

The nomination committee's report, proposals and motivated statement ahead of Mekonomen's 2022 annual general meeting

The composition of the nomination committee and report on its work

The nomination committee of Mekonomen shall, according to the resolution by the 2018 annual general meeting (AGM), consist of members appointed by the four largest shareholders, who wish to participate, based on owner statistics from Euroclear Sweden as per 31 August 2021.

Mekonomen's nomination committee ahead of the 2022 AGM was presented on 27 September 2021 and consists of Robert M. Hanser (committee chair, LKQ Corporation), Thomas Wuolikainen (Fjärde AP-fonden), Kristian Åkesson (Didner & Gerge Fonder) and Caroline Sjösten (Swedbank Robur Fonder). Helena Skåntorp is co-opted member of the nomination committee in the capacity of board member of Mekonomen.

Ahead of the 2022 AGM, the nomination committee has the assignment to, among other things, present proposals regarding the number of board members, the composition of the board, as well as its compensation. As informed on the Mekonomen's website, shareholders have been able to submit proposals to the nomination committee. No such proposals have been submitted. The nomination committee has held three recorded meetings in addition to further contacts between meetings. The chairman of the board has reported on how the board's work was conducted during the year. Further, the committee has interviewed all board members and the CEO, and has also taken part of the overall evaluation of the board's work. The nomination committee has subsequently evaluated Mekonomen's needs. Furthermore, the committee has evaluated the compensation to the board members and the board committees.

The nomination committee's proposals

The nomination committee submits the following proposals to Mekonomen's 2022 AGM:

1. AGM chair

The nomination committee proposes board member Helena Skåntorp as AGM chair, or in her absence, any person appointed by the nomination committee.

2. Number of board members

The nomination committee proposes that the board shall consist of seven (7) meeting-elected members and no deputy members.

3. Compensation to the board members and auditor

The nomination committee proposes the following compensation to the board members and auditor:

- SEK 750,000 to the chairman of the board (last year: 650,000), SEK 480,000 to the vice chairman (420,000), and SEK 350,000 to each of the other directors appointed by the AGM (315,000),
- for committee work, SEK 150,000 to the chairman of the audit committee (125,000), and SEK 60,000 to each of the other members of the audit committee (55,000), and SEK 60,000 to the chairman of the remuneration committee (50,000), and SEK 30,000 to each of the other members of the remuneration committee (25,000), and
- auditor's fees in accordance with approved account.

The nomination committee has evaluated the compensation to the board in relation to companies of similar size and complexity and considered the cost of the compensation per person and in total. Based on this evaluation, and the need to be competitive to attract and retain qualified board members, the committee proposes an increase in the board compensation, as set out above.

4. Election of board members and chairman

The nomination committee proposes:

- re-election of directors Eivor Andersson, Kenny Bräck, Robert M. Hanser, Joseph M. Holsten, Magnus Håkansson, Michael Løve and Helena Skåntorp, and
- re-election of Robert M. Hanser as chairman of the board.

The proposed board members are presented with additional details on www.mekonomen.com.

5. Election of auditor

The nomination committee proposes re-election of the auditing firm PricewaterhouseCoopers AB as Mekonomen's auditor for the period until the end of the 2023 AGM. The auditing firm has informed the company that Linda Corneliusson will be the auditor in charge, if re-elected. The proposal is in accordance with the audit committee's recommendation.

6. Current instruction for the nomination committee

The 2018 AGM adopted an instruction for the nomination committee's composition and work to apply until further notice. The nomination committee ahead of the 2022 AGM has evaluated the current instruction and proposes no changes to the instruction.

The nomination committee's motivated statement regarding its proposal for election of directors

In its work, the nomination committee has applied rule 4.1 of the Swedish Corporate Governance Code as its diversity policy. This means that the nomination committee strives for the board of directors to have a composition appropriate to Mekonomen's operations, phase of development and other relevant circumstances. Further, the board members shall collectively exhibit versatility and breadth with regards to competence, experience and background. The company is also to strive for gender balance on the board.

Based on the work and evaluation performed, the nomination committee considers that the board is well functioning and that its members have competencies that complement each other. The nomination committee does not propose any changes to the composition of the board this year, focusing on continuity. All directors, i.e. Eivor Andersson, Kenny Bräck, Robert M. Hanser, Joseph M. Holsten, Magnus Håkansson, Michael Løve and Helena Skåntorp, are thus proposed to be re-elected. The nomination committee considers that the proposed board members is characterized by versatility and breadth as regards such qualifications, experiences and background that Mekonomen's strategic development and operations may demand. Of the proposed directors, two are women and five are men (corresponding to 28,6 and 71,5 percent, respectively). The nomination committee strive for gender balance, which Mekonomen's board has had for many years earlier, and considers that the work in this important issue should continue further on. The committee assesses that the proposed board members meets the requirements in the Swedish Corporate Governance Code regarding independence.
