

## **The nomination committee's work and explanatory statement and proposals to the annual general meeting 2021**

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### **The nomination committee**

Six months prior to the annual general meeting 2021, a nomination committee was appointed with representatives of the four largest shareholders, in accordance with the resolution adopted by the annual general meeting of Avanza Bank Holding AB (publ) (Avanza) in 2020.

These owners have decided that the nomination committee shall consist of the chairman of the board of directors, Sven Hagströmer representing the Hagströmer family with companies, Erik Törnberg representing Creades AB, Moritz Sitte representing Baillie Gifford & Co and Sean Barrett representing HMI Capital Management, L.P. Erik Törnberg has been appointed as chairman of the nomination committee. During the year of 2020, the nomination committee had three meetings and continuous contact.

The nomination committee presents the following proposals to Avanza's annual general meeting:

### **The election of chairman of the board of directors and members of the company's board of directors**

The nomination committee has made an evaluation of the board, which the proposals are based upon. The nomination committee has also reviewed a report on how the work of the board of directors has been conducted, provided by the chairman of the board of directors. The size and composition of the board of directors, based on for example industry experience, competence and gender balance, have been up for discussion. The nomination committee has a positive perception of the board members' competence and commitment and considers the board members to complement each other well.

In the light of the aforementioned, the nomination committee proposes a re-election of the following current members of the board: Magnus Dybeck, Catharina Eklöf, Viktor Fritzén, Jonas Hagströmer, Sven Hagströmer, Mattias Miksche, Johan Roos and Hans Toll, and election of Leemon Wu as new board member of the company. Birgitta Klasén has declined re-election. The nomination committee proposes that the board of directors shall consist of nine (9) members.

Leemon Wu was born in 1975 and holds an M.Sc. Business Administration and Economics from the Stockholm School of Economics. She is currently Chief Investment Officer for Moor Holding and board member of, among others, Avanza Fonder, Rovio and Acast. Previous positions include, among others, portfolio manager at C Worldwide Asset Management and analyst within Banking & Finance at Carnegie Investment Bank. The nomination committee considers that Leemon Wu's experience as a board member in the subsidiary Avanza Fonder and in portfolio management, equity research and digital business models will provide a valuable addition to Avanza's board of directors. As of today, Leemon Wu (including family) owns 8,800 shares in Avanza.

It is proposed that Sven Hagströmer shall continue as chairman of the board of directors.

The proposal regarding the composition of the board of directors of Avanza complies with the rules regarding independence pursuant to the Swedish Code of Corporate Governance (the Code).

*Independent in relation to the company*

*Independent in relation to the*

*and the management:*

*company's major shareholders:*

Magnus Dybeck	Yes	Yes
Catharina Eklöf	Yes	Yes
Viktor Fritzén	Yes	Yes
Jonas Hagströmer	Yes	No
Sven Hagströmer	Yes	No
Mattias Miksche	Yes	Yes
Johan Roos	Yes	Yes
Hans Toll	Yes	No
Leemon Wu	Yes	Yes

Leemon Wu's assignment as a board member of the subsidiary Avanza Fonder will terminate in connection with the annual general meeting 2021. The nomination committee assesses that Leemon Wu's previous assignment as board member of the subsidiary Avanza Fonder does not mean that she cannot be considered independent of the company and the company management. Leemon Wu is thus assessed, with regard to the rules 4.4 and 4.5 of the Code, to be independent in relation to the company and the company management as well as in relation to the company's major shareholders.

Further, the nomination committee has also assessed the board members' probity and suitability as board members of Avanza and has also considered how they complement each other in respect of the overall competence of the board of directors.

**Proposal of remuneration for the board of directors**

The nomination committee has evaluated the opportunity to stimulate the board members' interest in the company and its financial development, as well as to create an opportunity for the board members to have a financial interest in the company that is equivalent to that of the shareholders. In the light of the foregoing, the nomination committee would like to establish a principle to apply for the future, which means that part of the remuneration will be invested in shares in Avanza.

Consequently, the nomination committee proposes to the annual general meeting a change of the remuneration to the elected board of directors, which means that the remuneration is increased by 25%, with a recommendation that each member invests one third of the net remuneration in shares in Avanza in accordance with the following guidelines:

- The number of shares each board member shall acquire shall be calculated by dividing one third of the received net remuneration with the average closing price of Avanza's share on Nasdaq Stockholm during the ten trading days immediately following the publication of the company's interim report for the first quarter of 2021.
- Acquisitions of shares shall be made after the annual general meeting 2021 and before the publication of the interim report for the second quarter of 2021, whereby the trading ban before the reporting date shall be considered by the board members.
- The shares shall be retained by the board member for a period of five (5) years from the time the shares were acquired by the board member.
- The shares shall be retained by the board member for the period specified above, even if the board member terminates the assignment in the company.

The nomination committee thus proposes that the annual general meeting 2021 decide on a remuneration of SEK 460,000 for each of the board members, combined with a recommendation to

invest in shares in Avanza as described above. However, Sven Hagströmer, Jonas Hagströmer and Magnus Dybeck have informed the nomination committee that they waive the increase of the remuneration and the accompanying recommendation to acquire shares, given that they as major shareholders do not need additional incentives as well as to restrict the costs for Avanza. Therefore, a remuneration of SEK 368,000 is proposed for each of these three board members, which is unchanged compared to 2020.

In addition, for work in the combined audit, risk and capital committee, remuneration of SEK 225,000 (168,000) shall be paid to the chairman and SEK 100,000 (84,500) to each of the members in the committee, remuneration of SEK 54,500 (52,500) to each of the members in the credit committee, remuneration of SEK 44,000 (42,500) to each of members of the remuneration committee and remuneration of SEK 44,000 to each of the members in the IT committee. The increase of the remuneration in the combined audit, risk and capital committee is due to the fact that the former audit committee's areas of responsibility have been extended to also include risk and capital issues. For the credit and remuneration committees, the increases are in line with the general salary increase in the Avanza Group. The IT committee is a new committee that is proposed to be established to prepare and follow up on strategic IT matters in the Avanza group.

Board members or members of a committee who receive remuneration from the company by reason of being employed by the company shall not, however, receive any remuneration.

#### **Proposed auditor**

The nomination committee proposes that the general meeting re-elects KPMG as the company's auditor for the period until the conclusion of the annual general meeting 2022. KPMG has declared that if the annual general meeting resolves in accordance with the proposal, Mårten Asplund will be appointed as auditor in charge. The nomination committee's proposal corresponds with the recommendation of the audit committee.

#### **Proposed remuneration for the auditor**

Remuneration to the auditor is proposed to be paid according to approved account.

#### **Chairman of the annual general meeting**

The nomination committee proposes that Sven Hagströmer is appointed as chairman of the annual general meeting.

## **Explanatory statement regarding the nomination committee's proposal of board of director to the annual general meeting 2021**

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The nomination committee considers the proposed board of directors, with regard to the company's operations, financial position and other conditions, to be appropriately composed in order to meet the requirements in relation to the company's business. The nomination committee has specifically considered the company's strategic development, governance, control and the requirements that these factors entail on the board of directors' competence and composition. Through the election of Leemon Wu, who is proposed to be elected as a new board member in the company, the board will strengthen its competence in fund management and digital business models. The nomination committee has also strived for a gender balance among the members elected by the annual general meeting. It is proposed that the board of directors shall consist of seven men and two women. However, Birgitta Klasén's resignation from the board of directors entails that the share of women on the board of directors is lower than the ambition of the Swedish Corporate Governance Board. The nomination committee has applied rule 4.1 of the Swedish Code of Corporate Governance as diversity policy when preparing the proposal regarding the board of directors.

In the light of the above-mentioned, the nomination committee has proposed re-election of the following current members: Magnus Dybeck, Catharina Eklöf, Viktor Fritzén, Jonas Hagströmer, Sven Hagströmer, Mattias Miksche, Johan Roos and Hans Toll, and election of Leemon Wu as new board member of the company.

All of the proposed board members are considered to be independent in relation to the company and the management. Six of the board members who are independent in relation to the company and the management are also independent in relation to the company's major shareholders. These are Magnus Dybeck, Catharina Eklöf, Viktor Fritzén, Mattias Miksche, Johan Roos and Leemon Wu. The proposal of composition of the board of directors in the company is in accordance with the rules regarding independence pursuant to the Swedish Code of Corporate Governance.

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Stockholm in February 2021  
The nomination committee of Avanza Bank Holding AB (publ)