

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 2019 Annual General Meeting (AGM).

Presentation of the work of the Nominating Committee

The Nominating Committee of Rottneros ahead of the 2019 AGM has been appointed in accordance with the guidelines resolved by the 2018 AGM and consists of Julia Onstad, 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 2019 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 Nomination Committee's instruction was resolved by the AGM 2018 to apply until further notice until another decision has been made by the AGM. Nomination Committee has not found any reason to propose any changes to the instruction.

The shareholders have been informed that proposals 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 2019 AGM.

Proposals from the Nominating Committee

The Nominating Committee submits the following proposals to the 2019 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 Board members 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 fees for committee work shall be SEK 20,000 to each member of the audit committee (increase of SEK 10,000) and SEK 10,000 to each of the members in the remuneration committee (unchanged). 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 and fees for committee work to be well balanced, therefore the fees are proposed to remain unchanged for the period until the next AGM. The Nomination Committee considers that the audit committee's work entails an increased workload, which is why it is proposed that the fees for audit committee work shall increase and amount to SEK 20,000 per member.

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 new-election of Conny Mossberg. Per Skoglund has declined re-election.

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

Conny Mossberg was born in 1966 and educated in agriculture and forestry. Conny currently works as CEO of Munkedal Skog AB, and is also Chairman of the Board of Dalsland Moose Ranch AB. He has extensive experience from the forest industry through a number of senior positions including in Moelven Skog AB and Norske Skog.

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 four directors of the Board. Per Skoglund has declined re-election. In order to further strengthen the competence of the Board and maintain the size of the Board, the Nomination Committee proposes new-election of Conny Mossberg who has extensive experience of senior positions in the forest industry.

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. Conny Mossberg 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 re-election of the chartered auditing firm KPMG as the company's auditor for the period extending from the end of the 2019 AGM until the end of the 2020 AGM. The proposal is in accordance with the Audit Committee's recommendation. 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.

Information about the Board members

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

Vallvik, March 2019
Nominating Committee of Rottneros AB