

The Nomination Committee's work and motivated statement in respect of the Annual General Meeting 2015

Composition and assignment

Based on the resolution passed at the AGM 2014, the Chairman of the Board convened a Nomination Committee with representatives of the three largest shareholders of the company and himself. Thus, the Nomination Committee was made up of Jan Andersson (Swedbank Robur fonder), Bengt Stillström (Traction), Ricard Wennerklint (If) and Anders Ullberg (Chairman of the Board).

At its first meeting, the Nomination Committee appointed Bengt Stillström as Chairman.

The Nomination Committee's assignment included preparation of proposals in respect of:

- Chairman of the Annual General Meeting
- Number of Board members
- Board members and Chairman of the Board
- Fees to the Board of Directors, allocated between the Chairman and the other Board members
- Fees for committee work
- Auditors
- Fee to the company Auditor

Work

The Nomination Committee has held two meetings in order to prepare proposals for the 2015 Annual General Meeting. In addition to formal meetings, the members have had separate contacts between themselves. The Nomination Committee has been in contact with some of the Board members and has taken the outcome of the evaluation of the Board into account.

Proposal for Board of Directors

The evaluation of the Board of Directors and its work shows that the Board is well-functioning and that the members have adequate competence and experience for their task. However, Anders Ullberg has informed the Nomination Committee that he is not available for re-election.

The Nomination Committee has considered the number of members best suited to contribute to an effective and well-functioning Board work. During the past year the Board has had six members. Due to the challenges that the company has to face during the current year which are expected to require a more active Board work than usual, the Nomination Committee considers a reduction of the number of Board members to five members appropriate in order to make possible for the elected Board members together with the Employee Representatives to conduct an effective Board work.

Furthermore, the Nomination Committee has taken into account the requirements regarding the composition of the Board in respect of diversity and even gender distribution. The proposed Board of Directors consists of one woman and four men, which corresponds to 20% women. This is below the long term ambition of the Nomination Committee. However, considering the significant challenges that the company and the Board of Directors are faced with during the current year, the Nomination Committee has in the short term decided to give priority to continuity and swift decision making.

Therefore, the Nomination Committee agreed to propose re-election of Roger Bergqvist, Charlotte Hansson, Lars Olof Nilsson, Petter Stillström and Jörgen Zahlin. Furthermore, the Committee propose election of Petter Stillström as Chairman of the Board. It is the overall assessment of the Committee that the proposed Board of Directors possess required competences and experiences in respect of e.g. the industry and that the proposed Board has necessary industrial, financial and strategic knowledge.

Independence of the proposed Board members

The Nomination Committee has considered the proposed Board members' independence, and came to the conclusion that all of them were independent of the Company and the Company's management and that Roger Bergqvist, Charlotte Hansson, Lars Olof Nilsson and Jörgen Zahlin were independent of the larger shareholders.

Fees

The Nomination Committee has reviewed the level of fees to Board members of comparable companies and taken this and the company's week financial development into account, hence the Nomination Committee does not see any reason to increase the fees to the Board of Directors. The fee for the Chairman is proposed to amount to SEK 420,000 and for the other four members to SEK 210,000.

The fees to the members of the Audit Committee are proposed to remain at SEK 70,000 to the Chairman and SEK 40,000 to each of the other members. It is proposed that the members of the Remuneration Committee shall not receive any remuneration.

Proposals for auditor

KPMG has been the auditor of the company for a long period of time. The Audit Committee initiated an audit procurement during the summer of 2014. Based on the recommendation of the Audit Committee, the Nomination Committee proposes new-election of accounting firm Öhrlings PricewaterhouseCoopers AB as the company's auditor.

Fees to the auditors

Based on the negotiation which has been made by the Audit Committee, it is proposed that fee to the Auditor shall be paid as per approved invoice.