

The nomination committee's report, motivated statement and proposals ahead of MEKO's 2023 annual general meeting

The nomination committee of MEKO AB (former Mekonomen Aktiebolag) 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 2022.

MEKO's nomination committee ahead of the 2023 AGM was presented on 15 September 2022 and consists of:

- Robert M. Hanser (appointed by LKQ Corporation, committee chair),
- Caroline Sjösten (Swedbank Robur Fonder),
- Thomas Wuolikainen (Fjärde AP-fonden),
- Kristian Åkesson (Didner & Gerge Fonder) and
- Helena Skåntorp, who is co-opted member of the nomination committee in the capacity of board member of MEKO.

The nomination committees motivated statement

Ahead of the 2023 AGM, the nomination committee has worked on presenting proposals regarding the AGM chair, number of board members and the composition of the board, election of auditor, as well as its fees and compensation. As informed on MEKO's website, shareholders have been able to submit proposals to the nomination committee. No such proposals have been submitted. The nomination committee has held four meetings in addition to further contacts between meetings. The nomination committee has taken part of the chairman's report on the group's operations and 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 made of the board's work. The nomination committee has subsequently evaluated MEKO's needs.

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 and which are considered important for managing MEKO. In view of the above, the nomination committee proposes re-election of all directors, i.e. Eivor Andersson, Kenny Bräck, Robert M. Hanser, Joseph M. Holsten, Magnus Håkansson, Michael Løve and Helena Skåntorp. The committee further proposes election of Justin Jude as director.

Justin Jude, born 1975, is Corporate Senior Vice President of LKQ, President of LKQ North American Wholesale Segment, and board member of Certified Auto Parts Association (CAPA) and LKQ India Private Limited. Since 2004, Justin has held leading position within LKQ. Justin has a Bachelor of Science in Accounting from Franklin University, Ohio. The nomination committee is of the opinion that Justin Jude has a highly suitable background and profile with his extensive experience of the Automotive Aftermarket.

The committee would like to note that Robert M. Hanser has declined re-election as board member of LKQ, and leaves this position in May 2023. Thereafter he is to be considered independent in relation to LKQ and major owners.

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 MEKO'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.

The nomination committee considers that the proposed composition is characterized by versatility and breadth as regards such qualifications, experiences and background that MEKO's strategic development and operations may demand. Of the proposed directors, two are women and six are men. The committee wish to note that the proposed board does not achieve the long-term goal set by the Swedish corporate governance board (of a 40 per cent share of seats for the less represented gender). The committee is however of the opinion that gender balance is a highly important issue and intends to continue its work in this respect in the coming years.

The committee assesses that the proposed board members meets the requirements in the Swedish Corporate Governance Code regarding independence.

The nomination committee has further 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 below.

The nomination committee's proposals

In the view of the above, the nomination committee submits the following proposals to MEKO's 2023 AGM:

AGM chair

The nomination committee proposes that the vice chairman of the board Helena Skåntorp is appointed AGM chair, or in her absence, any person appointed by the nomination committee.

Election of board members

The nomination committee proposes that:

- the board shall consist of eight¹ meeting-elected members (2022: seven) and no deputy members,
- re-election of all directors: Eivor Andersson, Kenny Bräck, Robert M. Hanser, Joseph M. Holsten, Magnus Håkansson, Michael Løve and Helena Skåntorp,
- election of Justin Jude as new director and
- re-election of Robert M. Hanser as chairman of the board.

The proposed board members are presented with additional detail on www.meko.com.

Board fees, compensation for committee work and auditor fee

The nomination committee proposes fees and compensations to the board members as follows:

- SEK 775,000 to the chairman of the board (2022: 750,000),
- SEK 495,000 to the vice chairman (2022: 480,000),
- SEK 360,000 to each of the other directors appointed by the AGM (2022: 350,000),
- SEK 150,000 to the chairman of the audit committee (unchanged),
- SEK 60,000 to each of the other members of the audit committee (unchanged),

¹ The proposal means an increase of the number of board members. According to MEKO's articles of association, the number of board members shall consist of three to seven members with not more than three deputies. To enable an increase of the number of board members from seven to eight, the nomination committee will propose to the AGM an amendment of the articles of association accordingly.

- SEK 60,000 to the chairman of the remuneration committee (unchanged) and
- SEK 30,000 to each of the other members of the remuneration committee (unchanged).

Further, the nomination committee proposes auditor's fee in accordance with approved account.

Election of auditor

The nomination committee proposes re-election of the auditing firm PricewaterhouseCoopers AB as MEKO's auditor for the period until the end of the 2024 AGM. The auditing firm has informed the company that Linda Corneliusson 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 has reviewed the current instruction adopted at the 2018 AGM to apply to further notice.

Ahead of the 2023 AGM, the committee proposes that the following guidelines for the committee's composition and work apply until further notice, **Appendix 1**.

The proposal entails no material changes. In comparison with the current instruction, clarifications have been made, amongst others, that a board member of MEKO is co-opted to the committee. In addition, editorial changes have been made.

Stockholm, March 2023
The nomination committee of MEKO AB

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

Instruction for the nomination committee

The following principles for the nomination committee's composition and work shall be valid until the general meeting decides otherwise.

A. The nomination committee's composition

The nomination committee shall consist of four members nominated by the four largest shareholders of MEKO, in terms of votes, based on the shareholder record provided by Euroclear Sweden AB per the last banking day of August each year. Each of the four largest shareholders shall be entitled to appoint one member to the nomination committee.

Should any of the four largest shareholders abstain from its right to appoint a member to the nomination committee, the right to appoint such a member shall transfer to the next largest shareholder who does not already have the right to appoint a member of the nomination committee.

In addition to the four members, MEKO's chair or vice chair of the board shall be co-opted to the nomination committee.

The chair 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 as soon as the nomination committee has been appointed, but no later than six months before the next annual general meeting.

The nomination committee's mandate period runs until a new nomination committee has been appointed.

If there is a change in the ownership structure after the appointment of the nomination committee, but before three months before the next annual general meeting, and if a shareholder, which after this change in ownership becomes one of the four largest shareholders, in terms of votes, makes a request to the chair of the nomination committee to be part of the nomination committee, the shareholder shall have the right to appoint one member who shall replace the member who has been appointed by the shareholder with the smallest number of votes after the change.

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 before its assignment is completed.

Changes in the nomination committee's composition shall be publicly announced as soon as possible after the change.

B. Tasks of the nomination committee

The nomination committee is tasked with submitting proposals to the annual general meeting as regards:

- chair of the annual general meeting
- the number of board members and auditors
- fees to the board members and remuneration for committee work
- remuneration to the auditor
- election of chair and other members of the board

- election of auditors
- where considered necessary, propose changes to the instructions for the nomination committee

The nomination committee shall perform its duties in accordance with this instruction and applicable rules.

Fees will not be paid to the members of the nomination committee.

Where needed, MEKO shall bear reasonable costs for external consultants which are deemed by the nomination committee to be necessary for the committee to fulfil its assignment.
