

TRANSLATION OF THE ORIGINAL SWEDISH

Report from the Nomination Committee, proposals and reasoned statement for the Annual General Meeting in JM AB, April 21, 2016

Background

The Annual General Meeting of JM AB ("JM"), which was held on April 21, 2015, adopted instructions stating that the Company's Nomination Committee is formed by the four largest shareholders who wish to take part, each appointing one representative. The person in question may not be a Board Director for the Company. The Chairperson of the Board convenes the first meeting and serves as the fifth member of the Nomination Committee. The mandate of the Nomination Committee remains in effect until a new Nomination Committee is appointed.

The Nomination Committee includes the following people:

Åsa Nisell (Chairperson), Swedbank Robur Fonder
Lars-Åke Bokenberger, AMF Försäkring och Fonder
Jan Särilvik, Nordea Funds
Hans Ek, SEB Fonder
Lars Lundquist, Chairperson of the Board of JM

As of February 29, 2016, the four shareholders referred to above represented about 25.8 percent of shares and votes in JM.

The composition of the Nomination Committee was announced in a press release on September 30, 2015, and was also posted on the Company's website (www.jm.se). Information can be found about how shareholders can submit proposals to the Nomination Committee on the website under the section About JM - Corporate Governance. No proposals from other shareholders were received.

Report from the Nomination Committee

The Nomination Committee held three meetings at which minutes were kept and in addition maintained contact through email and by telephone. The Nomination Committee has received a report from the Chairperson of the Board on how work is conducted on the Board of Directors as a whole and in the committees and the results from an external Board assessment that included individual interviews with all Board Directors and a written survey for the Directors elected by the Annual General Meeting. Given this information and the fact that not all Directors were seeking re-election, competences and

experiences were identified that were needed to strengthen the Board of Directors. On the basis of this requirement profile and with the help of an external recruiting consultant and through its own network, the Nomination Committee searched for appropriate candidates of both genders.

The Nomination Committee can hereinafter present its proposal to the Annual General Meeting in accordance with the instructions adopted by the 2015 Annual General Meeting.

The Nomination Committee's unanimous proposal

Election of Annual General Meeting Chairperson

Lars Lundquist is proposed to chair the Annual General Meeting.

Number of Directors

Seven Directors elected by the Annual General Meeting.

Election of Chairperson and Directors to the Board of Directors

The Nomination Committee proposes the **re-election** of Lars Lundquist as the Chairperson of the Board of Directors and re-election of Directors Kaj-Gustaf Bergh, Johan Bergman, Eva Nygren, Kia Orback Pettersson and Åsa Söderström Jerring. Directors Anders Narvinger and Johan Skoglund have declined re-election.

The Nomination Committee proposes the **new election** of Thomas Thuresson.

Thomas Thuresson has a MSc in Economics and has been the CFO of the Alfa Laval Group since 1995; he was employed by Alfa Laval in 1988 and has worked as business area controller and Group controller, amongst other things. Thomas Thuresson has previously also worked at PLM and Volvo. Thomas Thuresson has a Board assignment for the Alfa Laval Group, and he was a Director of the Board for PartnerTech AB 2008-2015.

Remuneration to the Board of Directors

It is proposed that the Chairperson be paid SEK 780,000 (760,000) for work on the Board and that Directors who are not employed by the Company be paid SEK 330,000 (320,000).

It is proposed that Directors who are not employed by the Company receive unchanged remuneration for work on committees as follows:

Chairperson of the Audit Committee: SEK 120,000
Directors on the Audit Committee: SEK 90,000
Chairperson of the Compensation Committee: SEK 60,000.
Director on the Compensation Committee: SEK 60,000.
Chairperson of the Investment Committee: SEK 80,000
Directors on the Investment Committee: SEK 60,000.

Proposed fees for the 2016 Annual General Meeting pertaining to seven paid Directors amount to a total of SEK 3,380,000, including remuneration for work on Committees. The 2015 Annual General Meeting resolved that the total fees pertaining to seven paid Directors should amount to SEK 3,300,000. This year's proposal thus corresponds to a total increase of SEK 80,000 or around 2.4 percent.

Election of and remuneration to the auditors

The 2015 Annual General Meeting re-elected Ernst & Young AB as the auditing company. The term of service for the auditing company extends until the end of the 2016 Annual General Meeting.

The Nomination Committee proposes the re-election of Ernst & Young AB as the auditing company. In accordance with Swedish law, the term of service runs until the end of the 2017 Annual General Meeting.

Remuneration to auditors will be paid as per invoices issued by the auditing company and approved by JM.

Instructions for the Nomination Committee

The Nomination Committee proposes that the Annual General Meeting adopt the version of the instructions that was adopted at the 2015 Annual General Meeting.

The proposed instructions are set out in Appendix 1 of this document.

In summary, according to these instructions a Nomination Committee will be formed by the four largest shareholders who wish to take part, each appointing a representative. These shareholders will be identified based on the public register of shareholders maintained by Euroclear Sweden AB and the public nominee list of owners and relate to those shareholders who on July 31 are registered in their own name or are included in an owner group. The Chairperson of the Board will convene the first meeting and be the fifth member of the Nomination Committee.

The Nomination Committee will prepare and present proposals to the Annual General Meeting for:

- Chairperson at the Annual General Meeting
- number of Directors
- Chairperson and other Directors on the Company's Board
- Directors' fees, distributed among the Chairperson, other Directors and reimbursement for Committee work
- election of and remuneration to the auditors
- where applicable, amendment of instructions for the Nomination Committee.

The Nomination Committee will otherwise perform the duties specified in the Swedish Corporate Governance Code that applies at any given time (the Code), which is managed by the Swedish Corporate Governance Board.

Reasoned statement

The Nomination Committee believes that JM's governance functions well and that the Board of Directors, considering the Company's operations, phase of development and conditions in general, is appropriate for the purpose and is characterized by diversity and breadth with respect to the expertise, experience and background of the Directors. The Board of Directors has competence and experience in JM's significant areas such as project and construction operations, architecture, marketing, brand matters, finance and the most important geographic markets. However, the Nomination Committee believes that the Board of Directors needs to be strengthened with regard to financial competence from industrial operations, in part due to the fact that Anders Narvinger, who for several years has also been the Chairperson of the Audit Committee, has declined re-election. The Nomination Committee proposes the new election of Thomas Thuresson, who has considerable experience in accounting and finance from industrial companies. The proposed Board of Directors, three women and four men, also meets the requirement on equal gender distribution.

Information according to article 2.6 of the Code regarding those persons proposed for re-election and new election can be found on JM's website under About JM – Corporate Governance. The information includes:

1. Age and main education and work experience,
2. Duties at JM and other significant commitments,
3. Personal and/or related natural or legal person's holdings of shares and other financial instruments in JM AB,
4. Whether, according to the Nomination Committee, the Board Director is considered to be independent of JM AB and the Company's senior management, as well as of major shareholders in the Company,
5. On re-election, the year that the Director was first elected to the Board.

Stockholm, March 7, 2016

Åsa Nisell

Jan Särilvik

Lars-Åke Bokenberger

Hans Ek

Lars Lundquist