

# Nomination Committee statement 2012



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### Nomination process

The process for the nomination of Board members for Cavotec has been revised in 2011 in relation to the move from the NZX in New Zealand to NASDAQ OMX Stockholm in Sweden. The objective has been to apply the Swedish Corporate Governance Code, while still respect the Swiss laws and regulations applicable to a Swiss company. The ultimate goal has been to adopt a Nomination Process that is open and transparent to all our shareholders and stakeholders.

Following this process and criteria the Chair of the Board of Directors, Stefan Widegren, started already March 2011 a close dialog with major shareholders, the Board and our legal and financial advisers in Sweden and Switzerland in order to propose a new Corporate Governance Structure for Cavotec SA. The initial proposal for the composition of the Nomination Committee and the Board of Directors of the company were made public in the Prospectus of October 14th, 2011.

The Nomination Committee was appointed on October 6th, 2011 in accordance to the Articles of Association of the company. Please note, that while the Nomination Committee in a Swiss company is appointed by the Board of Directors, the composition of the Cavotec Nomination Committee will follow the recommendations of the Swedish Corporate Governance Code.

The appointed Nomination Committee members are:

Jack Groesbeek, Chairman of the Committee and shareholder  
Lars Hellman, Founder shareholder  
Stefan Widegren, Chairman of Cavotec SA and Founder shareholder

The Committee members represent some 23% of all votes in the company. A way of contact with the Nomination Committee has been established through the company website [www.cavotec.com](http://www.cavotec.com).

In December 2011 the Committee began preparing a proposal for the Board of Directors to be submitted to the Annual General Meeting 2012. In line with the formal evaluation process adopted by the committee, the Chairman with the assistance of the Nomination Committee members, initiated the yearly evaluation of the work performed by the Board was undertaken, while also performing a renewed assessment of the current requirements of the representation, experience, background and competence in the Board. These requirements were compared with the expertise currently available within the Board.

On January 30th, 2012 the Nomination Committee met in Lugano in order to discuss various proposals with major shareholders (representing more than 55% of the votes) and the CEO, Ottonel Popesco. Furthermore Stefan Widegren visited New Zealand in mid March in order to meet-up with investors, shareholders and NZ Board members, and among other topics also discuss the proposals for the future composition of the Board of Directors. After having received the support and approval by the Board for its final proposal on March 29th, 2012, the Nomination Committee met on April 2nd to define and explain its final proposal as follows:

*According to Art. 13 of the Articles of Association the directors are elected each year to hold office until the following annual shareholders' meeting. Directors may be reelected.*

*It is proposed the Annual General Meeting to be chaired by Stefan Widegren, while the President of the Annual General Meeting will be Fabio Cannavale, who will be present in Lugano.*

*Fabio Cannavale, Leena Essén, Nicola Gerber, Christer Granskog, Lakshmi C. Khanna, Erik Lautmann, Joe Pope, Ottonel Popesco and Stefan Widegren stand for re-election.*

*The Nomination Committee proposes therefore that Fabio Cannavale, Leena Essén, Nicola Gerber, Christer Granskog, Lakshmi C. Khanna, Erik Lautmann, Joe Pope, Ottonel Popesco and Stefan Widegren be re-elected as Directors for a further one-year term of office expiring at our annual general meeting to be held in 2013.*

*The Nomination Committee furthermore proposes to nominate Stefan Widegren as Chairman of the Board of Directors.*

*With respect to the requirements in the Swedish Corporate Governance Code (the Code) that a majority of the directors elected by the shareholders' meeting are to be independent of the company and its executive management and that at least two of this majority also are to be independent in relation to the company's major shareholders, the Nomination Committee has carried out the following assessment:*

*Christer Granskog, Lakshmi Khanna, Erik Lautmann, Nicola Gerber, Joe Pope and Fabio Cannavale are all independent of the company and its executive management.*

*Christer Granskog, Lakshmi Khanna, Erik Lautmann, Joe Pope and Nicola Gerber are all also independent in relation to the company's major shareholders.*

*The Nomination Committee therefore concludes that all requirements of director independence as set out in the Code are met.*

*Finally, the Nomination Committee proposes that PricewaterhouseCoopers SA, Lugano, Switzerland be re-elected as Cavotec's independent auditor for business year 2012.*

*Shareholders representing more than 55% of the votes support the nomination of the Nomination Committee.*

In the Notice of Meeting for the Annual General Meeting 2012, the Committee will present its proposal regarding number of Board members, names of the proposed Board members, and the Chair of the Board. The Committee will also submit its proposal for remuneration to the Chair and other Board members not employed in the company, as well as the committee work.

### **External auditor**

At the Annual General Meeting 2012 the Nomination Committee will also propose to appoint PricewaterhouseCoopers SA, Lugano, as the independent auditor of the company until the Annual General Meeting 2013. Daniel Ketterer is the auditor in charge. He took over this function for the business year 2011.

### The Board of Directors

The composition of the Board of Directors is set out in section "Board of Directors" in the Cavotec Annual Report and the members of the Board are elected for the period until the end of the next annual shareholders' meeting. The Board of Directors constitutes itself, but the Chairman of the Board of Directors is elected by the shareholders' meeting as set out in the Articles of Association. The members of the Nomination Committee, the Remuneration Committee and the Audit Committee, as well as the respective Chairmen, are elected from and by the Board members, as further described below in relation to the description of each committee. The Board of Directors has a Company Secretary that has the duties and competencies set out by Swiss law. Furthermore, the Secretary assists the Board, the Chairman and the Committees, to co-ordinate and fulfill their duties and assignments in accordance with the Board of Directors Internal Regulations (comparable to rules of procedures and adopted by the Board of Directors).

The Board of Directors is entrusted with the ultimate management of the Company, as well as with the supervision and control of the management. The Board of Directors is the ultimate executive body of the Company and shall determine the principles of the business strategy and policies. The Board of Directors shall exercise its function as required by law, the Articles of Association and the Board of Directors' Internal Regulations. The Board shall be authorised to pass resolutions on all matters that are not reserved to the general meeting of shareholders or to other executive bodies by applicable law, the Articles of Association or the Internal Regulations.

By Swiss law, the Board of Directors has the following non-transferable and inalienable duties:

- a) The determination of the strategy of the Company and the Group and the issuance of the necessary directives;
- b) The establishment of a framework of the organisation;
- c) The basic structuring of the accounting system, of a system of internal financial controls, and of the financial planning;
- d) The approval of the appointment (and suspension) of the officers entrusted with the management of the Company or with its representation;
- e) The supervision of management, in particular in relation to compliance with the law, the Articles and corporate regulations, charters and directives;
- f) Decisions on the business report consisting of the annual financial statements, the annual report, and consolidated financial statements including interim published reports and determination of the accounting standard;
- g) The preparation of the general meeting of shareholders of the Company and the implementation of its resolutions;
- h) Notification to the judge in case of a capital loss ("Unterbilanz") of the Company and in case of over indebtedness ("Überschuldung"; art. 725-725a CO).

By Swiss law, the Board of Directors also has the following non transferable competencies: Decisions in connection with capital increases pursuant to art. 651a, 652g, 653g CO (acknowledgement of capital increase) and art. 651 IV CO (increase of share capital in the case of authorised capital); decisions pursuant to art. 634a I CO (shares not fully paid in) and resolutions pursuant to the Swiss Merger Act.

The Board of Directors held five Board meetings in Cavotec MSL and seven Board meetings in Cavotec SA in 2011.

**Cavotec SA**

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