

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 2019 was established by the Chairman of the Board contacting the three largest shareholders on the last business day in September 2018 and offering them the opportunity to appoint one member each to the Nomination Committee.

The largest shareholder, Volito AB, whose shareholding on September 30, 2018 represented approximately 22 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. Lannebo Fonder appointed Claes Murander, Investment AB Öresund appointed Öystein Engebretsen, and Spiltan Fonder AB appointed Pär Andersson as their member. The Nomination Committee members were announced on the website on October 19, 2018. 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 2019 AGM

The Nomination Committee has held three 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 Chairman has informed the Nomination Committee of the diversity policy that applies to the company which corresponds with the Swedish Corporate Governance Code rule 4.1.

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 Nomination Committee has therefore carried out a recruitment process in order to find candidates who can supplement the existing Board's composition in this regard. Furthermore, continued generational change and the pursuit of a more even gender distribution have been identified as important parameters in the Nomination Committee's evaluation. The nomination committee has identified suitable candidates but it has been noted that they are not available in the year process.

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 operations and the different geographical markets they operate in.

In connection with the Annual General Meeting 2018, five of the then seven members were re-elected (the two other members had declared themselves unavailable for re-election) and Nicklas Paulson was appointed new member.

All Board members have declared themselves available for re-election to the Board and the Nomination Committee has considered it important to value the continuity of the Board. The Nomination Committee considered the appropriate size of the Board and considered that the number of Board members could be increased by one, but that it should be prepared before the next Annual General Meeting 2020.

In light of the above, the Nomination Committee has proposed that the number of Board members shall remain unchanged six and proposed re-election of Ulf Liljedahl, Hans Gustavsson, Hans Peter Havdal, Peter Karlsten, Anne-Lie Lind and Nicklas Paulson, and they possess, according to the Nomination Committee's assessment, a solid competence and experience. Ulf Liljedahl has been proposed to the Chairman of the Board.

In conclusion, the proposed board is deemed to have the size, versatility and breadth of expertise, experience and background that are required and is appropriate with regard to the company's operations, development phase and other conditions. In its work, the Nomination Committee has taken into account that an even gender distribution shall be sought in the Board, that the Board shall otherwise be characterized by diversity and breadth of competence, experience and background. The Nomination Committee has applied the Diversity Policy that applies to the

company when preparing its proposal. It can be stated that the goal of a more even gender distribution is not met by the proposal but that the Nomination Committee intends to continue to work to achieve a more even gender distribution on the Board.

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 Nicklas Paulson 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.

In its preparation, the Nomination Committee has also evaluated previously decided fees levels for the Board's members against comparable companies. Taking into account such a review, the Nomination Committee has proposed that the fee level be increased slightly in relation to previous years (fees for 2018 are mentioned in parentheses), meaning that fees of SEK 475,000 (450,000) shall be paid to the Chairman of the Board and 315,000 (300,000) SEK to each other members elected by the AGM who are not employed by the company or subsidiaries. The fee per member and assignment in committee is maintained unchanged. It is therefore proposed that a total fee of SEK 2 250 000 (SEK 2 150 000) be paid.

In accordance with the Audit Committee's recommendation, the Nomination Committee has chosen to recommend the Annual General Meeting that the accounting firm PricewaterhouseCoopers AB as auditor for the ensuing term.

Moreover, the Nomination Committee has drawn up proposals for appointing a Nomination Committee ahead of the 2019 AGM, as well as instructions for such a Nomination Committee. The proposed principles are consistent with those applied in the past year. 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 15 February, 2019.

March 2019

Nomination Committee for Bulten AB (publ)