

## Report on the work of the Nomination Committee prior to the 2008 Annual General Meeting

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### Background

According to a decision by Nobia's 2007 Annual General Meeting, the composition of the Nomination Committee was announced on 25 October 2007. The Nomination Committee comprises representatives of the company's four largest owners and the Chairman of the Board. The following individuals were appointed members of the Committee: Peter Lindell (AMF Pension), KG Lindvall (Swedbank Robur Fonder), Fredrik Palmstierna (Säki and If) and Stefan Charette (Öresund). The Nomination Committee decided that Nobia Board Chairman, Hans Larsson, should be a member of the company's Nomination Committee. Stefan Charette was elected Chairman of the Nomination Committee.

The four owner-representatives account for approximately 47 per cent of the votes in Nobia.

In accordance with the decision of Nobia's 2007 Annual General Meeting (and as regards the principles for the composition of the Nomination Committee, decision at the 2006 Annual General Meeting), the task of the Committee was to prepare proposals in the following matters to be presented to the 2008 Annual General Meeting of Nobia:

- the election of the Chairman and other Members of the company's Board of Directors,
- the Board fees, divided between the Chairman and the other Members, and any remuneration for committee work,
- decision on the principles regarding the composition of the Nomination Committee, and
- the Chairman of the 2008 Annual General Meeting,

The Nomination Committee held six meetings at which minutes were taken and the Committee members maintained regular contact between meetings.

### The Nomination Committee's proposals for decisions

#### *The election of the Chairman and other Members of the company's Board of Directors*

The Nomination Committee received a report from the company's Chairman on the manner in which the Board's work was conducted, and the President of the company presented the operations, strategies and objectives. The size and composition of the Board with regard to industry experience and expertise were also discussed.

The Nomination Committee proposes that the following current Board Members be re-elected: Hans Larsson, Stefan Dahlbo, Bodil Eriksson, Wilhelm Laurén, Harald Mix, Fredrik Palmstierna, Thore Ohlsson and Lotta Stalin. Hans Larsson is proposed to continue in his role as Chairman of the Board.

Fredrik Cappelen is to step down as President and member of the Board of Directors. The Nomination Committee will provide proposals for another Board member once a new President has been appointed, who will be considered to be dependent in relation to the company.

The proposal for the composition of Nobia's Board of Directors fulfils the independence requirements of the Swedish Code of Corporate Governance. All of the Board Members, with

the exception of Fredrik Palmstierna, are considered to be independent in relation to the company's largest owners.

#### *Fees*

The Nomination Committee proposes that SEK 790,000 shall be paid to the Chairman and SEK 315,000 shall be paid to each Board Member who does not receive a salary from the company. These fees are an increase of 5 per cent compared with the preceding year. It is proposed that the Board's Remuneration Committee continue its work and that no fees be paid to the Remuneration Committee. The Board of Directors has not established an audit committee. The reason for this is that the company's Board believes that such issues can best be addressed by the Board as a whole. This is in line with the decision made at the 2004 Annual General Meeting.

#### *Decision on the principles regarding the composition of the Nomination Committee*

Nobia's 2006 Annual General Meeting decided on the principles regarding the composition of the Nomination Committee. In accordance with the decision, the principles in question shall remain valid until an Annual General Meeting decides on changes to the principles and until it falls to the Nomination Committee to take a standpoint prior to an Annual General Meeting on whether the Nomination Committee finds it necessary to propose changes to the principles, etc., in question and, where applicable, present proposals to the Annual General Meeting.

The Nomination Committee proposed the following two additions to the current principle for the composition of the Nomination Committee:

- 1) The Chairman of the Board shall annually convene the company's four largest shareholders, based on the shareholders directly registered with VPC or shareholders owner-grouped by SIS Ägarservice AB, not later than the end of the third quarter, each of whom shall appoint one member of the Nomination Committee. This person should not be a Board member.
- 2) The mandate period of the Nomination Committee shall extend until such time as a new Nomination Committee is appointed.

The principles regarding the composition of the Nomination Committee, etc., in their changed wording are found in the Appendix.

#### *Chairman of the 2008 Annual General Meeting*

The Nomination Committee proposes that Hans Larsson be appointed Chairman of the 2008 Annual General Meeting.

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THE NOMINATION COMMITTEE

## **Nobia AB (publ), Corporate Registration Number 556528-2752 – Principles for the composition of the Nomination Committee (2008)**

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1. The Chairman of the Board shall annually convene the company's four largest shareholders, based on the shareholders directly registered with VPC or shareholders owner-grouped by SIS Ägarservice AB, not later than the end of the third quarter, each of whom shall appoint one member of the Nomination Committee. This person should not be a Board member. Should any of the four largest shareholders refrain from their right to appoint a member of the Nomination Committee, the next largest owner shall be presented with the opportunity to appoint a member. Should more than one shareholder refrain from its right to appoint a member of the Nomination Committee, only the next eight largest owners shall be asked to appoint a member, unless more than these eight largest shareholders need be asked in order for the Nomination Committee to comprise at least three members. In addition, the Chairman of the Board can be appointed a member of the Nomination Committee. The President and other members of company management may not be Nomination Committee members.
2. The Chairman of the Board shall convene the first meeting of the Nomination Committee. An owner representative should be elected as the Chairman of the Nomination Committee. The Nomination Committee shall adopt rules of procedure for its work. The mandate period of the Nomination Committee shall extend until such time as a new Nomination Committee is appointed.
3. The composition of the Nomination Committee shall be published not later than in conjunction with the publication with the company's interim report for the third quarter. All shareholders will, accordingly, be informed of the persons to contact for nomination issues.
4. The composition of the Nomination Committee is based on the known ownership of the company not later than 30 September of the calendar year in question. Should, after this time, a shareholder who appointed a Committee member no longer be entitled to appoint such a member since the relation between the size of the owners has changed by more than one percentage point, the appointed member shall leave his/her mandate and a new member shall be appointed in accordance with the above. However, new members, except for the Chairman of the Board, shall be appointed after the end of the calendar year in question only if a previously appointed member leaves his/her assignment, for whatever reason, and the Nomination Committee subsequently comprises fewer than three members, excluding the Chairman of the Board. Changes to the Nomination Committee shall be published immediately.
5. The Nomination Committee shall prepare and present the following proposals to the Annual General Meeting:
  - the election of the Chairman and other members of the company's Board of Directors,

- the Board fees, divided between the Chairman and the other members, and any remuneration for Committee work,
  - the election of and fees to auditors and alternates (where applicable)
  - decision on the principles regarding the composition of the Nomination Committee, etc. (where applicable), and
  - the chairman of the Annual General Meeting.
6. No remuneration is paid to the members of the Nomination Committee. The Nomination Committee has the right to charge the company with costs associated with, for example, recruitment consultants or other expenses necessary for the Nomination Committee to complete its assignment.

The above-mentioned principles for the composition of the Nomination Committee, etc., shall apply until the Annual General Meeting decides on any changes. It is the duty of the Nomination Committee, prior to the Annual General Meeting, to take a standpoint on whether the Committee finds it necessary to propose any changes to the principles in question, etc. and, where applicable, present a proposal to the Annual General Meeting in accordance with item 5 above.

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