-election.

According to the Nomination Committee, the competencies and experiences considered important for the company are well represented in the proposed Board; for instance, the company's major owner, Board members with vast experience regarding trade in general and e-commerce and company relevant sectors in particular, as well as Board and operative work in a listed environment are represented. The Nomination Committee has also deemed that the proposed Board members are able to devote the required time for the Board assignment in Pierce.

The Nomination Committee has assessed that the proposed Board fulfils the requirements in the Code regarding Board member independency. Three of the proposed Board members; Henrik Theilbjørn, Gunilla Spongh and Thomas Ekman are deemed as independent in relation to the company and the company management as well as the company's major owners. The Nomination Committee has deemed Mattias Feiff and Shu Sheng as independent in relation to the company and the company management, but not in relation to the company's major owners. The Nomination Committee has deemed Thomas Schwarz as independent in relation to the company's major owners, but not in relation to the company and the company management.

The Nomination Committee has applied rule 4.1 in the Code as diversity policy when preparing its proposal regarding the Board. The goal of the diversity policy is that the Board shall have a composition that is appropriate in relation to the business, phase of development and other relevant circumstances, exhibiting diversity and breadth regarding the Board members' qualifications, experience and background, and that gender balance should be sought. In the view of The Nomination Committee, the proposed Board members exhibit such diversity and breadth in terms of e.g., age, educational and professional background, gender, experience, competencies and time held as Board member in the company.

Two out of six Board members proposed to be elected by the Annual General Meeting are women. The gender distribution is thus 1/3 women and 2/3 men, which, in the Nomination Committee's opinion, is in line with the requirement regarding gender balance. Considering this and considering what is otherwise stated in rule 4.1 of the Code, the Nomination Committee is of the view that the Nomination Committee's proposal results in a Board composition that is appropriate with regard to the company's operations, future development and other conditions.

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Stockholm in April 2022

The Nomination Committee of Pierce Group AB (publ)