



The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.

## Report on how the Nomination Committee has conducted its work and complete proposal for the 2023 Annual General Meeting

### The Nomination Committee's work

#### Composition

The Nomination Committee of Pierce Group AB (publ), Reg. No. 556967-4392 (the “**Company**” or “**Pierce**”), in view of the 2023 Annual General Meeting has consisted of Jacob Wiström (Chairman), appointed by Verdane Capital XI Investments AB, Suzanne Sandler, appointed by Procuritas Capital Partners V LP and Arne Löow, appointed by Fjärde AP-fonden. In addition, the Chairman of the Board Henrik Theilbjørn 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, and subsequently Bruce McGinn, 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:

- 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.
- Discussion on the Nomination Committee body as such, its main duties, work, and the Instruction.

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

During the autumn of 2022, 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 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.

## **The Nomination Committee's proposal for the 2023 Annual General Meeting**

### Election of Chairman at the meeting

The Nomination Committee proposes that lawyer Ola Grahn from Setterwalls Advokatbyrå AB is elected as Chairman of the Annual General Meeting.

### 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 notes that three (3) members of the Board have declined re-election, while it has proposed one (1) new candidate for election. The Nomination Committee has made the assessment that the four (4) continuing members, with the addition of one (1) new candidate, will have relevant expertise and experience for the Board to carry out its mandate over the coming term (see next section for further details). The Nomination Committee therefore considers that a Board consisting of five (5) members will be appropriate and proposes that the number of Board members shall be five (5) until the end of the next Annual General Meeting.

### The Board

The Nomination Committee's proposal is that Henrik Theilbjørn, Mattias Feiff, Thomas Schwarz, and Max Carlsén are re-elected as ordinary Board members, that Lottie Saks is elected as new ordinary Board member and that Henrik Theilbjørn is re-elected as Chairman of the Board. The existing Board members Thomas Ekman, Shu Sheng and Gunilla Spongh have declined re-election.

Information about the Board members proposed for re-election can be found in the Company's annual report and on the Company's website [www.piercengroup.com](http://www.piercengroup.com).

With regards to Lottie Saks, who is proposed to be newly elected, the Nomination Committee wishes to emphasize the following.

Lottie Saks is a Swedish citizen born in 1967 and is an economics graduate in Business Administration from Uppsala University. She is a current Board member and Chairman of the Audit Committee in Sivers Semiconductors AB. She also has 25 years of experience from leading Finance Management positions including Group CFO of Haldex, CINT Group, OneMed Group and OMX Technology Financial Markets.

Other ongoing assignments: Board member and Chairman of Audit Committee in Sivers Semiconductors AB.

Shareholding in the Company: Lottie Saks does not currently hold, directly or indirectly, any shares in the Company.

It is the Nomination Committee's opinion that Lottie Saks' extensive knowledge and experience within finance and audit, as well as general business acumen together with her

personal qualities make her a welcome addition to the Company's Board.

#### 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).

- SEK 450,000 to the Chairman of the Board (unchanged since last year).
- SEK 200,000 to each of the other Board members (unchanged since last year).
- SEK 175,000 to the Chairman of the Audit Committee (SEK 100,000 last year).
- SEK 50,000 to each of the other members of the Audit Committee (unchanged since last year).
- SEK 30,000 to the Chairman of the Remuneration Committee (unchanged since last year).
- Mattias Feiff and Max Carlsén shall not receive any Board fees or remuneration for committee work.

Additional compensation for travel time of SEK 20,000 per physical Board meeting held in Sweden is proposed to be paid to Board members domiciled abroad. As the required time spent physically in Stockholm has been more than expected for the Chairman, and this is expected to continue, a Chairman specific travel time compensation is proposed of SEK 360,000 annually. This fee replaces the SEK 20,000 per physical Board meeting that applies to other Board members, and gives an expected increased cost of SEK 200,000 per year.

The total remuneration for work in the Board and its committees is thus proposed, with one less remunerated member in the Board compared to the previous year, to amount to SEK 1,305,000 (including the incremental SEK 200,000 in travel time compensation), which is to be compared with SEK 1,230,000 for the previous year.

The Nomination Committee wants to emphasize that the increased total remuneration for the Chairman reflects a higher workload than estimated at the previous Annual General Meeting, while the workload is expected to remain high going forward. The proposed increase in the remuneration for the Chairman of the Audit Committee reflects the efforts and time required by the Chairman of the Audit Committee, as well as the need to attract the required competence to the 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 2024. Ernst & Young AB has informed that the authorized public accountant Jonatan Hansson will continue to be the auditor in charge.

#### Remuneration of the auditor

The Nomination Committee proposes, in accordance with the Audit Committee's

recommendation, that remuneration to the Company's auditor, as in previous years, shall be paid in accordance with approved invoices.

## **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 2022 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.

According to the Nomination Committee, the competencies and experiences considered important for the Company are well represented in the proposed Board; for instance, 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. Two of the proposed Board members, Henrik Theilbjørn and Lottie Saks, 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 Max Carlsén 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, experience, competencies and time held as Board member in the Company.

One out of five Board members proposed to be elected by the Annual General Meeting is a woman. The gender distribution is thus 1/5 women and 4/5 men, which, in the Nomination Committee's opinion, is not in line with the requirement regarding gender balance and the Nomination Committee's ambition is that the gender balance shall improve further over time, and aim to correspond to the levels expressed by the Swedish Corporate Governance Board.

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Stockholm in April 2023  
The Nomination Committee of Pierce Group AB (publ)