

## **Presentation of the work and proposal of Black Earth Farming Ltd - Nomination Committee, for the 2010 Annual General Meeting ("AGM"), including reasoning for the proposal on election of directors**

The Nomination Committee of Black Earth Farming Ltd ("Black Earth Farming" or "the Company") submits the following report on its work for the 2010 AGM in Black Earth Farming, to be held on May 26, 2010.

### **Formation of the Nomination Committee**

At Black Earth Farming's AGM on May 15, 2009 it was resolved that a Nomination Committee shall be established consisting of representatives from the three largest shareholders in the Company. The ownership shall be based on the shareholding statistics from the Swedish central securities depository Euroclear Sweden AB (formerly VPC AB) as per the last business day in August 2009. The names of the members of the Nomination Committee shall be announced as soon as they have been appointed, which shall take place no later than six months prior to the Annual General Meeting in 2010. In case of a material change in ownership prior to completion of the work to be performed by the Nomination Committee, it shall be possible to change the composition of the Nomination Committee. The Nomination Committee's mandate period extends up to the appointment of a new Nomination Committee. The Nomination Committee shall appoint a Chairman among themselves. If the representatives cannot agree upon appointment of Chairman, the representative representing the shareholder with the largest number of votes shall be appointed as Chairman. The Nomination Committee shall prepare proposals for the following decisions at the Annual General Meeting in 2010: (i) election of the Chairman for the Meeting, (ii) election of Directors, (iii) election of the Chairman of the Board of Directors, (iv) remuneration to the Directors, (v) election of the Company's auditors and (vi) compensation to the Company's auditors, and (vii) proposal for how to conduct the nomination process for the Annual General Meeting in 2011.

On November 11, 2009 the Nomination Committee was established with the following members: Per Brilioth (Chairman of the board, appointed by Vostok Nafta Investment Ltd.), Mia Brunell Livfors (appointed by Kinnevik New Ventures AB) and Leif Törnvall (appointed by Alecta Pensionsförsäkring). At the time of its formation the Nomination Committee represented approximately 54 percent of the shares in Black Earth Farming.

At the inaugural meeting Per Brilioth was appointed Chairman of the Committee. The reason for this departure from the Swedish Code of Corporate Governance (the "Code") is that the nomination committee members considered it appropriate for Per Brilioth to be appointed Chairman, being the representative of Black Earth Farming's largest shareholder.

Information about the establishment of the Nomination Committee was disclosed in the Company's interim report for the third quarter of 2009 which was published on 25 November 2009. The interim report contained information on how shareholders can submit proposals to the Nomination Committee. No such proposals have been received.

### **Work of the Nomination Committee**

The Nomination Committee has convened on five occasions (including one decision by correspondence). In addition, there has been regular informal contact and the Nomination Committee members have conducted interviews with the proposed new Directors. A recruitment company was engaged to assist in

the recruitment process. The Nomination Committee has also considered an evaluation of the sitting Board's work, which was initiated by the Chairman of the board.

### **Nomination Committee's reasoning for the proposal for the election of directors**

The Nomination Committee proposes re-election of Per Brilioth, Sture Gustavsson, Henrik Persson and Alex Gersh and election of Poul Schroeder, Magnus Unger and Richard Warburton. The Nomination Committee also proposes re-election of Per Brilioth as Chairman of the Board.

*Poul Schroeder*, 65 years. Danish citizen. Aarhus University (economics). Columbia University (International Senior Management Program). Mr Schroeder is an independent consultant and has been active in the international agricultural industry since 1966, among others, within the Continental Grain Company and Bunge. Mr Schroeder is a member of the Board of Sodrugestvo Group.

*Magnus Unger*, 68 years. Swedish citizen. Stockholm School of Economics (Master's Degree). Mr. Unger is a businessman with many years of industrial experience, with among others SCA / Mölnlycke and Atlas Copco. Mr. Unger is a member of the Board of Lundin Petroleum AB, Bukowski Auctions AB and Chairman of the Board of Clean Tech East Holding AB.

*Richard Warburton*. British citizen. University of Newcastle (Bachelor of Science, Agriculture). Open University (MBA). Richard Warburton has worked in various positions within Bidwells since 1999.

The Nomination Committee has been informed that Paul Wojciechowski and Vladimir Averchev have declined re-election.

It is the opinion of the Nomination Committee that given Black Earth Farming's line of business, stage of development and general environment, the proposed Board represents a suitable composition with versatility and breadth in terms of the Directors' qualifications, experience and background. The new members of Poul Schroeder, Magnus Unger and Richard Warburton are deemed to bring Black Earth Farming valuable industrial and sector specific experience and skills. The Nomination Committee considers that the proposed Board meets the Code's requirements of independence from the company, its management and major shareholders.

### **The Nomination Committee's complete proposal**

#### **a) Proposal for the election of Directors**

Seven members and no deputies.

*Re-election of:*

Per Brilioth  
Sture Gustavsson  
Henrik Persson  
Alex Gersh

*Election of:*

Poul Schroeder  
Magnus Unger  
Richard Warburton

Chairman of the Board: Re-election of Per Brilioth.

Paul Wojciechowski and Vladimir Averchev have declined re-election.

**b) Proposal for remuneration to the Directors**

A total of 240,000 Euro in remuneration, to be divided as follows.

Directors' fees: Euro 180,000 split into 30,000 Euro for each of the directors, with exception for the CEO.

Compensation for committee work: Euro 60,000, of which the Chairman of the Audit Committee and Agricultural Committee shall receive 30,000 Euro each.

**c) Proposal for election of the Company's auditors and compensation to the Company's auditors**

Re-election of Deloitte, the auditor Svante Forsberg as auditor  
Fees to the auditors according to approved invoices.

**d) Proposal for election of chairman for the AGM**

Per Nyberg, Linklaters law firm.

**e) Proposal relating to the nomination process for 2011 AGM**

The nomination process for the AGM 2011 is proposed to be conducted as follows.

A nominating committee shall be appointed consisting of representatives of the three largest shareholders in the company. The ownership shall be based on the shareholding statistics from the Swedish central securities depository Euroclear Sweden AB (formerly VPC AB) as per the last business day in August 2010. The names of the members of the Nomination Committee shall be announced as soon as they have been appointed, which shall take place no later than six months prior to the Annual General Meeting in 2011. In case of a material change in ownership prior to completion of the work to be performed by the Nomination Committee, it shall be possible to change the composition of the Nomination Committee. The Nomination Committee's mandate period extends up to the appointment of a new Nomination Committee. The Nomination Committee shall appoint a Chairman among themselves. If the representatives cannot agree upon appointment of Chairman, the representative representing the shareholder with the largest number of votes shall be appointed as Chairman. The Nomination Committee shall prepare proposals for the following decisions at the Annual General Meeting in 2010: (i) election of the Chairman for the Meeting, (ii) election of Directors, (iii) election of the Chairman of the Board of Directors, (iv) remuneration to the Directors, (v) election of the Company's auditors and (vi) compensation to the Company's auditors, and (vii) proposal for how to conduct the nomination process for the Annual General Meeting in 2012.

Stockholm, April 2010

*Per Brilioth*

*Mia Brunell Livfors*

*Leif Törnvall*

*Chairman*