

ACCOUNT OF THE WORK OF POWERCELL'S NOMINATIONS COMMITTEE AHEAD OF THE 2019 ANNUAL GENERAL MEETING

According to the previously adopted principles for the nominations committee from last year's annual general meeting, the nominations committee shall be made up of one representative from each of the three largest shareholders as of 30 September 2018, as well as one representative from the company's board of directors. The three largest owners in the company as of 30 September 2018 were Midroc New Technology AB, Fouriertransform AB and Finindus. The owning companies have appointed one representative each as follows: Christer Jönsson has represented Fouriertransform, Oscar Ahlgren (Västra Hamnen Corporate Finance AB) has represented Midroc and Hans Maenhout has represented Finindus. Magnus Jonsson has been the convening member and represented the board of directors for the company. Hans Maenhout has been the chairman of the nominations committee.

The members of the nominations committee represent approximately 40,1 percent of the shares and votes in Powercell Sweden AB (publ) as per 1 February 2019. The above-mentioned nominations committee shall exist until such time as a new nominations committee is appointed.

Work of the nominations committee

Since the appointment of the nominations committee seven protocolled meetings have been held and the members of the nominations committee have had ongoing contact in the interim.

As a basis for its work the nominations committee reviewed the CEO's description of the company's development and strategies as well as the report by the chairman of the board regarding the work of the board of directors, which has functioned well.

The point of departure of the nominations committee's work ahead of the 2019 AGM has been to keep abreast of the company's planned change of stock exchange to a regulated market. This requires, among others, a board member who possesses accounting or auditing expertise to be able to meet the requirement stipulated in the Swedish Companies Act regarding composition of an accounting committee. In the process the nominations committee has studied an array of competence profiles in light of the company's expected challenges in both the short and medium-term perspective. The requirements according to the Swedish Corporate Governance code have also been central for the nominations committee's work.

The nominations committee's proposed resolutions

The nominations committee proposes the following resolutions to the 2019 AGM:

- Lawyer Eric Ehrencrona as chairman of the meeting.
- Seven board members elected by the general meeting, with no deputies.
- Re-election of the following board members: Dirk De Boever, Hasse Johansson, Magnus Jonsson, Göran Linder, Åsa Severed and Mattias Silfversparre.
- Election of the following board member: Helen Fasth Gillstedt.

- Chairman of the board: re-election of Magnus Jonsson.

See www.powercell.se for more information on the proposed board members.

- The nominations committee proposes that the accounting firm Öhrlings PricewaterhouseCoopers AB (PwC) be elected as auditor for the period until the conclusion of the 2019 annual general meeting. PwC has stated that if elected Fredrik Göransson will continue to act a head auditor.
- The nominations committee proposes that board fees are paid to each member elected by the general meeting as follows (previous year's figures in parentheses): chairman of the board SEK 300 000 (250 000), other members not employed by the company SEK 150 000 (100 000). Fees for work in the auditing committee are proposed at SEK 100 000 (0) to the chairman and SEK 50 000 (0) to each of the other members. Fees for work in the remuneration committee are proposed at SEK 30 000 (0) to the chairman and SEK 15 000 (0) to each of the other members.
- If the meeting approves the nominations committee's proposal for the composition of the board, and if the number of members of the auditing committee is three and the number of members of the remuneration committee is three the total fees will be SEK 1 460 000.
- It is proposed that the auditor's fee be paid based on approved invoices.
- Establishment of principles for the nominations committee, see **Appendix 1**.

The nominations committee's reasoning for the composition of the board

It is the nominations committee's assessment that the proposed board of directors conforms to the requirements of section 4.1 of the Swedish Corporate Governance Code, which the nominations committee applies as a diversity policy. In the opinion of the nominations committee, the proposed board is characterized by diversity and breadth with respect to expertise, experience, background and gender balance.

The nominations committee has, among other things, strived for a more gender balance in its work to nominate an updated board composition for the 2019 AGM, which has also been achieved by proposing a board of directors that is composed of slightly less than 30 percent (2 of 7) women.

The nominations committee has also discussed the board members' independence and assessed that the proposed board composition meets current requirements in respect of the members' independence, stock market experience and accounting or auditing expertise.

Gothenburg, February 2019

The Nominations committee of Powercell Sweden AB (publ)

APPENDIX 1

PROPOSAL OF PRINCIPLES FOR THE NOMINATION COMMITTEE

No fee shall be paid to the members of the nominations committee. The nominations committee may, however, charge the company for reasonable expenses for travel and administration in connection with work for the nominations committee.

The nominations committee shall present proposals to the Annual General Meeting 2020 for a) election of chairman of the Annual General Meeting, b) resolution regarding the number of board members, c) resolution regarding fees to the chairman of the board and each of the other board members (including work in the board committee d) elections of board members, e) election of chairman of the Board of Directors, f) resolution regarding fee to auditor, g) election of auditor, h) resolution regarding principles for appointment of the nominations committee and i) resolution regarding principles for the nominations committee.

The nominations committee shall be appointed according to the following principles. Each of the company's three largest shareholders determined by percentage of voting rights held as per 30 July 2019, shall each be entitled to appoint a member of the nominations committee. None of the three persons appointed in this respect shall be directors on the company's Board of Directors. In addition, the nomination committee shall consist of a member appointed by the Board of Directors from its members and who will also convene the meetings of the nominations committee. As chairman of the nomination committee, the nomination committee shall elect a non-member of the Board of Directors. The nominations committee's term of office extends until a new nominations committee is appointed.

If a member of the nominations committee resigns prior to completion of the work, and if the nominations committee deems that there is a need to replace the member, the nominations committee shall appoint a new member; primarily a member nominated by the shareholder which nominated the resigning member, under the condition that the shareholder remains one of the three biggest shareholders in the company.

If any shareholder, requested to propose a member for the nomination committee, waives the right to do so, the next largest shareholder, which has not previously nominated a member to the nomination committee, will be requested to nominate a member.

Changes in the nominations committee's composition shall be communicated by the chairman of the nominations committee to the chairman of the Board of Directors as soon as possible. The change shall also be disclosed to the public as soon as possible.