

Board of Directors and auditor



Patrik Tigerschiöld

Chairman of the Board since 2012 and Board member since 2009

Born 1964

Dependent Board member

Education MSc Business and Economics

Other Board assignments

Chairman of the Board of Bure Equity AB, ACQ Bure AB, Cavotec SA, the Association for Generally Accepted Principles in the Securities Market, the Swedish Association for Listed Companies and the Center for Business and Policy Studies (SNS). Board member of Ovzon AB, Fondbolaget Fondita AB and member of the Royal Academy of Engineering Sciences

Previous positions CEO of Bure Equity AB 2010–2013, CEO of Skanditek Industriförvaltning 1999–2010, and CEO of SEB Allemansfonder AB 1995–1999.

Committee in Mycronic

Chairman of the Remuneration Committee

Shareholding in Mycronic

235,170



Arun Bansal

Board member since 2020

Born 1968

Independent Board member Deputy CEO, and President of Europe and Latin America at Ericsson

Education Bachelor of Engineering (Electronics) from University of Jiwaji, India. Postgraduate Diploma in Marketing from Indira Gandhi National Open University, India

Previous positions Senior international positions at Ericsson since 1995

Committee in Mycronic Member of the Remuneration Committee

Shareholding in Mycronic

—



Anna Belfrage

Board member since 2018

Born 1962

Independent Board member

Education MSc Business and Economics

Other Board assignments

Board Member of NOTE AB, Isofol Medical AB, Ellevio AB, Cint AB and Elopak ASA

Previous positions CFO Södra Skogsägarna ekonomisk förening 2017–2019, Acting CEO Beijer Electronics Group 2014–2015, CFO Beijer Electronics Group 2011–2014, CFO ABS Group (a division of the Cardo Group) 2004–2010, various roles and positions at Dresser Wayne AB, Obducat AB, Åkerlund & Rausing AB, and auditor at Price Waterhouse 1986–1994

Committee in Mycronic

Chairman of the Audit Committee

Shareholding in Mycronic

—



Katarina Bonde

Board member since 2010

Born 1958

Independent Board member President of Kubi LLC

Education MSc Engineering Physics

Other Board assignments

Chairman of the Board of Mentimeter AB, Nepa AB, Flatfrog Laboratories AB and Stratsys AB. Board Member of ACQ Bure AB and Stillfront Group AB

Previous positions CEO of UniSite Software Inc 2000–2003, CEO of Captura International 1997–2000, Marketing director Dun & Bradstreet Software Inc 1996–1997, Vice President at Timeline Inc 1994–1995, and CEO of Programator Industri AB 1989–1992.

Committee in Mycronic

Member of the Audit Committee

Shareholding in Mycronic

2,000

Shareholding as of December 31, 2021.



Staffan Dahlström

Board member since 2019

Born 1967

Independent Board member CEO of HMS Networks AB (publ) since 2009

Education Data Engineer, MBA

Other Board assignments

Board Member of Clavister AB (publ)

Previous positions

Co-founder HMS Networks since 1989

Committee in Mycronic

—

Shareholding in Mycronic

11,000



Robert Larsson

Board member since 2018

Born 1967

Independent Board member EVP and Head of Industrial & Digital Solutions at AFRY AB

Education MSc Mechanical Engineering

Previous positions A number of senior positions in ABB in Sweden, China and Switzerland

Committee in Mycronic

Member of the Remuneration Committee

Shareholding in Mycronic

—

Employee representatives



Johan Densjö

Board Member 2012–2014 and since 2019 employee representative appointed by Unionen

Born 1971

Training Team Leader, Pattern Generators

Education Engineer

Shareholding in Mycronic

—



Jörgen Lundberg

Board member since 2019 Employee representative appointed by Akademikerna

Born 1964

Director, Development Center Pattern Generators – Product Strategy & Development

Education MSc Mechanical Engineering

Shareholding in Mycronic

1,000

Erik Sandström

Auditor-in-Charge, Ernst & Young AB

Born: 1975

Authorized Public Accountant and member of FAR

Other assignments: Atlas Copco, Autoliv and Ratos

Executive management



Anders Lindqvist

President and CEO
Employed since 2019

Born 1967

Education Mechanical engineer and university-level studies in marketing

Previous positions

President and CEO of Piab Group AB 2013–2019, Divisions Director for Atlas Copco 2007–2013, President of Atlas Copco China 2006–2007, President of Atlas Copco Nordic 2004–2006

Board assignments

Chairman of the Board of Dafo Vehicle Fire Protection AB. Board member of Gunnebo Holding AB

Shareholding in Mycronic
25,100



Pierre Brorsson

CFO & Sr VP Corporate Development

Employed since 2021

Born 1972

Education MSc Business and Economics

Previous positions CFO Ramirent, senior positions as Financial Manager and VP Business Development at Atlas Copco

Shareholding in Mycronic

—



Lena Båvegård

Sr VP Global Functions

Employed since 2018

Born 1967

Education MSc Electrical Engineering

Previous positions Various senior positions in Transmode and Infinera, most recently as Sr Dir, Corporate Quality & Sustainability and various senior positions in Q-Med and Ericsson

Board assignments Board alternate of SIQ and Chairman of the Board of SIQ Intressentföreningen Kvalitetsutveckling

Shareholding in Mycronic
2,210



Michael Chalsen

Sr VP Global Technologies

Employed since 1984

Born 1959

Education BSc Mechanical Engineering, MBA

Previous positions VP Operations, MRSI Group, GM Newport/MRSI, President, MRSI Systems LLC

Shareholding in Mycronic
734



Clemens Jargon

Sr VP High Flex
Employed since 2015

Born 1965

Education Master's degree in Mechanical Engineering, discipline: Aerospace engineering

Previous positions Various senior positions in telecommunications and the semiconductor industry, as well as in the market for renewable energy, at companies such as Q-Cells, Infineon, Siemens and T-Mobile.

Shareholding in Mycronic
3,365



Johanna Jarl

Sr VP, Human Resources
Employed since 2022

Born 1981

Education MSc Business and Economics

Previous positions Vice President & Head of HR Infrastructure Division at AFRY, Director Strategy & Integration SSAB Europe Division and management consultant in Talent & Organization at Accenture

Shareholding in Mycronic

—



Ivan Li

Sr VP High Volume
Employed since 2008

Born 1983

Education MSc Mechanical Engineering

Previous positions VP Global Dispensing Mycronic & General Manager Axxon

Shareholding in Mycronic
8,800



Charlott Samuelsson

Sr VP Pattern Generators
Employed since 1996

Born 1963

Education MSc Engineering Physics

Previous positions Head of global aftermarket, Head of system and application development and Head of operational development in the Mycronic Group.

Board assignments Board member of Invisio Communications AB

Shareholding in Mycronic
22,480

Corporate Governance Report

The objective of corporate governance is to ensure that the Mycronic Group is managed as efficiently as possible in order to create shareholder value. This is achieved through a clear division of responsibilities between the Annual General Meeting, the Board and the Executive management, as well as through clear regulations and transparent processes.

Framework for corporate governance

Corporate governance is based on external governing instruments such as the Swedish Companies Act, the Annual Accounts Act, Nasdaq Nordic's Main Market Rule Book and the Swedish Code of Corporate Governance (the Code), as well as internal governance systems. In 2021, Mycronic complied with the Code in all respects.

The vision, mission, values and Code of Conduct form the basis for internal governance systems. Internal regulations include the Articles of Association, the rules of procedure for the Board of Directors, the Board policy for the CEO and several other policy documents that

are updated annually. Examples of steering documents include the Code of Conduct, communication policy, and approval and signing policy.

Shareholders

Mycronic is a Swedish public limited liability company registered in Täby. The share is listed on Nasdaq Stockholm, Large Cap. Share capital amounts to SEK 97,916,509 spread over 97,916,509 shares. Each share carries one vote.

At the end of 2021, Mycronic had 15,716 (14,758) shareholders. Bure Equity was the largest shareholder with 26.9 percent of capital and votes at the end of the year. More information on Mycronic's share and

shareholders can be found in the section Mycronic as an investment on pages 46–47.

The Annual General Meeting (AGM)

The AGM is the company's highest decision-making body. All shareholders have the right to participate in the AGM and to exercise their voting rights relative to their shareholdings. Rules regarding the AGM can be found in the Swedish Companies Act and the Articles of Association. Notice to attend the AGM shall be made four to six weeks prior to the meeting through an announcement in Post- och Inrikes Tidningar and in a press release published on the company website. Issuance of the notice shall be announced in

Corporate governance at Mycronic

In order to govern the Mycronic Group in an efficient manner, governance, management and control has been distributed between the Annual General Meeting, the Board, the CEO and Executive management, with committees and collaborative bodies within specific areas. Control is exercised by the external auditor and through internal control activities.



Svenska Dagbladet. Shareholders who wish to participate in the Meeting must submit an application in accordance with information in the official notification.

2021 Annual General Meeting

The AGM was held in Stockholm on May 5, 2021. The AGM was attended by shareholders representing 72.1 percent of the share capital and votes.

The AGM took decisions in accordance with the Board's and the Nomination Committee's proposals on:

- Chairman of the Meeting
- Adoption of the balance sheet and profit and loss accounts
- Disposal of earnings through a dividend of SEK 3.00 per share
- Discharge from liability to the company for the Board members and the CEO
- The number of Board members elected shall be six with no deputy Board members
- Election of a registered public auditing firm
- It was resolved that Board fees shall be paid with a total of SEK 2,755,000, to be distributed with SEK 800,000 to the Chairman and SEK 320,000 to each of the other elected Board members. In addition, SEK 100,000 was allocated to the Audit Committee Chairman, SEK 50,000 to other members of the Audit Committee, as well as SEK 75,000 to the Remuneration Committee Chairman and SEK 40,000 to other members of the Remuneration Committee
- It was resolved that fees to the auditor are paid on an ongoing basis as invoices are approved

- Anna Belfrage, Katarina Bonde, Staffan Dahlström, Robert Larsson, Arun Bansal and Patrik Tigerschiöld were re-elected to the Board. Patrik Tigerschiöld was re-elected Chairman of the Board. In addition to the elected members, two employee representatives were appointed from the employee organizations Unionen and Akademikerna to represent employees
- The auditing firm Ernst & Young was appointed auditor with authorized public accountant Erik Sandström as auditor-in-charge
- The Board's remuneration report according to Chapter 8, Section 53 a of the Swedish Companies Act was approved
- Adoption of guidelines for remuneration to senior executives
- Adoption of principles for appointing the Nomination Committee
- Resolution to authorize the Board of Directors to decide on a new issue of shares. The issue price will be established on a market basis, and the maximum number of shares will correspond to 10 percent of the number of shares outstanding as of the date of the notification to attend the 2021 AGM.
- Resolution to authorize the Board of Directors to decide on acquisition of the company's own shares. Acquisition of own shares may take place provided that the company after each acquisition holds a maximum of 5 percent of the total number of shares outstanding in Mycronic.
- Resolution to approve the terms and conditions for the long-term incentive program LTIP 2021 and to implement hedging measures pertaining to LTIP 2021 by transfer of the company's own shares.

- Resolution on changes to the Articles of Association

Information on the AGM including all proposals and minutes can be found at www.mycronic.com.

2022 Annual General Meeting

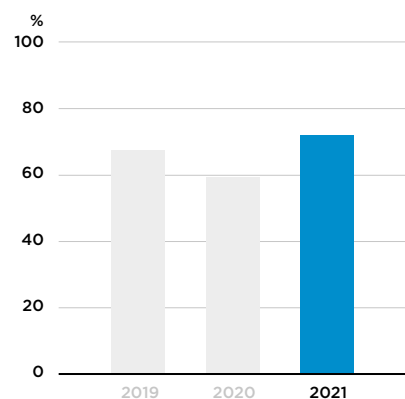
The Annual General Meeting will be held on May 5, 2022.

Nomination Committee

The Nomination Committee represents the shareholders. Its task, ahead of the AGM, is to produce proposals regarding election of the chair of the meeting; decisions on the number of Board members; election of and decisions on fees to Board members, the Chairman of the Board and auditor; election of and decisions on fees to members pertaining to other special committees or councils that the AGM may resolve on appointing; and proposals for principles on appointing a Nomination Committee for resolution by the AGM.

In accordance with the resolution by the AGM, the Nomination Committee consists of four persons: representatives from the three largest

Attendance at most recent AGMs



known owners as of August 31 and the Chairman of the Board. The composition of the Nomination Committee is published at the latest six months prior to the AGM. The Nomination Committee's proposals are presented in the Notice of the AGM and on Mycronic's website.

The annual evaluation of the Board's work is presented to the Nomination Committee and is the basis for its work in proposing Board members. The Nomination Committee bases its work on the requirements of the Swedish Companies Act and the Code, as well as company-specific requirements. In its work, the Nomination Committee applies section 4.1 of the Code as the diversity policy. The intention is to have an appropriate Board composition, which shall be characterized by versatility and breadth including age, gender, education,

background and experience. The Board of Directors is presented on pages 54–55. Additional information is available in the Nomination Committee's reasoned statement regarding its proposal to the 2022 AGM.

The Nomination Committee for the 2022 AGM consists of Henrik Blomquist (Bure Equity), Patrik Jönsson (SEB Funds), Thomas Ehlin (Fourth Swedish National Pension Fund) and Patrik Tigerschiöld (Chairman of the Board).

Nomination Committee

Name	Representing	Holdings %, August 31, 2021
Henrik Blomquist	Bure Equity	26.9
Patrik Jönsson	SEB Funds	10.4
Thomas Ehlin	Fourth Swedish National Pension Fund	9.6
Patrik Tigerschiöld	Chairman of the Board of Mycronic AB	

Board of Directors

The Board of Directors (the Board) has overall responsibility for the company's organization and management. The Board monitors operations, ensures a suitable organization, and establishes guidelines for internal control. The Board establishes strategies and goals and makes decisions on major investments. The CEO is appointed by the Board and is responsible for ongoing administration.

The responsibilities of the Board are governed by the Swedish Companies Act and in the rules of procedure. Division of labor between the Board and the CEO is established through written instructions.

The Board consists of six members appointed by the AGM, and two employee representatives appointed by Unionen and Akademikerna.

Board activity in 2021

During 2021, the Board held fifteen meetings, of which one was the statutory meeting, three were by circulation and all meetings offered the opportunity to participate digitally.

Fourth quarter

Budget for 2022 established
Interim Report January–September

Third quarter

Interim Report January–June



First quarter

Interim Report for the fourth quarter and full-year 2020, proposal on dividend
2020 Annual Report adopted

Second quarter

Review of business operations in the divisions
Review of forecast and update on development projects
Statutory meeting with decisions on signing authority, policies, etc. directly after the AGM
Strategy seminar, with adjacent Board meeting
Interim Report January–March
Enterprise Risk Management review

Board activities

The Board works according to the rules of procedure, which shall ensure that the Board is well-informed and that all Board-related issues are addressed. The rules of procedure, which are established annually, describe the division of responsibilities between the Board and its committees, and between the Board and the CEO. The Board takes decisions on strategy and budget, confirms financial reports and significant policies including the approval and signing policy, appoints the CEO and evaluates the CEO's work, establishes regulations for internal control and monitors the effectiveness of internal control, decides on major investments and agreements, appoints the Audit and Remuneration Committees, and evaluates the work of the Board. The Board monitors compliance with approved guidelines on remuneration to executive management, and proposes guidelines for remuneration for consideration by the AGM.

The Chairman of the Board leads the work of the Board and also represents the company on ownership issues. Board meetings are prepared

by the Chairman of the Board, together with the CEO. The CEO and the company's CFO, who is responsible for recording the minutes of Board meetings, attend. In addition, other employees attend as necessary in relation to individual cases. Materials are distributed prior to each meeting. Some questions are prepared in committees.

Recurring items at Board meetings are reviews of the business situation and financial reporting. Board committees report on their activities and raise issues for decision.

The Board held fifteen meetings in 2021.

Board committees

The committees' tasks and work plan are established by the Board in written instructions. The main task of the committees is to prepare matters for Board decision-making.

Remuneration Committee

The Remuneration Committee is appointed by the Board and consists of three Board members. The Committee is tasked with proposing the CEO's salary, other remuneration and terms of employment. The

Committee also proposes guidelines for remuneration and terms of employment for other executive management and the directors of subsidiaries and proposals for incentive programs. The Remuneration Committee ensures compliance with established guidelines for remuneration of executive management.

Since the 2021 AGM, the Remuneration Committee has consisted of Patrik Tigerschiöld (Chairman), Arun Bansal and Robert Larsson. The Remuneration Committee held four meetings in 2021.

Audit Committee

The Audit Committee is appointed by the Board and consists of two Board members. The Committee is tasked with ensuring the quality of financial reporting. This comprises reviews of significant accounting and valuation issues. The Audit Committee evaluates the external auditing and assists the Nomination Committee with proposals for the election of the auditor. Employees do not participate during part of certain meetings between the Audit Committee and the external auditor.

Attendance at meetings in 2021 and remuneration to Board members elected by the AGM

Name	Elected	Independent ¹⁾	Holdings	Attendance			Remuneration		
				Board of Directors	Audit Committee	Remuneration Committee	Board	Audit Committee	Remuneration Committee
Patrik Tigerschiöld, Chairman	2009	No	235,170	15/15		4/4	800,000		75,000
Katarina Bonde	2010	Yes	2,000	13/15	5/5		320,000	50,000	
Anna Belfrage	2018	Yes	—	15/15	5/5		320,000	100,000	
Robert Larsson	2018	Yes	—	15/15		4/4	320,000		40,000
Staffan Dahlström	2019	Yes	8,000	15/15			320,000		
Arun Bansal	2020	Yes	—	14/15		4/4	320,000		40,000

1) According to the Swedish Code of Corporate Governance, in relation to the company's largest shareholders.

Since the 2021 AGM, the Audit Committee has consisted of Anna Belfrage (Chairman) and Katarina Bonde. In 2021, the Audit Committee held five meetings.

Evaluation of Board performance

The Board's work is evaluated annually. The evaluation is done by external evaluation or self-assessment. The objective is to develop, set targets for, and measure the work of the Board, but also to provide the Nomination Committee a basis for the task of preparing proposals on Board appointments to the upcoming AGM. The Chairman of the Board is responsible for the evaluation.

CEO and Executive management

The executive management consists of eight persons, including the CEO, see pages 56-57.

The CEO leads the work of the executive management, which meets once a month. Issues addressed include financial performance, development projects, leadership and skills supply and other strategic issues. The CEO is responsible for keeping the Board informed of the company's development. Three global management meetings were organized in 2021 to strengthen unified communication and control throughout the Group. In addition to the executive management, there are several collaborative bodies that prepare and coordinate strategic and operational issues.

External audit

The auditor is appointed by the AGM to review the company's annual financial statements and the consolidated accounts, as well as the Board's and CEO's administration. Audits are conducted in accordance with Inter-

national Standards on Auditing and generally accepted auditing practices in Sweden. The executive management is briefed on audit results continuously. The auditor meets with the Audit Committee on an ongoing basis and with the entire Board annually. The auditor submits the Auditor's Report to shareholders at the AGM. In 2021, the auditor performed, in addition to the audit, a summary review of the third quarter report. Fees to the auditor are paid on an ongoing basis as invoices are approved. Refer to Note 9 for information on auditor remuneration.

External financial reporting

In accordance with the established communication policy, Mycronic continuously reports information on the company's performance and financial position through interim reports, the Annual and Sustainability Report and press releases in conjunction with significant events.

In conjunction with interim reports, presentations are held for financial analysts, institutional investors, and the media. Company management and Director Investor Relations meet analysts and institutional investors at other external and internal arrangements. Representatives from Mycronic also participate at events arranged by, for example, investment banks and the Swedish Shareholders' Association. Financial reports, press releases and other relevant information are presented on the company's website.

Mycronic observes a 30-day silent period before publication of financial reports, during which the company does not communicate with the financial market by means other than public press releases.

Insiders

In accordance with the EU's Market Abuse Regulation (MAR), Mycronic is obligated to maintain a register of persons discharging managerial responsibilities and parties closely related to them. This group consists of Board members and executive management. These persons are obliged to report all transactions in Mycronic securities to the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) and to the company. The company is also required to maintain a temporary insider register (log book) of persons who have access to non-public information for a limited period in connection with particular events. This might be the Board, employees or contractors. The details of the application of the provisions above are outlined in the Market Abuse Regulation.

Internal control of financial reporting

Internal control is comprised of processes and methods that limit risks for material misstatement in the financial statements, and provide a reasonable assurance of the reliability and accuracy of the financial reporting. Internal control is maintained by the Board, management and employees. Mycronic has chosen to describe its work with internal control based on COSO's components: the control environment, risk assessment, control activities, information and communication, and monitoring.

Control environment

The control environment consists of a suitable organization, decision-making procedures, authorization and responsibilities, as expressed in policies and guidelines. Common values provide consensus with the

intention of strengthening internal control. Mycronic's Code of Conduct describes the approach that employees are expected to maintain in matters relating to business ethics and social issues. Examples of steering documents include the rules of procedure for the Board and its committees, terms of reference issued by the Board to the CEO, the approval and signing policy, Code of Conduct, and insider and communication policies. Ensuring processes include a high degree of internal control is the responsibility of the respective department manager. Process descriptions and steering documents are gathered in a digital, Group-wide management system. The Group's finance and control organization, centrally and at the level of each unit, plays an important role in the reliability of financial information and is responsible for ensuring that complete, accurate financial reporting is completed on time.

Risk assessment

Included in risk assessment is the identification and evaluation of the risk for material misstatements in accounting and reporting and the risks of irregularities and fraud. When assessing risks that affect internal control as it relates to financial reporting, the evaluation is based on likelihood and impact. Risks are linked to processes. Critical processes are evaluated with respect to their efficiency and risk. Critical processes include product development, sourcing, manufacturing, sales, salary and support processes such as financial closing and IT.

Control activities

Control activities should prevent, reveal and resolve deviations. There

are controls at all levels within the company and across all departments. Control activities may be automated by being built into IT systems, such as authorization structures. They may also be manual, such as double checks for disbursements and reconciliations in connection with financial closings. Recurring analysis of results complement daily controls. A financial handbook ensures uniformity of financial reporting within the Group. A Group-wide system is used for financial reporting. In 2021, Mycronic further developed the standardization of a number of key controls within critical processes. These controls comprise unified Group-wide tools for internal control and governance. Control requirements are important aids for the Board to manage and evaluate information from management and assume responsibility in relation to the risks identified.

Information and communication

The Board and management have established channels for communication to ensure that financial reporting is complete and accurate. Internal communication channels include quality systems and analysis tools as well as the intranet. One way to educate staff on Group-wide rules is through e-learning, which can be linked to tests after completion of the training. Each month, financial information is compiled and distributed to Board members and Executive Management. External communication is carried out in accordance with the established communication policy. Financial reporting is published in accordance with applicable regulations. The Board approves the Group's annual report and year-end statement and issues quarterly

reports. For the first and third quarters, the Board has instructed the CEO to issue the quarterly reports.

Monitoring

Mycronic's evaluation of internal control occurs through self-assessment. Self-assessment entails employee involvement, which increases understanding of the importance of internal control. Self-assessment of critical processes is complemented by external evaluation or statements of opinion. Evaluation of internal control follows a plan approved by the Audit Committee.

Mycronic continuously develops its overall procedure in which the effectiveness of key controls is monitored for each reporting unit. The results are followed up and compiled at the Group level and presented to the Audit Committee on a quarterly basis, which in turn reports the results to the Board.

Representatives of the central finance and controller department regularly visit the subsidiaries to review and evaluate internal controls. In 2021, reviews have been carried out using a digital solution. Experiences are continuously shared among representatives from the Group's finance and HR departments, for example, through digital meetings and global conferences.

The Audit Committee monitors the internal control work and has ongoing contact with the external auditor. This contributes to the Board's collective insight into internal control as it relates to financial reporting.

Mycronic has no internal audit function, as it is the Board's opinion that the company's internal organization and processes for monitoring fulfill this function in a satisfactory manner.