

Nominations Committee 's Proposal 2017.

The Nominations Committee of Semcon AB [publ], corporate identity number 556539-9549, was appointed in accordance with the procedure resolved on by the 2016 Annual General Meeting and comprises Ulf Gillberg [JCE Group Aktiebolag] Chairman of the Nominations Committee, Evert Carlsson [Swedbank Robur Fonder], Mats Andersson [Nordea Investment Funds] and the Chairman of the Board Tore Bertilsson [co-opted member], who together represented 37.9 per cent of the votes associated with all the shares in the company at the end of August. Swedbank Robur Fonder has sold all of its shares in the company following the completion of the Nominations Committee's work, whereby the Nominations Committee represented 34.0 per cent of the votes associated with all the shares in the company.

The Nominations Committee submits the following proposals to the Annual General Meeting on 26 April 2017:

Election of the Chairman of the Annual General Meeting

The Nominations Committee proposes the Chairman of the Board, Tore Bertilsson, as Chairman of the Annual General Meeting.

Decision regarding the number of Board members and deputies

The Nominations Committee proposes that there be five Board members elected by the Annual General Meeting and no deputies.

Decision regarding the number of auditors and deputy auditors or registered public accounting firm

The Nominations Committee proposes that a registered public accounting firm be appointed auditor of the company.

Determination of remuneration to the Board of Directors

The Nominations Committee proposes a total remuneration of SEK 1,720,000 [an increase from SEK 1,610,000] be paid to Board members elected by the Annual General Meeting, of which SEK 600,000 [an increase from SEK 550,000] to the Chairman and SEK 280,000 [an increase from SEK 265,000] to each of the other members elected by the Annual General Meeting. Furthermore, the Nominations Committee proposes that no special fees be paid for work on Board committees.

Determination of remuneration to the auditors

The Nominations Committee proposes that the fee paid to auditors be made on open account, approved by the company.

Election of Chairman of the Board, Board members and possible deputies

The Nominations Committee proposes the re-election of Tore Bertilsson, Marianne Brismar, Jan Erik Karlsson, Jeanette Saveros and Karl Thedén as Board members.

The Nominations Committee proposes the re-election of Tore Bertilsson as Chairman of the Board.

Tore Bertilsson [born 1951], elected to the Board in 2015 and Chairman of the Board since 2016.

Qualifications: Master of Business Administration.

Professional background: Former deputy CEO and CFO of AB SKF and bank director of SEB.

Nationality: Swedish.

Other board assignments: Chairman of Aktiebolaget Ludvig Svensson, Försäkringsbolaget PRI Pensionsgaranti and Perstorp Holding AB. Board member of Gunnebo AB, IKEA Group, Intrum Justitia AB and JCE Group Aktiebolag.

Shareholding in Semcon: 10,000.

Marianne Brismar [born 1961], elected to the Board in 2008.

Qualifications: Pharmacist and Master of Business Administration.

Professional background: Former CEO and owner of Atlet AB, among other positions.

Nationality: Swedish.

Other board assignments: Board member of Axel Johnson International Aktiebolag, Beijer Alma AB, Concentric AB, Creades AB, JOAB AB and Lindab International AB.

Shareholding in Semcon: 5,000.

Jan Erik Karlsson [born 1949], elected to the Board in 2016.

Qualifications: Bachelor of Philosophy.

Professional background: Former CEO of Capgemini Sverige AB and other leading positions at Capgemini Group.

Nationality: Swedish.

Other board assignments: Chairman of IC Quality AB and Board member of Itera AS.

Shareholding in Semcon: 0.

Jeanette Saveros [born 1974], elected to the Board in 2016.

Qualifications: Construction engineer.

Professional background: CEO of Arcona AB.

Nationality: Swedish.

Other board assignments: Board member of Svenska Teknik & Designföretagen, Sweden Green Building Council and Svenska Markservice AB.

Shareholding in Semcon: 0.

Karl Thedéen [born 1963], elected to the Board in 2016.

Qualifications: MSc in Engineering.

Professional background: Senior Vice President and Business Area Manager of Infinera, former CEO of Transmode AB [publ]. Before then, he held a number of senior positions at the Ericsson Group. Karl was a Board member of Latour Industries between 2012 and 2015 and HMS Networks AB [publ] between 2013 and 2015.

Nationality: Swedish.

Other board assignments: Board member of Edgeware AB [publ].

Shareholding in Semcon: 7,750.

In addition to the holdings stated above, none of the persons proposed, or their close associates, own shares or share-related instruments in the company.

The proposed Board members are considered independent in relation to the company, company management and major shareholders in the company, with the exception of Tore Bertilsson who is deemed to be dependent in relation to major shareholders in the company as he is a Board member of a company that is a large shareholder in Semcon and Jan Erik Karlsson who is considered to be dependent in relation to major shareholders in the company as he is an advisor to a major shareholder in Semcon.

The Nominations Committee's reasoned statement regarding proposals to the Board is available on the company's website, www.semcon.com. The report also contains a brief account of how the Nominations Committee's work was conducted.

Election of auditors and any deputy auditors or registered public accounting firm

The 2016 Annual General Meeting elected Deloitte AB as auditor of the company until the close of 2017 Annual General Meeting. The Nominations Committee proposes that the registered auditing firm Ernst & Young Aktiebolag be elected as auditor for the period of one year, in accordance with the recommendation received by the Nominations Committee from the Board. The Board recommendation was drafted following the completion of a bidding procedure that included Ernst & Young Aktiebolag.

Decision regarding the Nominations Committee

In line with the preceding year, the Nominations Committee proposes that the company shall have a Nominations Committee that no remuneration be paid to the Nominations Committee, although the company shall pay the costs of the Nominations Committee, and that there be a nominations process with the following content.

1. The Nominations Committee shall comprise three, or in some cases [see point 6 below], four members. In addition, the Chairman of the Board shall be a co-opted member in the Nominations Committee.
2. Based on shareholder statistics received from Euroclear Sweden AB each year on 31 August, the Chairman of the Board is to without undue delay contact the three largest shareholders [based on number of votes] and ask each of them to appoint, within a reasonable period, one member of the Nominations Committee. If any of the three largest shareholders declines to appoint a member to the Committee, the other major shareholders will be asked to appoint a member to the Committee. If such an offer is made, it will go in turn to the largest shareholders [i.e., first to the fourth largest shareholder, then the fifth largest shareholder, etc.]. The proceedings shall continue until the Nomination Committee consists of three members and the Chairman of the Board as a co-opted member. The Nominations Committee shall be constituted not later than 30 September.
3. The member proposed by the shareholder holding the most votes will serve as Chairman of the Nominations Committee.

4. Membership of the Nominations Committee applies until a new Committee is appointed.
5. The names of the members of the Nominations Committee shall be announced as soon as the Committee is appointed and six months before the next Annual General Meeting at the latest.
6. If there are changes in the shareholder structure after 31 August and earlier than two months prior to the Annual General Meeting, and if a shareholder consequently becomes one of the three largest shareholders and makes a request to the Nominations Committee's Chairman to be represented on the Nominations Committee, then this shareholder shall have the right to either appoint an additional committee member or, if the Nominations Committee so decides, to appoint a representative to replace the representative of the shareholder who has the least number of votes following the changes in ownership structure.
7. If a member of the Nominations Committee resigns during the mandate period or is unable to fulfil his or her obligations, then the Chairman of the Nominations Committee shall without delay ask the shareholder to appoint a new representative within a reasonable time. If the shareholder declines to replace a new representative, the Chairman shall - provided that the number of shareholder-appointed members of the Nomination Committee thus will be less than three - ask other large shareholders to appoint a member to the Nominations Committee. If such an offer is given, it shall be offered to the largest shareholder in terms of voting rights [i.e. to the shareholder with the largest number of voting rights who has not already appointed or who has declined to appoint a member, then the next largest shareholder who has not already appointed or declined to appoint a member to the Nomination Committee, etc.]. The proceedings shall continue until the Nomination Committee consists of three members and the Chairman of the Board as a co-opted member.
8. The Nominations Committee is to perform the duties that from time to time are required under the Swedish Corporate Governance Code. The duties of the Nominations Committee include making proposals for [i] Chairman of the Annual General Meeting, [ii] Chairman of the Board and other Board members, [iii] fees and other remuneration for Board assignments for each Board member, [iv] fees for auditors [v] selection of auditors and [vi] fees for members of the Nominations Committee and proposals for the nomination process in general. The Nominations Committee will provide the company with the information required for the company to meet its disclosure requirements under the Swedish Corporate Governance Code.