

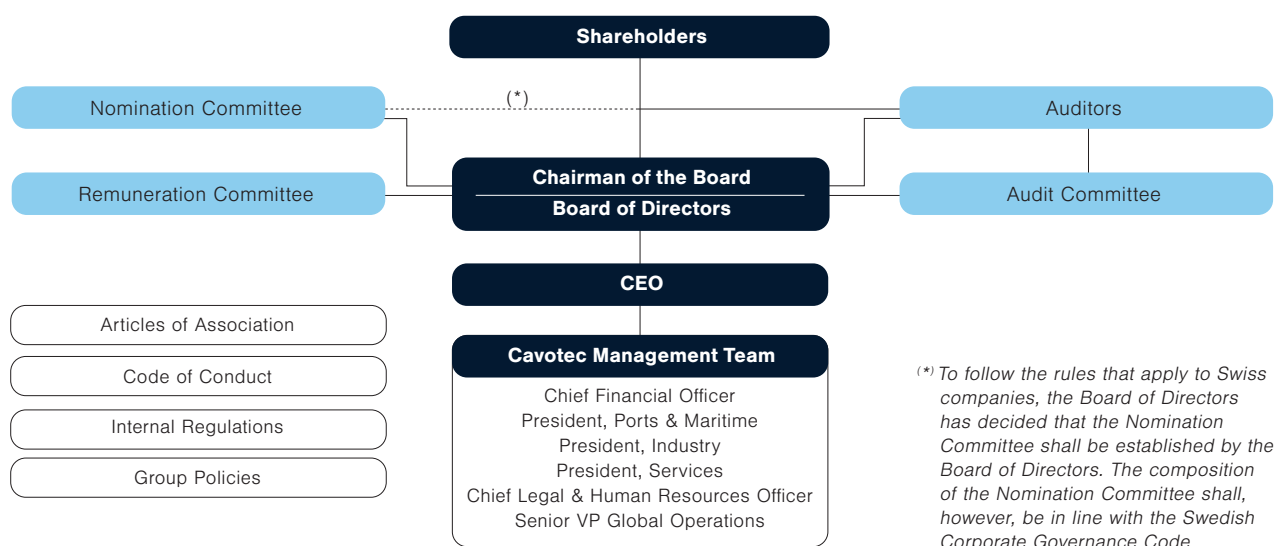
CORPORATE GOVERNANCE REPORT 2024

Since Cavotec SA ("**Cavotec**" or the "**Company**") is a Swiss company listed on Nasdaq Stockholm, the corporate governance of Cavotec is based on Swiss and Swedish rules and regulations, such as the Swiss Code of Obligations (the "**CO**") and the Swedish Code of Corporate Governance (*Sw. Svensk kod för bolagsstyrning*) (the "**Code**"). This corporate governance report reflects the changes occurred with the Swiss corporate law reform that came into force on 1 January 2023. The new provisions of the CO implement, inter alia, the previous regulations of the Minder Ordinance.

The Swedish code of Corporate Governance

Swedish companies with shares admitted to trading on a regulated market in Sweden, including Nasdaq Stockholm, are subject to the Code. The Code is a codification of best practices for Swedish listed companies based on Swedish practices and circumstances. Cavotec has decided to apply the Code, however, the Company is not obliged to comply with every rule in the Code as the Code itself provides for the possibility to deviate from the rules, provided that any such deviations and the chosen alternative solutions are described and the reasons therefore are explained in the corporate governance report (according to the so-called "comply or explain principle"). Deviations that the Company is aware of have, as far as possible, been explained in the Company's corporate governance report.

CAVOTEC CORPORATE GOVERNANCE STRUCTURE



Shareholders' meetings

General

Shareholders' rights to resolve on company matters are exercised at shareholders' meetings. An ordinary shareholders' meeting is to be held yearly within six months following the close of the business year. It is called by the Board of Directors or, if necessary, by the auditors. Extraordinary shareholders' meetings may be called by the Board of Directors, the liquidators or the auditors as often as necessary to safeguard the interests of the Company. Shareholders' meetings are held at the domicile of the Company or at such other place in Switzerland or abroad as the Board of Directors shall determine. The shareholders' meetings, deviating from the Code, will be held in English and information and material will be available in English only. This is in accordance with an exemption granted by the Swedish Financial Supervisory Authority. The minutes of shareholders' meetings, and the election results with details of the exact the percentage of votes for and against containing the resolutions and the election results with details of the exact percentage of votes for and against, will be published on the Company's website within 15 days following the general meeting.

Right to attend shareholders' meetings

All shareholders who are registered directly in Euroclear Sweden's and SIX SIS's share registers on the record date, as applicable, and who notify the Company of their intention to attend the shareholders' meeting at the latest by the date specified in the convening letter, shall be entitled to attend the shareholders' meeting and vote according to the number of shares they hold. Shareholders may attend shareholders' meetings in person or through a proxy. The Board of Directors may provide that shareholders who are not present at the place of the shareholders' meeting may exercise their rights by electronic means. Shareholders may usually register for shareholders' meetings in several different ways, which are described in the Notice of meeting (the "**Notice of Meeting**").

Notice of shareholders' meetings and shareholder initiatives

The Notice of Meeting is given by means of a publication in the Swiss Commercial Gazette or by letter to the shareholders of record as well as through a press release. Between the day of the publication or the mailing of the notice and the day of the meeting there must be a time period of not less than 20 calendar days. The notice of the shareholders' meeting must indicate the agenda and the motions. The notice of the shareholders' meeting must indicate in particular the agenda items to be discussed, the motions of the Board of Directors together with a short explanation, and, if applicable, the shareholders' motions together with a short explanation. The notice will also be published on the Company's website. At the time of the notice, the Company may publish in Svenska Dagbladet an announcement with information that the notice has been issued. The notice will also be published on the Company's website. At the time of the notice, the Company may publish in Svenska Dagbladet an announcement with information that the notice has been issued.

Shareholders may request that items be placed on the agenda of a meeting convened by the Board of Directors, provided they together hold at least 0.5 per cent of the share capital or of the votes.

Stating the purpose of the meeting and the agenda to be submitted, one or more shareholders representing at least five per cent of the share capital or the votes may request the Board of Directors, in writing to call an extraordinary shareholders' meeting. In such case, the Board of Directors must call a shareholders' meeting within two weeks.

Nomination Process

The process for the nomination of Board members for Cavotec is construed in light of the Code, while still respecting 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 shall be a committee established by the Board of Directors of Cavotec. This is in line with Swiss law but will constitute a deviation from the Code that prescribes that the Nomination Committee shall be determined by the shareholders. To follow the rules that apply to Swiss companies, the Board of Directors has decided that the Nomination Committee shall be established by the Board of Directors. The composition of the Nomination Committee shall, however, be in line with the Code. The Nomination Committee shall ensure that the Company has a formal and transparent method for the nomination and appointment of Board members. The objectives of the Nomination Committee are to regularly review and, when appropriate, recommend changes to the composition of the Board of Directors to ensure that the Company has, and maintains, the right composition of Board members to effectively govern and provide guidance to business, and identify and recommend to the Board of Directors individuals for nomination as members of the Board and its Committees (taking into account such factors as it deems appropriate, including experience, qualifications, judgement and the ability to work with other Board members, as well as the diversity of the Board).

From October 2023, the Nomination Committee members are Henrik Blomquist (representing Bure Equity AB), Per Colleen, who represents TomEnterprise Private AB (Thomas von Koch), Thomas Ehlin (representing The Fourth Swedish National Pension Fund – AP4), Fabio Cannavale, who represents Nomina SA and Patrik Tigerschiöld (Chairman of Cavotec's Board of Directors).

In October 2023 the Committee began preparing a proposal for the Board of Directors to be submitted to the Annual General Meeting 2024.

According to Art.13 of the current Articles of Association, as well as according to Art. 710 para 1CO, 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 Annual General Meeting in Lugano is to be chaired by Patrik Tigerschiöld, Chairman of the Board.

Patrik Tigerschiöld, Niklas Edling, Annette Kumlien, Keith Svendsen and Peter Nilsson stand for re-election.

The Nomination Committee proposes Patrik Tigerschiöld, Niklas Edling, Annette Kumlien, Keith Svendsen and Peter Nilsson to be re-elected as Directors for a further one-year term of office expiring at the Annual General Meeting to be held in 2025.

The Nomination Committee furthermore proposes to nominate Patrik Tigerschiöld as Chairman of the Board of Directors.

With respect to the requirements in 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:

Annette Kumlien, Niklas Edling, Patrik Tigerschiöld, Keith Svendsen and Peter Nilsson are all independent of the Company and its executive management.

Annette Kumlien, Niklas Edling, Keith Svendsen and Peter Nilsson are all also independent in relation to the Company's major shareholders.

The Nomination Committee therefore concludes that all requirements of Directors' 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.

Finally, and in accordance with Art. 698 para 3 and 733 CO and with the Internal Regulations, the Nomination Committee proposes to elect the following members of the Board of Directors to be part of the Remuneration Committee for the year 2024/2025:

- Peter Nilsson
- Patrik Tigerschiöld
- Keith Svendsen

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

The Audit Committee and the Board of Directors are responsible for presenting proposals on the appointment of the auditors to the Annual General Meeting and are also responsible for resolving on the remuneration to the auditor and any issues on resignation or dismissal of the auditor. This constitutes a deviation from the Code that prescribes that the Nomination Committee is responsible for presenting proposals to the Annual General Meeting on the election and remuneration of the external auditor. In accordance with Swiss law, the Board of Directors has decided that the Audit Committee shall propose the auditors to the Board of Directors, which in turn shall present its proposals to the Annual General Meeting. For the purpose of its election by the Annual General Meeting 2024, the Audit Committee has proposed to the Board of Directors to appoint PricewaterhouseCoopers SA, Lugano, as the independent auditor of the Company for the business year 2024. Thomas Wallmer is the auditor in charge.

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 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 and by Swiss law. The members of the Nomination Committee and the Audit Committee, as well as the respective Chairmen, are elected from and by the members of the Board of Directors. The Board of Directors has a Company's 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 fulfil their duties and assignments in accordance with the Board of Directors' Internal Regulations.

The Board of Directors is entrusted with the overall 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 in particular the following non-transferable and inalienable duties:

- a) the overall management of the company and issuing the required directives;
- b) to determine the Company's organization;
- c) organising the accounting, financial control and financial planning systems as required for management of the company;
- d) appointing and dismissing persons entrusted with managing and representing the company;
- e) overall supervision of the persons entrusted with managing the company, in particular with regard to compliance with the law, articles of association, operational regulations and directives;
- f) compiling the annual report, preparing for the general meeting and implementing its resolutions, including interim published reports and determination of the accounting standard;
- g) filing an application for a debt restructuring moratorium and notifying the court in the event that the company is overindebted;
- h) preparing the remuneration report.

By Swiss law, the Board of Directors also has in particular the following non-transferable responsibilities: (i) decision pursuant to art. 653e CO (preparation of the capital increase report); (ii) decisions in connection with capital increases pursuant to art. 652g, 653g, 653i (acknowledgement of capital increase);

(iii) decision pursuant to art. 653o (acknowledgement of capital reduction); (iv) decisions pursuant to art. 634b I CO (require outstanding contributions on shares not fully paid in); (v) to monitor the solvency of the company and to take all actions within the meaning of art. 725, 725a and 725b; and (vi) specific resolutions pursuant to the Swiss Merger Act.

The Board of Directors held seven ordinary Board meetings and four extraordinary Board meetings for Cavotec in 2023. In addition, 1 Board resolutions have been deliberated by circular resolution (without a Board meeting).



BOARD AND COMMITTEE MEETINGS IN CAVOTEC SA IN 2023

	Board		Audit		Remuneration		Nomination	
	Held (ordinary and extraordinary)	Attended	Held	Attended	Held	Attended	Held (including via circular resolution)	Attended
Henrik Blomquist							3	3
Fabio Cannavale							3	1
Peer Colleen							3	3
Niklas Edling	11	11	8	8				
Thomas Ehlin							3	3
Keith Svedsen	11	10			5	5		
Annette Kumlien	11	11	8	8				
Erik Lautmann	11	5			5	2		
Peter Nilsson	11	4			5	3		
Claes Murander								
Patrik Tigerschiöld	11	11	8	6	5	5	3	3

Board Committees

The Board of Directors currently has three Board committees, the Nomination Committee, the Audit Committee and the Remuneration Committee. The Remuneration Committee has been elected by the shareholders' meeting, in accordance with Swiss law. The composition and tasks of the Board's Committees are regulated in the Board of Directors' Internal Regulations. The composition and tasks of the Remuneration Committee are regulated in the Articles of Association as well as in the Board of Directors' Internal Regulations. Below is a brief description of the Committees as per the current Internal Regulations (which are continuously reviewed and if deemed appropriate by the Board of Directors amended). The shareholder can request to the Board of Directors to issue information in writing or electronically concerning the organisation of the business management.

Nomination Committee

The Nomination Committee shall be a committee established by the Board of Directors of the Company. This is in line with Swiss law but will constitute a deviation from the Code that prescribes that the Nomination Committee shall be determined by the shareholders. To follow the rules that apply to Swiss companies, the Board of Directors has decided that the Nomination Committee shall be established by the Board of Directors. The composition of the Nomination Committee shall however be in line with the Code.

The Nomination Committee shall ensure that the Company has a formal and transparent method for the nomination and appointment of members of the Board of Directors. The objectives of the Nomination Committee are to regularly review and, when appropriate, recommend changes to the composition of the Board of Directors to ensure that the Company has, and maintains, the right composition of Board members to effectively govern and provide guidance to business, and identify and recommend to the Board of Directors individuals for nomination as members of the Board and its Committees (taking into account such factors as it deems appropriate, including experience, qualifications, judgment and the ability to work with other Board members).

From October 2023 the Nomination Committee members are Henrik Blomquist (representing Bure Equity AB), Per Colleen, who represents TomEnterprise Private AB (Thomas von Koch), Thomas Ehlin (representing The Fourth Swedish National Pension Fund – AP4), Fabio Cannavale, who represents Nomina SA and Patrik Tigerschiöld (Chairman of Cavotec's Board of Directors).

Audit Committee

The objective of the Audit Committee is to assist the Board of Directors in discharging its responsibilities relative to financial reporting and regulatory compliance. The Audit Committee also presents proposals on the election and remuneration of the auditors to the Board of Directors, which in turn present its proposals to the Annual General Meeting for the election. Members of the Audit Committee shall exclusively comprise of members of the Board appointed by the Board in accordance with the Code. The Audit Committee will comprise of not less than three members with a majority to be Independent Directors of the Board. One member must have a financial or accounting background.

The Audit Committee of Cavotec is involved in a wide range of activities including, inter alia, the review of all quarterly, half - yearly and annual financial statements prior to their approval by the Board and release to the public. The Committee has periodic contact with the auditors, PricewaterhouseCoopers, through the PwC engagement partner responsible for the Audit and through the principal engagement manager, to review any unusual matters and the effect of new accounting pronouncements. As a matter of policy, the Audit Committee meets with the PwC engagement partner without the presence of Management at least once every year. Further, the Committee reviews the annual audit plan, as prepared by the auditors, including the adequacy of the scopes of the audits proposed for the principal locations and the proposed audit fees. The engagement of the auditors for non-audit services of significance is approved in advance by the Audit Committee.

At least once every year Management gives a presentation to the Audit Committee on the risk profile of the Group and on the procedures in place for the management of Risk. Risks related to the potential impairment of assets and the related provisions required for financial exposures are reviewed and discussed with Management at least once a year, normally in conjunction with the third quarter closing.

The Audit Committee of Cavotec met eight times in 2023.

The current members of the Audit Committee are Annette Kumlien (Chairwoman), Patrik Tigerschiöld and Niklas Edling.

Remuneration Committee

The main purpose of the Remuneration Committee is to act as remuneration committee pursuant to Swiss law against excessive compensation with respect to listed corporations. The Remuneration Committee has in particular the following duties and responsibilities:

1. Reviewing and advising the Board of Directors on the terms of appointment of the CEO;

2. Reviewing working environments and succession planning for members of the Management;
3. Reviewing the terms of the employment arrangements with members of the Management, as well as to develop consistent group employment practices subject to regional differences;
4. Reviewing of and making proposals to the Board of Directors on the remuneration of the members of the Board of Directors and of the Chief Executive Officer;
5. Reviewing the terms of the Company's short and long term incentive plans;
6. Submission of a draft of the remuneration report to the Board of Directors.

The Remuneration Committee of Cavotec met five times in 2023.

The current members of the Remuneration Committee in Cavotec are Peter Nilsson (Chairman), Keith Svendsen and Patrik Tigerschiöld.

In accordance with Art. 698 para 3 and 733 CO 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 2024/2025: Keith Svendsen, Patrik Tigerschiöld and Peter Nilsson.

Cavotec Management Team – CMT

The CMT is selected by the CEO consists of six members (excluding the CEO), combining Cavotec's senior operational and corporate functions. The CMT fulfils the Group Management role – empowered by the CEO – and ensures efficient implementation of strategic decisions into Cavotec's global organisation and leads local management on key operational issues. The CEO, defines and implements operational strategy, policies, technical and commercial developments, as well as new acquisitions in line with targets set by the Cavotec's Board of Directors. Cavotec's operational structure is reasonably fat in order to ensure that the Group's operations and decision-making processes are efficient and responsive. Strategic, Group-related operations are the responsibility of the CEO with the support of the CMT. All material decisions within the day-to-day operations of the Company are taken by the CEO.

Remuneration and incentive plans

Remuneration of the Board of Directors

The yearly shareholders' meeting prospectively approves the total maximum aggregate remuneration for the Board of Directors for the following business year. In compliance to Swiss law, in particular art. 698 para. 3 and 735 CO, the remuneration to the members of the Board of Directors in Cavotec is then, in deviation from the Code, resolved by the Board of Directors in observance of the maximum aggregate amount decided by the shareholders' meeting, as set out in the Articles of Association, upon proposal of the Remuneration Committee. In addition, Board members may receive remuneration for consultancy services provided to the Company. None of the members of the Board of Directors are entitled to any benefits when resigning from the Board, in their capacity as Board members. However, Board members may be entitled to benefits according to employment or consultancy agreements that will continue even if the Board member would resign as Board member. The yearly shareholders' meeting shall approve with a non-binding consultative vote the Remuneration Report.

Remuneration for the term from AGM 2023 until AGM 2024 in EUR	Qualification	Board fees	Social Security Contributions	Pension	Total 2023	Total 2022
Niklas Edling	Independent Director	40,000	1,400	2,120	43,520	43,520
Annette Kumlien	Independent Director	45,000	1,575	2,385	48,960	48,960
Erik Lautmann	Independent Director	-	-	-	-	48,096
Peter Nilsson	Independent Director	45,000	1,575	2,385	48,960	-
Keith Svendsen	Independent Director	40,000	1,400	2,120	43,520	43,520
Patrik Tigerschiöld	Director-(Chairman)	95,000	3,325	5,035	103,360	103,360
Total remuneration					288,320	287,456

Remuneration for the term from AGM 2023 until AGM 2024 in CHF	Qualification	Board fees	Social Security Contributions	Pension	Total 2023	Total 2022
Niklas Edling	Independent Director	38,872	1,361	2,060	42,293	43,725
Annette Kumlien	Independent Director	43,731	1,531	2,318	47,579	49,191
Erik Lautmann	Independent Director	-	-	-	-	48,323
Peter Nilsson	Independent Director	43,731	1,531	2,318	47,579	-
Keith Svendsen	Independent Director	38,872	1,361	2,060	42,293	43,725
Patrik Tigerschiöld	Director-(Chairman)	92'321	3'231	4'893	100'445	103,847
Total remuneration					280,189	288,810

CHF/EUR exchange rate 0.9717973

Remuneration of the CEO

Amounts for FY 2023 in EUR	Base Salary	Compensation for non-compete arrangements	Joining bonuses	Short-term Incentive Plan ⁽¹⁾	Long-term Incentive Plan ⁽²⁾	Benefits in kind ⁽³⁾	Social Security, Insurance and Pension Contributions ⁽⁴⁾	Total 2023	Total 2022
David Pagels	481,238	-	-	127,236	-	3,689	364,823	976,986	550,093

Amounts for FY 2023 in CHF	Base Salary	Compensation for non-compete arrangements	Joining bonuses	Short-term Incentive Plan ⁽¹⁾	Long-term Incentive Plan ⁽²⁾	Benefits in kind ⁽³⁾	Social Security, Insurance and Pension Contributions ⁽⁴⁾	Total 2023	Total 2022
David Pagels	467,666	-	-	123,648	-	3,585	354,534	949,433	552,683

CHF/EUR exchange rate 0.9717973

⁽¹⁾ As the objectives of the 2022 STIP were not achieved, there is no payout in 2023 for FY 2022.

⁽²⁾ As the objectives of the 2020-2022 LTIP were not achieved, no shares to vest in 2023.

⁽³⁾ Allowances (Child, school fees, health insurance and transportation, non-competition agreements).

⁽⁴⁾ Pension contribution to the CEO has been made both in form of cash and defined contribution payments.

Principles

Please refer to the Remuneration Committee statement.

Internal Control System (ICS)

The internal control function has been embedded in the finance organisation. This task is performed by Group Finance, that together with the local entity's finance department and the Legal Compliance officer is responsible for ensuring that the necessary controls are performed along with adequate monitoring. Internal controls comprise the control of the Company's and Group's organisation, procedures and remedial measures. The objective is to ensure reliable and correct financial reporting, and to ensure that the Company's and Group's financial reports are prepared in accordance with law and applicable accounting standards and that other requirements are complied with. The internal control system is also intended to monitor compliance with the Company's and Group's policies, principles and instructions. In addition, the control system monitors security for the Company assets and monitors that the Company's resources are exploited in a cost-effective and adequate manner. Internal control also involves following up on the implemented information and business system, and risk analysis.

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