

The Nomination Committee's proposals for Balco's Annual General Meeting 2019

The Nomination Committee of Balco Group AB (Balco), comprising Gabriel Urwitz, appointed by Segulah IV L.P. (chairman of the Nomination Committee), Carl-Mikael Lindholm, appointed by Carl-Olof and Jenz Hamrin's Foundation, Lennart Björkman, appointed by Skandrenting AB, Marianne Flink, appointed by Swedbank Robur, and Lennart Kalén, chairman of the Board of Directors of Balco, submits the following proposal to the Annual General Meeting of Balco on 21 May 2019.

Chairman of the Annual General Meeting

The Nomination Committee proposes Lennart Kalén, Chairman of Balco's Board of Directors, as Chairman of the Annual General Meeting.

Number of Board members and auditors

It is proposed that the number of elected Board members is changed from seven to six Board members without deputies.

It is proposed that the company shall have one auditor without a deputy.

Auditor

In accordance with the Audit Committee's recommendation, it is proposed that PwC is re-elected as auditor for the period until the end of the Annual General Meeting 2020.

Directors' fees

The Nomination Committee has analysed the directors' fees and compared the fees with directors' fees in similar companies with respect to size and complexity. The Nomination Committee concludes that the directors' fees are generally higher in comparable listed companies, which justifies a slight raise of the fees. The proposal entails the following fees (current fees within brackets):

- Chairman of the Board: SEK 500,000 (400,000)
- Other members of the Board: SEK 190,000 (180,000)
- Chairman of the Audit Committee: remains at SEK 70,000 (70,000)
- Other members of the Audit Committee: remains at SEK 40,000 (40,000)
- Chairman of the Remuneration Committee: remains at SEK 40,000 (40,000)
- Other members of the Remuneration Committee: remains at SEK 25,000 (25,000)

The proposal entails a total Board remuneration amounting to SEK 1,690,000 (1,720,000).

Auditors' fees

Auditors' fees to be paid according to approved invoice.

Election of chairman and other Board members

The Nomination Committee proposes re-election of Ingalill Berglund, Tomas Johansson, Carl-Mikael Lindholm, Johannes Nyberg and Åsa Söderström Winberg as Board members as well as election of Mikael Andersson as new Board members for the period until the end of the next Annual General Meeting.

Tomas Johansson is proposed to be elected as the new Chairman of the Board of Directors. The Chairman of the Board, Lennart Kalén and the Board member Percy Calissendorf have declined re-election.

Instruction for the Nomination Committee

The Nomination Committee has considered whether to propose any amendments to its instruction. The Nomination Committee has concluded that it is not necessary to propose any such amendments. Therefore, the instruction that was adopted at the Extraordinary General Meeting on 11 September 2017, shall apply for the time being.

The Nomination Committees explanatory statement

The Nomination Committee's explanatory statement regarding the proposal for members of the Board of Directors and information about the proposed Board members can be found in a separate document, which is available on the company's website www.balcogroup.se

Stockholm, 5 March 2019
Nomination Committee, Balco Group AB

Gabriel Urwitz
(Chairman)

Carl-Mikael Lindholm

Lennart Björkman

Marianne Flink

Lennart Kalén
(Chairman of Balco Group AB)