



## **The nomination committee's proposal and motivated statement to the annual general meeting in Paradox Interactive AB (publ)**

### **The nomination committee's work ahead of the annual general meeting 2022**

In accordance with the principles for nomination committee which were adopted by the annual general meeting ("**AGM**") of Paradox Interactive AB (publ) held on 18 May 2021, the chairman of the company's board contacted the three largest shareholders in terms of votes per 30 September 2021. Those shareholders appointed a representative each to form the nomination committee for the AGM 2022 together with the chairman of the board. The nomination committee elected its chairman at its first meeting, whereby the nomination committee has had the following constitution:

- Per Håkan Börjesson, chairman (appointed by Investment AB Spiltan)
- Håkan Sjunnesson (the chairman of the company's board)
- Andras Vajlok (appointed by WesterInvest AB)
- James Mitchell (appointed by Tencent Holding Ltd)

The nomination committee's work has been carried out in accordance with the Swedish corporate governance code (the "**Code**") and in accordance with the principles adopted by the AGM 2021. The nomination committee has held two meetings ahead of the AGM 2022 and the members have had additional contacts to the extent deemed appropriate. In addition, the nomination committee has carried out an extensive evaluation of the work carried out by the board of directors, including through a questionnaire answered by the directors, and has had personal meetings with each director.

### **The nomination committee's proposals to the AGM 2022**

#### *Proposal on chairman of the meeting*

The nominating committee proposes that the AGM elects Håkan Sjunnesson (chairman of the company's board) as chairman of the meeting or, in his absence, the person appointed by him.

#### *Proposal on the number of directors and deputies*

The nomination committee proposes that the board of directors shall consist of five directors and no deputy directors.

#### *Proposal on remuneration to directors of the board and auditors*

The nomination committee proposes that the remuneration to the directors of the board, for the period through the end of the next AGM, shall be SEK 640,000 to the chairman of the board (SEK 520,000 the previous period) and SEK 320,000 for each of the other directors of the board (SEK 260,000 preceding year).

In addition to the remuneration set out above, the nomination committee proposes that the remuneration, for the period through the end of the next AGM, shall be SEK 80,000 to the chairman of the auditing committee, SEK 50,000 to the chairman of the remuneration committee, and that the remuneration to each of the other members of such committees shall be 75 percent of that of the chairman for the relevant committee.

The nomination committee proposes that the remuneration for the auditor shall be paid according to approved account.

#### *Proposal on election of board of directors*

The nominating committee proposes re-election of Håkan Sjunnesson, Fredrik Wester, Mathias Hermansson, Linda Höglund and Andras Vajlok and as directors of the board for the period through the end of the next AGM, re-election of Håkan Sjunnesson as chairman of the board for the period through the end of the next AGM, and that the board of directors shall elect a new chairman amongst itself if such person's assignment should end in advance.

#### *Proposal on election of auditor*

The nomination committee proposes re-election of the auditing firm Öhrlings PricewaterhouseCoopers AB as the company's auditor. Öhrlings PricewaterhouseCoopers AB has declared that Aleksander Lyckow will be auditor-in-charge if the AGM resolves in accordance with the proposal.

#### *Proposal on principles for nomination committee ahead of the 2023 AGM*

The nomination committee proposes that the AGM resolves on the following order for the preparation of election of directors and auditors.

The nomination committee's task shall be to prepare proposals to the AGM 2023 regarding chairman of the AGM, the number of directors of the board, the remuneration to the directors of the board and the auditor, the composition of the board of directors, the chairman of the board, rules for the nomination committee for the following year's AGM, and the election of the auditor.

The chairman of the board of directors shall be a member of the nominating committee and be responsible for the summoning of the nominating committee. The chairman of the board shall contact the three largest shareholders in terms of votes per 30 September 2022. Each such shareholder shall elect a representative each to form the nomination committee along with the chairman of the board for the period through the end of the next AGM, or, if applicable, until a new nominating committee has been appointed. If any of these

shareholders waives its right to appoint a representative, its right is transferred to the shareholder who, after these shareholders, has the largest share ownership until the nomination committee is complete. The nomination committee is also allowed to appoint an additional member to represent minority shareholders. If a member leaves the nomination committee before its assignment is completed a new member shall, if considered necessary, be appointed by the same shareholder who appointed the resigning representative, or, if this shareholder is no longer one of the three largest shareholders, by the new shareholder that belongs to this group.

The composition of the nomination committee shall be announced as soon as it is appointed, and no later than six months prior to the AGM. In case there is a change in the ownership structure after the nomination committee has been composed, such as one or several shareholders that have appointed members to the nomination committee is no longer being one of the three largest shareholders, the nomination committee may be changed in accordance therewith if the nomination committee deems that it is required. Unless special circumstances so require, no changes should be made to the composition of the nominating committee if only marginal changes to the number of votes have occurred or if changes occur less than three months prior to the AGM.

The nominating committee shall at its first meeting appoint its chairman, who shall not be the chairman of the board. The nominating committee shall have the right to obtain resources from the company such as for example secretarial assistance, or use of executive search consultants at the expense of the company if it is deemed necessary.

### **The nomination committee's motivated statement regarding its proposals**

#### *The nomination committee's assessment of the proposed board composition*

The nomination committee has, when preparing its proposals, considered that the composition of the board of directors shall be suitable for the company's operations, development phase and strategy and that the board of directors collectively shall be appropriately diverse, have an appropriate gender balance as well as have a breadth and depth as regards qualifications and experiences.

All board assignments in the company shall mainly be based on competence for the purpose of maintaining and increasing the board of directors' overall competence and functionality as an efficient decision-making and sound governance body. It is the nomination committee's opinion that the proposed composition of the board of directors has an appropriate balance of qualifications and experiences within areas of importance to the company, such as industry knowledge and expertise within finance, operations, corporate governance, capital markets and sustainability.

The nomination committee's opinion is that the proposed directors of the board represent appropriate diversity and breadth in terms of gender, age, experience and background.

#### *The nomination committee's assessment on the independence of the proposed directors of the board*

A majority of the directors of the board which are elected by the AGM shall according to the Code be independent in relation to the company and the senior management, and at least two of the directors of the board who are independent in relation to the company and the senior management shall also be independent in relation to the company's major shareholders.

Four of the five proposed directors of the board are independent in relation to the company and the senior management, and three of those four independent directors are also independent in relation to the company's major shareholders.

It is the nomination committee's opinion that the proposed board of directors comply the Code's requirements on independence of the directors of the board.

*The nomination committee's assessment on the proposed remuneration of the directors of the board*

It is the nomination committee's opinion that the remuneration levels shall be in line with market practice and ensure that the company can attract and retain directors of the board with relevant qualifications. The nomination committee has primarily based its proposal to revise the remuneration on a review of the remuneration at equivalent companies in Sweden.