

## Shareholders in **MICRO SYSTEMATION AB (publ)**

The shareholders in Micro Systemation AB (MSAB) are hereby given notice to attend the Annual General Meeting (AGM) on Thursday, May 11, 2023, at 19:00 at Hotel Diplomat, meeting room Nybroviken, Strandvägen 7 C in Stockholm. Registration for the AGM will commence at 18:15. The Board has decided that shareholders shall be able to exercise their voting rights by postal voting before the meeting.

### **RIGHT TO PARTICIPATE**

Shareholders in Micro Systemation AB (publ), 556244-3050, who wish to participate at the AGM must:

- be included in the shareholders' register maintained by Euroclear Sweden AB as of May 3, 2023; and
- either, if the shareholder chooses to participate and vote at the AGM in person, have given his/her notice to participate to the company in accordance with the instructions under the heading "Notice to participate" below no later than at 16:00 on Friday, May 5, 2023,
- or, if the shareholder chooses to participate through advance voting, notify the company of his/her participation in the AGM in accordance with the instructions under the heading "Advance voting" below, so that the advance voting form is received by Euroclear Sweden AB no later than at 16:00 on Friday, May 5, 2023.

Shareholders who have allowed their equity manager to register their shares must, to be entitled to participate at the AGM, in addition to giving notice of their participation, temporarily re-register their shares in their own name with Euroclear Sweden AB so that they are registered as shareholders in Euroclear Sweden AB's shareholder register by Wednesday, May 3, 2023. Such re-registration may be temporary (so-called voting rights registration). Shareholders who wish to register their shares in their own name must, in accordance with the respective nominee's procedures, request that the nominee make such registration. Registration of voting rights requested by shareholders at such a time that the registration has been made by the nominee no later than Friday, May 5, 2023 will be taken into account in the preparation of the share register.

### **NOTICE TO PARTICIPATE**

Notice to participate must have been received by the Company no later than at 16:00 on Friday, May 5, 2023, through one of the following channels: via the form available at [www.msab.com](http://www.msab.com); by telephone +46 8 402 90 75, weekdays 9:00-16:00; or by letter to the following address: Micro Systemation AB, Annual General Meeting 2023 c/o Euroclear Sweden AB, Box 191,101 23 Stockholm. A notice to participate received in any other manner will not be accepted.



Notice of participation shall state the name, personal ID or organization number, address, telephone number and the number of assistants (maximum two). For the processing of personal data, please see the privacy policy available at the following link:  
<https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

#### **ADVANCE VOTING**

A special form shall be used for advance voting. The form is available on the Company's website, [www.msab.com](http://www.msab.com). The advance voting form is considered as notification of participation.

The completed voting form must be received by MSAB no later than at 16:00 on Friday, May 5, 2023. The completed form shall be sent by post to Micro Systemation AB, "Annual general meeting 2023", c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm, Sweden. A completed and signed form may also be submitted via e-mail to [GeneralMeetingService@euroclear.com](mailto:GeneralMeetingService@euroclear.com) (state "Micro Systemation AGM 2023").

If the shareholder votes in advance by proxy, a power of attorney signed by the shareholder and dated shall be enclosed to the form. A proxy form is available at the Company's website, [www.msab.com](http://www.msab.com). If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed to the form. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote (i.e. the advance vote in its entirety) is invalid. Further instructions and conditions are included in the form for advance voting.

#### **PROXIES AND PROXY FORM**

Shareholders who votes in advance by proxy must issue a written, signed and dated power of attorney. The power of attorney may not be sent by fax or e-mail. The power of attorney may not be older than one year unless it states that it is valid for a longer period, however, not longer than five years.

If the proxy is issued by a legal entity, a copy of the registration certificate, or a corresponding authorization document for the legal entity, shall be attached. To facilitate the administration, proxy forms, certificates of registration and other authorization documents shall be received by the company at the address above no later than at 16:00 on Friday, May 5, 2023.

Please note that a separate registration concerning shareholder participation at the AGM must be submitted even if the shareholder wishes to exercise his or her right to vote at the AGM by proxy. A submitted proxy is not valid as a notice of attendance.

Proxy forms are available from the company upon request and are also available at [www.msab.com](http://www.msab.com).

## NUMBER OF SHARES AND VOTES

The total number of shares is 19,172,000, of which 1,000,000 are A shares, 17,550,000 are B shares, and 622,000 are C shares. The total number of votes is 28,172,000, of which 10,000,000 votes are ascribed to A shares, 17,550,000 votes are ascribed to B shares and 622,000 votes are ascribed to C shares. The Company holds in treasury 703,596 shares, of which 622,000 are C shares and 81,596 are B shares, corresponding to 703,596 votes.

## PROPOSED AGENDA

1. Election of chairman of the meeting
2. Preparation and approval of voting list
3. Approval of the agenda
4. Election of at least one person to approve the AGM minutes
5. Consideration of whether the AGM has been duly convened
6. Presentation of the annual report and audit report, the consolidated financial statements, the auditor's report for the Group and the auditors statement as to whether the guidelines for remuneration to the executive management have been complied with
7. Resolutions regarding:
  - a) the adoption of the income statement and balance sheet, as well as the consolidated income statement and consolidated balance sheet
  - b) appropriation of the Company's profit in accordance with the adopted balance sheet
  - c) approval of the remuneration report
  - d) discharge from liability for board members and the CEO
8. Determination of the number of board members
9. Determination of fees for Board members
10. Determination of fees for the auditor
11. Election of Board members
  - a) Peter Gille (re-election)
  - b) Fredrik Nilsson (re-election)
  - c) Rolf Rosenvinge (re-election)
  - d) Andreas Hedskog (election)
  - e) Jesper Kärrbrink (election)
  - f) Charlotte Stjerngren (election)
  - g) Peter Gille, as chairman of the Board
12. Election of auditor
13. Board's proposal regarding long-term incentive program
14. Resolution on authorization for the board to issue shares
15. Resolution on authorization for the Board to purchase and transfer the company's own shares
16. Resolution on guidelines for remuneration to the executive management
17. Principles for the appointment of the Nomination committee and instructions to the Nomination committee

## 18. Closing of the meeting

### **Item 1: Election of chairman of the meeting**

The nomination committee proposes Niklas Larsson, Wistrand Advokatbyrå, as chairman of the Annual General Meeting, or the person appointed by the nomination committee if he has an impediment to attend.

### **Item 2: Preparation and approval of the voting list**

The voting list proposed for approval is the voting list drawn up by the chairman of the Annual General Meeting on behalf of the company, based on the general meeting's share register and advance votes received.

### **Item 3: Approval of the agenda**

The Board of Directors proposes that the agenda, which is included in this notice to the Annual General Meeting, be approved as the agenda at the Annual General Meeting.

### **Item 4: Election of at least one person to approve the AGM minutes**

It is proposed that one person is appointed to approve the minutes. Erik Ivarsson, representing AB Grenspecialisten, or the person appointed by the Board of Directors if he has an impediment to attend, is proposed to be elected to approve the minutes of the Annual General Meeting together with the chairman of the Annual General Meeting.

### **Item 5: Consideration of whether the meeting has been duly convened**

It is proposed that the general meeting approve the convening of the Annual General Meeting.

### **Item 7b: Resolution regarding appropriation of the Company's profit in accordance with the adopted balance sheet**

By reason of the positive cash flow during the year, the Board of Directors has decided to resume dividend for 2022. The Board of Directors therefore proposes that the Annual General Meeting resolve on an ordinary dividend for the financial year 2022 of SEK 1.50 per share, to be paid through two partial payments. A first payment of SEK 1.00 per share and a second payment of SEK 0.50 per share.

The proposed record date for the right to receive the first payment of SEK 1.00 per share is May 15, 2023 and the proposed record date for the second payment of SEK 0.50 per share is November 15, 2023. With these record dates the first payment is expected to be made on May 18, 2023 and the second payment is expected to be made on November 20, 2023.

Pursuant to the Swedish Companies Act, a maximum amount in SEK shall be determined in advance to ensure that the dividend does not exceed the company's distributable funds, and such a maximum amount has been determined to SEK 27,702,606. The total dividend may not exceed the maximum amount of SEK 27,702,606. In the event the number of shares in

the company entails that the maximum amount may be exceeded, the distribution per share shall be adjusted down so that the total dividend corresponds to the maximum amount.

**Item 7c: Resolution regarding approval of the remuneration report**

It is proposed that the Annual General Meeting resolves to approve the Board's report on remuneration in accordance with Chapter 8, section 53a of the Swedish Companies Act.

**Item 8: Determination of the number of board members**

The nomination committee proposes that the Board shall consist of 6 members and no deputies.

**Item 9: Determination of fees for Board members**

The nomination committee proposes that fees to the Board be paid in a total of SEK 1,750,000, to be distributed with SEK 500,000 to the Chairman of the Board and SEK 250,000 to each of the other members of the Board.

**Item 10: Determination of fees for the auditor**

The nomination committee proposes that fees to the auditors be paid in accordance with an approved invoice.

**Item 11: Election of Board members**

The nomination committee proposes re-election of Peter Gille, Fredrik Nilsson and Rolf Rosenvinge as well as new election of Andreas Hedskog, Jesper Kärrbrink and Charlotte Stjerngren, all for the time until the end of the next Annual General Meeting. Peter Gille is proposed as Chairman of the Board.

Information on proposed Board members is available on MSAB's website, [www.msab.com](http://www.msab.com).

**Item 12: Election of auditor**

The nomination committee proposes re-election of the registered auditing company KPMG with the authorized public accountant Mattias Lötborn as principal auditor for the period until the end of the next Annual General Meeting in accordance with the Board's recommendation.

**Item 13: Board's proposal regarding long-term incentive program**

The Board of Directors of the Company proposes that the General Meeting pass a resolution on the issuance and transfer of warrants in accordance with the following.

## **A.1 Issue of warrants, series 2023/2026:1**

The Board of Directors of the Company proposes that the General Meeting resolve to carry out a private placement in respect of not more than 96,000 warrants, entailing an increase in the share capital of not more than SEK 19,200 if the private placement is fully taken up.

## **A.2 The resolution in item A.1 shall otherwise be governed by the following terms and condition:**

1. The right to subscribe for the warrants, with derogation from the shareholders' pre-emption rights, shall vest in the Company, with right and obligation to transfer the warrants to employees in the Company in accordance with the below.

No oversubscription is allowed.

2. The reason for derogation from the shareholders' pre-emption rights is to implement an incentive programme through which employees in the Company shall be able to become long-term owners and participate in and work for a positive growth of value of the Company's share for the period that the programme covers, and to ensure that the Company can keep and recruit qualified and motivated personnel.
3. The warrants shall be issued at no consideration to the Company.
4. Subscription for the warrants shall take place on the same day as the date of the resolution to issue warrants. The Board of Directors shall be entitled to extend the subscription period.
5. Each warrant entitles the holder to subscribe for one new share of series B in the Company.
6. The warrants may be exercised for subscription of new shares during the period May 15, 2026 to June 15, 2026.
7. The subscription price per share shall correspond to 125 percent of the volume weighted average price according to Nasdaq Stockholm Small Cap's official price list for the share during the 10 trading days immediately following May 15, 2023.
8. Any share premium shall be transferred to the unrestricted premium reserve.

9. The shares subscribed for based on the warrants shall carry a right to participate in dividends for the first time on the next record date for dividends, which occurs after subscription is completed.
10. The warrants shall otherwise be governed by market terms including a right for the Company to repurchase warrants if the participant's employment with the Company ceases. Warrants held by the Company that have not been transferred to participants in accordance with the below or that are repurchased from participants, may be cancelled by the Company following a decision by the Board of Directors. The cancellation shall be notified to the Swedish Companies Registration Office.
11. Other terms and conditions according to the complete terms and conditions for series 2023/2026:1.

**B. Approval of transfer of warrants, series 2023/2026:1**

The Board of Directors proposes that the General Meeting approves the Company's transfer of warrants of series 2023/2026:1 in accordance with the following.

The right to acquire warrants from the Company shall vest in a maximum of 16 employees, divided into two categories of participants in accordance with the table below (the "Participants"). Warrants are transferred in lots of 1,000 warrants.

<b>Categories of Participants</b>	<b>Max number of warrants per Participant</b>
A) CEO (max. 1 person)	6,000
B) Executive management and other key individuals (max. 15 persons)	6,000

1. The warrants shall be transferred at market terms at a price (premium) based on an estimated market value of the warrants that has been calculated by an independent valuation institute using the Black & Scholes valuation model.

The value has preliminary been calculated to SEK 9.23 per warrant based on a share price of SEK 44.00, a strike price of SEK 55.00, a term of approximately 3 years, a risk-free interest of 2.76 percent and a volatility of 38 percent.

The final valuation takes place in connection with the Participants' acquisition of the warrants and will be based on market conditions at that time.

2. Allotment requires that the warrants can be legally acquired and that, in the Board of Director's opinion, such acquisition can take place using a reasonable amount of administrative and financial resources.
3. Application for acquisition of warrants shall take place May 30, 2023. The Board of Directors is authorized to extend the application period.
4. Payment for warrants shall take place immediately in connection with the application for acquisition. The Board of Directors is authorized to extend the payment period.

**C. Information regarding the warrant program 2023/2026:1**

**1. Dilution of existing shares and votes**

Based on the number of shares and votes outstanding in the Company, the warrant program implies, upon exercise of all 96,000 warrants, a full dilution corresponding to approximately 0.50 percent of the total number of shares and 0.34 percent of the votes outstanding in the Company, however, subject to the recalculation of the number of shares that each warrant entitles to subscribe for that may occur as a result of certain issues etc.

**2. Costs and effects on key ratios**

The warrant program will have certain limited costs for advisors and for administration of the program. It is being assessed by the Board that the warrant program will only have an insignificant impact on the key ratios in the Company.

**3. Calculation of the market value**

The independent accounting firm PwC calculates the market value of the warrants using the Black & Scholes valuation model.

**4. Reasons for the program**

The Board wants to incentivise the key individuals in the Company to make an investment in the Company and take part of an increased value of the Company's stock and thereby have a better alignment of the interests of the Participants and the shareholders. The intention is also that the program will lead to a long-term increase of ownership in the Company for the Participants. The program is also aimed at making it possible for the Company to recruit and retain personnel to the Company and to provide competitive remuneration and to align the interests of the Participants and the shareholders. The Board believes that the program is fair in scope and cost effective. The Participants are the individuals that, in a strongly decentralised organization, that can create positive profits through cooperation between the



subsidiaries in the group. The Board believes that the program will have a positive effect in the development of the MSAB group and that the program is beneficial for both the shareholders and the Company.

**5. Preparation of the proposal**

The basis for the program has been prepared by the Board of Directors of the Company. The work has been supported by external advisors and has been made in consultation with shareholders. The Board of Directors has thereafter decided to present this proposal for the general meeting. Except for the staff that have prepared the matter upon instruction from the Board of Directors, no employee that may be a Participant of the program has participated in the preparations of the program's terms.

**6. Other share-related incentive programmes**

The Company's has no outstanding incentive programs.

**7. Authorizations and majority requirements**

The general meeting instructs the Board of Directors to execute the resolution as set out in item B above.

The Board of Directors, or a person appointed by the Board of Directors, shall be authorized to make minor adjustments to the resolutions above that may be necessary in connection with the registration with the Swedish Companies Registration Office and Euroclear Sweden AB, respectively.

The resolution by the general meeting regarding the the warrant program, the issuance and transfer of warrants of series 2023/2026:1 requires that shareholders representing not less than nine-tenths of the votes cast as well as the shares represented at the general meeting approve the resolution.

**Item 14: Resolution on authorization for the Board to issue shares**

The Board of Directors proposes that the Annual General Meeting authorizes the Board of Directors to, within the framework of the current Articles of Association, until the time of the next Annual General Meeting, on one or more occasions, decide on a new issue of shares with or without deviation from shareholders' preferential rights. Shares may be paid in kind, by way of set-off or with other conditions referred to in Chapter 13, Section 5, first paragraph, item 6 of the Swedish Companies Act. The purpose of such issues is to carry out or finance acquisitions of all or parts of other companies or operations through payment in MSAB shares or the flexibility in financing acquisitions. The issue price must be determined according to market conditions, which may include customary discounts. The total number of shares issued through new issues according to the authorization may correspond to a

total of no more than 10 percent of the number of shares in the company, based on the total number of shares in the company at the time of the 2023 Annual General Meeting. The Board of Directors hereby proposes to be entitled to make minor changes in the above decision that may be required as a result of registration with the Swedish Companies Registration Office or Euroclear Sweden AB.

## **Majority requirements**

A valid resolution pursuant to this Item 14 requires the approval of shareholders representing at least two thirds of the votes and shares represented at the AGM.

## **Item 15: Resolution on authorization for the Board to purchase and transfer the company's own shares**

The Board of Directors proposes that the Annual General Meeting resolves to authorize the Board of Directors, for the period up to the next Annual General Meeting, to resolve upon transfer and acquisition of Series B shares in the Company as the Board of Directors deem appropriate, whereupon the following conditions shall apply:

1. Acquisition of shares in the Company may only take place through trading on Nasdaq Stockholm, or through an offer of acquisition for cash remuneration to all the Company's shareholders.
2. Acquisitions may only be made by a maximum of so many shares that, at any given time, the Company's own holdings does not exceed one (1) percent of all shares in the Company.
3. Acquisition of shares on Nasdaq Stockholm may only take place at a price within the price interval at any time recorded on Nasdaq Stockholm, which shall refer to the interval between the highest buying price and the lowest selling price.
4. Acquisition of shares in accordance with an acquisition offer for cash considerations to all the Company's shareholders may only take place at a price which at the time of the acquisition offer does not fall below the market value of the shares and which exceeds the market value by a maximum of 30 percent.
5. Transfer of shares according to the authorization may be of all own shares held by the Company at the time of the Board of Directors' resolution.
6. Transfer of shares on Nasdaq Stockholm may only take place at a price within the price interval at any time recorded on Nasdaq Stockholm, which shall refer to the interval between the highest buying price and the lowest selling price.

7. Transfer of shares may also take place outside Nasdaq Stockholm in conjunction with company acquisitions, with or without deviation from the shareholders' preferential rights and with or without provisions regarding contribution in-kind or set-off rights. The price for such a transfer may be in cash or value of property obtained that corresponds to the market price at the time of the transfer of the shares transferred, with the deviation deemed appropriate by the Board of Directors.
8. The authorization may be exercised on one or more occasions during the period up until the 2024 Annual General Meeting.

The purpose of the authorization for the Board to resolve on the acquisition of own shares is to give the Board of Directors increased scope for action and the opportunity to continuously adjust the Company's capital structure and thereby contribute to increased shareholder value, as well as to exploit attractive business opportunities by fully or partially financing corporate acquisitions with the Company's own shares.

The reason for the allowance to deviate from the shareholders' preferential rights in conjunction with the transfer of the Company's own shares is that such a transfer can be done with greater speed and flexibility, and is more cost-effective than a transfer to all shareholders. If the Company's own shares are transferred for remuneration other than cash in conjunction with an agreement on acquisition of assets, the Company is not able to give the shareholders the opportunity to exercise any preferential right.

### **Majority requirements**

A valid resolution pursuant to this Item 15 requires the approval of shareholders representing at least two thirds of the votes and shares represented at the AGM.

### **Item 16: Resolution on guidelines for remuneration to senior executives**

The Board of Directors proposes that the 2023 Annual General Meeting adopt the following guidelines for remuneration to senior executives in MSAB, to apply until the 2027 Annual General Meeting at the latest.

### **The Board's proposal for guidelines for remuneration to senior executives**

These guidelines include the President and CEO of Micro Systemation as well as persons who during the time the guidelines apply are part of Micro Systemation AB's ("MSAB" or "the Company") Group Management. The guidelines shall be applied to remuneration that is agreed, and changes that are made to already agreed remuneration, after the guidelines have been adopted by the 2023 Annual General Meeting.

The guidelines do not cover remuneration decided by the Annual General Meeting separately, such as remuneration to board members or share-based incentive programs.

## **The guidelines' promotion of the Company's business strategy, long-term interests and sustainability**

MSAB is a world leader in forensic technology for extracting and analyzing data in seized mobile devices. The Company develops high-quality and easy-to-use software that has become one of the standards for securing evidence in criminal investigations. The products can be supplemented with tools for reporting and a wide range of training with certifications in legally secure forensic technology. By growing faster than the market, the goal is to strengthen the position as a world-leading player. To do this, the Group works according to a strategy that includes development, digitalisation and sustainability. A successful implementation of MSAB's business strategy and the safeguarding of the company's long-term interests, including its sustainability, presupposes that the company can recruit and retain qualified employees. The objective of MSAB's remuneration policy for senior executives is therefore to offer competitive and market-based remuneration, so that competent and skilled employees can be attracted, motivated and retained. These guidelines enable senior executives to be offered a competitive total remuneration. For further information about the company's business strategy, see the company's website [www.msab.com](http://www.msab.com).

Call option programs has been established in the company. This has been decided by the Annual General Meeting and are therefore not covered by these guidelines.

## **The forms of compensation, etc.**

The remuneration shall consist of a fixed salary, variable cash remuneration, pension benefits and other remuneration. In addition – and independently of these guidelines – the Annual General Meeting may decide on, for example, share and share price-related remuneration. The total compensation shall be market-based and support the shareholders' interest by enabling the company to attract and retain senior executives.

### *Variable cash compensation*

The variable salary is based on the outcome in relation to set financial and possibly non-financial targets. Fulfilment of criteria for payment of variable cash compensation must be measurable over a period of one year. The CEO receives a maximum amount corresponding to 100 % of an annual salary and other senior executives receive a maximum amount corresponding to 100 % of an annual salary. The variable cash benefit shall not be pensionable. The variable cash compensation shall be based on predetermined, well-defined and measurable financial and non-financial targets for the Group and at group and individual level, such as e.g. sales growth, profit growth and working capital development

and, with regard to the non-financial targets, are linked to clear functional targets and/or sustainability targets. Weighting is done relatively between the goals based on what focus you want to give the management; with the highest weighting on profit growth. The non-financial targets may apply to a maximum of 10 percent of the total variable cash compensation. The goals must be designed so that they promote MSAB's business strategy and long-term interests, including its sustainability, by, for example, having a connection to the business strategy or promoting the senior executive's long-term development within MSAB.

Additional variable cash compensation may be paid in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and are only made at the individual level either for the purpose of recruiting or retaining senior executives, or as compensation for extraordinary work in addition to senior executives' ordinary duties. Such compensation may not exceed an amount corresponding to 50% of the fixed annual cash salary and must not be paid more than once a year and per individual. Decisions on such remuneration for the CEO and for other senior executives shall be made by the Board.

#### *Pension benefits*

Senior executives' pension benefits, including health insurance benefits, must be defined-contribution. An amount corresponding to a maximum of 30% of the fixed annual salary is allocated to the CEO and to other senior executives an amount corresponding to a maximum of 25% of the fixed annual salary is allocated.

#### *Other benefits*

Other benefits may include e.g. health insurance and car benefit. Such benefits may amount to a maximum of 10% of the fixed annual salary.

#### *Extraordinary compensation*

Additional cash compensation can be paid as a one-off arrangement in exceptional circumstances for the purpose of recruiting or retaining executives. Such compensation may not exceed an amount corresponding to one year's fixed salary. Decisions on such remuneration shall be made by the Board.

#### *Foreign employment conditions*

For senior executives outside Sweden, whose employment conditions are subject to rules other than Swedish, other conditions may apply as a result of legislation or market practice and adjustment may thus take place. In such cases, the overall purpose of these guidelines shall be met as far as possible.

**Determination of outcome for variable cash compensation, etc.**

The company's remuneration committee or the board, if no remuneration committee has been established, shall prepare, monitor and evaluate issues concerning variable cash remuneration. When the measurement period for meeting the targets for payment of variable cash compensation has ended, it must be determined to what extent these have been met. Assessments of whether financial targets have been met shall be based on established financial basis for the current period.

Variable cash compensation shall be paid after the end of the measurement period and after the annual report has been approved at the Annual General Meeting. The Board shall be able to, in accordance with law or agreement, fully or partially recover variable remuneration paid on incorrect grounds.

**Period of employment and termination of employment**

Senior executives must be employed until further notice. The CEO and the company have a mutual notice period of three months. From the time of termination, fixed salary is paid for 12 months, including social security contributions and pension premiums. For other senior executives, a fixed salary is paid for a maximum of 6 months, including social security contributions and pension premiums.

Senior executives can resign with a notice period of maximum 6 months. Own dismissal on the part of the executive does not trigger severance pay.

In addition, compensation may be paid for any commitment to restrict competition. Such compensation shall compensate for any loss of income and shall only be paid to the extent that the previous executive is not entitled to severance pay for the corresponding period of time. The compensation may be paid for the duration of the anti-competitive undertaking, but for a maximum period of twenty-four months after the termination of the employment.

**Salary and terms of employment for employees**

In preparing the Board's proposal for these remuneration guidelines, salary and terms of employment for the company's employees have been taken into account in that information on employees' total remuneration, remuneration components and the increase and rate of remuneration over time have formed part of the Board's decision-making basis in the evaluation of the reasonableness of the guidelines and the restrictions that follow from them.

**The decision-making process for establishing, reviewing and implementing the guidelines**

A remuneration committee can be established within the board. If this does not happen, the board constitutes the remuneration committee. The Remuneration Committee prepares

issues about remuneration and other terms of employment for the company management. The Remuneration Committee shall also monitor and evaluate the application of the guidelines for senior executives' remuneration as well as current remuneration structures and remuneration levels in the company. Remuneration to the CEO and other senior executives is decided by the Board, or after delegation, by the Remuneration Committee. The CEO or other persons in the company management are not present at the Board's or Remuneration Committee's consideration of and decisions in remuneration-related matters, insofar as they are affected by the issues. The Board shall prepare proposals for new guidelines at least every four years and submit the proposal for resolution at the Annual General Meeting. The guidelines shall apply until the new guidelines have been adopted by the AGM. Until a remuneration committee has been established, the board constitutes the remuneration committee.

### **Review of the guidelines**

The guidelines for remuneration to members of the executive management were reviewed ahead of the 2023 Annual General Meeting, and the review did result in some adjustments of percentages as well as some minor editorial changes.

### **Deviation from the guidelines**

The Board of Directors may decide to temporarily deviate from these guidelines in whole or in part, if in an individual case there are special reasons for this and a deviation is necessary to satisfy the company's long-term interests, including its sustainability, or to ensure the company's financial viability.

### **Item 17: Principles for the appointment of the Nomination committee and instructions to the Nomination committee**

The Nomination committee for the 2023 Annual General Meeting consists of Chairman Erik Ivarsson (appointed by AB Grenska Specialisten), David Zaudy (appointed by Cervantes Capital AB) and Christian Hellman (appointed by Edastra AB).

The Nomination committee proposes that the Annual General Meeting resolves to adopt the following instructions for the Nomination committee.

The Chairman of the Board shall contact the three largest shareholders in terms of votes based on Euroclear Sweden AB's list of registered shareholders at the end of the third quarter of the year before the Annual General Meeting is held. The three largest shareholders shall be offered the opportunity to, within a reasonable time, each appoint a member to constitute the Nomination committee for the period until a new Nomination committee is appointed. If any of them does not exercise the right to appoint a member, the right to appoint such a member passes to the next largest shareholder, who does not already have

the right to appoint a member of the Nomination committee. Furthermore, if necessary, the Chairman of the Board shall be co-opted at the Nomination committee's meetings.

The chairman of the nomination committee shall, unless the members agree otherwise, be the member who represents the largest shareholder in terms of votes. However, a board member shall not be the chairman of the nomination committee.

The majority of the members of the Nomination committee shall be independent in relation to the company and the company management. The CEO or another person from the company management shall not be a member of the Nomination committee. Board members shall not constitute a majority of the members of the Nomination committee.

Fees shall not be paid to the members of the Nomination committee. If necessary, the company shall be responsible for reasonable costs for external consultants that the Nomination committee deems necessary for the Nomination committee to be able to fulfil its assignment.

The composition of the Nomination committee shall be announced as soon as the Nomination committee has been appointed and no later than six months before the Annual General Meeting. The information must be found on the company's website, where it must also be stated how shareholders can submit proposals to the Nomination committee.

A member of the Nomination committee shall make his place available if the shareholder who has appointed this member is no longer one of the three largest shareholders, after which a new shareholder in order of magnitude shall be offered the opportunity to appoint a member. Unless there are special reasons, however, no changes shall be made in the composition of the Nomination committee if only minor changes in the number of votes have taken place or if the change occurs later than two months before the Annual General Meeting. If a member of the Nomination committee voluntarily resigns from the assignment or if he is prevented from completing his assignment before its work is completed, the shareholder who appointed the resigning member shall appoint a successor, provided that the shareholder is still one of the three strongest shareholders represented in the Nomination committee.

In connection with its assignment, the Nomination committee shall fulfil the tasks that according to the Swedish Code of Corporate Governance obliges the Nomination committee and prepare and submit proposals to the Annual General Meeting regarding: (a) Chairman at the Annual General Meeting, (b) number of Board members, (c) Board members, (d) auditors, (e) the chairman of the board, (f) board fees with a division between the chairman and other members as well as fees for committee work, (g) fees to the auditor and (h) proposals for



changes, if any, in the Nomination committee's instructions prior to the forthcoming Annual General Meeting.

## **SHAREHOLDERS' RIGHT TO REQUEST INFORMATION**

The Board of Directors and the CEO shall, if any shareholder so requests, and the Board considers that this can be done without significant damage to the company, provide information on conditions that may affect the assessment of a matter on the agenda and conditions that may affect the assessment of the company or subsidiary's financial situation or the company's relationship with another group company.

## **DOCUMENTS**

Accounting documents and auditors' report for the company and the group, as well as other documents that according to the Swedish Companies Act must be available at the Annual General Meeting as well as proxy forms and the Board's complete proposals for resolutions and the Board's opinions according to Chapter 18, Section 4 and Chapter 19, Section 22 of the Swedish Companies Act, will be available at the company and at the company's website [www.msab.com](http://www.msab.com), no later than three weeks before the Annual General Meeting and will be sent free of charge to those shareholders who request it and state their postal address.

N.B The English text is an unofficial translation. In case of any discrepancies the Swedish version of the text shall prevail.

For more information please contact: [bernt.ingman@live.com](mailto:bernt.ingman@live.com)

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Stockholm in April 2023  
**Micro Systemation AB (publ)**  
The Board of Directors