

Report on the work of AB Industrivärden's Nominating Committee ahead of the 2013 Annual General Meeting

1. Nominating Committee's proposals to the 2013 Annual General Meeting (AGM)

AGM chairman:

Attorney Sven Unger

Number of directors:

Seven directors and no deputy directors

Directors' fees:

Chairman of the Board: SEK 1,860,000 (2012: SEK 1,800,000)

Each of the other non-executive directors: SEK 545,000 (2012: SEK 525,000)

No separate fee is to be paid for committee work.

Board of Directors:

It was noted that Hans Larsson has declined re-election.

Board members: re-election of Christian Caspar, Boel Flodgren, Stuart Graham, Fredrik Lundberg, Sverker Martin-Löf and Anders Nyrén, and new election of Pär Boman.

The Nominating Committee has issued the following statement regarding the directors' independence:

One of the nominated directors serves as a senior executive of the Company, namely, Anders Nyrén. Anders Nyrén is non-independent in relation to the Company. All of the other nominated directors, except for Pär Boman (see below), are independent in relation to the Company and the executive management. Of these, Christian Caspar, Boel Flodgren, Stuart Graham and Sverker Martin-Löf are independent in relation to the major shareholders.

Pär Boman (51), who has been nominated for new election, has been active in Handelsbanken since 1991, serving as President and Group Chief Executive since 2006. He has an engineering degree and a business degree. With respect to the issue of independence, it should be noted that Pär Boman is Group Chief Executive of Handelsbanken, and that Industrivärden's CEO, Anders Nyrén, is the Chairman of Handelsbanken's board. Mr. Boman is therefore to be regarded as non-independent in relation to Industrivärden and its executive management.

In its determination of directors' independence, the Nominating Committee has applied the criteria stipulated in the Swedish Corporate Governance Code. The Nominating Committee's considerations have thus pertained to whether the nominated directors are to be regarded as independent according to these criteria. It is in this context that the Nominating Committee's considerations are to be understood.

In summary, the Nominating Committee is of the opinion that the rules in the Corporate Governance Code on directors' independence have been met, as well as the stock exchange's rules on board members' experience with the stock market.

Reasoned statement

The Nominating Committee is of the opinion that the proposed board has a suitable composition in view of the Company's operations, phase of development and situation in general, characterized by diversity and breadth with respect to the directors' qualifications, experience and backgrounds.

Chairman of the Board:

Re-election of Sverker Martin-Löf

Auditors' fees:

To be paid on account

Nominating Committee:

The 2011 AGM passed a resolution on the Nominating Committee that applies until further notice. The Nominating Committee is of the opinion that there is no need to change that resolution. Hence, the Nominating Committee has not submitted any proposal for the Nominating Committee.

Note on the nominating process

The Swedish Corporate Governance Code sets out the following with regard to directors' independence:

"2.3 The nomination committee is to have at least three members, one of whom is to be appointed committee chair.

The majority of the members of the nomination committee are to be independent of the company and its executive management. Neither the chief executive officer nor other members of the executive management are to be members of the nomination committee.

At least one member of the nomination committee is to be independent of the company's largest shareholder in terms of votes or any group of shareholders that act in concert in the governance of the company.

2.4 Members of the board of directors may be members of the nomination committee but may not constitute a majority thereof. The chair of the company or any other member of the board may not chair the nomination committee.

If more than one member of the board is on the nomination committee, no more than one of these may be dependent of a major shareholder in the company."

The Annual General Meeting's resolution on the Nominating Committee, which is based on established practice in the Company, does not deviate from the rules of the Code. If the committee is appointed in accordance with previous practice, its composition will be in line with the Code's rules.

2. Composition of the Nominating Committee

It was noted that the 2011 AGM decided the following regarding the Nominating Committee, and decided that the decision would apply until further notice: The Chairman of the Board is assigned with the task of contacting four of the largest registered shareholders in terms of votes in Euroclear Sweden AB's printout of the shareholder register on the last business day in August, who each appoint one representative who is not a director on Industrivärden's board, to form together with the Chairman of the Board a nominating committee, and that the following shall apply to the Nominating Committee. The Committee appoints the chairman of the group. The composition of the Committee shall be announced no later than six months before the next AGM. No fee shall be paid. If a member leaves the committee before its work is completed, and if the Committee considers that there is a need to replace this member, the Committee shall appoint a new member. Change in the composition of the Committee shall be published immediately.

Accordingly, the following persons have made up the Nominating Committee for the 2013 AGM: Sverker Martin-Löf (Chairman of the Board of Industrivärden), Bo Damberg (the Jan Wallander and Tom Hedelius Foundation and others), Ulf Lundahl (L E Lundbergföretagen), Mikael Schmidt (SCA Pension Foundations and others), and Håkan Sandberg (Handelsbanken Pension Foundation and Handelsbanken Pension Fund). The Nominating Committee appointed Håkan Sandberg as committee chair.

The names of the members of the Nominating Committee were announced in September 2012 and have been posted on the Company's website.

3. Submission of proposals to the Nominating Committee

The following text was posted on the Company's website in September 2012.

"Shareholders who wish to submit proposals to the Nominating Committee can contact the Nominating Committee by e-mail at valberedning@industrivarden.se or at Industrivärden's postal address. In order for the Nominating Committee to be able to consider submitted

proposals in a constructive manner, these should be submitted by December 10, 2012, at the latest."

No proposals were submitted to the Nominating Committee within the specified time.

4. Evaluations

The Nominating Committee has reviewed the evaluations that the Company's board has made of the Board's work.

5. Meetings

The Nominating Committee held two meetings.

6. Fees

No fees have been paid to the members of the Nominating Committee for their work on the committee.

Stockholm, March 2013

Håkan Sandberg