

## **The Nomination Committee's work and motivated statement regarding the Annual General Meeting 2013**

### **Composition and assignment**

On the basis of the resolution passed at the AGM 2012, 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), Tomas Ramsälv (Odin fonder), Bengt Stillström (Traction) 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
- Nomination Committee

### **Work**

The Nomination Committee has held four meetings in order to prepare proposals for the 2013 Annual General Meeting. In addition to formal meetings, the members have had separate contacts between themselves.

### **Proposal for Board of Directors**

The assessment 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, Cecilia Edström has informed the Nomination Committee that she 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, which the Nomination Committee considers to be an adequate number to, together with the union appointed members, facilitate an effective Board work.

On the basis of the Company's current position and challenges in a medium-term perspective, the Nomination Committee concluded that the five members who have declared themselves available for re-election have the required competences and experiences for a continued assignment, as concerns inter alia the industry and sufficient industrial, financial and strategic knowledge. Therefore, the Nomination Committee agreed to propose re-election of Roger Bergqvist, Marita Jaatinen, Lars Olof Nilsson and Petter Stillström, and of Anders Ullberg as Chairman. According to the opinion of the Nominations Committee, the Board should be reinforced with an individual with a background in commerce.

After a review of possible candidates, female as well as male, the Nomination Committee decided to propose Jörgen Zahlin as a new member of the Board. Jörgen Zahlin is, since 2002, President and CEO of the technology trading group OEM International.

### **Independence of the proposed Board members**

The Nomination Committee 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, Marita Jaatinen, Lars-Olof Nilsson, Anders Ullberg and Jörgen Zahlin were independent of the larger shareholders.

### **Fees**

The fees to the Board members have been unchanged since 2008. Ahead of the proposal for fees to the Board members, the Nomination Committee has reviewed the level of fees to Board members of comparable companies and proposes an increase of the fee for the Chairman to SEK 420,000 (400,000) and for the other five members an increase to SEK 210,000 (200,000).

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. The members of the Remuneration Committee are proposed, as before, to not receive any remuneration.

### **Proposals for auditor**

The Annual General Meeting 2012 resolved to re-elect the registered accounting company KPMG as the company auditor for a period of one year. The auditor in charge has worked with the company since 2011. The Nomination Committee shares the opinion of the Audit Committee that there is no reason to change auditor at this point in time and proposes re-election of KPMG as auditor for the period up to and including the 2014 Annual General Meeting.

### **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.

---