

Report on the Nomination Committee's work

Background

The AGM on February 24, 2011 of Bulten AB (publ) ("Bulten") decided that a Nomination Committee should be set up in order to complete the tasks set out in the Swedish Code of Corporate Governance and to submit proposals for the Nomination Committee, or alternatively a decision on principles for appointing a Nomination Committee, instructions for the Nomination Committee and remuneration for the members of the Nomination Committee. New principles for appointing the Nomination Committee and the instructions for the Nomination Committee were adopted at the Annual General Meeting 2012 and were revised at the Annual General Meeting 2013 and 2014.

Nomination Committee composition

The Nomination Committee ahead of the Annual General Meeting 2015 was established by the Chairman of the Board contacting the three largest shareholders on the last business day in September 2014 and offering them the opportunity to appoint one member each to the Nomination Committee.

Volito AB appointed Karl-Axel Granlund, Investment AB Öresund appointed Mikael Norbäck and Catella Fondförvaltning AB appointed Ulf Strömsten as their member. The Chairman of the Board, Roger Holtback, has also been a member of the Nomination Committee. The Nomination Committee members were announced on the website on October 23, 2014. The Nomination Committee members represented together about 34 percent of the votes in Bulten AB according to ownership structure as of September 30, 2014. No change in the composition of the committee has subsequently taken place.

At the first meeting of the Nomination Committee, Karl-Axel Granlund was appointed chairman of the committee.

Report on the Nomination Committee's work ahead of the 2015 AGM

The Nomination Committee has held two minuted meetings. Its members have also held regular contact and held additional meetings by telephone which has not been minuted.

Shareholders have had opportunity to make suggestions and comments on the committee's work up to and including 20 February 2015.

The Nomination Committee has handled all the issues they should under the Swedish Code of Corporate Governance. The Nomination Committee has, for example, discussed and considered

- a) to what extent the current Board fulfils the requirements that will be placed on the Board as a result of the Company's operation and stage of development;
- b) the size of the Board;
- c) what competence areas are and should be represented on the Board;
- d) the composition of the Board regarding gender, experience and background; and
- e) fees for Board members.

The Nomination Committee has taken note of the Board's evaluation of its work, which was reported in a satisfactory manner and with good results.

In order to determine the appropriate size of the Board, effective composition and desirable qualifications, experience and background of the Board members, the Nominating Committee has in its work considering the demands that will be placed on the Board of the Company's operations, performance and other conditions. The Nominating Committee, has taken particular account to the value of both continuity and renewal among the Board members. Also independent issues have been highlighted as well as the issue of gender balance.

Bulten's Chairman Roger Holt Back, and board members Arne Karlsson and Adam Samuelsson has notified the committee that they decline re-election.

During the recruitment process for new Board members conducted, the Nomination Committee has evaluated several suitable candidates, both male and female. Subsequently, the Nomination Committee has decided to propose the re-election of the current Board members Hans Gustavsson, Johan Lundsgård, Hans Peter Havdal and Ann-Sofie Danielsson and new election of Ulf Liljedahl, Gustav Lindner and Peter Karlsten. As chairman of the Board, Ulf Liljedahl is proposed.

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 Johan Lundsgård, Ulf Liljedahl and Gustav Lindner is 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 a reduction of the total remuneration, based on an unchanged number of members, from 2,850,000 SEK to 2,400,000 SEK.

Moreover, the Nomination Committee has drawn up proposals for appointing a Nomination Committee ahead of the 2015 AGM, as well as instructions for such a Nomination Committee. Proposed principles for appointing a new Nomination Committee and instructions for the Nomination Committee are the same as those that have been applied in the past year and has only to some extent been clarified. The Nomination Committee proposes that no remuneration be paid to the members of the Nomination Committee.

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

Finally, with the aim of ensuring that Bulten can fulfil its information obligations to shareholders, the Nomination Committee has informed Bulten about how the Nomination Committee's work has been carried out and about the proposals the Nomination Committee has decided to submit.

March 2015

The Nomination Committee of Bulten AB (publ)