

The Nomination Committee's reasoned statement regarding the proposed Board and report on the Nomination Committee's work

Nomination Committee composition

The Nomination Committee ahead of the Annual General Meeting 2021 was established by the Chairman of the Board contacting the three largest shareholders on the last business day in September 2019 and offering them the opportunity to appoint one member each to the Nomination Committee.

The largest shareholder, Volito AB, whose shareholding on September 30, 2020 represented approximately 24 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 in his role as Chairman of the Board of Bulten. The Chairman is considered dependent to the company's largest shareholder.

Instead, the eight largest shareholder was offered to appoint a member of the committee, as the others had declined. Lannebo Fonder appointed Claes Murander, Nordea Funds appointed Maria Rengefors, and Carnegie Funds appointed Viktor Henriksson as their member. The Nomination Committee members were announced on the website on October 21, 2020. No change in the composition of the committee has subsequently taken place. At the first meeting of the Nomination Committee, Claes Murander was appointed chairman of the committee.

Report on the Nomination Committee's work ahead of the 2021 AGM

The Nomination Committee has held 3 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 ("the Code") rule 4.1.

The Nomination Committee has dealt with all the issues that the committee shall examine according to the Code 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

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

In connection with the 2020 Annual General Meeting, it was decided, in accordance with the Nomination Committee's proposal, to re-elect Ulf Liljedahl, Hans Gustavsson, Hans Peter Havdal and Peter Karlsten and to re-elect Christina Hallin and Karin Gunnarsson as ordinary Board members. From what follows from the evaluation of the Board's work that the Nomination Committee has read, the Nomination Committee assesses that the Board's work works well and that the Board as a whole possesses such competence and experience that is relevant to the Group's operations.

The Nomination Committee considers that continuity in the Board's work is important to the Company and proposes that the number of Board members be unchanged. Furthermore, the Nomination Committee has been informed that all Board members and the Chairman of the Board have declared themselves available for re-election to the Board.

In light of the above, the Nomination Committee proposes that the number of Board members elected by the Annual General Meeting remain unchanged at six and proposes re-election of Ulf Liljedahl, Hans Gustavsson, Hans Peter Havdal, Peter Karlsten, Christina Hallin and Karin Gunnarsson. Ulf Liljedahl is proposed as Chairman of the Board.

Overall, the Nomination Committee assesses that the proposed Board has the size, competence, and experience required and is appropriate with regard to the company's operations, at the same time as the proposed Board composition meets all the requirements prescribed in the Swedish Code of Corporate Governance. In its work, the Nomination Committee has taken into account that an even gender distribution shall be sought in the Board and that the Board shall otherwise be characterized by versatility and breadth regarding background.

Fees

In its preparation, the Nomination Committee has evaluated previously decided fee levels for the Board members against comparable companies. Taking this into account, the Nomination Committee proposes increased board fees to the members of the Board, of which SEK 485,000 shall be paid to the Chairman of the Board and SEK 325,000 to each of the other members elected by the Annual General Meeting who are not employees of the company or subsidiaries. The fee for the audit committee is proposed to continue to amount to SEK 75,000 for the chairman and to SEK 25,000 for other members. Furthermore, the Nomination Committee proposes an unchanged remuneration to the Remuneration Committee, which means SEK 65,000 to the Chairman of the Remuneration Committee and SEK 10,000 to other members. No remuneration shall be paid to the Chairman of the Board in his capacity as a member of the Remuneration Committee. The total fee is thus proposed to amount to SEK 2,310,000.

Auditors

In accordance with the Audit Committee's recommendation, the Nomination Committee recommends re-election of the auditing firm PricewaterhouseCoopers AB as auditor for the coming term of office. Fees are proposed to be paid according to current accounts.

Nomination Committee

Furthermore, the Nomination Committee has examined proposals for principles for the appointment of a Nomination Committee prior to the 2021 Annual General Meeting and for instructions for such a Nomination Committee. Proposed principles are fully in line with those applied during the past year. The Nomination Committee proposes that no remuneration be paid to the members of the Nomination Committee.

Proposals from shareholders

Shareholders have had the opportunity to submit proposals and views to the Nomination Committee until and including 18 February 2021.

March 2021

Nomination Committee for Bulten AB (publ)