

## **Report on the work of the Nominating Committee of AB Industrivärden ahead of the 2006 Annual General Meeting**

### **1. The Nominating Committee's recommendations to the 2006 Annual General Meeting**

#### Number of directors:

Eight directors and no deputy directors

#### Directors' fees:

Chairman of the Board: SEK 990,000

Vice Chairman of the Board: SEK 660,000

Each of the other non-executive directors who is not an employee of Industrivärden: SEK 330,000

(this represents an overall increase of 10%)

#### Board of Directors:

Reelection of Boel Flodgren, Tom Hedelius, Finn Johnsson, Fredrik Lundberg, Sverker Martin-Löf, Lennart Nilsson and Anders Nyrén. New election of Lars O. Grönstedt. Arne Mårtensson has declined reelection.

Only one of the proposed directors works in an operative capacity in the Company, namely, CEO Anders Nyrén. All of the proposed directors except for Tom Hedelius and Anders Nyrén are independent in relation to the Company and the Company management. Boel Flodgren, Lars O. Grönstedt, Finn Johnsson and Sverker Martin-Löf are independent in relation to the major shareholders.

#### Chairman of the Board:

Tom Hedelius

Number of auditors

One

Auditors' fees:

On account

Auditor:

Reelection of Öhrlings PricewaterhouseCoopers AB for a term extending through the 2010 AGM.

Nominating Committee:

The Annual General Meeting assigns the Chairman of the Board to contact the four largest registered shareholders in terms of votes in VPC's printout of the shareholder register on August 31, 2006, who each appoint one representative who is not a director on the Company's board, to form together with the Chairman of the Board a nominating committee for the time until a new nominating committee has been appointed based on the mandate from the next year's Annual General Meeting. The Nominating Committee appoints a person to chair the Committee from among its members.

The composition of the Nominating Committee shall be announced not later than six months before the 2007 Annual General Meeting.

No fee is payable for work on the Nominating Committee.

If a shareholder who is represented on the Nominating Committee is no longer one of the four largest shareholders in terms of votes, that shareholder's representative shall resign from the Committee if ordered by a majority of the members of the Nominating Committee, and the shareholder who has become one of the four largest shareholders in terms of votes shall instead have the right to appoint a representative.

If a shareholder's representative leaves his or her position with the shareholder, the shareholder has the right to appoint a new nominating committee representative.

Changes in the composition of the Nominating Committee shall be publicly announced immediately.

Annual General Meeting chairman:

Advokat Sven Unger

**2. Nominating Committee composition**

AB Industrivärden's Annual General Meeting on April 20, 2005, resolved to assign the Chairman of the Board with the responsibility of appointing at least four members from among the representatives of the major shareholders, who are not directors on Industrivärden's board, to form a nominating committee together with the Chairman of the Board ahead of the following year's election of directors. Accordingly, the following persons were members of the Nominating Committee: Tom Hedelius (Chairman of the Board of Industrivärden), Christer Elmehagen (AMF Pension), Curt Källströmer (Handelsbanken), Ulf Lundahl (LE Lundbergföretagen) and Anders Nyberg (SCA). The Nominating Committee has appointed Curt Källströmer as Committee Chairman.

The names of the Nominating Committee's members were announced in October 2005. The names have been published on the Company's website.

**3. Submission of proposals to the Nominating Committee**

The following statement was posted on the Company's website in October 2005:

"Shareholders who wish to submit proposals to the Nominating Committee can contact the Nominating Committee by e-mail at [valberedning@industrivarden.se](mailto: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 31, 2005, at the latest.”

No proposals have been submitted to the Nominating Committee.

**4. Evaluations**

The Nominating Committee has taken into consideration the evaluations that the Company's board has performed of the Board's work.

**5. Meetings**

The Nominating Committee has held two meetings.

**6. Fees**

No fee has been paid to the Nominating Committee's members.

Stockholm in March 2006