

## **The Nomination Committee's work and motivated statement regarding the Annual General Meeting 2012**

### ***Composition and assignment***

In accordance with the principles for the establishment of Nomination Committee that were adopted by the Annual General Meeting 2007, the Nomination Committee for the Annual General Meeting 2012 has consisted of Petter Stillström (AB Traction), Chairman, Anders Ullberg, (Chairman of the Board of BE Group), Jan Andersson (Swedbank Robur fonder) and Tomas Ramsälv (Odin Fonder).<sup>1</sup> At its first meeting, the Nomination Committee appointed Petter Stillström as Chairman.

The Nomination Committee's assignment included preparation of proposals in respect of:

- Chairman of the General Meeting
- Number of Board members
- Board members and Chairman of the Board
- Fees to the Board of Directors, allocated between the Chairman and other Board members
- Fees for committee work, if applicable
- Auditors
- Fees to the Auditors

### ***Work***

The Nomination Committee has held two meetings in order to prepare proposals for the 2012 Annual General Meeting. In addition to formal meetings, the members have had separate contacts between themselves. The Nomination Committee has been furnished with the evaluation of the work of the Board which has been conducted under the supervision of the Chairman of the Board.

### ***Proposal for Board of Directors***

The assessment of the Board of Directors and its work shows that the Board is well-functioning and that the members deem themselves to have adequate competence and experience for their task. The Nomination Committee has considered the number of members best suited to contribute to an effective and well-functioning Board work, and has deemed the current number of six Board members to be an appropriate size. All members except for Lars Spongberg have declared themselves available for re-election.

In its work, the Nomination Committee has further considered what is stated in clause 4.1 of the Swedish Code of Corporate Governance regarding the composition of the Board and that the proposed composition of the Board, with regard to the operations of the company, the company's phase in development and other relevant circumstances, must be appropriate and must entail that the Board comprises the required competences and experiences as concerns inter alia the industry and sufficient financial, industrial and strategic knowledge.

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<sup>1</sup> Thomas Ehlin, representing Nordea's fonder, has left his seat on the Nomination Committee since Nordea's fonder sold its holding of shares in the company after the Nomination Committee was constituted.

Based on the above, the Nomination Committee's assessment is that all the Board members who have declared themselves available for re-election have the required competences and experiences for a continued assignment and that it is appropriate to complement these with the competence and experience of the candidate who is proposed to be newly elected. Nomination Committee therefore proposes re-election of Anders Ullberg, Roger Bergqvist, Cecilia Edström, Marita Jaatinen and Lars Olof Nilsson, new election of Petter Stillström and re-election of Anders Ullberg as Chairman of the Board.

Petter Stillström was born in 1972 and holds a master of science degree in business and economics. He has been working with AB Traction since 1999 and has been its CEO since 2001. His assignments include the following: Chairman of the Board of Softronic and Board member of OEM International, Partnertech and a few other unlisted companies in the interest sphere of AB Traction. For information on the board members proposed for re-election, please see the presentation under "Corporate Governance" on the company's website, [www.begroup.com](http://www.begroup.com).

#### ***Independence of the proposed Board members***

When assessing the proposed board members' independence, the Nomination Committee has come to the conclusion that all of them are independent in relation to the Company and the Company's management and that all of them, except for Petter Stillström, are independent in relation to the Company's major shareholders.

#### ***Fees***

The Nomination Committee assesses that the fees to the Board members are well in line with other companies of comparable size and complexity, whilst the fees for work in the Audit Committee are slightly lower than in other companies. Against this background, it is proposed that the fees to the Board members, who are not employed by the Company, shall remain at SEK 400,000 to the Chairman of the Board and SEK 200,000 to each of the other Board members, that the fees to the members of the Audit Committee shall be raised to SEK 70,000 (60,000) to the Chairman and SEK 40,000 (30,000) to each of the other members, and that the members of the Remuneration Committee shall not received any remuneration (unchanged).

#### ***Proposals from shareholders***

The shareholders have on the company's website been informed about how to submit proposals to the Nomination Committee. No proposals have been submitted.

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*The Nomination Committee in  
January 2012*