

Report on the Nomination Committee's work and proposals to the Annual General Meeting of PA Resources AB (publ) to be held on 17 May 2011

Work of the Nomination Committee

Establishment of the Nomination Committee

At the Annual General Meeting (AGM) of PA Resources AB (publ) ('PA Resources') held on 18 May 2010, the Meeting resolved that a Nomination Committee was to be established for the AGM in 2011 in order to fulfil the duties ensuing from the Swedish Code of Corporate Governance and to submit a proposal for the process of appointing a new Nomination Committee. The Nomination Committee was established by the Chairman of the Board contacting the three largest shareholders (as at 30 September 2010) and asking them to each appoint a member to the Nomination Committee. The company's largest shareholder Länsförsäkringar Fonder appointed Jesper Bonnivier as its representative. The company's second to eighth largest shareholders chose not to appoint a representative, following which the company's ninth and tenth largest shareholders, Case Asset Management and Bertil Lindqvist, were asked and declared themselves willing to appoint one representative each. The Nomination Committee, whose composition was announced by the company on 12 November 2010, and which held its first meeting following appointment held on 6 December 2010, consequently comprises the following members:

- Mathias Berggren, *appointed by the shareholder Bertil Lindqvist*
- Jesper Bonnivier, *appointed by the shareholder Länsförsäkringar Fonder*
- Henrik Strömbom, *appointed by the shareholder Case Asset Management*
- Sven Rasmusson, Chairman of PA Resources, *appointed by the AGM held on 18 May 2010*

The Nomination Committee appointed Mathias Berggren as its Chairman.

The meetings of the Nomination Committee

The Nomination Committee has held three meetings, which were minuted, and has also maintained continuous private contact by phone and e-mail. During these meetings, the Committee dealt with the matters that it has a duty to deal with under the Swedish Code of Corporate Governance. Among other things, the Committee discussed and considered:

- (i) the extent to which the current Board fulfils the demands that will be made on the Board as a result of PA Resources' size, position and future direction;
- (ii) a process for the renewal of the Board;
- (iii) the size of the Board;
- (iv) the areas of competence that are and should be represented on the Board;
- (v) the remuneration of directors; and
- (vi) the remuneration of auditors.

In this connection, the Committee studied, among other things, the evaluation carried out by the Board.

The Nomination Committee has not received any views from shareholders concerning these issues.

Other

In order to enable PA Resources to fulfil its information duties towards its shareholders, the Nomination Committee has informed PA Resources of the way in which the Nomination Committee's work has been carried out and the proposals that it has decided to submit. It has also provided information about the proposed directors.

Proposals of the Nomination Committee to the Annual General Meeting

Election of the Chairman of the Meeting

The Nomination Committee proposes that Sven Rasmusson be elected Chairman of the Meeting.

Number of directors

The Nomination Committee proposes that the Board should comprise five directors (previous year 5) and no deputy directors (previous year 0) for the period up to the next AGM.

Fees for the Board of Directors and auditor

The Nomination Committee proposes that the Board receive, as before, a total fee of SEK 1,650,000 payable (previous year SEK 1,650,000); of this amount, SEK 550,000 is to be allocated to the Chairman (previous year SEK 550,000) and SEK 275,000 to the other respective directors (previous year SEK 275,000). These amounts include remuneration for possible committee work.

The Nomination Committee proposes that the auditor be paid a fee in accordance with a reasonable bill of costs approved by the company.

Election of directors and Chairman of the Board

The Nomination Committee proposes the re-election of Catharina Nystedt-Ringborg, Lars Olof Nilsson, Paul Waern and Hans Kristian Rød and also the new election of Per Jakobsson.

The Nomination Committee proposes that Hans Kristian Rød be elected as Chairman of the Board.

Information about all of the directors proposed for re-election is available on the company's website (www.paresources.se) and in the company's annual report for 2010 (page 32). Information about the new proposed member will be made available on the company's website.

The statement of reasons for the choice of directors proposed by the Nomination Committee is provided in Appendix 1.

Principles for the appointment of a Nomination Committee

The Nomination Committee proposes that the AGM resolves to appoint a new Nomination Committee for the AGM in 2012, basically in accordance with the model previously applied.

This model involves the Chairman of the Board being assigned to contact the three largest shareholders entered as at 30 September 2011 in the company registered directly in Euroclear Sweden's share register to ask them on that same date whether these shareholders wish to appoint a member to the company's Nomination Committee for the 2012 AGM. In the event that such a shareholder does not wish to appoint a member, the fourth largest registered shareholder shall be asked, and so on. The members appointed in this manner, together with the Chairman of the Board as convener, are to form the Nomination Committee. The Committee shall appoint one of its members as

Chairman. The names of the Committee members shall be announced by the company not later than six (6) months before the AGM to be held in 2012. The Nomination Committee shall comply with and fulfil the duties ensuing from the Swedish Code of Corporate Governance and shall submit a proposal for the process of appointing a new Nomination Committee at the next AGM.

If any shareholder that has appointed a member to the Nomination Committee sells a substantial proportion of its shares in the company before the completion of the Committee's assignment, the member appointed by this shareholder shall resign, if the Committee so decides, and be replaced by a new member to be appointed by the shareholder that is, at that point in time, the largest registered shareholder not already represented on the Committee. If any member of the Committee ceases to represent the shareholder that appointed the member or if a member should resign from the Committee before the completion of the Committee's assignment, such member shall be replaced by a new member appointed by the shareholder, if the Committee so decides. If the registered ownership situation otherwise significantly changes before the completion of the Committee's assignment, the composition of the Committee shall be changed, if the Committee so decides, in accordance with the principles stated above.

The term of office for the Committee appointed in this manner shall run until a new nomination committee has taken office.

No remuneration shall be paid for the work of the members of the Nomination Committee, with the exception of direct expenses that Committee members incur in conjunction with their assignment. However, if required, the company shall cover any reasonable external costs that the Committee considers necessary for the completion of its assignment.

Stockholm, March 2011

Nomination Committee, through Mathias Berggren (Chairman)