

## **The Nominating Committee's proposal and reasoned statement regarding the directors recommended for the Board of Rottneros AB**

The Nomination Committee of Rottneros AB (publ) submits the following proposal and reasoned statement ahead of the company's 2018 Annual General Meeting (AGM).

### **Presentation of the work of the Nominating Committee**

The Nominating Committee of Rottneros ahead of the 2018 AGM has been appointed in accordance with the guidelines resolved by the 2017 AGM and consists of Olle Grundberg, Chair of the Nomination Committee (Arctic Paper S.A), Stefan Sundh (PROAD AB) and Per Lundeen (Chair of the Board of Rottneros AB).

The Nominating Committee represents approximately 56.50 per cent of total the number of shares and votes of the company.

The Nominating Committee has ahead of the 2018 AGM held three recorded meetings in addition to further contacts between meetings. The Nominating Committee has for its work taken part of the Board evaluation made by an external consultant, and taken part of the Chairman's summary of the company's operations, objectives and strategies.

The shareholders have been informed that proposals on Board members may be submitted to the Nominating Committee. No such proposal had been made by the time the Nominating Committee completed its work ahead of the 2018 AGM.

### **Proposals from the Nominating Committee**

The Nominating Committee submits the following proposals to the 2018 AGM. The item numbering below relates to the agenda for the AGM.

#### ***Item 2 – Chair of the AGM***

The Nominating Committee nominates the Chair of the Board, Per Lundeen, to serve as Chair of the AGM.

#### ***Item 12 – Number of Board members and number of auditors***

The Nominating Committee proposes that the number of Board members elected by the general meeting shall be five (unchanged).

The company shall have one chartered auditing firm as auditor.

#### ***Item 13 – Fees to the Board of Directors and the auditors***

The Nominating Committee proposes that fees to meeting-elected Directors 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 (unchanged). Furthermore, the Nomination Committee proposes that fees for committee work shall be SEK 10,000 to each of the members in the committees (previously no remuneration). Employee representatives shall receive a fee of SEK 27,500 per person for the time required to read materials ahead of meetings (unchanged).

The Nomination Committee considers the Board fees to be well balanced, therefore the fees are proposed to remain unchanged for the period until the next AGM. On the other hand, the Nomination Committee considers that the committee work has led to increased workload, i.a. in the light of new regulations, it is therefore proposed that fees be paid by SEK 10,000 to each member of the committees.

Auditors' fees shall be paid in accordance with invoice approved by the CEO.

#### ***Item 14 – Election of Board members and Chair of the Board***

The Nominating Committee proposes re-election of Board members Marie S. Arwidson, Ulf Carlson, Per Lundeen, Roger Mattsson and Per Skoglund.

Re-election of Per Lundeen as Chair of the Board.

## **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 considered the Board evaluation implemented. The Nominating Committee has considered the company's operations, phase of development and other circumstances, the diversity and breadth of the Board members' competence, experience and background, as well as considered the requirement for an equal gender balance. The Nominating Committee has furthermore discussed the above criteria from a diversity perspective and the requirement in the Swedish Corporate Governance Code to state how the diversity policy has been applied in the drafting of its proposal. In this respect, the Nominating Committee has chosen to use rule 4.1 of the Code as its diversity policy.

The Nominating Committee is of the opinion that the current directors of the Board have a solid and broad experience that makes them well suited to be a part of the company's Board. Continuity in the work of the Board is further of great importance to the company, therefore the Nomination Committee proposes re-election of all the directors. The Nominating Committee is therefore of the opinion that, in view of the company's operation, phase of development and other circumstances, the Board will have a suitable composition, characterized by diversity and breadth considering the skills, experience and background of the proposed Board members regarding, among other things, their industry- and market experience.

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, except for Per Lundeen, to be considered as independent in relation to the company and its senior management. Furthermore, the composition of the Board of Directors is also considered to meet 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, as Marie S. Arvidsson and Ulf Carlson are considered to be independent in relation to the company and senior management as well as to the company's major shareholders. Per Skoglund and Roger Mattsson are considered to be independent in relation to the company and senior management, but not independent in relation to the company's major shareholders. Per Lundeen is considered to be dependent in relation to the company and senior management as well as dependent in relation to the company's major shareholders.

### ***Item 15 – Election of auditor***

The Nominating Committee proposes new-election of the chartered auditing firm KPMG as the company's auditor for the period extending from the end of the 2018 AGM until the end of the 2019 AGM. The proposal is in accordance with the Audit Committee's recommendation and is based on a tender procedure. The auditing firm has informed the company that the Authorised Public Accountant Jan Malm will be appointed as auditor in charge, if the AGM resolves in favor of the Nominating Committee's proposal.

### ***Item 16 – Instruction for the Nominating Committee***

The Nominating Committee proposes that the AGM resolves on the following instruction for the appointment of a Nominating Committee and the Nominating Committee's mission, mainly in accordance with previous year, to be applicable until further notice and else has been resolved by the General Meeting.

The Nominating Committee shall consist of the Chair of the Board and two additional members. The Chair of the Board shall not chair the Committee. One of these two members, in addition to the Chair of the Board, shall be appointed by the company's largest shareholder and one shall be elected by 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 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 resolutions by the AGM: (a) the Chair of the AGM, (b) the number of Board members, (c) the election of Board members, (d) the election of Chair of the Board, (e) Board fees, including distribution between the Chair and other Board members as well as compensation for committee work, (f) fees for the auditors, (g) proposal for election of auditors, and (h) changes to the instruction for the Nominating Committee, if any.

#### **Information about the Board members**

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

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Vallvik, April 2018  
Nominating Committee of Rottneros AB