

English translation for information purposes only. If there are differences between the English translation and the Swedish original, the Swedish text will take precedence.

PROPOSALS BY THE NOMINATION COMMITTEE PRIOR TO THE 2018 AGM

The Nomination Committee for the 2018 AGM consisted of the following members: Jannis Kitsakis of Fjärde AP-fonden (Chairman of the Nomination Committee); Anders Algotsson of AFA Försäkring; Rikard Andersson of SEB Fonder; and Anders G. Carlberg (Chairman of the Board).

The Nomination Committee makes the following proposals prior to the 2018 AGM:

Election of a chairman for the General Meeting

The Nomination Committee proposes that Anders G. Carlberg be elected as chairman of the meeting.

Resolution on the number of Board members

The Nomination Committee proposes that for the period up to the close of the next AGM, the Board of Directors should consist of seven members elected by the general meeting with no alternates.

Resolution on fees payable to the Board members

The Nomination Committee proposes that fees paid to the Board members for the period up to the close of the next AGM be at SEK 550,000 for the Chairman of the Board and SEK 300,000 for the other members elected by the general meeting. Remuneration to the Board committees would be unchanged at SEK 80,000 for the chairman of the Audit Committee and SEK 40,000 for the other members, and SEK 50,000 for the chairman of the Remuneration Committee and SEK 25,000 for the other members. Fees to all the employee representatives on the Board would remain unchanged at SEK 40,000 each, for the same period.

Election of Board members and Chairman of the Board

The Nomination Committee proposes the re-election of the current Board members Anders G. Carlberg, Carina Andersson, Peter Carlsson, Katarina Lindström, Hans Porat and Ragnhild Wiborg. It is proposed that Mats Backman be elected as a new Board member. It is furthermore proposed that Anders G. Carlberg be re-elected as Chairman of the Board.

Information about the proposed Board members is available on the company's website, www.granges.com.

Resolution on the number of auditors, fees to the auditors and election of auditor

The Nomination Committee proposes that the company have one auditor and no deputy auditor, that fees to the auditor be paid in accordance with approved invoices and that the registered accountancy firm Ernst & Young AB be re-elected as auditor.

The Nomination Committee's proposal accords with the recommendation of the Audit Committee. Neither the Nomination Committee's proposal nor the Audit Committee's recommendation has been influenced by any third party or forced by any contractual terms limiting the freedom of choice of auditor.

Ernst & Young AB has notified that if the meeting approves the Nomination Committee's proposal, the authorised public accountant Erik Sandström will be the chief auditor.

THE NOMINATION COMMITTEE'S REASONED STATEMENT CONCERNING PROPOSALS FOR THE BOARD OF DIRECTORS OF GRÄNGES AB (PUBL)

The Nomination Committee proposes the re-election of the current Board members Anders G. Carlberg, Carina Andersson, Peter Carlsson, Katarina Lindström, Hans Porat and Ragnhild Wiborg. It is proposed that Mats Backman be elected as a new Board member. It is furthermore proposed that Anders G. Carlberg be re-elected as Chairman of the Board.

The Nomination Committee's proposal therefore means that for the forthcoming period of office the Board of Directors would consist of seven (7) board members elected by the general meeting and no alternates. Under the Articles of Association, the Board shall be composed of at least four and no more than eight board members in addition to the employees' representatives. No alternates need to be appointed, but the general meeting has the option of appointing up to four alternates.

Since the Nomination Committee was formed in autumn 2017 it has held three (3) meetings at which minutes were taken. In addition to these meetings, the Nomination Committee has been in contact by e-mail and telephone. At the first meeting of the Nomination Committee the Chairman of the Board gave an account of the company's operations, goals and strategies and how the work of the Board had been conducted over the past year. The Chairman also presented to the Nomination Committee the internal written evaluation of the work of the Board that had been commissioned by the Chairman in autumn 2017. The results of this evaluation were overwhelmingly positive. The independent members of the Nomination Committee who are not members of the Board, have been given the opportunity to contact the board members for interviews.

The Nomination Committee can state that the positive results reported in the written internal evaluation of the Board were confirmed by the interviews that members of the Nomination

Committee have conducted with individual Board members. The Nomination Committee also states that the level of attendance by the Board members was very high. In the Nomination Committee's assessment, the work of the Board functioned very well during the year and was conducted with great commitment. During the recent year and in connection with regular board meetings, the Board has visited the establishments in Huntingdon and in Finspång. The work of the Board has been characterised by open and constructive dialogue, where the cooperation between the Chairman, the Board and its committees and the CEO with executive management is considered to have functioned very well.

Prior to the 2018 AGM the Nomination Committee has assessed whether the current Board is appropriately composed in terms of size, breadth and diversity as regards to expertise, age, gender, background and experience, and whether it meets the demands placed on the Board given the company's current and future circumstances. An assessment has also been made as to whether each individual Board member is able to devote sufficient time and commitment to the Board's work. The Nomination Committee has discussed whether an additional Board member would result in an improved composition, with regards to the company's operations, strategic development, management and control.

In order to further improve the Board and add new competences, it is proposed that Mats Backman be elected as a new Board member. Backman, born in 1968 and with a degree of Master of Science in Business and Economics, has a wide experience of industrial business adjacent to Gränges', and will according to the Nomination Committee's assessment contribute with valuable competence. During his career Backman previously has held a number of different positions within Sandvik (CFO 2013–2016), Outokumpu, Boliden and Nordea. Backman is currently CFO at Autoliv, Inc. – a position he has held since 2016.

The Nomination Committee considers the proposed Board members to represent a broad range of expertise, with both solid and in-depth financial and industrial knowledge as well as significant international experience – including the markets in China and North America that are important to the company. In addition, the Nomination Committee considers the members of the Board to have a great understanding and knowledge of the particular needs and circumstances of the company in the competitive market in which the company operates. The proposed new Board member Mats Backman may with his experience from mechanical engineering in general, and particularly from the automobile industry, be a valuable addition, with his special insights and with his solid CFO-background, and therefore completes the current Board, whose members are proposed to be re-elected.

The Nomination Committee notes that three of the seven proposed members of the company's Board are women, corresponding to approximately 43 per cent. This exceeds the long-term goal set by the Swedish Corporate Governance Board for the less well represented gender to make up around 40 per cent of the boards of listed companies by 2020. The Nomination Committee will continue to strive for gender balance on the Board in the future and in its recruitment processes will work to find suitable candidates of both genders.

The Nomination Committee can also state that the proposal means that all of the members are independent in relation to the company and the company management, and are also independent in relation to major shareholders in the company.