

Corporate Governance Report

The goal of corporate governance is to guarantee that the company is managed as efficiently as possible for the shareholders. This includes establishing an effective organizational structure, systems for internal control and risk management, and transparent internal and external reporting.

SWEDISH CORPORATE GOVERNANCE CODE

Munters Group AB is a Swedish public company listed on Nasdaq Stockholm. Corporate governance is primarily regulated by the Swedish Companies Act and other Swedish legislation, Nasdaq Stockholm's Issuer Rules and the Swedish Corporate Governance Code ("the Code"). This corporate governance report has been prepared in accordance with the Swedish Annual Accounts Act and the Code. Munters' auditors have reviewed the report and the statement from the auditors can be found on page 131.

CORPORATE GOVERNANCE MODEL

The shareholders exercise their voting rights at the general meetings of Munters Group AB, which is the parent company of the Munters Group, to decide on among other things the composition of Munters Group AB's Board of Directors and the election of Auditors.

A Nomination Committee appointed in accordance with the instruction approved by Munters Group AB's Annual General Meeting submits proposals to the General Meeting concerning the election of Board members and the Chairman of the Board as well as proposed resolutions concerning remuneration of the Board. The Nomination Committee also submits proposals to the General Meeting for the election of auditors and for resolutions on fees to the auditors.

The Board is ultimately responsible for the Munters Group's organization and the management of its operations. In addition, the Board appoints the President and CEO of Munters Group AB. The CEO is in charge of the Group's daily management in accordance with the Board's instructions

External governance systems

The external governance systems that provide a framework for Munters' corporate governance consist primarily of the Swedish Companies Act, the Swedish Annual Accounts Act, the Nasdaq Stockholm Rulebook for Issuers, the Code and other applicable regulations and relevant legislation.

Internal governance systems

The Articles of Association adopted by the Annual General Meeting (AGM), the Munters Board Rules of Procedure adopted by the Board, the instructions for the CEO, and the instructions for the Compensation, Audit and Investment Committees constitute the key internal governance systems.

In addition, the Group has a number of policies and instructions with rules and principles for the Group's operations and employees, these can be found on Munters website, www.munters.com. In 2021, the Munters Board of Directors passed resolutions on the following policies and instructions:

- Rules of Procedure for the Board of Directors
- Instructions for the CEO
- Instructions for the Compensation Committee
- Instructions for the Audit Committee
- Instructions for the Investment Committee
- Code of Conduct
- Steering documents
- Finance policy
- Sustainability policy

- Communication policy
- Insider policy
- Internal control policy
- HR-policy
- Policy for Munters Group Management Holding of Munters Shares

Deviations from the Code

The Code applies to all Swedish companies whose shares are listed on a regulated market in Sweden. The Code provides a norm for good corporate governance at a higher level of ambition than the minimum requirements of the Swedish Companies Act and other rules.

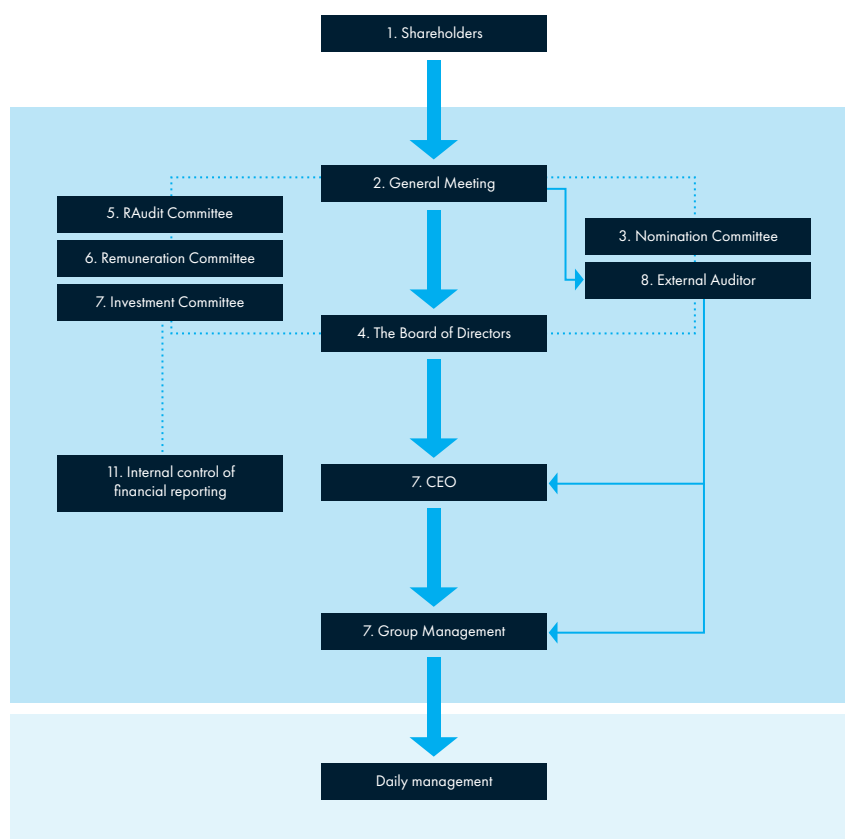
The Code is built on the "comply or explain" principle. This means that the company does not have to observe every rule in the Code at all times, but can choose other solutions deemed to better address the circumstances in the individual case, provided that the company openly reports every such deviation, describes the solution chosen instead and indicates the reasons for this in the corporate governance report.

In 2021, Munters did not deviate from any of the Code's rules.

MUNTERS' ARTICLES OF ASSOCIATION

Munters' Articles of Association were adopted at the Annual General Meeting on May 19, 2021 and contain no special provisions on the appointment and dismissal of Board members or on revisions to the Articles of Association. For the complete Articles of Association, refer to the Munters website.

CORPORATE GOVERNANCE STRUCTURE



1. Shareholders

Shares in Munters have been listed on Nasdaq Stockholm since May 19, 2017. At year-end, share capital amounted to SEK 5,533,735, distributed among 184,457,817 shares. All shares are of the same class and have equal rights in every respect. On December 31, 2021, Munters had 7,180 shareholders (compared with 4,912 on December 31, 2020). The largest shareholders were FAM (27.8 percent), Odin Funds (9.0 percent), First Swedish National Pension Fund (8.4), Swedbank Robur Funds (7.4 percent) and Fourth Swedish National Pension Fund (6.4 percent).

Additional information on the share and shareholders can be found in the section on the Munters share and on the Munters website.

Share buy-back

For the purpose of guaranteeing delivery of shares to participants in the long-term incentive programmes resolved at the AGMs 2018-2020, the Board of Directors was authorized by the AGM to decide on the acquisition of at most 1,071,550 own shares for the period up to the next AGM. The Board of Directors decided to utilize the buy-back authorization between November 17, 2001 and March 23, 2022,

with the exception of the period December 30, 2021 through February 4, 2022.

The total number of own shares Munters holds as of December 31, 2021 is 2,883,300, corresponding to approximately 0.37 percent of the share capital

2. General Meeting

The right of the shareholders to decide on matters concerning Munters is exercised at the General Meeting (GM). Shareholders who are recorded in the share register on the record date and have registered for the GM within the time indicated in the notice to attend have the right to participate in the GM, either in person or by proxy.

Decisions at the GM are normally taken by simple majority. On certain issues, however, the Swedish Companies Act prescribes a qualified majority of votes, and in specific cases a certain portion of shareholders must be present for a quorum.

The AGM must be held within six months of the end of the financial year. Munters' AGMs are held in Stockholm, Sweden, every calendar year before the end of June.

Under the Articles of Association, notices convening General Meetings are issued by announcement in Post- och Inrikes Tidningar (the Swedish Official Gazette) as well as on the Munters website. An

announcement that a notice convening a GM has been issued shall be made in Svenska Dagbladet.

Apart from the AGM, an Extraordinary General Meeting can be held if the Board considers it necessary, or if Munters' auditor or owners of at least 10 percent of total shares in the company request one.

Shareholders may attend the General Meeting with one or two assistants, but only if the shareholder notifies the company of the number of assistants as indicated in the previous paragraph.

The Board of Directors may decide that those who are not shareholders of the company may, on terms decided by the Board, have the right to attend or otherwise follow the proceedings of the General Meeting.

The Board of Directors may collect proxies pursuant to Chapter 7, Section 4, paragraph 2 of the Swedish Companies Act.

The Board of Directors may decide prior to a General Meeting that the shareholders may exercise their voting rights by mail before the General Meeting pursuant to Chapter 7, Section 4 of the Swedish Companies Act.

In addition to notifying the company, shareholders whose shares are nominee registered through a bank or other nominee must request that their shares be

temporarily registered in their own names in the register maintained by Euroclear Sweden AB to be entitled to participate in the AGM. Re-registration may be temporary and requested from the nominee, as per the nominee's instructions, well in advance.

Shareholders who wish to have an issue brought before the General Meeting must submit a request in writing to the Board of Directors. The request must normally be received by the Board of Directors seven weeks before the General Meeting at the latest.

2021 Annual General Meeting

The AGM on May 19, 2021 was attended by 114 shareholders representing 141,366,330 of the shares and 76.64 percent of the votes. Due to the pandemic, the AGM was held according to sections 20 and 22 of the Act on temporary exemptions in order to facilitate the conduction of general meetings (Sw. lag (2020:198) om tillfälliga undantag för att underlätta genomförandet av bolags- och föreningsstämmor), meaning that the shareholders were able to exercise their voting rights at the Meeting only by postal voting in advance.

The issues resolved by the AGM included the following:

- That a dividend of SEK 0.70 per share will be paid for the financial year 2020.
- Discharge of the Board members and the CEO from personal liability for the administration of the company in 2020.
- Remuneration to the Board of Directors; see below.
- Re-election of Board members Magnus Lindquist, Helen Fasth Gillstedt, Per Hallius, Lena Olving, Kristian Sildeby, Juan Vargues, Håkan Buskhe and Anna Westerberg.
- Re-election of Magnus Lindquist as Chairman of the Board.
- Election of the Auditors and remuneration to the Auditors according to approved invoices.
- Resolution on the Nomination Committee's instruction; see below.
- Compensation guidelines for senior executives; see below.
- Approval of the Board's remuneration report.
- Resolution on amendments to the articles of association.

- Authorization of the Board of Directors to resolve, on one or more occasions to repurchase not more than 1,071,550 shares in the company to secure delivery obligations of shares to participants in the incentive programs that the 2018-2020 AGMs resolved to implement, and for transfers on a regulated market to cover cash flow effects associated with these programs.

- Authorization of the Board of Directors, until the next AGM, to resolve to issue, on one or more occasions, new shares and/or convertible bonds and/or warrants up to a total of 18,445,781 shares that can be issued, that convertible bonds that can be converted to, and that can be subscribed for by exercising warrants.

- Authorization of the Board of Directors to resolve on transfer a total of not more than 200,000 own shares.

2022 Annual General Meeting

The 2022 Annual General Meeting will be held on May 18, 2022. For further information, refer to page 78 and the Munters website, www.munters.com.

3. Nomination Committee

Nomination Committee activities

The Nomination Committee is charged with preparing and submitting proposals before the AGM on behalf of the shareholders for election of the Chairman of the AGM and election of a Chairman of the Board and other Board members, election of auditors, decisions on fees to auditors and to the Board (divided between the Chairman and the other members, as well as remuneration for committee work) and, where necessary, changes to the instruction of the appointment of the Nomination Committee. In addition, the Nomination Committee assesses the independence of Board members in relation to the company and its major shareholders. The company's Audit Committee assists the Nomination Committee with the proposal for the election of auditors; the Nomination Committee's proposals to the General Meeting for auditors' elections shall contain the recommendation of the Audit Committee.

Prior to submitting its proposal to the Board, the Nomination Committee may review the evaluation of the Board's activities and members, and otherwise seek information on the Board's activities through interviews with the company's CEO and some or all Board members.

Shareholders were provided an opportunity to submit proposals to the Nomination Committee.

Composition of the Nomination Committee
The 2021 AGM resolved that the following Nomination Committee instruction will apply until further notice:

The Nomination Committee prior to the AGM shall be composed of representatives from the four largest shareholders by votes as listed in the share register maintained by Euroclear Sweden AB as of August 31 of each year.

The Chairman of the Board shall serve as a co-opted member of the Nomination Committee and also convene its first meeting. The Chairman of the Nomination Committee shall appoint the member representing the largest shareholder by votes. The Chairman of the Nomination Committee shall have the deciding vote in a tie. If, earlier than two months prior to the AGM, a shareholder that has appointed a member of the Nomination Committee no longer ranks among the four largest shareholders by votes, the member appointed by that shareholder shall surrender their position and the shareholder that has been added to the four largest shareholders by votes shall be entitled to appoint their representative. In the event a member leaves the Nomination Committee before its work is completed and the Nomination Committee finds it necessary that a replacement is appointed, that replacement shall be appointed by the same shareholder or, if that shareholder is no longer among the largest shareholders by votes, by the next largest shareholder.

The composition of the Nomination Committee shall normally be announced no later than six months before that meeting. Changes in the composition of the Nomination Committee shall be made public immediately. No remuneration shall be paid to the members of the Nomination Committee. Any necessary expenses for the Nomination Committee's work shall be paid by the company. The Nomination Committee's term extends until the composition of the next Nomination Committee has been announced.

Nomination Committee prior to the 2022 AGM

The composition of the Nomination Committee was published through a press release and on the Munters website on October 18, 2021. The Nomination Committee for the 2022 AGM consists of (holdings as of December 31, 2021):

- Magnus Fernström, representing FAM AB (27.8%)
- Jonathan Schönback, representing Odin Funds (9.0%)

- Mats Larsson, representing First Swedish National Pension Fund (8.4%)
- Jan Dworsky, representing Swedbank Robur Funds (7.4%)

The Nomination Committee appointed Magnus Fernström as Chairman of the Nomination Committee in accordance with the Nomination Committee's instruction. Magnus Lindquist, Chairman of the Board of Munters shall be co-opted to the Nomination Committee in accordance with the Nomination Committee instructions.

From the time it was constituted up until the submission of the Annual Report, the Nomination Committee has held eight meetings.

4. The Board of Directors

Board activities

The duties of the Board of Directors are primarily set forth in the Swedish Companies Act and the Code.

In addition, Board activities are guided by formal rules of procedure adopted each year by the Board. The rules of procedure govern the division of work and responsibility between the members of the Board, its committees, the Chairman and the CEO. The instructions for the CEO also contain instructions for financial reporting.

The tasks of the Board include adopting strategies, business plans and targets; issuing interim reports and year-end financial statements; managing risks; and setting policies and guidelines. The Board shall also monitor economic developments, ensure the quality of financial reporting and the internal controls, and evaluate the Group's operations based on the objectives and guidelines set by the Board. Moreover, the Board is responsible for appointing the CEO. The Board of Directors also decides on major investments and organizational and operational changes.

Composition of the Board of Directors

Under the company's Articles of Association, Munters' Board of Directors shall consist of at least three and no more than ten members elected by the AGM.

At the 2021 AGM, all the Board members were re-elected. Under Swedish law, the trade unions have the right to representation on the Board; in most of 2021 they were represented by two members and one deputy. A presentation of the Board members can be found in the section "Board of Directors."

The CEO and the Group Vice President and the CFO of Munters are present at Board meetings. Attorney Johan Lekholm

from Mannheimer Swartling Advokatbyrå AB serves as the Board's secretary. Other officers participate in Board meetings to present specific issues.

The reasoned statement of the Nomination Committee for the 2021 AGM indicates that the Nomination Committee applied Rule 4.1 of the Code as its diversity policy in drawing up its proposal for the Board of Directors. The goal of the policy is for the Board, given the company's operations, stage of development, and conditions in general, to have a suitable composition marked by diversity and breadth as regards the competence, experience, and background of the members elected by the GM, and to promote gender parity. The 2021 AGM resolved to elect Board members in accordance with the proposal of the Nomination Committee. The 2021 AGM elected eight members: three women and eight men.

Changes to the composition of the Board in 2021

Board member Pia Nordquist (employee representative) left the board on 26 January 2021. Robert Wahlgren was appointed board member (employee representative) on May 26, 2021.

COMPOSITION OF THE BOARD OF DIRECTORS

Name	Elected in	Fee, kr ¹⁾	Committee fees	Independence	Attendance			
					Board meetings	Audit Committee	Compensation Committee	Investment Committee
Magnus Lindquist, chairman	2018	1 100 000	165 000 ²⁾⁴⁾	Ja	18/18	-	7/7	5/5
Helen Fasth Gillstedt	2017	420 000	200 000 ³⁾	Ja	18/18	5/5	-	-
Per Hallius	2013	420 000	110 000 ⁴⁾	Ja	18/18	-	-	5/5
Anna Westerberg	2020	420 000	55 000 ⁴⁾	Ja	18/18	-	-	5/5
Lena Olving	2017	420 000	125 000 ³⁾	Ja	16/18	5/5	-	-
Kristian Sildeby	2017	420 000	235 000 ²⁾³⁾⁴⁾	Nej ⁵⁾	18/18	5/5	7/7	5/5
Juan Vargues	2019	420 000	55 000 ²⁾	Ja	17/18	-	7/7	-
Håkan Buskhe	2020	420 000	-	Nej ⁵⁾	18/18	-	-	-
Simon Henriksson ⁶⁾	2017	-	-	-	17/18	-	-	-
Tor Jansson ⁷⁾	2019	-	-	-	11/18	-	-	-
Robert Wahlgren ⁶⁾	2009	-	-	-	17/18	-	-	-

¹⁾ Compensation for work from the 2021 AGM to the 2022 AGM

²⁾ Compensation Committee fee.

³⁾ Audit Committee fee.

⁴⁾ Investment Committee fee.

⁵⁾ Independent in relation to the company and Group Management, but not to the company's major shareholders.

⁶⁾ Employee representative.

⁷⁾ Employee representative, deputy.

Independence of the Board

The company meets the requirements in the Code as a majority of the members elected by the AGM are independent of the company and company management, and that at least two of them are independent of the major shareholders. The independence of the Board members is shown in the table, "Composition of the Board of Directors."

Responsibilities of the Chairman of the Board

The Chairman of the Board of Directors leads and oversees the work on the Board, ensuring that its activities are conducted efficiently.

The Chairman also ensures that the Swedish Companies Act and other applicable laws and regulations are observed, that the Board receives the necessary training, and that it improves its knowledge of Munters. The Chairman monitors operations in close dialogue with the CEO, conveys opinions from shareholders to the other Board members, and serves as spokesperson for the Board. The Chairman

of the Board is responsible for other Board members receiving sufficient information to perform their work effectively, and for ensuring that the Board's decisions are implemented. The Chairman of the Board is also responsible for the Board annually evaluating its work.

Board Committees

The Board of Directors has three committees: the Audit Committee, the Compensation Committee and the Investment Committee. Reports to the Board on issues addressed at committee meetings are submitted in writing or given orally. The work of each committee is performed in accordance with the instruction of the Board. Minutes of committee meetings are provided to all Board members.

Board fees

The 2021 AGM resolved that fees of SEK 1,100,000 would be paid to the Chairman and SEK 420,000 each to the other members elected at the meeting. It was further resolved that fees of SEK 200,000 would be paid to the chair of the Audit Committee,

with SEK 125,000 to each of the other members of the Audit Committee; SEK 110,000 to the chair of the Compensation Committee, with SEK 55,000 to each of the other members of the Compensation Committee, and SEK 110,000 to the chair of the Investment Committee, and with SEK 55,000 to each of the other members of the Investment Committee.

Evaluation of Board activities

An evaluation is conducted each year to ensure the quality of the Board's work and to identify any need for additional competence or experience. The Chairman of the Board is responsible for conducting the evaluation and reporting it to the Nomination Committee. Upon request of the Nomination Committee, the Board members shall participate in interviews with the Nomination Committee to facilitate the evaluation.

A traditional internal evaluation of the Board's work was conducted in 2021. The results of the interviews and the Board evaluation have been reported to the Board and the Nomination Committee.

Board meetings 2021

In 2021, the Board of Directors held 18 meetings.

Following is an overview of the most important issues addressed at these meetings.

Month	Key issues addressed
January	Review of the strategy for the FoodTech business area. Follow-up of strategic plan for the Group.
February	Decision on dividend proposal for the financial year 2020. Approval and release of the year-end report (Q4 report). Follow-up of strategic plan for the Group and innovation work.
March	Approval of Annual and Sustainability Report 2020.
April	Resolution on notice and proposal for the Annual General Meeting. Approval and release of Q1 report.
May	Annual General Meeting. Approval of revised policies. Election of members of the Board's committees. Decision to adopt the rules of procedure for the Board and the rules of procedure for the committees.
July	Approval and release of Q2 report.
August	Review of employee questions and succession plans.
September	Review of strategy work.
October	Approval and release of Q3 report.
November	Approval of strategic plan for the Group.
December	Approval of proposed financial targets for 2022.

5. Audit Committee

The main tasks of the Audit Committee are to ensure that the Board of Directors fulfills its supervisory duty in relation to internal control, auditing, financial risk management, accounting and financial reporting; to prepare matters regarding the procurement of audit and other services provided by the auditor; and to prepare certain accounting and auditing matters to be resolved by the Board.

The Audit Committee also reviews procedures and routines for the aforementioned areas. The Audit Committee submits recommendations and proposals to ensure the reliability of the financial reporting and its compliance with generally accepted accounting principles, continually discusses the company's accounting principles and financial control with the auditors and Group Management, and considers recommended improvements to internal control. In addition, the Audit Committee monitors the impartiality and independence of the auditor, evaluates the audit work, and discusses the collaboration between the auditor and the company's internal control function. The Audit Committee also assists the Nomination Committee in preparing nominations for auditor and proposals in respect of audit fees by submitting recommendations to the Nomination Committee.

During the period between two consecutive AGMs, the Audit Committee is required to hold at least five meetings, normally in conjunction with the ordinary meetings of the Board of Directors.

In 2021, the Audit Committee consisted of Helen Fasth Gillstedt (Chair), Lena Olving and Kristian Sildeby. The Audit Committee fulfills the requirements in respect of accounting and auditing competence as set forth in the Swedish Companies Act.

The Audit Committee and the Auditor have among other things reviewed the external audit plan and the approach to risk management. The Audit Committee held 5 meetings in 2021. Board member attendance is shown in the table, "Composition of the Board of Directors."

The Audit Committee regularly reports the results of its work to the entire Board, and the minutes of the Audit Committee's meetings are provided to all Board members.

6. Compensation Committee

The task of the Compensation Committee is to prepare issues relating to compensation for the CEO and Munters' other senior management. The Compensation Committee proposes guidelines for, among other things, the breakdown between fixed

and variable compensation, the principal conditions for bonuses and incentive schemes, conditions for non-monetary benefits, pensions, termination, and severance pay. The Committee also prepares proposals for individual compensation packages for the CEO and other senior executives. Furthermore, the Compensation Committee monitors and evaluates the outcome of variable compensation schemes and the company's compliance with compensation guidelines adopted by the Annual General Meeting, in addition to preparing the report submitted to the Board for approval at the AGM.

See also "Remuneration guidelines for senior executives" below.

In 2021, the Compensation Committee consisted of Magnus Lindquist (Chair), Kristian Sildeby and Juan Vargues. The Compensation Committee held 7 meetings in 2021. Board member attendance is shown in the table, "Composition of the Board of Directors."

7. Investment Committee

The Investment Committee assists the Board of Directors by monitoring material strategic initiatives that are important to the Group's value creation. In addition, the Investment Committee approves and supports the Board and the company's management in the material contractual process.

During the period between two consecutive AGMs, the Investment Committee is required to hold at least one meeting.

In 2021, the Investment Committee consisted of: Per Hallius (Chair), Kristian Sildeby, Magnus Lindquist and Anna Westerberg. The Investment Committee held 5 meetings in 2021. Board member attendance is shown in the table, "Composition of the Board of Directors."

The Investment Committee regularly reports the results of its work to the entire Board, and the minutes of the Investment Committee's meetings are provided to all Board members.

8. External Auditor

Munters' external auditor is appointed by the AGM. The auditor reviews the six- or nine-month interim report and audits the annual financial statements and consolidated accounts. The auditor also reviews the corporate governance report and confirms whether the Group has presented a sustainability report. The auditor reports the results of the audit in the Audit Report and in an opinion on the corporate governance and sustainability reports, and provides a separate opinion on whether the guidelines for remuneration to senior executives in effect since the previous Annual General

Meeting have been followed. The audit is conducted in accordance with the International Standards on Auditing and generally accepted auditing standards in Sweden.

The audit is reported on a continual basis over the year to the company's Audit Committee.

During the year, the auditor participated in all Audit Committee meetings and in the Board meeting where the annual accounts were addressed. The auditor participates in the AGM and describes the audit work and the observations made in the audit report.

The auditor's fee for their audit work is paid according to approved invoices. Apart from the audit work, Munters' audit firm Ernst & Young AB provided other services during the year, primarily on tax-related issues. For information on remuneration to Ernst & Young AB, refer to Note 33.

Ernst & Young AB has been Munters auditor since 2010, and Rickard Andersson, authorized public accountant and member of FAR (the professional institute for authorized public accountants in Sweden), has been auditor-in-charge since 2019. Munters' 2021 AGM re-elected Ernst & Young AB as auditor for a term of four years, through the 2025 AGM.

9. CEO and Group Management

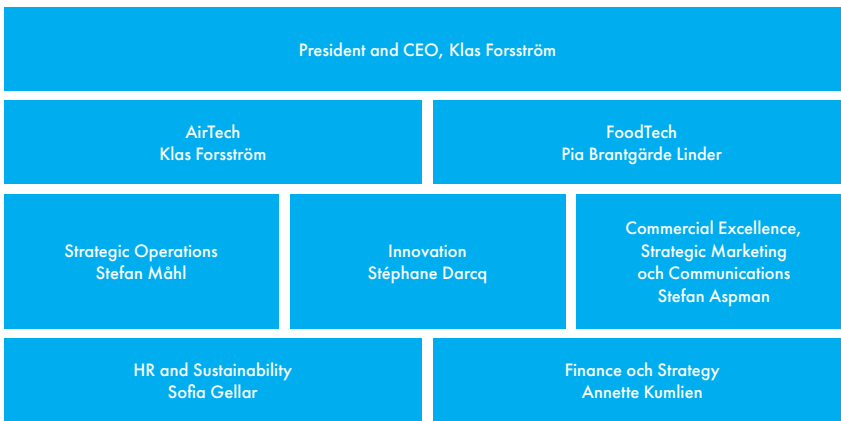
Group Management consisted in 2021 of the CEO, the Group Vice President and CFO, two business area Presidents and four Group Vice Presidents responsible for the central functions Strategic Operations, Innovation, Commercial Excellence & Strategic Marketing & Communication and HR & Sustainability.

The CEO is responsible for day-to-day management according to the Board's instructions. The CEO's responsibilities include taking all measures necessary to ensure that the organization and the control of the company's accounting comply with current rules and regulations. The CEO also prepares all necessary information and supporting documentation for Board meetings and, if requested by the Chairman of the Board, summons the meeting. The CEO reports at Board meetings and submits motivated proposals for resolution by the Board.

The CEO ensures that the Board members continually receive all the information needed to assess the company's financial situation.

The quality of the report shall be such that it allows the Board to make a well-grounded assessment.

GROUP STRUCTURE



Changes to Group Management in 2021
 In 2021, Peter Gisel-Ekdahl left Munters and President and CEO Klas Forsström, in addition to his current role, took over as President of the business area AirTech. In 2021, Sofia Gellar left Munters and on October 14 Grete Solvang Stoltz was appointed the new Group Vice President HR & Sustainability.

Remuneration guidelines for senior executives

The guidelines for remuneration to senior executives are adopted by the Annual General Meeting. Prior to the 2021 AGM, the Board of Directors evaluated various versions of long-term share-related or share price-related programs and proposed to the AGM a shift to a long-term variable cash salary with clear performance requirements and an expectation that the net outcome will be invested in Munters shares. The proposal was prepared with the guiding principles to simplify management of the program, enhance Munters' long-term attraction as an employer and increase shareholdings in Munters among senior executives, talents and key persons. Consequently, the Board did not propose any new share-related incentive programs ahead of the 2021 AGM, instead choosing a long-term variable cash salary with an expectation that part of the net sum paid will be invested in Munters shares, payable in accordance with what is stated below.

The AGM resolved to adopt the Board's proposal to revise the guidelines for remuneration to senior executives as follows and that the guidelines apply until further notice.

The group of executives encompassed by the guidelines are the CEO and other members of Group Management. The guidelines also encompass any remuneration to Board members other than Board fees. The guidelines shall apply to contracted remuneration, and amendments to

previously contracted remuneration, after adoption of the guidelines by the 2021 AGM. The guidelines do not apply to any remuneration resolved on by the AGM. The guidelines in their entirety can be found in the Board of Directors' report. For further information on remuneration for senior executives, long-term incentive programs and retirement benefits; see also Notes 31 and 32.

10. Internal control of financial reporting

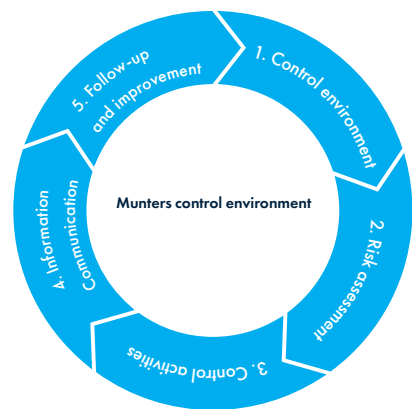
Internal control entails clarity, order and ensuring that what has to be done is done as intended. Internal control is the collective term for the organization and the systems, processes and routines that enable this.

Munters has an internal control function with the objective to support management so that it can continuously ensure good internal control of financial reporting. The work that is conducted through this function is primarily focused on ensuring compliance with directives and guidelines and creating effective conditions for control activities in key processes related to the financial reporting. The Audit Committee is regularly informed of the results of the work that the internal control function within Munters performs with regard to risks, control activities and follow-up on the financial reporting. In addition, the internal control function maintains good communication with the external auditors. The Audit Committee reports to the Board on an ongoing basis.

Munters' internal control of the financial reporting is based on the framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). This framework covers five main areas: control environment, risk assessment, control activities, information and communication, and monitoring.

Control environment

Internal control is shaped by the overall control environment. The Board of Directors is responsible for establishing an effective system of internal control and supervising the work through the CEO. Group Management sets the tone for the business and influences employees' awareness with respect to control. One condition for a strong control environment is that there are clearly defined values in terms of ethics and integrity, and that they are communicated through governing documents such as policies, guidelines, manuals and codes. For the financial reporting, Group Management issues policies and guidelines to all subsidiaries, which are followed up with newsletters, telephone conferences and direct control activities. Courses are also conducted for many accounting areas and internal reporting requirements/systems.



Risk assessment

A risk assessment is conducted on a yearly basis pursuant to the Group's risk management policy. The purpose is to identify, document and quantify the consequences and probability of events occurring that would prevent Munters from achieving its objectives.

The Enterprise Risk Management (ERM) framework is an integral part of Munters' overarching management system consisting of various policies. The purpose of the ERM framework is to strengthen governance by integrating risk management with the design and implementation of Munters' strategy. The ERM framework is designed to identify and manage existing risks in order to reach the company's strategic goals. The framework provides methods to identify and evaluate risks. In addition, the ERM process ensures that Group Management and the Board share a common understanding of Munters' risk tolerance in relation to the company's goals.

Risk responsibility

ERM function is responsible for implementation of the ERM strategy and ERM activities at the Group level.

Responsibility for the company's primary risks is delegated among members of Group Management, and each line manager is responsible for managing the risks that arise within their respective area of responsibility. Those responsible for each Group function and business area appoint one or more risk officers to implement the risk work within the unit. The Group Vice President and CFO is responsible for oversight of the ERM, and the Board of Directors and the Audit Committee are responsible for monitoring the effectiveness and appropriateness of the ERM.

For more information on Munters' risk work, refer to pages 54-58 in the risk management section and Note 3.

Control activities

Controls have been designed based on identified risks to detect, prevent and correct errors and discrepancies. Controls can take place at the transaction level, as Group-level controls and as IT general controls. Control activities are carried out in the entire organization, at all levels, and for all functions. Transaction-based controls, which can be either manual or automatic, are performed to manage the risk of errors in the financial reporting. Examples of such controls include reconciliations and analyses. Company-wide controls are designed for among things to guarantee that instructions on payment approvals, authorizations and responsibilities in credit granting are followed. Examples of general IT controls are change management, back-up routines and authorizations. The company's Group Vice President and CFO is responsible for ensuring that identified risks relating to the financial reporting at Group level are addressed. In each legal entity, the accounting staff is responsible for having the necessary control activities in place, and that accounting and the financial statements are correct and accurate. Global controllers and finance directors in each legal entity update forecasts and conduct outcome analysis. All business areas present their financial results in written monthly reports to the Group Vice President and CFO, who in turn presents them to Group Management.

Since 2019, the internal control function carries out and coordinates evaluation activities through Munters' internal control system, where the subsidiaries report on a quarterly basis whether key controls have been performed in accordance with

Munters' Risk and Control framework

In 2020, project called Transformation Towards Operational Excellence (TTOE) has been initiated to increase efficiency through linked processes and information flows. This project continued in 2021. The ambition is to build a leading value chain and processes.

Information and communication

Munters has information and communications channels that aim at ensuring that information is identified, collected and communicated in a way and within a timeframe that enables employees and directors to perform their tasks. Reporting instructions and accounting guidelines are conveyed to affected employees through monthly newsletters and quarterly teleconferences. The Group uses a common system for reporting and consolidation of financial information.

Governing documents – in the form of policies, guidelines and manuals for the financial reporting – are communicated primarily via the intranet and the Group's financial handbook, and updated as needed. Information for external parties is communicated on the Munters website together with other news and press releases. Quarterly reports are published and supplemented with presentations and investor meetings. The Annual Report is provided to shareholders and other stakeholders through publication on the Munters website, and in print upon request.

Monitoring

Monitoring and testing of control activities are routinely conducted throughout the year to ensure that the risk has been taken into account and satisfactorily managed. Testing is carried out by employees who are independent of the controls and possess the competence to evaluate the controls. Failed controls must be mitigated, which means that actions must be taken and implemented to correct deficiencies. Reports are presented to the Audit Committee twice yearly and the Audit Committee in turn reports regularly to the Board.

The Board of Directors has ultimate responsibility for all decisions regarding compliance within Munters. The Board reviews and approves internal control policies on a yearly basis. If needed, reviews and approvals are more frequent.

Each division manager is ultimately responsible for the financial information for their division. The information is followed up at the business area level by Group Management and, lastly, by the Board of Directors. Munters' financial position,

strategies and investments are discussed at every Board meeting. The Board is also responsible for monitoring internal control. This includes ensuring that measures are taken to address any shortcomings and following up on proposed measures that were pointed out in conjunction with the external audit.

Assessment of the need for a separate internal audit function

Munters 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.

For certain special audits, outside expertise can also be sought.



1
Magnus Lindquist
 Born 1963
 Chairman of the Board since December 2018.

Education and professional experience: Economist, Stockholm School of Economics. More than 20 years of experience from senior positions at global industrial companies, mainly as Group Vice President at Autoliv and Perstorp Group. Many years of experience as a Senior Partner of Triton. Other current assignments/positions: Board member of Cary Group AB. Partner of CORDET Capital Partners. Selected previous assignments/positions: Chairman of Norma, Ambea, Alimak and Polygon, and Board member of Bravida, Mycronic, Ovako and Trust Payments Ltd. Holding in Munters Group AB: 400,000 shares. Independent in relation to the Company and Group Management as well as the Company's major shareholders.

2
Kristian Sildeby
 Born 1976
 Board member since 2017. Member of the Audit Committee, Compensation Committee and investment Committee.

Education and professional experience: M.Sc. in Business Administration, Stockholm School of Economics. Investment Manager at FAM AB. Former Vice President, Head of Finance and Risk Management at Investor AB. Other current assignments/positions: Chairman of 82an Invest AB, Board member of Höganäs AB, Kivra AB, Nefab Holding AB, Spendrups Bryggeri AB and Peltarion AB. Selected previous assignments: Chairman of Blasieholmen 54 Restaurang AB. Board member of Lindström & Göthberg Executive Development AB and Power Wind Partners AB. Holding in Munters Group AB: 6,000 shares. Independent in relation to the Company and

Group Management but not the Company's major shareholders.

3
Helen Fasth Gillstedt
 Born 1962
 Board member since 2017. Chairman of the Audit Committee.

Education and professional experience: M.Sc. in Finance & Control and International Business, Stockholm School of Economics. Studies in Sustainable Development, Stockholm Resilience Center at Stockholm University and KTH Royal Institute of Technology. Over twenty years of experience in senior positions at Statoil and SAS Group. Other current assignments/positions: Board member of Handelsbanken Fonder AB and its representative on nomination committees, Sortera AB, Storytel AB, PowerCell AB, Viva Wine Group AB, and CEO of Blong AB. Selected previous assignments: Board member of Samhall AB, Humana

AB, AcadeMedia AB, Lindorff Group AS, Swedesurvey AB, Svefa Holding AB (publ) and Intrum AB. Holding in Munters Group AB: 5,000 Shares. Independent in relation to the Company and Group Management as well as the Company's major shareholders.

4
Simon Henriksson
 Born 1984
 Board member since 2017.

Employee representative appointed by IF Metall. Position at Munters: Material procurement, Tobo factory, Munters Europe AB. Holding in Munters Group AB: 350 shares.

5
Juan Vargues
 Born 1959
 Board member since 2019.

Education and professional experience: Management education IMD Lausanne (CH);

Executive MBA, Lund University (EFL); and high school degree in Mechanical Engineering, Tekniska Vuxengymnasiet, Gothenburg. Many years of experience from senior positions with global manufacturers, including ASSA ABLOY and Besam. Other current assignments/positions: President and CEO of Dometic Group AB and Board member of Cary Group. Selected previous assignments: Executive Vice President of ASSA ABLOY, CEO and Business Area President, ASSA ABLOY Entrance Systems, former President and CEO of Besam Group and various positions within the SKF Group. Holding in Munters Group AB: - Independent in relation to the Company and Group Management as well as the Company's major shareholders.

6
Per Hallius
 Born 1962
 Board member since 2013.

Education and professional experience: MBA, Harvard Business School. M.Sc. in Economics and Business Administration, Stockholm School of Economics. Independent advisor, director and investor. Nearly 25 years in management consulting, most recently as Senior Partner at the Boston Consulting Group. Other current assignments/positions: Chairman of Consilium Safety TopCo AB, Deputy Chairman of Ruukki Construction Oy, Board member of PMH Affärsutveckling AB, Beowulf AB and Quant AB. Industrial advisor and Operating Chairman of Nordic Capital Funds. Advisor to senior executives in large industrial multinationals. Selected previous assignments: Chairman of the Board of United Minds Samhällsanalys AB and Nefab Group ABB.



Holding in Munters Group AB: 84,031 shares. Independent in relation to the Company and Group Management as well as the Company's major shareholders.

7
Håkan Buskhe
 Born 1963
 Board member since 2020.

Education and professional experience: M.Sc. Licentiate of Engineering, Chalmers University of Technology, Gothenburg. More than 30 years of experience as a senior executive in program and operations management as well as business development from national and international commercial industrial companies, including Saab AB, E.ON Nordic AB, E.ON Sverige AB and Schenker AG. Current assignments/positions: CEO of FAM AB. Chairman of IPCO AB, Deputy Chairman of Stora Enso Oyj, Board member of AB SKF,

Kopparfors Skogar AB and The Grand Group. Selected previous assignments: Board member of Nefab AB, Vattenfall AB and of the Association of Swedish Engineering Industries (Teknikföretagen); Vice Chairman of AeroSpace and Defence Industries Association of Europe (ASD); Chairman of Green Cargo AB; President and CEO of Saab AB; President and CEO of E.ON Nordic AB and E.ON Sverige AB; Executive Vice President of E.ON Sverige AB; CEO of Land Operations for Schenker AG, Schenker North and Schenker-BTL AB; CEO of Storel AB, Carlsberg and Coca-Cola Distribution AB; Production Director of Carlsberg Sverige. Holding in Munters Group AB: - Independent in relation to major shareholders: No Independent in relation to the Company and Group Management: Yes

8
Anna Westerberg
 Born 1975
 Board member since 2020.

Education and professional experience: MSc, Industrial Engineering and Management, Chalmers University of Technology, Gothenburg. Many years of experience in senior positions in the global industrial company AB Volvo. Extensive knowledge of digitization and innovation as well as sales and development of services and products in a global environment. Current assignments/positions: President of Volvo Buses. Directorships in Volvo Group Connected Solutions and Volvo Group Venture Capital. Selected previous assignments: Senior Vice President at Volvo Group Connected Solutions, CEO of Volvo Group Venture Capital, Vice President Product Management Industrial for Volvo Penta, CEO of Infocandy Group Ltd,

Management consultant at Applied Value LLC and Applied Value AB. Holding in Munters Group AB: - Independent in relation to major shareholders: Yes Independent in relation to the Company and Group Management: Yes

9
Lena Olving
 Born 1956
 Board member since 2017. Member of the Audit Committee.

Education and professional experience: M.Sc. in Mechanical Engineering, Chalmers University of Technology. Various senior positions at Volvo Cars, including 5 years in Asia and 7 years in Group Management. Former President and CEO of Mycronic Mycronic AB, Samhall Högländ AB and COO and Deputy CEO of Saab AB. Other current assignments/positions: Partner and founder of Olving & Ohberg AB, Chairman of Academic Work

Holding AB, Scandinova Systems AB and Kungliga Operan AB. Board member of Assa Abloy AB, Investment AB Latour, Stena Metall AB, NXP Semiconductors N.V. and IVA's Business Executives Council (Näringslivsrådet). Selected previous assignments: Board member of Alfa Laval AB, Gunnebo AB, Norsk Hydro AS, Novozymes AS and SJ AB. Holding in Munters Group AB: 500 shares Independent in relation to the Company and Group Management as well as the Company's major shareholders.

10
Tor Jansson
 Born 1989
 Deputy member since 2019.

Employee representative appointed by IF Metall. Position at Munters: Tobo factory, Munters Europe AB. Holding in Munters Group AB: -

11
Robert Wahlgren
 Born 1969
 Board member since 2010.

Employee representative appointed by Unionen. Position at Munters: Customized Project Engineering Manager, Munters Europe AB. Holding in Munters Group AB: - Board member since 2010.



1
Klas Forsström
 President and CEO since 2019. President of AirTech since 2021.

Principal education: M.Sc. in Materials Physics and MBA from Uppsala University as well as advanced management studies at INSEAD.
 Professional experience: Former President of Sandvik Machining Solutions business area Sandvik Machining Solutions. Over 20 years of senior management experience at Sandvik, including as President of Sandvik Hard Materials and Sandvik Coromant. Other current assignments: Board member of IPCO AB. Holding in Munters Group AB: 106,900 shares

2
Annette Kumlien
 Group Vice President and CFO since 2019.

Principal education: Bachelor of Science in

Business Administration from the Stockholm School of Economics. Professional experience: SSVP and COO of Diaverum and prior to that CFO. Former CFO of a number of listed companies such as Höganäs and Pergo as well as business controller at Perstorp and Sandvik. Other current assignments: Board member of Cavotec SA. Holding in Munters Group AB: 11,000 shares.

3
Pia Brantgärde Linder
 Group Vice President and President of FoodTech since August 2020.

Principal education: M.Sc. in Mechanical Engineering from Chalmers University of Technology and an Executive Master of Business Administration (EMBA) from Stockholm School of Economics. Professional experience: Former Business Area Manager for HV

Products North Europe at ABB. Over 20 years of global senior management experience at ABB, including as General Manager of HV Breakers, Head of Operations for a global product group, Technology Manager, Project Manager and Area Sales Manager. Other current assignments: Board member of Roxtec Group. Holding in Munters Group AB: -

4
Stefan Mähl
 Group Vice President, Strategic Operations since 2020.

Principal education: Bachelor of Science in Engineering, Automation Technology. Professional experience: Various senior positions at Munters, including Global Purchasing Manager and interim head of operations within the Air Treatment division in Europe. Purchasing Director and Head of Quality Assurance at

LGP Allgon/Powerwave Technologies and Vice President Strategic Purchasing and Component Engineering at Siemens-Elema AB Medical Solutions. Holding in Munters Group AB: 15,000 shares.

5
Stéphane Darcq
 Group Vice President Innovation since November 2020. FoodTech Vice President Research & Development and Marketing since March 2019.

Principal education: Bachelor of Science from the French Institute of Industrial Refrigeration, M.S. in business management from the Management School of Lyon. Professional experience: Extensive experience in HVAC, various global positions in product marketing, business development and product development. Positions at Carrier, Daikin, LG Air Conditioning and

more recently Chief Technology Officer at FläktGroup. Holding in Munters Group AB: -

6
Stefan Aspman
 Group Vice President and Head of Commercial Excellence, Strategic Marketing and Communications since February 2021.

Principal education: M.S. in Business and Economics Professional experience: Business strategy consultant and over 10 years in strategic key roles and senior positions at Sandvik, including Global Head of Commercial Pricing and Profitability Management for the Sandvik Machining Solutions business area and Head of Business Control and Performance Management at Sandvik Coromant. Holding in Munters Group AB: -

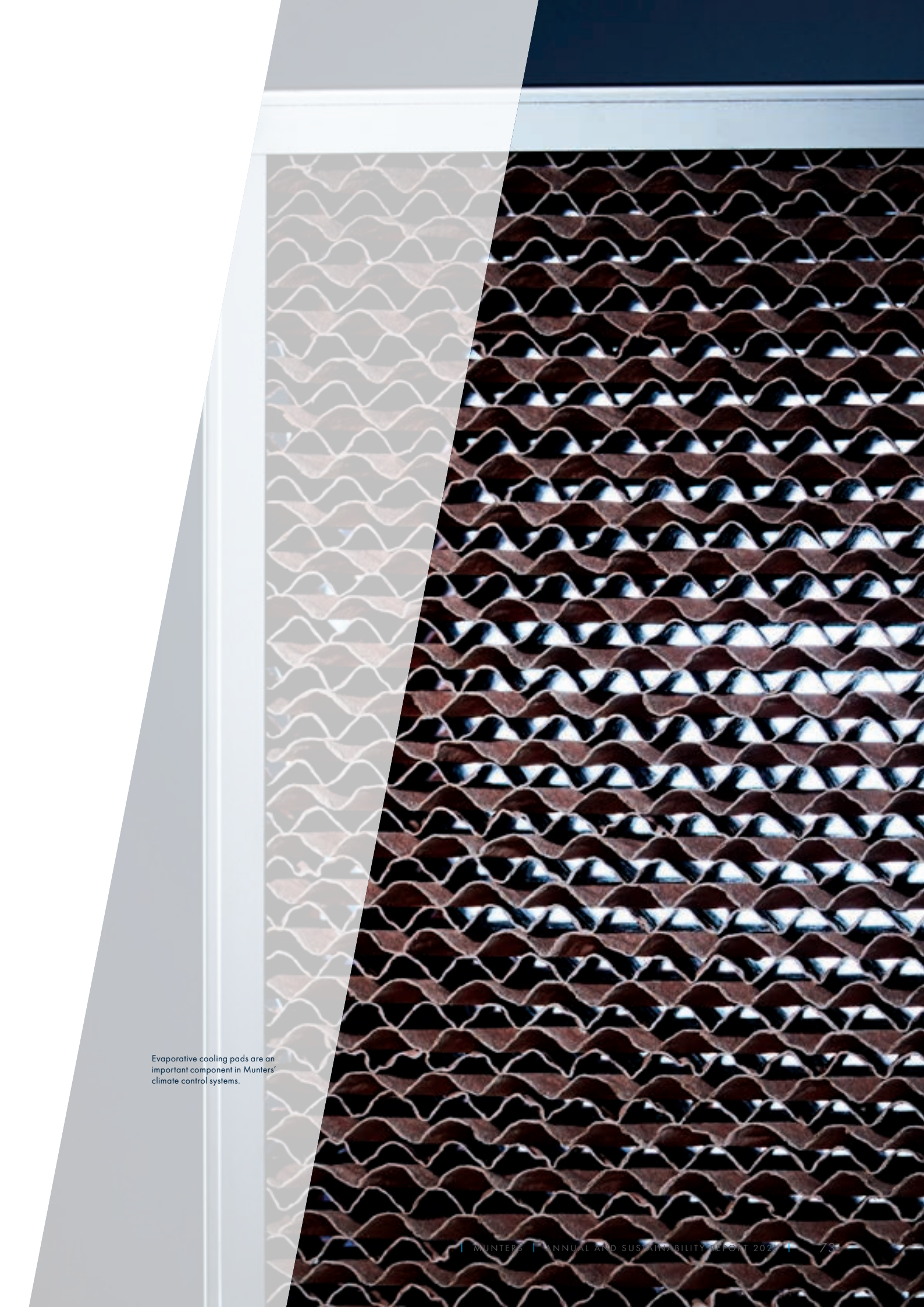
7
Grete Solvang Stoltz
 Group Vice President HR & Sustainability since 2022.

Principal education: Master in Business Administration from Luleå University of technology Professional experience: Previously Senior Vice President HR and Sustainability LKAB group. Prior to that 12 years within SCA in various management positions including Logistic manager, HR manager and CFO for SCA Packaging Munksund. Holding in Munters Group AB: -

Sofia Gellar, Group Vice President HR & Sustainability, left Munters in December 2021.

Peter Gisel-Ekdahl, Group Vice President and President AirTech, left Munters in June 2021.

CEO Klas Forsström took over as Acting President of AirTech.



Evaporative cooling pads are an important component in Munters' climate control systems.