

# PowerCell's corporate governance

Good corporate governance, risk management and internal control are key parts of a successful business and crucial for being able to maintain the confidence of the Company's stakeholders. The objective of corporate governance is to ensure that the company is run as efficiently as possible for its shareholders.

PowerCell's corporate bodies are the General Meeting of Shareholders, the Board of Directors, the CEO and the Auditor. The Annual General Meeting (AGM) must be held no later than six months after the end of the financial year. At the AGM, the shareholders appoint the Board of Directors and the Auditor. The Board appoints the CEO. The Auditor examines the annual accounts and the Board and CEO's management. The duties of the Nomination Committee are determined at the AGM and consist primarily of proposing Board members, the Board Chair and the Auditor for election at the AGM.

PowerCell applies the Nasdaq First North Growth Market Rulebook. As regards the Swedish Corporate Governance Code (the Code), it applies to companies whose shares are admitted to trading on a regulated market in Sweden. As PowerCell is listed on the Nasdaq First North Growth Market Stockholm, which is not a regulated market, the company does not have to comply with the Code. However, the company's management is familiar with the Code's provisions and PowerCell voluntarily chooses to follow selected parts of the Code that are considered relevant in view of the company's situation.

## Shareholders

PowerCell Sweden AB (publ) is a Swedish public limited company listed on Nasdaq First North Growth Market Stockholm since December 2014. Information about PowerCell's shares and shareholders can be found on pages 44–45.

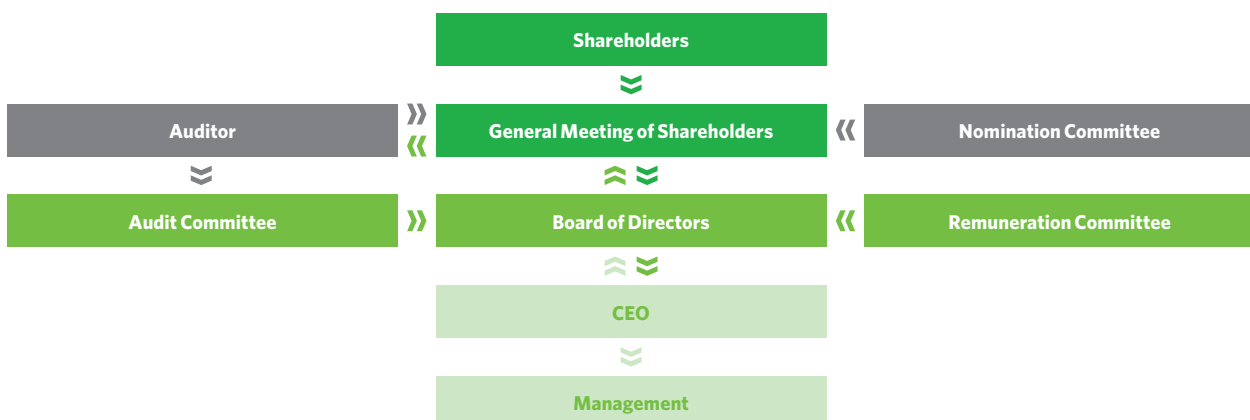
## Annual General Meeting (AGM)

The AGM is PowerCell's highest decision-making body and the forum where shareholders' rights are exercised. At the AGM, resolutions are passed regarding proposals from the Nomination Committee, the Board and the shareholders, as well as any other resolutions that are listed in the current Articles of Association or legislation. The types of resolutions that are passed include (i) the adoption of income statements and balance sheets, (ii) dispositions of the Company's profit or loss and (iii) the election of the Board and Auditor and remuneration to these. The Company's Articles of Association states that the Board of Directors of the Company is to consist of no fewer than five and no more than seven members without deputies.

## Nomination Committee

The AGM determines the policy for how the Nomination Committee is appointed each year. The most recent resolution of the AGM states that the current Nomination Committee has been appointed in line with the following

policy: The three largest shareholders in the Company in terms of votes as of July 30, 2022 have each been entitled to appoint a member of the Nomination Committee. None of these three persons may be a member of the Company's Board. In addition, the Nomination Committee is to consist of one Board member appointed by the Board, who in turn is to be the convener. A non-board member is to be appointed as Chair of the Nomination Committee. The Nomination Committee's term of office extends until a new Nomination Committee has been appointed. If a member resigns from the Nomination Committee before its work is completed, and if the Nomination Committee considers that there is a need to replace that member, the Nomination Committee shall appoint a new member; in the first instance, a member nominated by the shareholder by whom the resigning member was nominated, provided that the shareholder is still one of the three largest shareholders in the Company. If any shareholder asked by the Nomination Committee to nominate a member declines to make a nomination, the Nomination Committee shall ask the next largest shareholder (as of July 30, 2022) who has not previously nominated a member to the Nomination Committee. In the event that fewer than three major shareholders choose to appoint a member to the Nomination Committee, the already appointed members of the Nomination Committee shall have the right, but not the obligation, to jointly appoint an additional member. Where fewer than two major shareholders choose to appoint a member to the Nomination Committee, the right to appoint a member to the Nomination Committee under this paragraph shall instead be deemed to constitute an obligation. Changes in the composition of the Nomination Committee shall be communicated without delay by the Chair of the Nomination Committee to the Chair of the Board of Directors of the Company. The change shall also be made public as soon as possible. No remuneration shall be paid to the members of the Nomination Committee, except for any external member or members appointed jointly by the other members of the Nomination Committee. However, the Nomination Committee may charge the Company with reasonable costs for travel and research in connection with its Nomination Committee work. The Nomination Committee shall submit proposals to the AGM for: a) election of the Chair of the AGM, b) resolution on the number of Board members, c) resolution on Board fees for the Chair and each of the other Board members (including work in the Board committees), d) election of Board members, e) election of the Board Chair, f) resolution on remuneration to the Auditor, g) election of Auditor, h) resolution on policy for the appointment of the Nomination Committee, and i) resolution on policy for the Nomination Committee.



The Nomination Committee for the 2022 AGM included:

- Achim Moritz (Robert Bosch GmbH, appointed by Robert Bosch GmbH)
- Lena Olving, independent member  
Magnus Jonsson was the convening member and represented the Board of PowerCell Sweden AB

The following Nomination Committee has been appointed for the 2023 AGM:

- Achim Moritz (Robert Bosch GmbH, appointed by Robert Bosch GmbH)
- Lena Olving, independent member  
Magnus Jonsson is the convening member and represents the Board of PowerCell Sweden AB

The composition was communicated through a press release and published on the Company's website on October 31, 2022.

### Board of Directors

The Board has the ultimate responsibility for PowerCell's organization and management. The Board currently consists of seven members, of which three are women and four are men. The members of the Board and information on dependencies, etc. are listed in the table below, and a presentation of the members of the Board can be found on pages 48-49. The aim is that the Board as a collective should possess the required mix in terms of background and knowledge, whereby an even gender distribution is taken into particular account. The result of the Election Committee's evaluation is that the Board represents a mix of both professional experience and knowledge as well as geographical and cultural backgrounds. 43 percent (three out of seven) of the Board members elected by the Annual General Meeting are women. The Board has no deputies. The Board's work is governed by the Swedish Companies Act, the Articles of Association and the formal work plan adopted by the PowerCell Board. The Company's formal work plan stipulates instructions regarding the allocation of responsibilities between the Board and the CEO. Since January 1, 2021, Richard Berkling is the CEO of the Company.

The nomination committee has also evaluated the Board of Directors of PowerCell Sweden AB in relation to the independence requirements, prior to the Annual General Meeting 2022. The nomination committee assessed that the board members' independence, the proposed board composition meets current requirements in respect of the members' independence, stock market experience and accounting or auditing expertise. Uwe Hillman was considered independent of the company and company management but not in relation to one of the major shareholders, due to his capacity as Head of Business Unit Electronic Controls within Bosch Powertrain Solutions division.

At the Board's meetings, the Board discusses the Company's future performance, quarterly reports, budget and financing, and performs the standard follow-up of the strategic and operational activities of the Company. The Board also evaluates PowerCell's financial reporting annually and sets requirements for its content and format to ensure a high level of quality. The Company's Auditor attends the meeting each year to approve the annual accounts. The Company's CEO Richard Berkling is co-opted and regularly attends the Board's meetings, as do the Company's Deputy CEO Karin Nilsson, and the Company's CFO Torbjörn Gustafsson, who also serves as secretary at the Board's meetings. All Board resolutions are based on detailed decision data and are made following discussions led by the Board Chair. The Board's work is evaluated annually under the guidance of the Board Chair, supported by an independent consultant through a survey. The results of the evaluation are presented to the Board and then discussed, with the aim of optimizing the Board's work. The

Chair's work in the Board is evaluated in their absence. The conclusions from the evaluations and discussions are communicated to the Nomination Committee and actions are taken to improve the Board's work.

### Board committees

The Board has appointed an Audit Committee and a Remuneration Committee tasked with preparing audit and remuneration matters, respectively, prior to Board resolutions.

### Audit Committee

The Audit Committee adopts a supervisory role with regard to the Company's risk management, governance and control, as well as financial reporting. The Committee consists of three members and held a total of six meetings in 2022. The Auditor regularly reports their observations to the Audit Committee, and has attended all six meetings during the year. The Chair of the Audit Committee is Helen Fasth Gillstedt, and the other members are Annette Malm Justad and Magnus Jonsson.

### Remuneration Committee

The Remuneration Committee deals with issues involving remuneration policy and other terms of employment for the CEO and Company management.

The Committee evaluates remuneration programs for Company management on a running basis, and observes and evaluates the application of the guidelines for remuneration determined by the AGM. The Committee consists of three members, Magnus Jonsson (Chair), and Annette Malm Justad and Karin Rytberg-Wallgren, and held a total of four meetings in 2022.

### CEO

The CEO is responsible for PowerCell's operational activities in line with the set strategy and the Board's instructions. The CEO reports regularly to the Board on the development of the business.

### Auditor

In order to examine the company's annual report and accounts as well as the management of the Board of Directors and the Chief Executive Officer, a registered accounting firm is appointed as the auditor at the Annual General Meeting. At the 2022 Annual General Meeting, the registered accounting firm Öhrlings PricewaterhouseCoopers AB was reelected as Auditor until the end of the 2023 AGM. The auditor in charge is the authorized public accountant Fredrik Göransson. In 2022, he was also auditor in charge in e.g. Bufab AB (publ), Bilia AB (publ) and Concordia Maritime AB (publ).

The auditors have participated in the Board meeting to present PwC's audit process and to give the Board members an opportunity to ask questions without the presence of management. The auditors also participated in the Audit Committee Meetings.

### Governing documents and internal control

PowerCell has established control systems and conducts transparent business operations. The current governing documents are reviewed on an ongoing basis. Additionally, the Board continuously evaluates the financial statements that are provided in connection with Board meetings. The Audit Committee conducts an ongoing dialogue with the Company's Auditor regarding the scope and quality of the financial statements. Further information on the governance of PowerCell can be found on the Company's website.

### Board fees

The table refers to the Board members elected at the 2022 AGM

Name	Born	Elected	Role on the Board	Agreed fee	Agreed fee for work in the Audit Committee	Agreed fee for work in the Remuneration Committee
Magnus Jonsson	1956	2012	Chair	440,000	55,000	33,000
Dirk De Boever	1970	2009	Member	220,000	—	—
Helen Fasth Gillstedt	1962	2019	Member	220,000	110,000	—
Annette Malm Justad	1958	2020	Member	220,000	55,000	17,000
Uwe Hillmann <sup>1)</sup>	1967	2020	Member	220,000	—	—
Riku-Pekka Hägg	1976	2020	Member	220,000	—	—
Karin Rytberg-Wallgren	1980	2022	Member	220,000	—	17,000

1) Uwe Hillmann waived his fee in accordance with the internal guidelines of Robert Bosch GmbH.