

## **AQ GROUP AB (PUBL.)**

### **THE NOMINATION COMMITTEE'S PROPOSAL AND MOTIVATED STATEMENT FOR ELECTION OF THE BOARD**

#### **Background**

In accordance with the resolution of the 2016 AGM, Per-Olof Andersson, Claes Mellgren, and Björn Henriksson, with Björn representing Nordea Fonder, were appointed members of the Nomination Committee for the 2017 AGM. Björn Henriksson was appointed Chairman of the Nomination Committee.

In accordance with the resolution of the AGM, the Nomination Committee shall evaluate the composition and work as well as draft proposals for the 2017 AGM regarding:

- election of Chairman of the AGM
- election of the Board and Chairman of the Board
- selection of auditors
- remuneration to the Board and any committees and auditors
- composition of the Nomination Committee before the 2018 AGM.

The Nomination Committee has evaluated the work of the Board and the Chairman has described how the Board has carried out its work. The Nomination Committee has also supplemented the Board evaluation with interviews with board members.

The Nomination Committee has, for the 2017 AGM, had 3 meetings at which all members have participated. In addition, the committee has maintained contact via phone and email.

#### **The Nomination Committee's proposal**

##### *Election of Chairman of the AGM*

The Nomination Committee proposes the election of Glen Nilsson as Chairman of the AGM.

##### *Number of board members and deputies*

The Nomination Committee proposes that the number of elected board members be increased by one person to a total of six, excluding deputies.

##### *Board and auditors remuneration*

Board remunerations have remained unchanged for several years. The Nomination Committee has compared Board remunerations with those in similar companies listed on Nasdaq Stockholm. In light of this, the Committee proposes a market adjustment raise of the fees, which means remuneration to the Chairman in the amount of SEK 400,000 (300,000) and remuneration to each of the elected board members in the amount of SEK 160,000 (120,000).

During 2016, the Board appointed an audit committee, comprising of Ulf Gundemark (Chairman), Gunilla Spongh, and Per-Olof Andersson.

No remuneration has been paid to the members in 2016 for their work in the audit committee.

The Nomination Committee proposes that remuneration of SEK 70,000 be paid to the Chairman of the audit committee and that remuneration in the amount of SEK 40,000 be paid to each of the audit committee's members.

During 2016, the Board also appointed a remuneration committee, comprising of Patrik Nolåker (Chairman) and Per-Olof Andersson. No remuneration has been paid to the members in 2016 for their work in the remuneration committee. The Nomination Committee proposes that remuneration of SEK 50,000 be paid to the Chairman of the remuneration committee and that remuneration in the amount of SEK 30,000 be paid to each of the remuneration committee's members.

The Nomination Committee proposes that remuneration to the auditors be paid according to approved invoice.

### *Election of the Board of Directors*

The Nomination Committee proposes the re-election of board members Gunilla Spongh, Hidayet Tercan, Ulf Gundemark, and Patrik Nolåker. Also proposed is the new election of Lars Wrebo. He was born in 1961 and holds an M.Sc. He is co-owner and Chairman of Lightning Technologies. Lars has previously served as Vice President of Volvo Cars, and was responsible for purchasing and production. Before that, he was Vice President of MAN Truck & Bus in Germany, and was responsible for production and logistics. Furthermore, he served in senior positions at Scania Group. Lars owns no shares in AQ Group, and is considered independent of the company and major shareholders.

### *Election of Chairman of the Board*

The Nomination Committee proposes the re-election of Per-Olof Andersson as Chairman of the Board.

### *Selection of auditors*

The Nomination Committee stated that KPMG was selected in 2014 for a period of four years, which means that KPMG is selected until the 2018 AGM. The chief auditor is authorised auditor Helena Arvidsson Älgne.

### *Proposal regarding the Nomination Committee*

The Nomination Committee shall consist of the three largest shareholders who, at the time of notice to the AGM, were; Claes Mellgren, Per-Olof Andersson and Björn Henriksson, with Björn representing Nordea Fonder. The term of the Nomination Committee is proposed to apply until a new Nomination Committee has been constituted. In connection with the end of the third quarter, the Board's Chairman contacts the three largest shareholders in the company, and calls on them to immediately appoint its representative to the Nomination Committee. If a shareholder abstains from their right to appoint a member, the right to appoint a member moves to the next largest shareholder. The Nomination Committee appoints its chairman. The Nomination Committee shall be publicly announced no later than six months before the 2018 AGM.

Remuneration to the members of the Nomination Committee is not actual, but any costs will be borne by the company.

The Nomination Committee's responsibilities shall include evaluating the Board's composition and work and to submit proposals to the AGM regarding;

- election of the Board and Chairman of the Board
- election of Chairman of the 2018 AGM
- selection of auditors
- remuneration to the Board, committees and auditors
- establishing the Nomination Committee before the 2018 AGM

### **Motivated statement regarding the Nomination Committee's proposal for the Board**

The Nomination Committee has considered the work of the Board, the board members and the composition of the Board, as well as the Chairman's report. The Nomination Committee has found that the Board performs its work well.

The Nomination Committee has, based on the company's operations, phase of development, and other circumstances discussed the versatility, size, and composition in terms of industry experience, competence, and gender balance. The conclusion of the discussion is that the addition of solid expertise in the area of commercial vehicles, which is one of AQ Group's largest market segments, would be of great value for the company's continued development. In light of this, the Committee proposes the new election of Lars Wrebo, who, with his many years of solid experience in the above field, adds considerable expertise to the Board.

The Nomination Committee has, as diversity policy, applied Code rule 4.1, stating that the Board shall have a, with respect to the company's operations, phase of development, and other circumstances, appropriate composition, characterised by diversity and breadth in terms of the elected members' qualifications, experience, and background, and to strive for gender balance.

The Nomination Committee considers it essential that the company in the future works actively to promote diversity of both the Board and the company in general.

The Nomination Committee has come to the conclusion that the proposed Board meets the applicable requirements of independence set forth in the Code. The Nomination Committee has hereby considered that Per-Olof Andersson, Chairman and a major shareholder in the AQ Group is dependent in relation to major shareholders. Other proposed members are deemed by the Nomination Committee as independent in relation to both the company and Group Management as well as to major shareholders.

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Västerås, Sweden, March 2017  
The Nomination Committee of AQ Group AB (publ.)