

ÅF AB – The work of the Nomination Committee and the committee's proposals to the 2016 Annual General Meeting

1 The Nomination Committee and its work

In accordance with the principles agreed by the 2015 Annual General Meeting, the Nomination Committee consists of the Chairman of the Board, Anders Narvinger, together with Gösta Lemne, appointed by the ÅForsk Foundation and serving as Chair of the Nomination Committee, Annika Andersson, appointed by Swedbank Robur Investment Funds, Jonathan Schönback, appointed by Handelsbanken Investment Management, Johan Strandberg, appointed by SEB Investment Management and Karl Åberg, appointed by Zeres Public Market Fund.

The current Nomination Committee has held four minuted meetings. As the basis for its work, the Nomination Committee has used inter alia the result of the assessment made with regard to the work of the Board. Members of the committee have also held one-to-one meetings with board members to discuss board work. The Nomination Committee has also discussed the company's strategic challenges with the CEO.

2 Proposals of the Nomination Committee

As assigned by the general meeting of shareholders and in accordance with the principles laid down in the Swedish Code of Corporate Governance, the Nomination Committee submits herewith the following proposals to the 2016 Annual General Meeting of shareholders in ÅF AB.

2.1 Election of someone to chair the meeting

The Nomination Committee proposes that the Chairman of the Board, Anders Narvinger, chairs the 2016 Annual General Meeting.

2.2 Board of Directors

The Nomination Committee proposes that the Board of Directors of the company shall consist of eight (8) members elected by the Annual General Meeting with no deputies.

It is proposed that the current members of the Board, Marika Fredriksson, Staffan Jufors, Anders Narvinger, Björn O. Nilsson, Maud Olofsson, Joakim Rubin, Kristina Schauman and Anders Snell, are re-elected.

2.3 Chairman of the Board

The Nomination Committee proposes that Anders Narvinger is re-elected as Chairman of the Board.

2.4 The Nomination Committee's motivation

The Nomination Committee's proposal for the composition of the Board is based on considerations concerning which qualifications will best serve the Company's current and future business. Industry knowledge and experience of board work in listed companies have been deemed imperative. Another important criterion has been a variety of competences on the Board to achieve a dynamic and varied board work.

Through the contacts with the members of the Board and the evaluation that has been conducted into the work of the Board, the election committee has found that the work of the Board functions very well and that the current composition of the Board fulfils the criteria deemed important by the committee. The Board actively engages in the strategy of the company through participation in the analytical and

preparatory strategy work. The Board considers itself to enact a reassuring control of the company's profitability and financial standing.

A balanced gender composition of the Board is an important goal of the Nomination Committee. The Board is today composed of five men and three women. The level of 40 percent for the least represented gender sought after by the Swedish Corporate Governance Board in publicly listed companies boards by 2020 is therefore almost achieved on the current board. The Nomination Committee therefore finds that there is no need to propose any changes to the annual general meeting of 2016 for the purpose of achieving a yet more balanced gender distribution.

2.5 The board members' position of dependence

Björn O Nilsson and Anders Snell have positions of dependence with regard to the largest shareholder in the company in respect of voting entitlement, The ÅForsk Foundation, but do not have positions of dependence with regard to the company.

None of the other directors proposed has a position of dependence with regard to any of the company's major shareholders or with regard to the company.

Proposed composition of the board fulfils the rules in the Swedish Code of Corporate Governance that more than half of the board members shall be independent with regard to the company and that at least two of these members shall be independent with regard to the largest shareholders in the company.

2.6 Remuneration to the Board

The Nomination Committee proposes that remuneration to the board (including fees for committee work) up until the time of the next Annual General Meeting shall total SEK 2,940,000.

Of this amount, SEK 650,000 is to be allocated to the Chairman of the Board of Directors and SEK 275,000 to each of the eight other directors elected by the Annual General Meeting. This brings the total of fees paid out for the work of the Board of Directors to SEK 2,575,000. This constitutes an increase with SEK 155,000 compared to what was decided by the annual general meeting of 2015. The reason for the Nomination Committee to propose an increase is that the growth of the Company means an increased workload for the board members and that competitive fees are deemed to be of importance when recruiting new members.

It is proposed that the Chair of the Audit Committee shall receive SEK 100,000 in fees and each of the two other members shall receive SEK 75,000. The Chair of the Remuneration Committee is proposed to receive SEK 75,000 in fees and each of the two other members shall receive SEK 45,000. This brings the total of fees paid out for committee work to SEK 365,000, which is unchanged from the Annual General Meeting of 2015.

The Nomination Committee proposes that, if its cost neutral to the Company and agreed with the Company, board members may invoice their remuneration from a wholly owned (Swedish) company. The invoiced fee shall then be increased with statutory social costs and VAT.

2.7 Auditor

The Nomination Committee proposes that the auditing company Ernst & Young AB – EY –, who intends to appoint Hamish Mabon as auditor in charge, shall be appointed auditor of the Company to serve until the end of the 2017 Annual General Meeting.

2.8 Remuneration to the auditors

The Nomination Committee proposes that remuneration to the auditors shall be paid in accordance with approved invoices.

2.9 Nomination Committee

The Nomination Committee proposes that the Principles for the Nomination Committee shall remain unchanged compared with the principles resolved by the 2015 Annual General Meeting:

The Nomination Committee shall consist of representatives of a minimum of three and a maximum of five of the largest shareholders by voting entitlement, together with the Chairman of the Board. The Chairman of the Board will contact and ask the five largest shareholders by voting entitlement to invite them to participate in the Nomination Committee. The entitlement shall be based on Euroclear Sweden AB's list of shareholders (by groups of owners) on the last banking day in August, and on other reliable information provided to the company on the last banking day in August.

The names of the members of the Nomination Committee and the names of the shareholders they represent are to be published at the latest six months before the Annual General Meeting. If any of the five largest shareholders by voting entitlement waives the invitation to appoint a representative to the Nomination Committee, the next largest shareholder in terms of voting rights shall be given the opportunity to appoint a representative. It is however not required to ask more than seven of the largest shareholders by voting entitlement unless the Nomination Committee has fewer than three representatives. The person appointed by the largest shareholder by voting entitlement shall be appointed Chair of the Nomination Committee, unless the Nomination Committee decides otherwise. The Nomination Committee exercises its mandate until the appointment of a new Nomination Committee.

If a significant change takes place in the ownership structure after the Nomination Committee has been constituted and more than two months before the Annual General Meeting and in the event that a major new owner expresses a wish to participate in the work of the committee, the composition of the Nomination Committee shall be altered to accord with the principles specified above, either by replacing the committee member who has been appointed by the smallest shareholder by voting entitlement, or by expanding the Nomination Committee to include one additional member. Shareholders who acquire sufficient shares to qualify as one of the three largest shareholders by voting entitlement within the two months immediately preceding the Annual General Meeting shall have the right to a co-opted representative on the Nomination Committee, if they so wish.

Shareholders who have appointed a member of the Nomination Committee have the right to relieve this member of his/her duties and to appoint a new member in the Nomination Committee in his/her place.

The Nomination Committee shall submit proposals to the Annual General Meeting on:

- the election of someone to chair the Annual General Meeting,
- the election of a Chairman of the Board and other members of the Board of Directors of the company,
- the allocation of Directors' fees between the Chairman of the Board and other Directors, and any remuneration for committee work,
- election and remuneration of Auditors and Deputy Auditors (where appropriate), and
- resolution regarding the principles for the appointment of the Nomination Committee.

The Nomination Committee shall have the right to charge the company for expenses such as those incurred in conjunction with the use of recruitment consultants, whose assistance may be required to enable the Nomination Committee to execute its duties properly. No fees are payable to members of the Nomination Committee.

Stockholm, March 2016

Nomination Committee of ÅF AB (publ)

This English version is a translation of the Swedish original. The Swedish text is the binding version and shall prevail in the event of any discrepancies.