

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 2018 was established by the Chairman of the Board contacting the three largest shareholders on the last business day in September 2017 and offering them the opportunity to appoint one member each to the Nomination Committee.

The largest shareholder, Volito AB, whose shareholding on September 30, 2017 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. 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 20, 2017. 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 2018 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 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 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.

At the AGM in 2017 all seven Board members were re-elected. The Nomination Committee has, in the same manner as for 2017, this year decided to focus on ensuring the continuity of the board.

The Nomination Committee has been informed that Ann-Sofi Danielsson and Gustav Lindner decline re-election at the forthcoming AGM April 26, 2018. The other directors and the chairman have declared themselves available for re-election to the Board and according to the Nomination Committee's assessment, they have a solid competence and experience why the Nomination Committee has proposed re-election of these Board members.

The Nomination Committee proposes that Nicklas Paulsson be elected as new board member. Nicklas Paulsson is CEO of Investment AB Öresund since March 2018. Nicklas has more than 20 years of experience in investment banking and corporate finance, and comes closest to Carnegie. In light of the above, the Nomination Committee proposes re-election of Ulf Liljedahl, Hans Gustavsson, Hans Peter Havdal, Peter Karlsten, Anne-Lie Lind and new election of Nicklas Paulsson. As Chairman of the Board, Ulf Liljedahl is proposed.

The proposed Board of Directors is assessed to have the size, 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 has in its work considered that gender balance will be sought on the board. The change in the board means that a more even gender distribution is not achieved but instead becomes less even. The Nomination Committee has carefully considered this, but as stated above, continuity and a reduced number of Board members are more important and effective. The Nomination Committee has taken into account that the Board of Directors also should be characterized by diversity and breadth of skills, experience and background. The Nomination Committee has applied diversity policies that apply to the Company in preparing its proposal.

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 Paulsson 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 for each director and mission to the Board's committee. Total remuneration is therefore proposed to amount to 2,150,000 SEK.

In accordance with the Audit Committee's recommendation, the Nomination Committee has chosen to recommend 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 2018 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 16 February, 2018.

March 2018

Nomination Committee for Bulten AB (publ)