

THE NOMINATING COMMITTEE'S PROPOSAL AND REASONED STATEMENT REGARDING THE DIRECTORS RECOMMENDED FOR THE BOARD OF ROTTNEROS AB

Composition of the Nominating Committee

The Nominating Committee of Rottneros AB ahead of the 2015 AGM has been appointed in accordance with the guidelines resolved by the 2014 AGM and consists of Roger Mattsson (Arctic Paper S.A), Stefan Sundh (PROAD AB) and Rune Ingvarsson (Chair of the Board of Rottneros AB). Stefan Sundh (PROAD AB) has, as of 3 March 2015, replaced Peter Gyllenhammar (Bronsstädet AB) who left the Nominating Committee after Bronsstädet sold most of its shareholding in Rottneros AB.

The Nominating Committee represents approximately 55,6 per cent of total the number of shares and votes of the company.

Proposals from the Nominating Committee

The Nominating Committee submits the following proposals to the 2015 AGM. The item numbering below relates to the agenda for the AGM.

Item 2 – Chair of the AGM

The Nominating Committee nominates Wilhelm Lünig (Attorney) to serve as Chair of the AGM.

Item 13 – Number of Board members and number of auditors

The Nominating Committee proposes that the number of Board members elected by the general meeting shall without change be four.

The company shall have a chartered auditing firm as auditor.

Item 14 – Fees to the Board of Directors and the auditors

The Nominating Committee proposes that fees to meeting-elected Directors whom are not employed by the company are paid with the following amounts: SEK 550,000 to the Chair of the Board and SEK 275,000 to each of the other Board members; furthermore, no fee shall be paid for committee work. Employee representatives shall receive a fee of SEK 27,500 per person for the time required to read materials ahead of meetings.

The proposal represents an increase in remuneration by ten percent compared to the previous year.

Auditors' fees shall be payable on approved account by the CEO.

The Nomination Committee furthermore propose that if it is possible from a tax perspective, and provided that it is cost neutral to the company, a Board member may invoice the fees for the Board work. If a Board member invoices the board fee through a company, the remuneration shall be increased to cover statutory social security contributions and value added tax.

Item 15 – Election of Board members and Chair of the Board

The Nominating Committee proposes the re-election of Board members Roger Asserståhl, Rune Ingvarsson and Per Skoglund and new-election of Marie S. Arwidson as Director. Per Lundeen, who was appointed as managing director of Rottneros AB on 6 November 2014, is not, therefore, proposed for re-election as a Board member.

Marie S. Arwidson was born in 1951 and has a Bachelor in Business Administration from the Stockholm School of Economics. Marie is chairman of the board of Andra AP-fonden and board member of IVA, The Royal Swedish Academy of Engineering Sciences. She possesses long and extensive experience from the pulp & paper industry, most recently as managing director of Skogsindustrierna. Marie has additionally worked with the Swedish Pulp and Paper Association, comprising a position as Vice President International, focusing on EU matters, as well as managing director at CEPI, Confederation of European Paper Industries in Brussels, where she represented the European paper industry in relation to the European institutions.

Re-election of Rune Ingvarsson as Chair of the Board. The Board of Directors shall appoint a new Chair from within its ranks if Rune Ingvarsson's assignment as Chair of the Board ends prematurely.

Reasoned statement regarding the Directors recommended for the Board

The Nominating Committee has discussed the requirements that will be imposed on the Board of Directors in the years to come, and has also taken into account the Board evaluation implemented. The Nominating Committee has considered the company's operations, phase of development, future developments and other circumstances as well as governance and control in order to assess the size and appropriate composition of the Board of Directors together with the diversity and breadth of the Board members' competence, experience and background, as well as considered the requirement to strive for an equal gender balance.

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The Nominating Committee is of the opinion that the Board's size of four members should remain and that further continuity is of great importance for the company at its current phase of development, why three of the four current Board members are proposed for re-election. Board member Per Lundeen has been appointed managing director of the company and will therefore not be proposed as part of the board. In order to further strengthen the industrial competence on the Board, in combination with a solid financial expertise, the Nominating Committee proposes the new-election of Marie S. Arwidson, M.Sc. (Business and Economics), with a longstanding experience from the forestry industry.

The Nominating Committee is of the opinion that, in view of the company's operation, phase of development and conditions in general, the Board will have a suitable composition, characterized by diversity and breadth, and the requirement to strive for an equal gender balance has been considered.

When assessing the independence of the proposed Board members, the Nominating Committee is of the opinion that the recommendation for the Board's composition meets the independence requirements set forth in the Swedish Corporate Governance Code. All of the proposed Board members are to be considered as independent in relation to the company and its senior management. Furthermore, the composition of the Board of Directors also meets the requirement that at least two of the Board members, who are independent in relation to the company and senior management, are independent in relation to the company's major shareholders.

Item 16 – Election of auditor

The Nominating Committee proposes the re-election of the chartered auditing firm Ernst & Young Aktiebolag as the company's auditor for the period extending from the end of the 2015 AGM until the end of the 2016 AGM. The auditing firm has informed the company that the Authorised Public Accountant Erik Sandström will be appointed as auditor in charge until further notice, provided that the Nominating Committee's proposal is adopted by the AGM.

Item 17 – Nominating Committee ahead of the 2016 AGM

It is proposed that the Nominating Committee consists of the Chair of the Board and two additional members and that the Chair of the Board shall not chair the Committee. One of these two members, in addition to the Chair of the Board, must be a representative of the company's largest shareholder and one shall be a representative of one of the company's other four largest shareholders. Neither of these two members may also be a Board member. In the event that, during the Nominating Committee's mandate period, one or more shareholders that have appointed members of the Nominating Committee are no longer among the five largest shareholders in terms of the number of votes, the members appointed by these shareholders shall relinquish their positions and the shareholder(s) that have taken a position among the five largest shareholders in terms of number of votes shall have the right to appoint their own representatives or offer the shareholder who is next in line in terms of number of votes a place on the Nominating Committee, so that there are three Committee members. The Chair of the Board is responsible for ensuring that members are appointed as stated above. The names of the Nominating Committee members are to be presented no later than six months prior to the 2016 AGM. The Nominating Committee shall appoint a chair from within its ranks. The composition of the Nominating Committee at any given time shall be published on the company's website. The Nominating Committee shall submit proposals on the following matters for decisions by the 2016 AGM:

1. the Chair of the general meeting;
2. the number of Board members;
3. the election of Board members;
4. the election of Chair of the Board;
5. board fees, including distribution between the Chair and other Board members as well as compensation for committee work;
6. fees for the auditors;
7. the election of auditors; and
8. guidelines for the appointment of a new Nominating Committee.

The Nominating Committee's work

At the AGM, the Nominating Committee will inform the AGM of how its work has been conducted and also present and justify its proposals.

Information about the Board members

Detailed information about Directors recommended for the Board are held available at the company's website.

Stockholm, April 2015

Nominating Committee of Rottneros AB

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