

THE BOARD OF DIRECTORS' PROPOSAL REGARDING RESOLUTION ON THE NOMINATION COMMITTEE (ITEM 16)

The Company shall have a Nomination Committee which shall be appointed by the Chairman of the Board of Directors contacting the four largest shareholders or shareholder groups in terms of votes according to a transcript of the share register maintained by Euroclear Sweden AB and Euroclear Finland Oy as per the last day in August. Such shareholders shall be given the opportunity of appointing a representative to, besides the Chairman of the Board of Directors, constitute the Nomination Committee. If any of these shareholders elects to not appoint a representative, then the right shall be transferred to the largest shareholder in turn in terms of votes who is not already entitled to be represented on the Nomination Committee. The member of the Nomination Committee who represents the shareholder controlling the largest number of votes shall chair the Nomination Committee, if the other members do not decide otherwise. The composition of the Nomination Committee shall be announced on the company's website as soon as the Nomination Committee has been formed and in all events no later than six months before the annual general meeting.

If a member of the Nomination Committee resigns, the Nomination Committee shall – if it deems appropriate – request the shareholder that had appointed that member to appoint a new member of the Nomination Committee. If that shareholder is no longer within the group of the four largest shareholders, the right to appoint such new member shall be transferred to the new shareholder, falling within this group. In the event that the ownership structure of the company is changed after the date the Nomination Committee has been formed as a result of one or more shareholders who have appointed members to Nomination Committee are no more among the four largest shareholders in terms of votes, the structure of the Nomination Committee may also be changed accordingly, if the Nomination Committee so deem appropriate. Changes in the structure of the Nomination Committee shall be disclosed as soon as the changes have occurred. The Nomination Committee is appointed for a mandate period up until a new Nomination Committee has been appointed.

The nomination committee shall present proposals regarding the items below, which are to be resolved upon by the annual general meeting:

- proposal for election of Chairman of the annual general meeting,
- proposal for election of members of the Board of Directors,
- proposal for election of Chairman of the Board of Directors,
- proposal for remuneration to the Board of Directors, and distribution thereof between the Chairman of the of the Board of Directors and other members of the Board of Directors, as well as remuneration for work on the committees,
- proposal for election of Auditor,
- proposal for remuneration to the Auditor, and
- proposal for rules of the Nomination Committee.

The Nomination Committee shall in performing its duties meet the requirements set by the Swedish Corporate Governance Code for nomination committees. The company shall at the request of the Nomination Committee provide staff resources, such as secretary of the Nomination Committee, in order to facilitate the Committee's work. If so required, the company shall also pay reasonable costs for external consultants which are considered necessary by the Nomination Committee for it to perform its duties.

April 2014

Sanitec Corporation

The Board of Directors