

The nomination committee's reasoned statement on its proposal for members of the board of directors in Q-linea AB (publ) and report on how the nomination committee has conducted its work.

Nomination committee composition

The nomination committee ahead of the annual general meeting 2019 in Q-linea AB (publ) was established by the chairperson of the board contacting the three largest shareholders on the last business day in September 2018 and offering them the opportunity to appoint one member each to the nomination committee.

The nomination committee has consisted of representatives of the three largest shareholders. Nexttobe AB appointed Erika Kjellberg Eriksson, the Fourth Swedish National Pension Fund (Sw. Fjärde AP-fonden) appointed Jannis Kitsakis and Investment AB Öresund appointed Öystein Engebretsen. At the first meeting of the nomination committee, Öystein Engebretsen was appointed chairperson of the nomination committee.

Report on the nomination committee's work ahead of the annual general meeting 2019

The nomination committee has held three minuted meetings. Its members have also had regular contact and additional dialogues by telephone between the meetings.

The nomination committee has taken part of the board's evaluation of its work through interviews with the chairperson and the majority of the board members, and the evaluation shows a good result. The result of the evaluation has been presented in its entirety for the nomination committee and has thus been accounted for in a satisfactory manner.

The chairperson of the board has informed the nomination committee of the diversity policy that applies to the company which corresponds with the Swedish Corporate Governance Code, rule 4.1.

The nomination committee has dealt with all the issues that the committee shall examine according to the Swedish Code of Corporate Governance as outlined in below motivation.

Furthermore, the nomination committee has, in order to enable the company to fulfil its information obligations towards shareholders, informed the company about how the nomination committee's work has been conducted and about the proposals that the nomination committee has decided to put forward.

Motivation of proposal to board of directors

The nomination committee motivates its proposal to board of directors as follows.

The nomination committee has in the assessment of appropriate size and appropriate composition of the board considered the competence and experience of individual members and especially valued how the members complement each other and that the board jointly possesses the required width in terms of both background and competence.

The nomination committee has especially considered the demands that will be placed on the board given the company's operations, development and other conditions and also taken into account the value of both continuity and renewal among the board members. Independence matters have been considered as well as the pursuit of gender balance.

Based on the information regarding the board of directors' work that the nomination committee has taken part of, the nomination committee deems that the board is functioning well and as a whole possesses broad competence and experience relevant to the company's operations and the different geographical markets in which the company operates.

Jon Heimer has notified the nomination committee that he declines re-election to the board due to personal reasons. The other directors have declared themselves available for re-election to the board and the nomination committee has deemed that it is important to value continuity in the board. The nomination committee has considered the appropriate size of the board and deemed that the current number of board members, eight members, is somewhat large in relation to the company's operations and may be reduced by one member, which means that the nomination committee proposes that Jon Heimer's seat in the board will not be replaced at the forthcoming annual general meeting.

In light of the above, the nomination committee has proposed that the number of board members shall be seven and proposed re-election of Erika Kjellberg Eriksson, Marianne Hansson, Hans Johansson, Ulf Landegren, Mats Nilsson, Marcus Storch and Per-Olof Wallström, and they possess, according to the nomination committee's assessment, a solid competence and experience. Erika Kjellberg Eriksson has been proposed to chair the board.

The proposed board is deemed to have the size, versatility and diversity of competence, experience and background that is required and appropriate with respect to the company's operations, development stage and other conditions. The nomination committee has considered that gender balance shall be sought on the board, and that the board in general should be characterized by diversity and a wide range of skills, experience and background. The nomination committee has applied the diversity policy applicable to the company in preparing its proposal.

In order to assess whether the proposed directors are considered independent of the company and its management and major shareholders of Q-linea AB (publ), the nomination committee has obtained information about the proposed board members. The nomination committee has deemed that Erika Kjellberg Eriksson and Ulf Landegren shall be considered as independent of the company and its management but not independent of the company's major shareholders. Furthermore, the nomination committee has deemed that Mats Nilsson shall be considered as dependent of the company and its management but independent of the company's major shareholders. The other proposed directors are considered independent in relation to the company, its management and major shareholders.

The nomination committee has during its preparations evaluated previously decided remuneration levels for board members in relation to remuneration levels in comparable companies. Taking into account such review, the nomination committee has proposed that the remuneration level should be increased slightly in relation to the previous year (remuneration level for 2018 in parentheses), meaning that remuneration of SEK 320,000 (300,000) shall be paid to the chairperson of the board and SEK 160,000 (150,000) to each of the other elected members who are not employed by the company or in the Nexttobe group. Remuneration per member and assignment in the board's committees remains unchanged, SEK 60,000 to the chairperson in the audit committee and SEK 30,000 to the other members and SEK 40,000 to the chairperson in the remuneration committee and SEK 20,000 to the other members. Total remuneration is therefore proposed to amount to SEK 1,460,000 (1,530,000).

In accordance with the audit committee's recommendation, the nomination committee has chosen to recommend the annual general meeting to re-elect the accounting firm Öhrlings PricewaterhouseCoopers AB as auditor for the following term.

Moreover, the nomination committee has drawn up proposals for appointing a nomination committee ahead of the annual general meeting 2020, as well as instructions for such a nomination committee. The proposed principles are consistent with those applied in the past year. The nomination committee proposes no remuneration be paid to the committee members.

Shareholders have had the opportunity to submit their proposals and views to the nomination committee until 8 April 2019.

April 2019

Nomination committee for Q-linea AB (publ)