

Account of the work of the Nominating Committee presented to the 2010 AGM

Background

In accordance with the instructions issued by Bilia AB's ("Bilia") 2006 Annual General Meeting, a Nominating Committee was appointed with representatives of the four largest owners/owner groups six months prior to the upcoming AGM. These owners decided that the Nominating Committee shall, in addition to chairman Mats Qviberg, consist of Thomas Ehlin representing Nordea Funds, Anders Ellsell representing Investment AB Öresund, Hans Hedström representing HQ Funds and Eva Qviberg representing the Qviberg family. Anders Ellsell was appointed chairman of the Nominating Committee. In April, Nordea Funds announced that they were no longer one of the four biggest owners and that the change was not marginal. Thomas Ehlin has therefore been replaced by Henrik Bonde, representing Östersjöstiftelsen (the Baltic Sea Foundation).

The Nominating Committee has had one formal meeting and regular contacts.

Bilia's Nominating Committee will present the following proposal to the company's Annual General Meeting:

Election of Chairman and other members to the Board of Directors

The Nominating Committee proposes re-election of the following members: Heinrich Blauert, Eva Cederbalk, Jack Forsgren, Mats Holgerson, Ingrid Jonasson Blank, Jan Pettersson, Mats Qviberg and Jon Risfelt. In addition, the Committee proposes that Svante Paulsson and Anna Qviberg be elected as new members and that Mats Qviberg continue as Chairman.

Sven Hagströmer and Gerard Versteegh have declined re-election.

The Nominating Committee believes that the proposed members of the Board complement each other well and possess the qualifications and commitment required to meet the company's needs.

The proposed composition of the Board of Directors complies with the rules of the Code of Corporate Governance regarding independence:

Heinrich Blauert Independent Board member

Eva Cederbalk Independent Board member

Jack Forsgren Independent Board member

Mats Holgerson Independent Board member

Ingrid Jonasson Blank Independent Board member

Svante Paulsson Independent Board member

Jan Pettersson Not independent in relation to the company

Anna Qviberg Independent Board member

Mats Qviberg Not independent in relation to major shareholders

Jon Risfelt Independent Board member

Proposed fees to Board and committee members

A fee of SEK 275,000 is proposed to be paid to the Chairman of the Board and SEK 175,000 each to other Board members who do not receive a salary from the company. For both the Chairman and other members, this entails an unchanged fee compared with last year.

It is further proposed that the Audit Committee continue its work and that the chairman of this committee should receive SEK 50,000, while the Board member who participates in the work of the committee should receive SEK 25,000. The member of the Board who is chairman of the Compensation Committee should receive SEK 25,000.

Election of auditors

The auditors of Bilia AB are elected by the AGM for a period of four years. The 2008 AGM re-elected KPMG as the public accounting firm, with Johan Dyrefors as the auditor in charge and Lars Bertén as the chief of audit.

Fees to auditors

Fees to KPMG for auditing assignments are proposed to be paid as billed, upon approval.

Appointment of Nominating Committee

The Nominating Committee proposes no changes in the principles for appointment of the Nominating Committee.

Chairman at the AGM

The Nominating Committee proposes that Mats Qviberg be elected chairman at the AGM.

NOMINATING COMMITTEE IN BILIA AB