

The nomination committee's motivated statement

The nomination committee's work prior to the annual general meeting

In accordance with the instruction to the nomination committee, adopted by the annual general meeting 2022, valid until further notice, the three largest shareholders as of 31 August 2022 that wished to participate in the nomination committee, have each appointed a member to constitute engcon's nomination committee together with the chairman of the board of directors.

The nomination committee is comprised of Monica Engström, Monen Holding AB, Peter Hofvenstam, Nordstjernan AB, Ulf Hedlundh, Svolder AB and Annika Bärems, chairman of engcon AB, with Peter Hofvenstam as chairman.

The members (except for Annika Bärems) are appointed by shareholders who hold approximately 25.2 percent of the votes in engcon AB.

The nomination committee has, in accordance with the instruction adopted by the annual general meeting 2022 and the Swedish Corporate Governance Code, been assigned to prepare proposals on the following issues to be presented at the Company's annual general meeting 2023:

- election of chairman at the annual general meeting,
- election of chairman and other members of the Company's board of directors,
- resolution on remuneration to the board of directors, divided between the chairman and the other members as well as remuneration for committee work,
- election of and remuneration for the auditor, and
- resolution on amendments to the instructions for the nomination committee.

The nomination committee has held six recorded meetings and maintained regular contact in between these meetings.

The nomination committee has applied section 4.1 of the Swedish Corporate Governance Code as a diversity policy in the preparation of its proposal. This means that the nomination committee has had as a starting point that the board of directors shall have an appropriate composition with regard to the Company's operations, stage of development and circumstances in general, characterised by versatility and breadth regarding the competence, experience and background of the board members. An even gender distribution has been sought.

The nomination committee also considers it to be important that the members of the board of directors are able to devote the time and care required to fulfil their duties as members of the board of directors of the Company, and the nomination committee has therefore assessed the members of the board of directors' assignments outside the Company and the time that these assignments require.

The nomination committee has received a report from the chairman of the board of directors on how the board of directors' work has been conducted. The nomination committee has also had the opportunity to interview a number of board members and considers that the overall evaluation of the board of directors' work shows that the board of directors is well-functioning.

The nomination committee has discussed the size and composition of the board of directors in light of the Company's situation and development opportunities. The nomination committee's intention has been to maintain the versatility and breadth of the board of directors. In general, the nomination committee considers that the competence of the board of directors is good. The nomination committee works with a long-term perspective, and in order to ensure future competence needs and possible succession in the board of directors, the nomination committee has identified candidates who could become members of engcon's board of directors in the future.

In the preparation of the nomination committee's proposal for election of auditor and decision on the remuneration to the auditor, the nomination committee has received a written statement from the chairman of the audit committee. Through the statement, the nomination committee has been informed of the board of directors' and the audit committee's assessment of the quality and efficiency of the auditor's work. The nomination committee's proposal for the election of auditor and resolution on remuneration for the auditor is in accordance with the audit committee's recommendation.

The nomination committee's assessment of the proposed composition of the board of directors

In the opinion of the nomination committee, the proposed board of directors has an appropriate composition, taking into account the Company's operations, development stage and other circumstances, characterised by versatility and breadth regarding the proposed board members' competence, experience and background. At this time, the nomination committee sees no reason to supplement the board of directors with additional members. The nomination committee's proposal for board of directors means that 60 percent of the members are women and 40 percent of the members are men. The nomination committee continuously works towards an even gender balance within the board of directors. Furthermore, the nomination committee considers that the proposed board members have sufficient time to fulfil their duties as board members in the Company.

The nomination committee's assessment of the proposed board members' independence

Taking into consideration applicable Swedish rules on independence, the nomination committee has made the following assessments of the proposed board members' independence in relation to the Company and its management as well as the Company's major shareholders:

- The nomination committee considers that all proposed board members, except Stig Engström, are independent in relation to the Company and its management. Stig Engström is not independent as he has worked in the group management during the past three years and also receives remuneration for consultancy work that he performs for the Company.
- The nomination committee considers that all proposed board members except Stig Engström and Monica Engström are independent in relation to the Company's major shareholders. Stig Engström and Monica Engström are not independent as they each control more than 10 percent of the shares in the Company.

The nomination committee's assessment of the proposed remuneration to the board of directors

The nomination committee considers it to be important that board fees (including fees for committee work) is kept on a level that makes it possible to recruit and retain high and internationally competitive competence to the board of directors of the Company. The nomination committee has interviewed the chairman of the board of directors about the scope and complexity of the board work and compared the Company's board fees with board fees in other comparable companies listed on Nasdaq Stockholm. Against this background, the nomination committee has concluded that in comparison with board fees in companies of similar size and complexity, the proposed remuneration for board and committee work is reasonable. An increased fee is proposed for work in the audit committee. The increase is justified by an increased workload for the members of the committee.