

# **The Nomination Committee's reasoned statement on its proposal for members of the Board of Directors and report on how the Nomination Committee has conducted its work**

## **Nomination Committee composition**

The Nomination Committee ahead of the Annual General Meeting 2016 was established by the Chairman of the Board contacting the three largest shareholders on the last business day in September 2015 and offering them the opportunity to appoint one member each to the Nomination Committee.

The largest shareholder, Volito AB, whose shareholding on September 30, 2015 represented approximately 21 percent of the voting shares in the company declined to appoint a member as Chairman of the Board Ulf Liljedahl, who is also CEO of Volito AB is a member of the committee. The Chairman is considered dependent to the company's largest shareholder.

Consequently, the fourth largest shareholder was offered to appoint a member of the committee. Investment AB Öresund appointed Öystein Engebretsen, Catella Fondförvaltning AB appointed Ulf Strömsten, and Spiltan Fonder appointed Pär Andersson as their member. The Nomination Committee members were announced on the website on October 22, 2015. No change in the composition of the committee has subsequently taken place. At the first meeting of the Nomination Committee, Öystein Engebretsen was appointed chairman of the committee.

## **Report on the Nomination Committee's work ahead of the 2016 AGM**

The Nomination Committee has held four minuted meetings. Its members have also held regular contact and held additional dialogues by telephone between meetings.

The Nomination Committee has taken note of the Board's evaluation of its work, which shows a good result. The result of the evaluation has been presented in its entirety for the Nomination Committee and has thus been accounted for in a satisfactory manner.

The Nomination Committee has dealt with all the issues that the committee shall examine according to the Swedish Code of Corporate Governance as outlined in below justification.

Furthermore, the Nomination Committee, with the aim for the company to fulfill its information obligations towards shareholders, has informed the company about the Nomination Committee's work and how it has been conducted and on what proposals the Nomination Committee has decided to put forward.

## **Motivation of proposal of Board of Directors**

The Nomination Committee of Bulten AB (publ) motivates its proposal of Board of Directors as follows.

The Nomination Committee has in the assessment of appropriate size and appropriate composition of the Board considered the competence and experience of individual members and especially valued how the members complement each other and that the board jointly possesses the requisite width in both background and competence. The Nomination Committee has especially considered the demands that will be placed on the Board considering the Company's operations, development and other conditions and also taken into account the value of both continuity and renewal among the Board members. Even independent issues have been considered as the pursuit of gender balance and continued previously started change of generations. The committee has considered the results of the evaluation of the current Board of Directors

and its work done and based on the information the Nomination Committee deems that the Board is functioning well and as a whole possesses broad competence and experience relevant to the Group.

Several changes were made to the composition of the Board at the AGM in 2015 when three members were replaced by three new ones. Against this background, the Nomination Committee has this year decided to focus on ensuring the continuity of the board and the board will be supplemented with additional skills and experience.

The Nomination Committee considers there is now a good composition of the board that can meet the upcoming tasks in a good and efficient way. The Nomination Committee has, however, drawn attention to the need for additional industrial experience and deep expertise and experience in logistics-related issues. The Nomination Committee has conducted a recruitment process to find candidates who can complement the remaining members' competence and experience. Furthermore, the Nomination Committee has recognized the need for a better gender balance and continuation of previous generation change among the Board members, which also have been important parameters Nomination Committee's evaluation.

Various candidates have been considered and evaluated, with the goal of finding the candidate that is best suited and possess adequate experience to complement the Board's composition in general.

Among the candidates, Anne-Lie Lind has been identified as a person that well meets the competence requirements and the experience sought. She holds a M.Sc. and possesses broad expertise and experience from different industries. She has industrial experience as well as in logistics-related issues. Anne-Lie Lind also has experience from a number of boards and completion of the Board with Anne-Lie Lind would result in a continued generation change of the Board and contribute to a better gender balance on the board.

The Nomination Committee has been informed that the chairman and other directors declared themselves available for re-election to the Board.

In light of the above, the Nomination Committee proposes re-election of Ulf Liljedahl, Hans Gustavsson, Johan Lundsgård, Hans Peter Havdal, Ann-Sofie Danielsson, Gustav Lindner and Peter Karlsten and new-election of Anne-Lie Lind. As Chairman of the Board, Ulf Liljedahl is proposed.

The proposed Board of Directors is assessed to have the versatility and diversity of competence, experience and background that is required and is suitable with respect to the company's operations, development stage, and other conditions. The Nomination Committee's proposal improves the gender balance and continuity.

In order to assess whether the proposed directors are considered independent of the company and its management and major shareholders of Bulten, the Nomination Committee has obtained information about the proposed Board members. The Nomination Committee has determined that Ulf Liljedahl and Gustav Lindner are to be considered as independent of the company and its management but not independent of the company's major shareholders. The other proposed directors are considered independent in relation to the company, management and major shareholders.

The Nomination Committee has at its preparations evaluated previously decided remuneration levels for board members against comparable companies. Taking into account such review, the Nomination Committee proposed an unchanged remuneration level. Based on the fact that the Board is proposed to expand with an additional member, an increase of the total remuneration with 300,000 SEK is proposed. Total remuneration is proposed to amount to 2,700,000 SEK.

The Nomination Committee has, based on the extensive full quotation process that was carried out ahead of AGM 2014, decided to continue recommending the Annual General Meeting that the accounting firm PwC as auditor for the ensuing term.

Moreover, the Nomination Committee has drawn up proposals for appointing a Nomination Committee ahead of the 2016 AGM, as well as instructions for such a Nomination Committee. The proposed principles are consistent in principle with those applied in the past year, however, with some minor adjustments to adapt to the revised Swedish Code of Corporate Governance. The Nomination Committee proposes no remuneration be paid to the committee members.

Shareholders have the opportunity to submit their proposals and views to the Committee until 19 February, 2016.

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March 2016

Nomination Committee for Bulten AB (publ)