

Proposal by the Election Committee of Bergman & Beving AB (publ) for resolution, reasoned statement and account of its work ahead of the Annual General Meeting on 23 August 2018

Background

On 9 February 2017, in accordance with the resolution passed by Bergman & Beving AB's 2017 Annual General Meeting, an Election Committee was announced with representatives for the five largest shareholders/shareholder groups in terms of voting rights. The Election Committee comprises Board Chairman Anders Börjesson, Marianne Flink (appointed by Swedbank Robur Fonder), Tom Hedelius, Stefan Nilsson (appointed by Handelsbankens Pensionskassa och Pensionsstiftelse) and Per Trygg (appointed by SEB Fonder). Anders Börjesson was appointed by the Election Committee as Chairman of the Election Committee. The Election Committee members represent approximately 45 percent of the total number of voting rights in Bergman & Beving AB.

The Election Committee, in accordance with the principles established by the Annual General Meeting, was mandated to draw up proposals on the following issues to be presented at Bergman & Beving AB's Annual General Meeting:

- election of Chairman to preside over the 2018 Annual General Meeting,
- election of the Company's Board of Directors and Chairman of the Board,
- fees to directors, Vice Chairman and Chairman of the Board,
- election of auditor and fees to auditors, and
- any changes in principles for the appointment of the Election Committee and the Election Committee's duties.

The Election Committee held three meetings during which minutes were taken and maintained regular communications. As a basis for its work, the Election Committee has, among other documents, read the assessment by the Board of Directors of work carried out during the year. To assess the demands facing the Board of Directors as a result of the Company's situation, strategic challenges and future direction, the Election Committee discussed the Board's size and composition, in terms of industry experience and expertise and how the Board's work has been conducted.

PROPOSAL BY THE ELECTION COMMITTEE FOR RESOLUTION

Chairman to preside over the 2018 Annual General Meeting

The Election Committee proposes that Chairman of the Board Anders Börjesson be elected Chairman of the 2018 Annual General Meeting.

Election of the Company's Board of Directors and Chairman of the Board,

The Election Committee proposes the following:

- Six regular directors
- Re-election of all the directors Anders Börjesson, Roger Bergqvist, Henrik Hedelius, Malin Nordesjö, Johan Sjö and Louise Undén.

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- New election of Johan Sjö as Chairman of the Board.

Taking into consideration Bergman & Beving's operations, stage of development, strategy and position, the Election Committee considers the composition of the proposed Board of Directors to be appropriate and characterised by diverse and broad expertise, experience and backgrounds. With respect to gender distribution, the proposed composition of the Board includes two women and four men. Accordingly, the proportion of women on the Board would be 33 percent, which is unchanged from the 2017 Annual General Meeting. The Election Committee considers diversity to be an important issue and urges all future Election Committees to continue working proactively to further increase the proportion of women on the Board.

The proposed composition of the Board of Bergman & Beving AB meets the requirement of the Swedish Corporate Governance Code (the "Code") with respect to independent directors. With the exception of Anders Börjesson, Malin Nordesjö and Henrik Hedelius, all of the directors are considered independent in relation to the Company's major shareholders. All of the directors are considered independent in relation to the Company and management.

Further information about the proposed directors is available on Bergman & Beving's website.

Fees to directors and Chairman of the Board

The Election Committee proposes the fee per director compared with the preceding year as below:

- Fee for directors elected by the Annual General Meeting: SEK 275,000/director (preceding year SEK 260,000)
- Fee for Chairman of the Board: SEK 600,000 (preceding year SEK 520,000)

The following additional fees will be paid for committee work:

Compensation Committee – SEK 50,000 (preceding year SEK 50,000) to each committee director (2 members).

Audit Committee – SEK 50,000 (preceding year SEK 50,000) to the Chairman.

Provided that the necessary tax prerequisites for invoicing exist and that doing so would not entail a cost for Bergman & Beving AB, directors shall be offered the opportunity to invoice their directors' fees through a Swedish wholly owned company or private business. If a director invoices his/her directors' fee through a wholly owned company or private business, the fee is to be increased by an amount corresponding to the social security contributions and value added tax stipulated by law.

Election of a registered accounting firm and fees to auditors

The Election Committee proposes the re-election of the registered accounting firm KPMG AB for the period until the end of the next Annual General Meeting.

It is proposed that fees be paid in return for approved invoices.

Principles for the appointment of the Election Committee and the Election Committee's duties

One change of the proposal to the established principles from the 2012 Annual General Meeting for how the Election Committee shall be appointed and its duties is suggested.

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The Election Committee proposes that, until a new Election Committee is appointed, the Election Committee shall consist of five members and that the Chairman of the Board of Directors shall be assigned to contact the largest shareholders in terms of votes and request that they appoint four members who, together with the Chairman of the Board, shall constitute the Election Committee. The selection of the shareholders to contact shall be based on the list of shareholders in place at the end of the respective calendar year. The Election Committee will appoint a Chairman among its members. The composition of the Election Committee shall be announced not later than six months before the Annual General Meeting. Information about the principles governing the appointment and tasks of the Election Committee, as well as the current composition of the Election Committee, shall be made available on the Company's website at www.bergmanbeving.com.

The Election Committee is responsible for evaluating the composition and work of the Board and submitting motions to the Annual General Meeting regarding the Chairman to preside over the Annual General Meeting, the Chairman of the Board of Directors and other Directors, the auditors and deputy auditors or registered accounting firm, Directors' fees to be paid to each of the Directors, auditors' fees and, where applicable, propose changes to the principles governing the appointment of the Election Committee and the Election Committee's tasks. The Election Committee's motions are to be presented in the notice of the Annual General Meeting and on the Company's website at www.bbtools.com in conjunction with the publication of the notice. The Election Committee is also responsible for providing the Annual General Meeting with information on how it has conducted its work and presenting and motivating its motions.

In the event that a member of the Election Committee resigns or is prevented from fulfilling his/her assignment or in the event that a member of the Election Committee, or the owner represented by that member, has significantly reduced its ownership stake in the Company at the time of the Election Committee's meetings prior to the upcoming Annual General Meeting and provided that the Election Committee decides that the member should be replaced, the Election Committee shall appoint a new member for the remaining mandate period in accordance with the above principles. The new member is to be appointed based on the Company's list of shareholders as soon as possible after the resigning member has left his/her position or significantly reduced his/her ownership stake. Any changes to the composition of the Election Committee are to be announced immediately.

If during the term of mandate of the Election Committee one or more shareholders who nominate members of the Election Committee no longer belong to the four largest shareholders, the members appointed by these shareholders shall make their seats available if requested by the shareholders that are added to the four, to the vote, largest shareholders who then have the right to appoint their own representatives. In the absence of special reasons, no changes shall be made to the composition of the Election Committee if only minor changes in the voting number have taken place or if the change occurs later than three months before the AGM. Shareholders who have been added to the four largest shareholders as a result of a more substantial change in voting rights later than three months before the AGM shall, however, have the right to appoint a representative to the Election Committee. Shareholders who appointed a representative to the Election Committee are entitled to terminate such member and appoint a new representative member of the Election

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Committee. Changes in the composition of the Election Committee shall be published as soon as such changes have been made.

The Company shall pay the cost for out-of-pocket expenses incurred in conjunction with the Election Committee's assessment and/or recruitment of Board members. The members of the Election Committee receive no remuneration from the Company for their work.

The above principles governing the appointment and tasks of the Election Committee shall apply until the General Meeting of Shareholders decides to change them. It is the responsibility of the Election Committee, prior to a General Meeting of Shareholders, to determine whether the Election Committee finds it necessary to propose any changes to the principles in question to an Annual General Meeting.

Stockholm, July 2018

Election Committee of Bergman & Beving AB

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