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The Nomination Committee's proposals for the annual general meeting 2024 and reasoned statement

1. Background

- 1.1 In accordance with the guidelines adopted by the annual general meeting in EQL Pharma AB on 17 August 2023, a Nomination Committee has been appointed and announced through a press release on 16 February 2024.
- 1.2 The Nomination Committee has consisted of Erik Hallengren, representing SEB Fonder, Christer Fåhraeus, representing Fårö Capital AB and Rajiv I Modi, representing Cadila Pharmaceuticals Limited. Christer Fåhraeus has been the Chairman of the Nomination Committee.
- 1.3 Prior to the annual general meeting, the Nomination Committee has prepared proposals on the following issues to be submitted to the annual general meeting for resolution:
 - (a) the Chairman at the annual general meeting;
 - (b) the number of board members elected by the general meeting;
 - (c) the Chairman and other members of the board elected by the general meeting;
 - (d) fees and other remuneration for each of the members of the board elected by the general meeting as well as remuneration for committee work;
 - (e) the number of auditors;
 - (f) the auditors; and
 - (g) the fee for auditors.

2. The Nomination Committee's proposals for the annual general meeting 2024

- 2.1 In summary, the Nomination Committee submits the following proposals:

Item 1: Election of Chairman of the meeting

The Nomination Committee proposes that the Chairman of the board of directors, Christer Fåhraeus, is elected as Chairman of the meeting.

Item 9: Determination of the number of members of the board of directors, auditors, and deputy auditors.

The Nomination Committee proposes that the board of directors shall be composed of six board members for the period until the end of the next annual general meeting. Furthermore, it proposes that one registered accounting firm, without a deputy auditor, is appointed as auditor for the period until the end of the next annual general meeting.

Item 10: Determination of remuneration to the members of the board of directors and auditors

The Nomination Committee proposes that board remuneration shall be paid with SEK 300,000 to the Chairman of the board of directors (SEK 250,000 previous year) and with SEK 150,000 to each of the other board members who are not permanent employees in the company (SEK 100,000 previous year). Remuneration for committee work is proposed to be SEK 60,000 to the Chairman of the Audit Committee, SEK 30,000 to each of the other members of the Audit Committee, and SEK 40,000 to the Chairman of the Remuneration Committee and SEK 20,000 to each of the other members of the Remuneration Committee.

Furthermore, the Nomination Committee proposes that remuneration to the auditor shall be paid in accordance with approved invoice.

Item 11: Election of members of the board of directors, Chairman of the board of directors and auditor

The Nomination Committee proposes that Anders Månsson, Christer Fåhraeus, Linda Neckmar, Per Ollermark and Per Svangren are re-elected as members of the board of directors, that Nikunj A. Shah is elected as new board member and that Christer Fåhraeus is re-elected as Chairman of the board of directors. The current board member Rajiv I. Modi is not available for re-election.

Nikunj Shah (born 1961) is fellow member of Institute of Cost & Management Accountant of India and having over 30 years of post-qualification experience in the fields of Management Accounting, Corporate Budget Planning, Management Information System (MIS), and ERP Systems Implementation. At present, he is Business Head for International Market (finished formulation) at Cadila Pharmaceuticals Limited Ahmedabad, India. He is associated with the company for over 30 years and has worked in various capacity in the areas of Commercial and Strategic business initiative for India market and International market, Corporate Planning, Inventory Management, Production & Productivity and Research and Development. He also worked as Cadila management representative with a leading Hospital in Ahmedabad, India.

Other current positions: None.

Nikunj Shah does not hold any shares in EQL Pharma AB. He is not considered independent in relation to the company, its management or major shareholders given his position in Cadila Pharmaceuticals Limited which is a large supplier to the company and also the company's largest shareholder.

Information on the board members who are proposed for re-election can be found at the company's website (www.eqlpharma.com/en) and in the annual report.

Furthermore, the Nomination Committee proposes, in accordance with the recommendation from the Audit Committee, that Deloitte AB is re-elected as auditor. Deloitte AB has informed that the authorized public accountant Maria Ekelund will continue to be the auditor in charge.

3. Description of the Nomination Committee's work and the Nomination Committee's reasoned statement

- 3.1 The Nomination Committee has held one meeting and has also had additional informal contacts.
- 3.2 The company's shareholders have been informed on the company website, that it has been possible to submit proposals to the Nomination Committee. No such proposals have been submitted by shareholders.
- 3.3 The Nomination Committee has oriented itself with regard to how the work in the board has been conducted and how it works as well as with regard to the company's strategy and future challenges, the Nomination Committee has furthermore evaluated which competence and experience the members of the board should possess, which has served as guidance for the Nomination Committee's work. In addition, the Nomination Committee has taken note of the board's evaluation.
- 3.4 The Chairman of the board has ensured that the Nomination Committee has received all relevant information on how the work has been conducted in the board during the year.
- 3.5 The Nomination Committee has initially noted that all of the members of the board of directors were re-elected at the annual general meeting 2023 and that all board members have thus held the assignment for at least one mandate period. All board members except for Rajiv I. Modi have declared that they are available for re-election.
- 3.6 The Nomination Committee makes the assessment that the board has functioned well during the period and that the board members that are available for re-election are well acquainted with the assignment and generally possess good competence and the qualifications needed to handle the company's continued development. However, in light of the fact that Rajiv I. Modi is not available for re-election, the Nomination Committee has made the assessment that the board of directors should be strengthened with competence from India in order to maintain and facilitate the company's collaboration with Cadila Pharmaceuticals Limited.
- 3.7 The Nomination Committee has now identified a suitable candidate who has confirmed willingness to accept a board position. With his vast experience, the Nomination Committee considers that Nikunj Shah has a most relevant background to join the board of directors.
- 3.8 The Nomination Committee also considers that the proposed composition of the board of directors fulfils the requirements of the Swedish Corporate Governance Code regarding the independence of the members of the board of directors. According to the Nomination Committee, all proposed board members, except Nikunj Shah (on the ground stated above) and Christer Fåhraeus, are to be considered independent in relation to the company, its senior management, and major shareholders. Christer Fåhraeus is to be considered dependent in relation to major shareholders and in relation to the company and its senior management since he has previously been the CEO of the company and is also one of the company's major shareholders.

- 3.9 According to the Swedish Corporate Governance Code, an even gender balance of the board of directors shall be strived for. The Nomination Committee has resolved to apply Rule 4.1 of the Swedish Corporate Governance Code as its diversity policy, which states that the composition of the board shall be characterized by diversity and breadth with respect to qualifications, experience, and background of the board members, and that an even gender balance shall be strived for. The Nomination Committee has considered the question regarding an even gender balance and the Nomination Committee can conclude that the proposed composition of the board of directors will consist of one woman and five men. In the Nomination Committee's opinion, this gender distribution is not consistent with the desire for an equal gender balance. The Nomination Committee's ambition is that the gender balance shall improve over time and aim to correspond to the levels expressed by the Swedish Corporate Governance Board.
- 3.10 The proposed board is, with regard to the company's operations, stage of development and other conditions in general, considered to provide an adequate board composition in relation to the qualifications, experiences and backgrounds of the proposed board members. The Nomination Committee therefore considers the proposed board composition to be adequate in order to be able to meet the needs which the company is facing and will be facing in relation to its operations.
- 3.11 The Audit Committee has informed the Nomination Committee that the collaboration with Deloitte AB goes well, and that the Audit Committee recommends that Deloitte AB continues as auditor. In accordance with the recommendation from the Audit Committee, the Nomination Committee therefore proposes that Deloitte AB is re-elected as the Company's auditor.
- 3.12 The composition of the Nomination Committee does not comply with the requirements of the Swedish Corporate Governance Code, which stipulates that the majority of the members of the Nomination Committee shall be independent in relation to the company and its management, that board members shall not constitute a majority of the Nomination Committee, that if more than one board member is a member of the Nomination Committee, no more than one of them may be dependent in relation to major shareholders and that the Chairman of the board shall not be the Chairman of the Nomination Committee. The reason why the composition of the Nomination Committee does not comply with the requirements of the Swedish Corporate Governance Code is the company's ownership structure, where Rajiv I Modi and Christer Fåhraeus, through companies, are the company's dominant owners, and that the Nomination Committee has made the assessment that Christer Fåhraeus, with his solid experience from the company, is well suited to be Chairman of the Nomination Committee.

July 2024

The Nomination Committee of EQL Pharma AB (publ)