

# **HEMTEX AB**

## **PRINCIPLES FOR THE COMMITTEE**

### **1. Number of members**

The Nomination Committee shall comprise the Chairman of the Board and three members, comprising representatives of the three largest shareholders in terms of the number of votes, with each shareholder being represented by one Committee member.

### **2. Appointment of members**

During the third quarter of each financial year, the Chairman of the Board shall contact the shareholders who, in terms of the number of votes, are Hemtex's largest shareholders and request the name of their representative to the Nomination Committee. If several shareholders have an agreement for long-term cooperation in shareholder issues, including the coordination of exercising voting rights at Hemtex's general meetings of shareholders, and informed Hemtex's Board of such a situation prior to the third quarter, the Chairman shall be entitled to treat these parties as one single shareholder and present the parties with the opportunity to appoint one joint representative to the Nomination Committee, assuming these parties jointly comprise one of the three largest shareholders in Hemtex in terms of the number of votes. However, if several shareholder consortiums indicate an interest to the Board, the aforementioned shall apply only to one consortium, whereby the consortium that represents the largest number of Hemtex votes shall prevail ahead of other consortiums.

If any of the three largest shareholders does not wish to appoint a representative to the Nomination Committee, this option shall, instead, be presented to the next largest shareholder who has not yet been asked to appoint a Committee member.

With the exception of the Chairman of the Board, the members of the Nomination Committee should not be Board members, the President or any senior executive in Hemtex or its subsidiaries.

The names of the members and the shareholders they represent shall be announced not later than six (6) months prior to the next Annual General Meeting. The Chairman of the Board shall be the convener of the Nomination Committee's first meeting where the Chairman of the Nomination Committee shall be elected.

### **3. Term of office**

The term of office for the Nomination Committee shall extend until such time as a new Nomination Committee has been appointed.

#### **4. The Chairman of the Nomination Committee**

The Nomination Committee shall elect a Chairman from within its ranks, who shall not be the Chairman of the Board. If the members do not otherwise agree, the Committee member representing the largest shareholder shall be elected the Chairman of the Nomination Committee.

#### **5. Changes in the composition of the Nomination Committees**

If any of the shareholders who appointed a member of the Nomination Committee no longer belongs to the three largest shareholders during the term of office, then this shareholder's representative shall make his/her place available and the shareholder(s) who has/have become one of the three largest shareholders shall, instead, be given the opportunity to appoint its/their own representative. However, except for extraordinary reasons, no changes shall be made to the composition of the Nomination Committee if the number of votes has changed only marginally or if changes take place less than two months prior to an Annual General Meeting.

Shareholders who appointed a member of the Nomination Committee are always entitled to dismiss this member and appoint a new representative. If any of the members of the Nomination Committee were to prematurely resign from their mandate, the shareholder represented by this member shall be provided with the opportunity to appoint a replacement.

Changes to the composition of the Nomination Committee shall be announced as soon as they take place.

#### **6. Remuneration**

No remuneration shall be paid to the members of the Nomination Committee. However, the members of the Nomination Committees shall be compensated by Hemtex for reasonable out-of-pocket expenses and other costs, for example costs for external consultants deemed necessary for the work of the Nomination Committee. In addition, Hemtex shall, at the request of the Nomination Committee, provide personnel resources, such as a secretarial function, to facilitate the work of the Nomination Committee.

#### **7. The duties of the Nomination Committee**

Prior to the next Annual General Meeting, the Nomination Committee shall present proposals for:

- (i) The Chairman of the Meeting
- (ii) The number of members of the Board of Directors and number of deputies
- (iii) Members of the Board of Directors
- (iv) The Chairman of the Board of Directors
- (v) Auditors (if necessary)
- (vi) Fees to the Chairman of the Board and other Board members
- (vii) Fees to auditors
- (viii) Principles for the Nomination Committee

The Nomination Committee's proposals according to the above shall be included in the Notice of the Annual General Meeting.

In addition, the Nomination Committee shall perform the obligations stipulated in the Swedish Code of Corporate Governance, such as providing the company with certain information that enables the company to perform its information-disclosure obligation in accordance with the Code.