

## **Proposal of the Nomination Committee for the procedure on appointing the members of the Nomination Committee, the assignment of the Nomination Committee etc.**

The Nomination Committee proposes the Annual General Meeting of Shareholders 2008 resolves on the following:

1. The Company shall have a Nomination Committee of no less than five members. One member shall be the chairman of the Board of Directors.
2. Based on the shareholding statistics the Company receives from the Swedish central securities depository (VPC AB, "VPC") as per the last bank day of the month in which the Annual General Meeting of Shareholders is held, the Nomination Committee shall, without unnecessary delay, identify the four largest shareholders by voting power of the Company.<sup>1</sup>
3. As soon as reasonably feasible, the Nomination Committee shall, in a suitable manner, contact the identified four largest shareholders and request them, within reasonable time considering the circumstances, however not exceeding 30 days, to provide in writing to the Nomination Committee the name of the person the shareholder wish to appoint member of the Nomination Committee. Should the shareholder abstain from its right to appoint a member, or should the shareholder not appoint a member within the prescribed time, the right to appoint a member of the Nomination Committee shall transfer to the subsequent largest shareholder by voting power that has not already appointed or has the right to appoint a member of the Nomination Committee.
4. The chairman of the Nomination Committee shall be the member that has been appointed by the largest shareholder by voting power, provided the Nomination Committee does not unanimously resolve to appoint another member, appointed by a shareholder, chairman of the Nomination Committee.
5. As soon as all the members and chairman of the Nomination Committee have been appointed, the Nomination Committee shall inform the Company to that effect and also provide required information on the members and chairman of the Nomination Committee including the name of the shareholder the member is representing. The Company shall, without unnecessary delay, make public the constitution of the Nomination Committee by releasing a separate press release and post the information on the Company's web site.

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<sup>1</sup> The shareholding statistics used shall be sorted by voting power (grouped by owners) and cover the 25 largest in Sweden direct registered shareholders, i.e. shareholders having registered a VPC account in their own name or shareholders holding a custody account with a nominee that have reported the identity of the shareholder to VPC.

6. The Nomination Committee shall be considered appointed and its mandate period shall start when the information has been released in a separate press release. The mandate period of the Nomination Committee runs until the next Nomination Committee has been appointed and its mandate period starts.
7. Should a member of the Nomination Committee, appointed by a shareholder, resign from the Nomination Committee during the mandate period or become prevented from fulfilling his/her assignment, the Nomination Committee shall request without delay the shareholder that has appointed the member, to appoint, within reasonable time considering the circumstances, however not exceeding 30 days, another member to the Nomination Committee.

Should the shareholder not appoint another member within the prescribed time, the right to appoint another member of the Nomination Committee shall transfer to the subsequent largest shareholder by voting power, provided such shareholder has not already appointed a member of the Nomination Committee or previously abstained from such right <sup>2</sup>.

Should a member of the Nomination Committee resign in accordance with the preceding paragraph, the rules in item 5 above shall apply correspondingly.

8. In case a shareholder considers its shareholding in the Company is of such significance that it justifies a participation in the Nomination Committee, the shareholder may inform in writing the Nomination Committee thereof by stating its shareholding and in connection hereto adequately verify its shareholding. Upon receipt of such a request no later than December 31, and provided the Nomination Committee considers the reported shareholding be adequately verified, the Nomination Committee shall confirm this to the shareholder, who will then be entitled to appoint a supplemental member of the Nomination Committee. In such case, the rules in items 3, 4 and 5 shall apply correspondingly. In case the Nomination Committee receives a notification from a shareholder past the date of December 31, no action is required to be taken.
9. Should the Nomination Committee at any point in time consist of less than five members, the Nomination Committee shall nevertheless be authorized to fulfill its assignment according to this resolution by the Annual General Meeting of Shareholders.
10. The Nomination Committee shall perform its assignment in accordance with this resolution by the Annual General Meeting of Shareholders and applicable rules.

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<sup>2</sup> The shareholding statistics used in these circumstances shall be the latest available shareholding statistics kept by PVC sorted by voting power (grouped by owners) and cover the 25 largest in Sweden direct registered shareholders i.e. shareholders having registered a VPC account in their own name or shareholders holding a custody account with a nominee that have reported the identity of the shareholder to VPC.

The assignment covers to provide proposals for

- ❖ chairman at the Annual General Meeting of Shareholders;
  - ❖ chairman of the Board of Directors and other members of the Board of Directors appointed by the Annual General Meeting of Shareholders;
  - ❖ fees payable to non-employed members of the Board of Directors;
  - ❖ fees payable to the auditors and, when applicable, election of auditors; and
  - ❖ possible fees payable to the members of the Nomination Committee.
11. The Company shall bear reasonable costs reasonably related to the assignment of the Nomination Committee.