

## **The Nomination Committee's report, proposals, and motivated statement ahead of Mekonomen's 2018 Annual General Meeting**

### **The composition of the Nomination Committee and report on its work**

The Nomination Committee of Mekonomen Aktiebolag (publ) shall, according to the resolution by the 2017 Annual General Meeting (AGM), consist of directors appointed by the four largest shareholders, who wish to participate, based on owner statistics from Euroclear Sweden AB as per 31 August 2017.

Mekonomen's Nomination Committee ahead of the 2018 AGM was presented on 25 September 2017 and consists of John S. Quinn (Nomination Committee chair, LKQ Corporation), Evert Carlsson (Swedbank Robur Fonder), Arne Lööv (Fjärde AP-fonden) and Carl Gustafsson (Didner & Gerge Småbolagsfond). Helena Skåntorp is co-opted member of the Nomination Committee in the capacity of Board member of Mekonomen.

The Nomination Committee has held three recorded meetings in addition to further contacts between meetings. The Nomination Committee has interviewed all proposed directors. The Nomination Committee has also taken part of the evaluation of the Board.

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

The Nomination Committee submits the following proposals to Mekonomen's 2018 AGM:

#### AGM chair

The Nomination Committee proposes Christer Åberg as AGM chair.

#### Number of members of the Board

The Nomination Committee proposes that the Board shall consist of seven (7) meeting-elected members and no deputy members (unchanged).

#### Board fees, remuneration for committee work and auditor's fees

The Nomination Committee proposes the following fees for the Board members and auditor:

- SEK 590,000 to the Chairman of the Board (previously SEK 550,000), SEK 330,000 to the Vice Chairman (previously SEK 310,000), and SEK 285,000 to each of the other directors appointed by the AGM (previously SEK 270,000),
- for committee work, SEK 70,000 to the Chairman of the Audit Committee (previously SEK 60,000), and SEK 40,000 to each of the other members of the Audit Committee (previously SEK 35,000), and SEK 40,000 to the Chairman of the Remuneration Committee (previously SEK 35,000), and SEK 25,000 to each of the other members of the Remuneration Committee (unchanged), and
- auditor's fees in accordance with approved account.

#### Election of the Board and Chairman

The Nomination Committee proposes:

- re-election of directors Kenny Bräck, Joseph M. Holsten, Magnus Håkansson, Malin Persson, John S. Quinn and Helena Skåntorp,
- election of Eivor Andersson as new director of the Board, and
- re-election of John S. Quinn as Chairman of the Board.

The proposed Board members are presented with additional detail on the Company's website, [www.mekonomen.com](http://www.mekonomen.com).

### Election of auditor

The Nomination Committee proposes re-election of the auditing firm PricewaterhouseCoopers AB as the Company's auditor for the period until the end of the 2019 AGM. The auditing firm has informed the Company that Lennart Danielsson will continue as the auditor in charge, if re-elected. The proposal is in accordance with the Audit Committee's recommendation.

### Instruction for the Nomination Committee

The Nomination Committee proposes that the 2018 AGM adopts the following instruction for the Nomination Committee's composition and work to be valid until the general meeting decides otherwise.

- Mekonomen shall have a Nomination Committee consisting of four directors. The four largest shareholders of Mekonomen shall be contacted by the Board of Directors based on the record provided by Euroclear Sweden AB on the registered shareholders of the Company as of the last banking day of August. Each of the four largest shareholders shall be entitled to appoint one member each. Should any of the four largest shareholders abstain from its right to appoint a member to the Nomination Committee, the right to appoint such member shall transfer to the subsequent largest shareholder. The Chairman of the Nomination Committee shall, unless its members agree otherwise, be the member appointed by the largest shareholder. The Nomination Committee's composition shall be publicly announced by Mekonomen as soon as the Nomination Committee has been appointed.
- The Nomination Committee's mandate period runs until a new Nomination Committee has been appointed. If a member of the Nomination Committee leaves the committee before its assignment has been completed or if a material change occurs in the ownership structure after the appointment of the Nomination Committee, the Nomination Committee's composition shall be changed in accordance with the above procedure. Deadline for changes in the composition of the Nomination Committee is three months before the Annual General Meeting. A shareholder who has appointed a member to the Nomination Committee is always entitled to replace such member or appoint a new member should its member leave the assignment. Changes in the Nomination Committee's composition shall be publicly announced on Mekonomen's website.
- The Nomination Committee is tasked with submitting recommendations for the following ahead of the Annual General Meeting: a) chairman to preside over the Annual General Meeting, b) the number of directors and deputy directors, c) directors' and auditor's fees, and any special fees for committee work, d) Chairman and other directors of the Board, e) auditors, and f) changes to the instruction for the Nomination Committee, if any.
- The Nomination Committee shall in connection with its assignment fulfil the duties which, according to the Swedish Code of Corporate Governance, are incumbent upon Mekonomen's nominating process, and at the request of the Nomination Committee, Mekonomen shall provide personnel resources, such as a secretarial function for the committee, to facilitate its work. Fees will not be paid to the members of the Nomination Committee. However, where needed, Mekonomen shall bear reasonable costs for external consultants which are deemed by the Nomination Committee to be necessary for the committee to fulfil its assignment.

### **The Nomination Committee's motivated statement regarding its proposals for election of directors**

The Nomination Committee has, in its work, applied rule 4.1 of the Swedish Corporate Governance Code as its diversity policy.

The Nomination Committee considers that the current Board is well functioning and that its composition is appropriate for the Company. Apart from Christer Åberg who has declined re-election, the Nomination Committee therefore proposes re-election of the directors Kenny Bräck, Joseph M. Holsten, Magnus Håkansson, Malin Persson, John S. Quinn and Helena Skåntorp. In addition, the Nomination Committee proposes election of Eivor Andersson as director of the Board.

Eivor Andersson, born 1961, has extensive experience from consumer-related business, retail and marketing, and possess online- and product competence. Among other things, she has served as President and CEO of TUI Nordic (2014-2017), CEO of Coop Marknad AB (2011) and CEO of Ving Sverige AB/Thomas Cook Sweden (2003-2010). Eivor Andersson is currently Board member of Svenska Spel and SkiStar. Eivor Andersson has digital transformation and marketing expertise and, at management level, extensive experience in operational and strategic work in various sectors. Her extensive experience in operational and strategic work in various sectors is judged to be valuable for Mekonomen's business and development. She studied economics at IHM Business School.

The Nomination Committee considers that the proposed Board has an appropriate composition with regards to the operations, phase of development and other relevant circumstances pertaining to the Company. A guiding principle for the proposal has been that the composition of the Board shall reflect and provide for such knowledge and experience that the Company's strategic development and operations may demand. The Nomination Committee has paid attention to the requirement for versatility and diversity within the Board and the requirement to achieve an equal gender balance. Three of the proposed Board members are women and four are men (equivalent to 43 percent women and 57 percent men). It is the opinion of the Nomination Committee that the composition of the Board is well adapted to meet the demands of the Company's business activities.

The Nomination Committee considers that the proposed Board meets the requirements of the Swedish Corporate Governance Code regarding the independency of the directors of the Board. All proposed directors are considered to be independent in relation to the Company and the senior management. The proposed composition of the Board also meets the requirement that at least two of the directors who are independent in relation to the Company and the management are be independent in relation to the major shareholders of the Company.

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Stockholm, April 2018  
*The Nomination Committee of Mekonomen AB (publ)*

*This is a translation of the Swedish original wording. In case of discrepancies, the Swedish version shall prevail.*