

## Proposals by the Nomination Committee prior to the 2017 AGM

The Nomination Committee for the 2017 AGM consisted of the following members: Jannis Kitsakis of Fjärde AP-fonden (Chairman of the Nomination Committee); Anders Algotsson of AFA Försäkring; Rikard Andersson of SEB Fonder; and Anders G. Carlberg (Chairman of the Board).

The Nomination Committee makes the following proposals prior to the 2017 AGM:

### **Election of a chairman for the meeting**

The Nomination Committee proposes that Anders G. Carlberg be elected as chairman of the meeting.

### **Resolution on the number of Board members**

The Nomination Committee proposes that for the period up to the close of the next AGM, the Board of Directors should consist of six members elected by the general meeting with no deputy members.

### **Resolution on Board fees**

The Nomination Committee proposes that fees paid to the Board members for the period up to the close of the next AGM be set at SEK 525,000 for the Chairman of the Board and SEK 290,000 for the other members elected by the general meeting. These fees represent an increase of around five per cent compared with the previous year. Remuneration to the Board committees would be unchanged at SEK 80,000 for the chairman of the Audit Committee and SEK 40,000 for the other members, and SEK 50,000 for the chairman of the Remuneration Committee and SEK 25,000 for the other members. Fees to all the employee representatives on the Board would remain unchanged at SEK 40,000 each for the same period.

### **Election of Board members and Chairman of the Board**

The Nomination Committee proposes the re-election of Anders G. Carlberg, Carina Andersson, Peter Carlsson, Katarina Lindström, Hans Porat and Ragnhild Wiborg to the Board of Directors. Terje Andersen has declined re-election. It is proposed that Anders G. Carlberg be re-elected as Chairman of the Board.

Information about the proposed Board members is available on the company's website, [www.granges.com](http://www.granges.com).

#### **Resolution on the number of auditors, fees to the auditors and election of auditor**

The Nomination Committee proposes that the company have one auditor and no deputy auditor, that fees to the auditor be paid in accordance with approved invoices and that the registered accountancy firm Ernst & Young AB be re-elected as auditor.

The Nomination Committee's proposal accords with the recommendation of the Audit Committee. Neither the Nomination Committee's proposal nor the Audit Committee's recommendation has been influenced by any third party or forced by any contractual terms limiting the freedom of choice of auditor.

Ernst & Young AB has notified that if the meeting approves the Nomination Committee's proposal, the authorised public accountant Erik Sandström will be the chief auditor.

## **The Nomination Committee's reasoned statement concerning proposals for the Board of Directors of Granges AB (publ)**

The Nomination Committee is proposing the re-election of of the current Board members Anders G. Carlberg, Carina Andersson, Peter Carlsson, Katarina Lindström, Hans Porat and Ragnhild Wiborg to the Board of Directors. Terje Andersen has declined re-election. In addition, it is proposed that Anders G. Carlberg be re-elected as Chairman of the Board.

The Nomination Committee's proposal therefore means that for the forthcoming period of office the Board of Directors would consist of six members elected by the general meeting and no deputy members. Under the Articles of Association, the Board shall be composed of at least four and no more than eight members in addition to the employees' representatives. No deputy members need be appointed, but the general meeting has the option of appointing up to four deputy members.

Since the Nomination Committee was formed in autumn 2016 it has held two meetings at which minutes were taken. In addition to these meetings, the Nomination Committee has been in contact by e-mail and telephone. At the first meeting of the Nomination Committee the Chairman of the Board gave an account of the company's operations, goals and strategies and how the work of the

Board had been conducted over the past year. The Chairman also presented to the Nomination Committee the internal written evaluation of the work of the Board that had been commissioned by the Chairman in autumn 2016. The results of this evaluation were overwhelmingly positive. The independent members of the Nomination Committee who are not members of the Board met with the whole of the Board on one occasion. In addition, individual interviews were conducted with a number of members.

The Nomination Committee can state that the positive results reported in the written internal evaluation of the Board were confirmed by the interviews that the Nomination Committee conducted with the Board as a whole and with individual Board members. The Nomination Committee also states that the level of attendance by the Board members was very high. In the Nomination Committee's assessment, the work of the Board functioned very well during the year and was conducted with great commitment. The work of the Board has been characterised by open and constructive dialogue, and cooperation between the Chairman, the Board and its committees and the CEO and executive management is judged to have functioned very well.

Prior to the 2017 AGM the Nomination Committee has assessed whether the current Board is appropriately composed in terms of size, breadth and diversity as regards expertise, age, gender, background and experience, and whether it meets the demands placed on the Board given the company's current and future circumstances. An assessment has also been made as to whether each individual Board member is able to devote sufficient time and commitment to the Board's work.

The Nomination Committee judges that the proposed members represent a broad range of expertise, with both solid and in-depth financial and industrial knowledge as well as significant international experience – including from the markets in China and North America that are important to the company. In addition, the Nomination Committee considers that the members of the Board have a great understanding and knowledge of the particular needs and circumstances of the company in the competitive market in which the company operates.

The Nomination Committee notes that three of the six proposed members of the company's Board are women, corresponding to 50 per cent. This exceeds the long-term goal set by the Swedish Corporate Governance Board for the less well represented gender to make up around 40 per cent of the boards of listed companies by 2020. The Nomination Committee will continue to strive for gender balance on the Board in the future and in its recruitment processes will work to find suitable candidates of both genders.

The Nomination Committee can also state that the proposal means that all of the members are independent in relation to the company and the company management, and are also independent in relation to major shareholders in the company.