

The Nomination Committee’s reasoned opinion regarding the proposed Board of Directors and a statement of how the nomination committee has carried out its work

Composition of the nomination committee

The nomination committee was formed by the Chair of the Board of Directors in advance of the 2022 AGM by contacting the shareholders, who, as of the last banking day in September 2021, were the three largest shareholders, and offering them the opportunity to appoint one member each to the nomination committee.

The largest shareholder, Volito AB, whose ownership as of September 30, 2021 represented approximately 24 percent of the number of shares in the Company entitled to vote, refrained from appointing a member to the nomination committee since the Chair of the Board of Directors, Ulf Liljedahl, who is also CEO of Volito AB, is a member of the nomination committee as part of his role as Chair of the Board of Directors of Bulten. The Chair of the Board of Directors must be regarded as dependent on the Company’s largest shareholder.

Consequently, the fourth largest shareholder was offered the opportunity to appoint a member of the nomination committee. Handelsbanken Fonder appointed Frank Larsson, Nordea Fonder AB appointed Maria Rengefors and Carnegie Fonder appointed Viktor Henriksson. The nomination committee members were announced on the website on Thursday, October 21, 2021. There has been no change in the composition of the nomination committee since then. Frank Larsson was appointed as Chair of the nomination committee at its first meeting.

Report on the nomination committee’s work in advance of the 2022 AGM

The nomination committee has held three minuted meetings. In addition, the members of the nomination committee have been in regular contact and have held further discussions between meetings by telephone.

The nomination committee has noted the Board’s evaluation of its work, the results of which have proved satisfactory. The results of the evaluation have been presented in full to the nomination committee and have thus been reported in a satisfactory manner.

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The Chair of the Board of Directors has informed the nomination committee of the diversity policy applicable at the Company, which corresponds to the Swedish Code of Corporate Governance (the “Code”).

The nomination committee has dealt with all the matters that the nomination committee is responsible for dealing with under the Code, which are described in more detail in the reasons set out below.

Furthermore, with the aim of ensuring that the Company is able to fulfill its information obligations to shareholders, the nomination committee has informed the Company on how the nomination committee’s work has been carried out and on the proposals that the nomination committee has decided to put forward.

Reasons for proposals to the Board of Directors

The nomination committee gives reasons for its proposal to the Board of Directors as follows.

When assessing a suitable size and appropriate composition of the Board of Directors, the nomination committee has taken into consideration the expertise and experience of individual members and has specifically evaluated how the members complement one another and whether the Board of Directors as a whole possesses the necessary breadth in terms of both background and expertise.

In particular, the nomination committee has specifically considered the requirements that will be placed on the Board of Directors in future, taking into consideration the Company’s operations, development and circumstances in general and also taking into account the value of continuity and renewal among the members of the Board. Matters concerning independence have also been taken into consideration as well as efforts to achieve a more even gender balance and continued generational change.

At the time of the 2021 AGM, Ulf Liljedahl (Chair), Hans Gustavsson, Hans Peter Havdal, Peter Karlsten, Christina Hallin and Karin Gunnarsson were re-elected as ordinary members.

As a result of the evaluation of the work of the Board of Directors noted by the nomination committee, as well as other information, the nomination committee considers that the Board of Directors works well and as a whole possesses broad expertise and experience that is relevant to the Group’s operations and the various geographical markets in which the Group carries on its business.

The nomination committee considers that continuity of the work of the Board of Directors is important to the Company and proposes that the number of Board members should remain unchanged. Furthermore, the nomination committee has been informed that all Board members and the Chair of the Board of Directors have declared themselves available for re-election to the Board.

In view of the above, the nomination committee has proposed that the number of Board members remain unchanged at six and has proposed the re-election of Ulf Liljedahl, Hans Gustavsson, Hans Peter Havdal, Peter Karlsten, Christina Hallin and Karin Gunnarsson. Ulf Liljedahl has been proposed as Chair of the Board of Directors.

To sum up, the proposed Board of Directors is considered to be of the required size and to have the necessary versatility and breadth of expertise, experience and background and to be suitable in view of the Company's operations, stage of development and circumstances in general. In its work, the nomination committee has taken into account the fact that efforts should be made to achieve an even gender balance on the Board and that the Board of Directors should otherwise be characterized by versatility and breadth in terms of expertise, experience and background. The nomination committee has applied the diversity policy applicable to the Company when preparing its proposal.

The nomination committee has acquired information on the proposed Board members to enable it to assess whether the proposed members of the Board Directors can be considered to be independent in relation to the Company and the Company management and major shareholders of Bulten. The nomination committee considers that Ulf Liljedahl should be considered to be independent in relation to the Company and the Company management but dependent in relation to the Company's major shareholders. The other proposed members should be considered to be independent in relation to the Company, the Company's management and the Company's major shareholders.

In its preparation, the nomination committee has also evaluated levels of fees previously decided on for Board members against comparable companies. Taking that review into consideration, the nomination committee has proposed unchanged Board fees for the members of the Board of Directors, which means that SEK 485,000 will be paid to the Chair of the Board of Directors and SEK 325,000 will be paid to each of the other members elected by the AGM who are not employed at the Company or its subsidiaries. It is proposed that the fee for the audit committee be increased to SEK 85,000 (75,000) for the Chair and SEK 30,000 (25,000) for the other members. Furthermore, the nomination committee proposes unchanged remuneration for the remuneration committee. That means that SEK 65,000 will be paid to the Chair of the remuneration committee and SEK 10,000 will be paid to the other members. No remuneration will be paid to the Chair of the Board in his capacity as a member of the remuneration committee. The total proposed fee thus amounts to SEK 2,330,000 (2,310,000).

In accordance with the audit committee's recommendation, the nomination committee has chosen to recommend that the Annual General Meeting re-elect the accounting firm PricewaterhouseCoopers AB as auditor for the next term of office.

Moreover, the nomination committee has drawn up proposals for appointing a nomination committee in advance of the 2022 AGM, as well as instructions for that nomination committee. The proposed principles are in line with those applied in the past year. The nomination committee proposes that no remuneration be paid to the members of the nomination committee.

Shareholders had an opportunity to put forward proposals and comments to the nomination committee up to February 18, 2021.

March 2022

The nomination committee of Bulten AB (publ)