

AQ GROUP AB (PUBL)

NOMINATION COMMITTEE'S REPORT, RECOMMENDATIONS AND REASONED STATEMENT AHEAD OF AQ GROUP'S 2023 ANNUAL GENERAL MEETING

The Nomination Committee of AQ Group AB (publ) ("AQ Group" or "the Company") submits the following proposal and reasoned statement ahead of the 2023 AGM in the Company.

1. The Nomination Committee and its work

In accordance with the instruction for the Nomination Committee in AQ Group, resolved at the 2022 AGM to be applicable until further notice, the Nomination Committee shall consist of four directors appointed by the four largest shareholders in terms of votes based on shareholder statistics from Euroclear Sweden AB on the last day of August each year.

In accordance with this instruction, major shareholders in the Company have appointed a Nomination Committee for the 2023 AGM. The Nomination Committee, which was disclosed 18 October 2022, includes:

- Henrik Carlman (Aeternum Capital)
- Hans Christian Bratterud (Odin Fonder), Chairman of the Nomination Committee
- Per Olof Andersson (own holding),
- Claes Mellgren (own holding)

The composition of the Nomination Committee deviates from the Swedish Corporate Governance Code Rule 2.4, second paragraph, in that two board members, Per Olof Andersson and Claes Mellgren (not just one), are dependent in relation to the Company's major shareholders. The reason for the deviation is that, in view of the Company's ownership structure where these two shareholders who are also the Company's founders together own approximately 40 per cent of the shares in the Company, AQ Group's largest shareholders believe that the Nomination Committee is best represented by these two shareholders together with other members appointed by major shareholders.

Behind the members of the Nominating Committee's are shareholders who together represent approximately 59 % of the votes in the Company.

The Nomination Committee has evaluated the work of the Board and the Chairman of the Board has described how the work has been carried out in the Board. The Nomination Committee has also supplemented with interviews with all board members. The Nomination Committee has based on this assessed the extent to which the current Board meets the requirements that will be placed on the Board for the Company's future needs, direction and development, as well as considered need for renewal. Among other things, the following topics have been discussed; the size and composition of the Board in terms of industry experience, competence, continuity, commitment, diversity, breadth and the pursuit of gender balance. Additionally, sustainability issues in a broad sense have been taken into consideration in connection with the Nomination Committee's work, including in the interviews with the board members. The Nomination Committee's assessment is that sustainability is an important and natural part of the Company's agenda.

The Nomination Committee has discussed the level of the board fees and remuneration for the work in the Audit and Remuneration committees and, i.a., evaluated these in relation to companies of similar size and complexity. The Nomination Committee has found it justified to increase the fee for each of the board members from SEK 200,000 to SEK 225,000, while the Nomination Committee proposes that no remuneration be paid for the work of the Remuneration Committee. With regard to fees to the

Chairman of the Board and remuneration for work in the Audit Committee, it is proposed that these be kept unchanged. Overall, the total board fee is reduced by the proposal to reduce the number of board members and that no remuneration is paid to the Remuneration Committee.

The Nomination Committee's instructions were resolved by the 2022 AGM to apply until further notice until another decision has been made by the General Meeting. The Nomination Committee has not found any reason to propose any changes to the instruction.

Shareholders have been informed that proposals can be submitted to the Nomination Committee. No proposals has been received by the Nomination Committee.

The Nomination Committee has held two meetings ahead of the 2023 AGM which were documented by minutes where all directors participated and has had regular contact by telephone and e-mail.

2. The Nomination Committee's proposals

Chairman of the meeting

The Nomination Committee proposes Chairman of the Board Patrik Nolåker as Chairman of the meeting.

Number of directors and auditors

The Nomination Committee proposes that the Board of Directors shall have six directors (eight), and that the number of auditors shall be one chartered accounting firm (unchanged).

Fees to the Board of Directors and the auditor

The Nomination Committee proposes the following fees to the Board of Directors and for committee work as follows (2022 remuneration in brackets):

The Chairman of the Board SEK 450,000 (450,000) and to each of the AGM elected directors SEK 225,000 (200,000), and in addition to board fees, the Chairman of the Audit Committee SEK 100,000 (100,000) and to each of the directors in the Audit Committee SEK 40,000 (40,000), and that no remuneration be paid for work of the Remuneration Committee (Chairman SEK 50,000, directors SEK 30,000).

The Nomination Committee proposes that fee to the auditor shall be paid in accordance to approved invoice.

Election of directors

The Nomination Committee proposes re-election of the Board directors Gunilla Spongh, Lars Wrebo, Ulf Gundemark, Per Olof Andersson and Claes Mellgren, and new election of Kristina Willgård.

Patrik Nolåker, Annika Johansson-Rosengren and Vegard Søråunet have declined re-election.

Kristina Willgård was born in 1965 and has a M.Sc. in economics. She most recently came from a position as Group CEO at the Life-Science company AddLife with 80 subsidiaries, from where she left in September 2022. Prior to that, she was CFO at Addtech, a technology trading company with roughly 140 subsidiaries. Kristina has long and solid experience in a listed environment and various companies in technology and manufacturing. Kristina is currently a board member of Mölnlycke Health Care, Ernströmgruppen and the Addnode Group, and is part of Aeternum Capital's advisory board.

Election of Chairman of the Board

The Nomination Committee proposes new election of Claes Mellgren as Chairman of the Board in AQ Group.

Claes Mellgren was Group CEO of AQ Group between 2010 and 2018 and is now board member since 2018. Claes Mellgren is one of the founders of AQ Group.

Election of auditor

The Nomination Committee proposes, in accordance with the Audit Committee's recommendation and after procurement, new election of the audit firm Ernst & Young AB as auditor for the period until the end of the 2024 AGM. Ernst & Young AB has informed the Company that Jennifer Rock-Baley will be auditor in charge, provided that new election takes place.

3. Reasoned statement regarding the Nomination Committee proposals for election of directors

The Nomination Committee proposes that the number of Board members be reduced from eight to six and proposes the re-election of the Board members Gunilla Spongh, Lars Wrebo, Ulf Gundemark, Per Olof Andersson and Claes Mellgren, and new election of Kristina Willgård. The Nomination Committee proposes Board member Claes Mellgren as new Chairman of the Board.

The Nomination Committee's proposals are based on the board members available for re-election and the need for continuity and renewal. It is the Nomination Committee's opinion that the proposed Board members proposed for re-election have a broad and complementary experience that well meets the requirements that the Company's operations, stage of development, current position and future development require and where each of the directors contributes with relevant experience and competence. Additionally, the Nomination Committee assesses that Kristina Willgård, proposed as a new member, has a very suitable background and profile with long and solid experience of the stock market environment and various companies in technology and manufacturing and will constitute an excellent addition to the Board.

The Nomination Committee assesses that Claes Mellgren with his background in AQ Group as founder, Group CEO between 2010 and 2018 and since 2018 as a board member, together with his long industrial experience will contribute with a chairmanship that is right for the company.

The Nomination Committee also assesses the suitability of the size of the Board of directors and the candidates' ability to allocate the necessary time for the assignment and does not see any need at this stage to elect additional directors, but considers the proposed six-member composition to be suitable and appropriate.

In summary, it is the Nomination Committee's opinion that the proposed Board, taking into account the Company's operations, stage of development and conditions in general, will have an appropriate composition.

The Nomination Committee has discussed the requirements in rule 4.1 of the Swedish Corporate Governance Code, which has been used as a diversity policy, and believes that the Board of directors, taking into account the Company's prevailing situation, gets a composition that is in line with this and has sought both versatility and to achieve a gender balance.

The Nomination Committee's assessment is that the Board of directors proposed by the Nomination Committee meets the requirements for independence set out in the Swedish Code of Corporate Governance. Of the proposed Board members, all, except Claes Mellgren, are to be considered independent in relation to the Company and the Company's management. The composition of the Board of directors is further deemed to meet the requirement that at least two of the board members who are independent in relation to the Company and the Company's management are also independent in relation to the Company's major shareholders, by Ulf Gundemark, Gunilla Spongh and Lars Wrebo are considered to be independent of both the Company and the Company's management

as well as of the Company's major shareholders. Claes Mellgren, Per Olof Andersson and Kristina Willgård are considered dependent in relation to major shareholders.

Information about all the members proposed to the Company's Board of directors, is presented on the Company's website, www.aqgroup.com

Västerås, March 2023
The Nomination Committee of AQ Group AB (publ)