

# The proposals of the Nomination Committee ahead of the AGM in Knowit AB for 2017, including a presentation of the Nomination Committee's work and the Nomination Committee's justification

## Background

In accordance with a resolution at the AGM 2016, the three largest shareholders as per September 30 2016 have elected one representative each to serve on Knowit's Nomination Committee along with the Chairman of the Board. The nomination committee consists of Malin Björkmo, Handelsbanken Fonder (Chairman), Lennart Francke, Swedbank Roburfonder and Jan Särilvik, Nordea Funds and Mats Olsson, Chairman of the Board of Knowit.

The task of the Nomination Committee, in accordance with the principles determined by the AGM, is to put forward proposals for resolution of the following, at the 2017 AGM:

- Proposal for AGM Chairman,
- Proposal for Chairman of the Board and other Members of the Board,
- Proposal for remuneration to the Board,
- Proposal for Auditor (when relevant), and
- Proposal for remuneration to the Auditor

Furthermore, the Nomination Committee must annually determine if changes are necessary in the principles behind the make-up of the Nomination Committee or its tasks and, if needed, make relevant proposals regarding this to the AGM.

## Proposals of the Nomination Committee

1. The Chairman of the Board, Mats Olsson, is proposed as Chairman of the AGM.
2. The Board proposes that the number of Board Members be set to six (6), with no deputies. This proposal entails a decrease by one member.

The proposal is for the Board Members Carl-Olof By, Liselotte Hägertz Engstam, Camilla Monefeldt Kirstein, Eva Elmstedt, Mats Olsson and Jon Risfelt to be re-elected. Pekka Seitola does not wish to be re-elected. Mats Olsson is proposed as Chairman of the Board.

3. The Nomination Committee proposes that remuneration for Board work and Committee work be paid as follows (remuneration 2016 in parentheses):
  - Chairman of the Board: SEK 475,000 (SEK 425,000),
  - each of the other Board Members: SEK 200,000 (SEK 185,000),
  - Chairman of the Audit Committee: SEK 75,000 (SEK 0),
  - Member of the Audit Committee: SEK 50,000 (SEK 0)
  - Chairman of the Remuneration Committee: SEK 50,000 (SEK 0), and
  - Member of the Remuneration Committee: SEK 35,000 (SEK 0).

4. The proposal is for the accountancy firm PricewaterhouseCoopers AB to be re-elected, in accordance with the Audit Committee's recommendation, for the period up to the end of the AGM 2018. PricewaterhouseCoopers AB has proposed Anna-Clara af Ekenstam as principal auditor if PricewaterhouseCoopers AB is elected.
5. That auditor's fees will be paid as per account.
6. No changes are proposed to the principles for the Nomination Committee. The following principles are thus proposed to remain in force:

The Nomination Committee proposes the Annual General Meeting resolves to establish a Nomination Committee for the AGM 2018 consisting of a representative for each of the three largest registered shareholders, in terms of votes, in the register handled by Euroclear Sweden AB, as per the last bank day of September 2017, and the Chairman of the Board, to convene the first meeting of the committee.

The Chairman of the Nomination Committee will be the representative of the largest shareholder, or else the member of the committee who volunteers.

If any of the three largest shareholders in terms of votes refrains from taking a seat on the Nomination Committee, that place will be offered to the fourth largest shareholder in terms of votes, etc., until such time as the owners are represented by three shareholders. In the case of one member leaving the committee before its work is complete, the shareholder has the right to name a new member.

If a shareholder that has elected a member of the Nomination Committee is no longer among the three largest shareholders, the member elected by this shareholder shall make his/her seat available. The shareholder that has gained a standing among the three largest shall be asked and have the right to elect a member. The members of the Nomination Committee shall not be replaced if the changes in votes are only marginal or if the majority of the Nomination Committee's work ahead of the AGM is assessed as completed by the Chairman of the Nomination Committee.

The names of the members of the Nomination Committee with information regarding which shareholders they represent will be announced in conjunction with the Company's third quarter report 2017, or if a change occurs, as soon as this happens.

The task of the Nomination Committee is to put forward proposals, at the 2018 Annual General Meeting, for the AGM chairman, Board of Directors, Chairman of the Board, remuneration for Board Members and auditors, as well as proposals for nomination procedures. The Nomination Committee is appointed for the period until such time as the next committee is appointed.

No remuneration is paid to the members of the Nomination Committee. The Company shall recompense any costs that arise in connection with the Nomination Committee's work.

## The work of the Nomination Committee and justifications for its proposals

The Nomination Committee has in the process of drawing up proposals ahead of the AGM 2017 had three meetings at which minutes were kept. The Nomination Committee has also met with and interviewed each Board Member individually, as well as meeting with the CEO of Knowit to get a presentation of the Company. Through the Chairman of the Board, the Nomination Committee has received the results of a Board evaluation.

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

The Board of Knowit has, since the AGM 2016, decided to instate an Audit Committee, and plans to instate a Remuneration Committee. The Nomination Committee feels it is justified to pay remuneration for the work performed in these committees. Given the increase in regulations, the work in the Audit Committee is believed to be more cumbersome than that of the Remuneration Committee, which is reflected in the proposal of the Nomination Committee.

Further, the Nomination Committee has analyzed the Board Members' remuneration in relation to other similar companies, as regards business field and size, and based on this proposes an increased remuneration.

The Nomination Committee's proposals mean that the remuneration to the Board, including to the committees, which have been assumed to consist of one Chairman and one Member, will be SEK 1,685,000 (SEK 1,535,000) in total.

The Nomination Committee proposes that the number of Board Members is decreased from seven to six, in order to further reinforce the conditions for efficient Board work. After twelve years as a Board member, Pekka Seitola does not want to be re-elected, and the Nomination Committee proposes no further changes to the Board composition.

It is the opinion of the Nomination Committee that the Board work in Knowit functions very well. The proposed Board is assessed to have a pertinent composition, where each Member can contribute with relevant experience and knowledge, considering the needs and challenges of the Company. The Nomination Committee considers the suggested Board to have the versatility and breadth in competence and experience required, considering the Company's operations, stage in development and other circumstances.

Information on the proposed Board Members can be found on the company website, [www.knowit.se](http://www.knowit.se).

The Nomination Committee has, in its work, taken into account that an even gender balance is desired in the Board of the Company. The Nomination Committee has used rule 4.1 in the Swedish Code for Corporate Governance as a diversity guide in drawing up its proposal for

election of Board Members. The Nomination Committee's proposal to the AGM entails an improvement as compared with earlier, as an even gender balance, with three women and three men in the Board, would be achieved.

All Board Members are independent in relation to the company, management and major shareholders. All Board Members have experience of the requirements placed on a listed company.