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## **The Nomination Committee's motivated statement regarding its proposal for the Board of Directors of Balco Group AB prior to the Annual General Meeting 2024**

### ***The Nomination Committee's composition and report on its work during the year***

In accordance with the nomination procedure in the current instruction for the Nomination Committee, the four largest shareholders in the company in terms of votes as of the end of August 2023 has appointed the following individuals to the Balco Group AB's ("**Balco**") Nomination Committee prior to the Annual General Meeting 2024:

- Carl-Mikael Lindholm, appointed by Family Hamrin (Chairman of the Nomination Committee);
- Annica Nordin, appointed by Skandrenting AB;
- Magnus Sjöqvist, appointed by Swedbank Robur Fonder;
- Claes Murander, appointed by Lannebo Fonder; and
- Ingalill Berglund, Chairman of the Board of Directors of Balco.

The Nomination Committee's members are supported by shareholders who together represent more than 53 percent of all shares and voting rights in the company.

The Nomination Committee duties has consisted of those following from the Swedish Corporate Governance Code (the "**Code**") and the Nomination Committee Instruction adopted by the General Meeting.

The Nomination Committee held its first meeting on November 30, 2023 and has thereafter held two additional meetings on January 15, 2024 and February 2, 2024. In addition to the recorded meetings, the Nomination Committee has also maintained contact by e-mail and telephone. All of the Nomination Committee's decisions have been unanimous.

The Chairman of the Board of Directors has described the work of the Board of Balco to the Nomination Committee and explained how the evaluation of the Board was conducted. The Nomination Committee has conducted interviews with the current members of the Board. The Nomination Committee has also reviewed the Audit Committee's recommendation concerning external auditors.

The Nomination Committee has discussed how the work of the Board has continued during the year and discussed the need for additional competence enhancements. The major shareholders have discussed the composition of the

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Board of Directors. Based on this, the Nomination Committee has assessed that the current Board of Directors has the competence and experience that the company requires, and that the Board members complement each other in a way that provides the conditions to operate a well-functioning and for the company stimulating work of the Board.

No proposals have been received by the Nomination Committee from other shareholders.

### **The Nomination Committee's proposals for election of the Board of Directors and the Chairman of the Board of Directors**

The Nomination Committee makes the following proposals:

- That the Board of Directors appointed by the General Meeting shall consist of six ordinary members with no deputies.
- Re-election of the Board members Mikael Andersson, Ingalill Berglund, Vibecke Hverven, Carl-Mikael Lindholm, Johannes Nyberg and Thomas Widstrand.
- Re-election of Ingalill Berglund as the Chairman of the Board of Directors.

Thus, the Nomination Committee proposes that the following persons are elected as members of the Board of Directors for the period until the end of the 2025 Annual General Meeting:

- Mikael Andersson,
- Ingalill Berglund, Chairman of the Board of Directors,
- Vibecke Hverven,
- Carl-Mikael Lindholm,
- Johannes Nyberg, and
- Thomas Widstrand.

Information about all proposed Board members is available on Balco's website <https://balcogroup.se>.

Other proposals from the Nomination Committee concerning resolutions at the 2024 Annual General Meeting appear from the notice of the Annual General Meeting.

### **The Nomination Committee's motivated statement regarding its proposal**

The Board of Directors shall, in accordance with clause 4.1 of the Code, have a composition appropriate to the company's operations, phase of development and other circumstances, characterized by diversity and breadth regarding qualifications, experience, and background of the Directors of the Board elected by the General Meeting. The company is to strive for gender balance.

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The Nomination Committee has discussed the composition of the Board of Directors and agreed on the main requirements for the Board members, including requirements for independent members. The Nomination Committee's discussion has been based on diversity and breadth in the Board of Directors, as well as the strive to achieve a broad representation of both men and women. In its proposal for the Board of Directors, the Nomination Committee has taken into account the Board of Directors' competence in terms of industry knowledge and experience. Experience of corporate governance in listed companies, general experience of active Board work and continuity of the Board of Directors have also been important assessment criteria for the Nomination Committee during the preparation of the proposal for Board members. The starting point has been the company's future challenges and the competence that Balco's Board of Directors onwards should possess, both together and individually.

In light of the above, the Nomination Committee proposes the re-election of Mikael Andersson, Ingall Berglund, Vibecke Hverven, Carl-Mikael Lindholm, Johannes Nyberg, and Thomas Widstrand.

The Nomination Committee is of the opinion that the proposed Board of Directors has a sound composition that is well-suited for Balco's operations, needs and phase of development. The assessment is that the Board of Directors brings valuable expertise, diversity, and breadth, both in terms of experience and background. The Nomination Committee also assesses that the members proposed for re-election have a reasonable total workload so that sufficient time and commitment can be devoted to the Board duties in Balco.

The Nomination Committee has applied clause 4.1 in the Code as diversity policy when preparing the proposal regarding the Board of Directors. If all the members who are proposed for re-election are elected, the proportion of female members on the Board of Directors is kept at the same level as before, i.e. that two out of six Board members in the company are women. The Nomination Committee intends to continue working to achieve a gender balance in the long term.

In its work to prepare proposals for the 2024 Annual General Meeting the Nomination Committee has evaluated the proposed Board members independence in accordance with the Code. The Nomination Committee's assessment is that all of the proposed Board members are independent in relation to the company and its management, and that four out of six proposed Board members are independent in relation to major shareholders in the company (for further information on independence, please refer to Balco's website). Therefore, the proposed composition of the Board of Directors complies with the rules of independence in the Code.

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The Nomination Committee has reviewed the current instruction for the Nomination Committee and has decided not to propose any changes.

April 2024

The Nomination Committee of Balco Group AB (publ)