

## Nomination Committee's proposals and reasoned statement

### Background

The Nomination Committee has conducted its work in accordance with the regulations of the Swedish Corporate Governance Code.

The members of the Nomination Committee are: Malin Persson (chairman), representing the Haid owner family; Göran Sundström, representing the Tidstrand owner family; Erik Durhan, representing Nordea Funds; Ricard Wennerklint representing If Skadeförsäkring AB and Kenneth Bengtsson, Chairman of Clas Ohlson AB.

The Nomination Committee held three (3) minuted meetings, as well as individual contact, during the 2020/21 financial year, and one (1) subsequent minuted meeting prior to the Annual General Meeting ("AGM") in order to prepare proposals on the following:

- Chairman of the AGM
- Number of Members of the Board of Directors
- Number of Auditors
- Members of the Board of Directors and Chairman
- Auditors
- Director fees, specified by Chairman and other Board members
- Fees for committee work
- Fees to the company's auditors

### Reasoned statement

An evaluation of the work performed by the Board of Directors has been presented in writing to the Nomination Committee. Chairman of the Board, Kenneth Bengtsson, has submitted his account of the Board of Directors' work during the financial year and the Nomination Committee has conducted individual meetings with the Board of Directors (excluding employee representatives). The members of the Nomination Committee have also engaged in talks with CEO Kristofer Tonström to obtain more in-depth understanding of how the Board conducts its work.

The Nomination Committee is of the opinion that the work performed by the Board of Directors progressed very smoothly during the year and a key point of departure when electing the Board was to ensure that its members possessed the competencies, experience and background required for the assignment. The Nomination Committee has taken into account the Board's long-term composition on the basis of future competency requirements, diversity, even gender distribution and succession. The Nomination Committee has also discussed the recommendations regarding diversity and even gender distribution on the Board that are included in the Swedish Corporate Governance Code, Clause 4.1, and considered the company's diversity policy (that in short encompasses that the company is an inclusive organization with zero tolerance for discrimination and which actively works towards diversity in all working groups). The Nomination Committee strives to maintain an even gender distribution over time and states that the percentage of women on the Board was relatively satisfactory at thirty-seven point five (37.5) per cent (excluding employee representatives). Particular emphasis has also been placed



on the company's strategies and objectives and on the requirements that the company's future orientation is expected to place on the Board.

### **Nomination Committee's proposals**

The Nomination Committee has considered the number of Board members that would best contribute to efficient and smooth Board work. The Board currently comprises eight members elected by the AGM.

The Nomination Committee believes that this is a suitable number that enables efficient Board work. Consequently, the Nomination Committee proposes that the number of Board members be eight.

Based on the company's current position and challenges in the medium-term, the Nomination Committee believes that the current Board members possess the necessary competencies and experience to continue their Board assignments, as regards the industry and relevant business, financial and strategic expertise.

The Nomination Committee proposes the re-election of Board members Kenneth Bengtsson, Mengmeng Du, Mathias Haid, Patrik Hofbauer, Håkan Lundstedt, Charlotte Strömberg, Göran Sundström and Anne Thorstvedt Sjöberg.

The Nomination Committee proposes that Kenneth Bengtsson be re-elected as Chairman of the Board.

As stated above, the Nomination Committee discussed in its work the recommendations for diversity and an even gender distribution in the Board as included in the Swedish Corporate Governance Code, Clause 4.1, and the company's diversity policy. The Nomination Committee strives to maintain an even gender distribution over time. The proposed Board, excluding employee representatives, comprises three (3) women and five (5) men, corresponding to a percentage of women of thirty-seven point five (37.5) per cent.

The proposal above concerning the composition of the company's Board of Directors complies with the requirements of the Swedish Corporate Governance Code in respect of the independence of Board members.

The Nomination Committee supports the principle of minor continuous increases in director fees. At the previous AGM it was resolved that the director fees should be unchanged (at the AGM 2019 an increase with some seven (7) percent was resolved). The Nomination Committee advocated, despite the principle of minor continuous increases in director fees, restraint due to the macroeconomic development and its effect on retail, due to COVID-19. This year, the Nomination Committee makes the assessment that the conditions are more stable and that an increase of the director fees is justified. Thus, an increase of a total of 9.4 per cent is proposed in the event that a digitisation committee is not established and a total of 16.5 per cent if a digitisation committee is established. The proposed increase in directors fees should also be seen in the light of the fact that the workload for the Board of Directors has increased.



The Nomination Committee proposes to the AGM that the total director fees, including fees for committee work, but provided that a digitisation committee is not established, be paid in the amount of 4,015,000 SEK (3,670,000 SEK) to be allocated as follows: 800,000 SEK per year to the Chairman of the Board (700,000 SEK) and 375,000 SEK per year to each of the AGM-elected Board members (340,000 SEK). Further, the Nomination Committee proposes that 160,000 SEK is paid out to the Chairman of the Audit Committee (160,000 SEK), 85,000 SEK to the members of the Audit Committee (85,000 SEK) (currently two (2) members of the committee, and remuneration to the members of the Remuneration Committee shall be paid out with 130,000 SEK to the Chairman of the Remuneration Committee (130,000) and 65,000 SEK to each of the two (2) other members of the committee (65,000).

Should the Board, at its meeting following election, resolve to establish a digitisation committee consisting of a chairman and two (2) members, the Nomination Committee proposes to the AGM that the total director fees be paid in the amount of 4,275,000 SEK (3,670,000 SEK), according to the allocation in the preceding paragraph, but in addition that the members of the digitisation committee shall be remunerated with 130,000 SEK to the chairman of the digitisation committee and 65,000 SEK to each of the two (2) other members of the committee.

Any decisions by the Board to adjust the number of committee members will also affect the total director fees above.

Fees are paid as salary.

The Nomination Committee proposes that the company shall have one auditor, and no deputy auditor.

The Nomination Committee has studied the Audit Committee's recommendation to the Nomination Committee that Deloitte be proposed as auditor for one year. The Nomination Committee adheres to Audit Committee's recommendation and proposes that Deloitte be appointed the company's auditor for the period from the close of the 2020 AGM until the close of the 2022 AGM.

It is proposed that audit fees during the auditors' period in office be paid on a current-account basis in return for company-approved invoices.

The Nomination Committee proposes that Kenneth Bengtsson be elected Chairman of the AGM.

Shareholders were informed on the company's website that they can submit proposals to the Nomination Committee.

### **Information concerning the proposed Board members**

#### **Kenneth Bengtsson, Chairman of the Board**

Born 1961.

Chairman of the Board since 2014, Board member since 2013.



Professional experience: CEO and various executive positions at ICA for more than 30 years. Other significant directorships: Chairman of the Board of Diaverum, Ersta diakoni, Lyko, Envirotainer AB, Mio AB, and World Childhood Foundation. Board member of Herenco, and Synsam.

Independent in relation to the company, executive management and major shareholders according to the Swedish Corporate Governance Code.

Own and closely associated holdings: 67,000 Series B shares.

### **Mengmeng Du, Board member**

Born 1980.

Board Member since 2020

Master from the Stockholm School of Economics. Master of Engineering from KTH Royal Institute of Technology (computer science).

Professional experience: Start-up advisor in Iridis. Different senior positions at Spotify, COO at Acast AB, VP Product Development at Stardoll AB, and management consultant at Bain & Company.

Other significant directorships: Board member of Netonnet AB, Saminvest AB Swappie Oy, and Dometic Group AB.

Independent in relation to the company, executive management and major shareholders according to the Swedish Corporate Governance Code.

Own and closely associated holdings: 0

### **Mathias Haid, Board member**

Born 1970.

Board member since 2015.

Professional experience: Pilot at Lufthansa Cargo AG, training officer at Lufthansa's airline operations, and several senior positions in Lufthansa's airline operations, 1998–2015. Member of the Board of Clas Ohlson AS and Clas Ohlson Oy between 2002 and 2005.

Other significant directorships: Board member of Clas Ohlson Foundation.

Dependent in relation to major shareholders according to the Swedish Corporate Governance Code. Independent in relation to the company and executive management.

Own and closely associated holdings: 503,980 Series A shares and 2,389,777 Series B shares.

### **Patrik Hofbauer, Board member**

Born 1968.

Board member since 2020

IHM Business School, Diploma Marketing management and Master

Professional experience: Current Managing Director of Svenska Spel AB. Former Managing Director positions within the Telenor group at Telenor Sverige AB, Telenor Broadcast, and Canal Digital. Former Managing Director of Clear Channel Sverige & Baltic's and NEC Scandinavia, and Sales Manager Scandic Hotels Sverige AB.

Other significant directorships: Chairman of the Board of the Swedish Gambling Association, and board member in NHST Media Group.

Independent in relation to the company, executive management and major shareholders according to the Swedish Corporate Governance Code.

Own and closely associated holdings: 3,500 Series B shares



**Håkan Lundstedt, Board member**

Born 1966.

Board member since 2018.

Professional experience: CEO and Managing Director of Synsam, previously CEO of Mekonomen and Lantmännen, and a number of senior roles with Orkla.

Other significant directorships: Board member of the Rizzo Group.

Independent in relation to the company, executive management and major shareholders according to the Swedish Corporate Governance Code.

Own and closely associated holdings: 0.

**Charlotte Strömberg, Board member**

Born 1959.

Board member since 2017.

Master of Science in Business and Economics, Stockholm School of Economics

Professional experience: Former CEO of Jones Lang LaSalle Nordic region, a number of senior positions at Carnegie Investment Bank and worked at Alfred Berg/ABN Amro, Consensus and Robur Kapitalförvaltning.

Other significant directorships: Deputy Chairman of the Board of Sofina S.A., Board member of Kinnevik AB, and Lindéngruppen AB, Founding Partner DHS Venture, and a member of the Swedish Securities Council.

Independent in relation to the company, executive management and major shareholders according to the Swedish Corporate Governance Code.

Own and closely associated holdings: 5,000 Series B shares.

**Göran Sundström, Board member**

Born 1962.

Board member since 2014.

Master of Science in Business and Economics, University of Lund

Professional experience: Founder and CEO of Sundström & Partners AB, various senior positions in Corporate Finance at Alfred Berg Fondkommission AB, Aros Securities AB and Nordea Securities.

Other significant directorships: Chairman of Logitall AB and Board member of Parks & Resorts Scandinavia AB, Sundström & Partners AB and the Clas Ohlson Foundation.

Dependent in relation to major shareholders according to the Swedish Corporate Governance Code. Independent in relation to the company and executive management.

Own and closely associated holdings: 4,000 Series B shares.

**Anne Thorstvedt Sjöberg, Board member**

Born 1965.

Board member since 2017.

Master of Science in Business and Economics, University of Gothenburg.

Professional experience: Many years of experience from strategy and organizational development, market expansion, customer insights, and computer analytics within multinational companies such as Mondelez International, Kraft Foods and Procter & Gamble.

Operational in Electrolux AB as Global Vice President.



Other significant directorships: Board member of Viva Wine Group

Independent in relation to the company, executive management and major shareholders according to the Swedish Corporate Governance Code.

Own and closely associated holdings: 4,200 Series B-shares.