

# Nomination Committee statement 2018



Amsterdam, The Netherlands

### Nomination process

The process for the nomination of Board members for Cavotec was revised in 2011 following the move from the NZX in New Zealand to NASDAQ OMX in Sweden. The objective has been to apply the Swedish Corporate Governance Code, while still respecting 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 shareholders and stakeholders.

The Nomination Committee was appointed on March 27, 2017 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 Nomination Committee members are:

Henrik Blomquist (Committee Chairman and representative for Bure Equity), Fabio Cannavale (representative for Nomina SA), Stefan Widegren, replacing Peter Brandel in April 2018 (representative for Management & Founder Shareholders) and Thomas Ehlin, replacing Per Colleen in September 2017 (representative for 4AP-fonden).

The current members of the Nomination Committee represent over 40 per cent of all votes in the company. A way of contact with the Nomination Committee has been established through the company website.

In October 2017 the Committee began preparing a proposal for the Board of Directors to be submitted to the Ordinary General Meeting. An evaluation of the work performed by the Board was completed in February 2018, a new evaluation is scheduled for 2019.

On January 18 2018 the Nomination Committee had a meeting to discuss various proposals with major shareholders, (representing more than 40 per cent of the votes), and among other topics also discussed the proposals for the future composition of the Board of Directors. The Nomination Committee proposes that the Board of Directors shall comprise of six members.

After having received the support and approval by the Board on February 22, 2018 for its final proposal the Nomination Committee defined its final proposal as follows:

According to Art.13 of the current Articles of Association, as well as according to Art.3 of the Federal Ordinance on Excessive Compensation, the directors are elected each year to hold office until the following annual shareholders' meeting. Directors may be re-elected.

It is proposed that the Ordinary General Meeting in Lugano is to be chaired by Stefan Widegren.

Fabio Cannavale, Erik Lautmann, Heléne Mellquist, Helena Thrap-Olsen, and Patrik Tigterschiöld will stand for re-election, while Roberto Italia is proposed for election. Ottonel Popesco and Stefan Widegren will not stand for re-election.

The Nomination Committee proposes that Fabio Cannavale, Erik Lautmann, Heléne Mellquist, Helena Thrap-Olsen and Patrik Tigterschiöld to be re-elected as Directors for a further one-year term of office expiring at the Ordinary General Meeting to be held in 2019.

The Nomination Committee proposes to elect Roberto Italia to the Board of Directors.

The Nomination Committee furthermore proposes to nominate Patrik Tigerschiöld 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:

Fabio Cannavale, Roberto Italia, Helena Thrap-Olsen, Heléne Mellquist, Erik Lautmann and Patrik Tigerschiöld are all independent of the company and its executive management.

Roberto Italia, Helena Thrap-Olsen, Heléne Mellquist and Erik Lautmann 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.

Shareholders representing more than 40 per cent of the votes support the above-mentioned proposals made by the Nomination Committee.



*Roberto Italia graduated cum laude in business and economics from LUISS, Rome (Italy) in 1990 and in 1994 received a MBA with distinction from INSEAD, Fontainebleau (France). After starting with the Telecom Italia group, Mr. Italia has been in private equity since 1994 and as a partner since 1999, initially with Warburg, Pincus, then Henderson Private Capital and more recently Cinven, with which he has had an association until 2018. In 2013 he founded Red Black Capital, his own investment group targeting investment in small- to medium-sized companies across Europe, co-founded Space Holding, a holding company promoting special purpose acquisition companies in public markets, and RedSeed Ventures, an investment partnership targeting venture capital and early-stage investments. Roberto is chairman of Avio (AVIO.MI), executive chairman of Space4 (SPA4.MI), member of the board of lastminute.com Group (LMN.SW) and of a number of private companies associated with his investment activities.*

Finally, and in accordance to Art. 7 of the Federal Ordinance on Excessive Compensation and with the Internal Regulations, the Nomination Committee proposes to elect the following Board members to be part of the Remuneration Committee for the year 2018/2019:

Erik Lautmann  
Helena Thrap-Olsen  
Patrik Tigerschiöld

With respect to the requirements in the Code that all members of the Remuneration Committee, apart from the chairman of the Remuneration Committee, are to be independent of the company and its executive management, the Nomination Committee has come to the conclusion that all candidates proposed by the Board of Directors are independent of the company and its executive management.

### External auditor

At the Ordinary General Meeting 2018 the Nomination Committee will also propose to appoint PricewaterhouseCoopers SA, Lugano, as the independent auditor of the company until the Ordinary General Meeting 2019. Daniel Anliker is the auditor in charge. He is taking over this function for the 2018 business year from his colleague Daniel Ketterer.

## 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 ordinary meeting of shareholders. 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 and the Audit Committee, as well as the respective Chairmen, are elected from and by the Board members. 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:

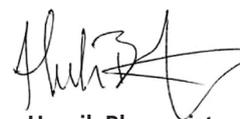
- a) The determination of the strategy of the Company and the Group and the issuance of the necessary directives;
- b) The establishment of a framework of the organisation;
- c) The basic structuring of the accounting system, of a system of internal financial controls, and of the financial planning;
- 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).
- i) Preparation of the compensation report.

By Swiss law, the Board of Directors also has the following non-transferable responsibilities: 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 eight Board meetings for Cavotec SA in 2017 and one in 2018.

Lugano, February 2018



**Henrik Blomquist**

*Chairman, Nomination Committee*

**Cavotec SA**

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