

Report on the work of the nominations committee for Semcon AB (publ) prior to the 2011 Annual General Meeting, including the committee's proposals for decisions.

Background

In accordance with a decision made by the 2010 Annual General Meeting of Semcon AB (publ) ("Semcon"), the Chairman of the Board, Hans-Erik Andersson, contacted the three largest shareholders in Semcon in September 2010 to form a nominations committee. The composition of the committee was announced in the Q3 report on 21 October 2010, after which information about the nominations committee has been available on Semcon's website.

The nominations committee has comprised the following members:

Hampus Ericsson, JCE Group AB

Erik Sjöström, Skandia Liv

Kerstin Stenberg, Swedbank Robur Fonder

Hans-Erik Andersson, chairman of Semcon AB

In accordance with a decision made by the 2010 Annual General Meeting, the nominations committee chose as committee chairman the member representing the largest shareholding. Hampus Ericsson has therefore been chairman of the committee.

The three owner representatives represent around 51 per cent of the votes in Semcon.

Work of the nominations committee

The nominations committee has held four minuted meetings and also been in contact via telephone and email. As the basis for making nominations, the committee has used an assessment of the Board and received a presentation of the Board and its work from the Chairman of the Board. In addition, the committee has held individual interviews with each Board member voted onto the Board by the AGM. To assess how the current Board will meet the challenges to be faced in the coming mandate period, the current situation of the company and its future direction were discussed. The emphasis of the discussion was on each individual's experience and competence in their own specialist area, as well as their international, business and financial experience.

Further information about the nominations committee is available, and has been available, on Semcon's website, under the heading of "Corporate Governance". Shareholders are given an opportunity here to communicate with the nominations committee. No proposals or opinions from other shareholders have been received.

The nominations committee's proposals for decisions

The nominations committee proposes that the Annual General Meeting make the following decisions:

Chairman of the meeting

The nominations committee proposes Hans-Erik Andersson as chairman of the 2011 Annual General Meeting.

Number of Board members

The nominations committee proposes that there be six Board members elected by the Annual General Meeting, including the Chairman of the Board.

Board members

The nominations committee proposes as follows:

The nominations committee proposes re-election of Hans-Erik Andersson as chairman and Board member, and re-election of Kjell Nilsson, Marianne Brismar, Gunvor Engström, and Håkan Larsson as Board members and election of Joakim Olsson as Board member. Jorma Halonen did not stand for re-election.

Hans-Erik Andersson (born 1950), Economist, Göteborg School of Economics. Elected to the Semcon Board in 2007, elected chairman in 2008. Other Board assignments: Chairman of Erik Penser Bankaktiebolag, Canvisa Consulting AB and Implement MP AB. Board member of Cision AB and Gjensidige Forsikring ASA. Shareholding in Semcon: 25,000 shares of which 12,000 shares in capital insurance. Citizen of Sweden.

Gunvor Engström (born 1950), MBS, Stockholm School of Economics. Elected to the Board in 2007. County governor of Blekinge. Board member of Länsförsäkringar Liv Försäkringsaktiebolag (publ), Apoteket's restructuring company and Third Swedish National Pension Fund. Shareholding in Semcon (own holding and related parties): 30,000 shares. Citizen of Sweden.

Marianne Brismar (born 1961), Chemist and Economist. Elected to the Board in 2008. Board member of Ernströmgruppen AB, Imego AB, Beijer Alma AB, Concentric AB and Intercept AB. Shareholding in Semcon: 5,000 shares. Citizen of Sweden.

Håkan Larsson (born 1947), MBS, Göteborg School of Economics. Elected to the Board in 2008. Chairman of Schenker AB and Inpension Asset Management. Board member of Bure Equity AB, Chalmers University of Technology, Ernströmgruppen AB, Handelsbanken Western Region, Rederi AB Transatlantic, Stolt-Nielsen A/S and Wallenius Lines AB. Shareholding in Semcon: 0. Citizen of Sweden.

Kjell Nilsson (born 1948), MBS, Göteborg School of Economics. Elected to the Board in 2007, President and CEO of Semcon since 2008. Chairman of BRUKS Holding AB and Symbrio AB. Board member of Choice Hotels A/S, Home Properties AB and Home Invest A/S. Shareholding in Semcon: 125,544. Citizen of Sweden.

Joakim Olsson (born 1965), MBA, Master of Business Administration from INSEAD, Fontainebleau, France and graduate engineer from the Royal Institute of Technology, Stockholm. President and CEO of Haldex AB since 2005. Held various positions at ABB including CEO and country manager for ABB, Brazil and prior to that was global manager for ABB's transformer business area. Other board assignments: Swedish Trade and Industry and Teknikföretagen. Shareholding in Semcon: 0. Citizen of Sweden.

In addition to the aforementioned information neither Hans-Erik Andersson, Kjell Nilsson, Marianne Brismar, Gunvor Engström, Håkan Larsson nor Joakim Olsson or any of their associates own any shares or other share-related instruments in the company. In his position as President and CEO Kjell Nilsson cannot be considered independent of the company and corporate management. The other Board members are however to be considered as independent of the company, corporate management and major shareholders of the company.

The nominations committee proposes that the AGM elect Joakim Olsson as a new Board member. Joakim Olsson has solid international management experience from the energy and automotive activities, which are important areas for Semcon. The nominations committee believes that Joakim Olsson's experience will add valuable expertise to the work of the Board.

The nominations committee's proposals mean that the number of AGM elected members remains unchanged at six.

The nominations committee has received the evaluation made by the Board and also interviewed the AGM elected Board members. It has therefore been demonstrated that the Board's cooperation has worked well, with a strong commitment and that the attendance ratio was high. The nominations committee has considered the Board's need for versatility, expertise and experience. Against this background the nominations committee considers that the Board, with the nominations committee's proposals, now has a well-suited structure, considering the company's business, future development and general conditions.

In carrying out its duties the nominations committee has also considered the requirements set out in the Code of Corporate Governance concerning the impartiality of Board members.

Board fees

The nominations committee proposes that the total fee to the Board be SEK 1,200,000, of which SEK 400,000 to the chairman and SEK 200,000 to each of the Board members not already an employee of the company or a subsidiary.

The nominations committee does not propose the formation of an audit committee or remuneration committee, and therefore no special fees shall be paid for work on Board committees.

Auditors' fees

The nominations committee proposes that the fee paid to auditors be made on open account.

Remuneration to members of the nominations committee

The nominations committee proposes that no remuneration be paid to members of the nominations committee although the company shall pay costs relating to the work of the committee.

Procedures for appointing the nominations committee

The nominations committee proposes that the procedures for appointing the nominations committee prior to the 2012 Annual General Meeting shall remain unchanged and therefore be as follows:

Before the end of Q3 2011, the Chairman of the Board shall contact representatives of the three largest shareholders who shall then produce proposals, in accordance with the following points, to be submitted for ratification by the Annual General Meeting. The names of the members of the nominations committee shall be announced six months before the next AGM at the latest.

If one of the three largest shareholders refrains from appointing a representative, or if a representative resigns or ceases to perform his/her duties before the assignment is completed, the Chairman shall ask the next largest shareholder (i.e. the fourth largest shareholder shall be asked first) to appoint a representative. Until this procedure is completed, the committee shall be authorized to make decisions with only two members.

If there are changes in the shareholder structure, a new representative shall be appointed. The Chairman of the Board shall contact the shareholder among the three largest shareholders without a representative and request that a representative be appointed. Once this representative is appointed, he/she shall replace the representative that no longer represents one of the three largest shareholders.

The instructions shall also include the nominations committee members selecting the representative of the largest shareholder to be chairman of the nominations committee.

The duties of the nominations committee include making proposals for the following matters to be resolved at the 2012 Annual General Meeting:

1. Proposal for Chairman of the Annual General Meeting
2. Proposal for Board members
3. Proposal for Chairman of the Board
4. Proposal for Board fee and division of fee between Chairman and Board members
5. Proposal for fees for auditors and,
6. Proposal for procedure for appointment of nominations committee
7. Proposal for fees to members of the nominations committee

The nominations committee shall perform the duties that from time to time arise in accordance with the Swedish Code of Corporate Governance.

Nominations committee, March 2011