

## **WELCOME TO THE ANNUAL GENERAL MEETING OF MEKONOMEN AKTIEBOLAG**

The shareholders of Mekonomen Aktiebolag (publ), reg. no 556392-1971, are hereby invited to attend the Annual General Meeting to be held at 3 p.m. on Tuesday, 8 April 2014 at City Conference Centre, Norra Latin, Aulan, Drottninggatan 71B i Stockholm, Sweden. Registration will open at 2 p.m.

### **Notification**

Shareholders who wish to participate in the proceedings of the Annual General Meeting shall

- be registered in the register of shareholders maintained by Euroclear Sweden AB as per Wednesday, 2 April 2014, and
- notify the company of their intention to attend the meeting no later than Wednesday, 2 April 2014. Notification may be given via the company's website, [www.mekonomen.com](http://www.mekonomen.com). Notification may also be made in writing to Årsstämman i Mekonomen Aktiebolag, c/o Euroclear Sweden AB, PO Box 7842, SE-103 98 Stockholm, Sweden or by phone + 46 8 402 90 47. Notification must include the shareholder's name and social security number or company name and company registration number, address, phone number and the number of any assistants accompanying the shareholder to the meeting (maximum of two).

### **Nominee-registered shares**

In addition to notification, shareholders whose shares are registered in the name of a nominee through a bank or other nominee must, in order to be allowed to participate in the proceedings of the Annual General Meeting, request to have their shares temporarily re-registered in their own names in the register of shareholders per Wednesday, 2 April 2014. Shareholders who wish to request such re-registration should inform its nominee of this well in advance of said date.

### **Proxies**

Shareholders who are represented by proxy must issue a written and dated power of attorney for their proxy. If the power of attorney is issued by a legal entity, copies of authorization documents (certificate of registration or similar) must be attached. To facilitate the registration at the Annual General Meeting, the power of attorney, in original, and any authorization documents should be sent by post well in advance of the Annual General Meeting to the following address: Årsstämman i Mekonomen Aktiebolag, c/o Euroclear Sweden AB, PO Box 7842, SE-103 98 Stockholm, Sweden. Proxy forms are available for downloading from Mekonomen's website: [www.mekonomen.com](http://www.mekonomen.com).

### **Proposed agenda**

1. Opening of the Annual General Meeting.
2. Election of chairman to preside over the Annual General Meeting.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Election of one or two persons to approve the minutes.
6. Decision as to whether the Annual General Meeting has been duly convened.
7. Presentation of the annual report, the auditors' report, the consolidated accounts and the auditors' report on the consolidated accounts for the group and statement from the auditor on the auditing work.
8. Address by the CEO and questions from shareholders.
9. Decision concerning adoption of the profit and loss account and the balance sheet, the consolidated profit and loss account and the consolidated balance sheet.
10. Decision concerning allocation of the profit in accordance with the approved balance sheet and record date for dividend.
11. Decision on discharge from liability of the directors of the Board and the CEO.

12. Report on the Nominating Committee's work and proposals.
13. Determination of the number of directors of the Board and deputies of the Board to be elected by the Annual General Meeting.
14. Determination of directors' and auditors' fees.
15. Election of chairman of the Board, other directors of the Board and deputy directors, if any.
16. Election of auditor.
17. Determination of guidelines for appointment of the Nominating Committee etc.
18. Determination of guidelines for remuneration to senior executives.
19. Resolution on employees' acquisition of shares in subsidiaries.
20. Resolution on authorization of the Board to issue new shares.
21. Closing of the Annual General Meeting.

## **The Nominating Committee's proposals**

### ***Items 2 and 13 - 16 - Chairman of the Annual General Meeting, number of directors and deputy directors, fees, chairman of the Board and other directors and auditor***

The Nominating Committee of Mekonomen, which has been appointed in accordance with the guidelines decided upon at the 2013 Annual General Meeting, consists of Alexandra Mörner (Axel Johnson Aktiebolag), committee chair, Anna Ohlsson-Leijon (SEB Fonder), Arne Lööw (Fjärde AP-fonden) and Leif Törnvall (Alecta). Fredrik Persson, chairman of the Board, is co-opted member of the Nominating Committee.

The Nominating Committee has made the following proposal.

- Item 2            Fredrik Persson as chairman of the Annual General Meeting.
- Item 13          Seven meeting-elected directors of the Board and no deputy directors.
- Item 14          Fees to meeting-elected directors of the Board whom are not employed by the company (same as last year) and members of the Board committees in accordance with the following:
- SEK 400,000 payable to the chairman,
  - SEK 300,000 payable to the vice chairman,
  - SEK 250,000 payable to each of the other directors,
  - SEK 60,000 payable to the chairman of the Audit Committee,
  - SEK 35,000 payable to each of the other members of the Audit Committee,
  - SEK 35,000 payable to the chairman of the Remuneration Committee, and
  - SEK 25,000 payable to each of the other members of the Remuneration Committee.
- Auditor fees in accordance with approved account.
- Item 15          Re-election of Fredrik Persson as chairman of the Board. Re-election of directors Kenneth Bengtsson, Kenny Bräck, Helena Skåntorp and Marcus Storch.
- New-election of Caroline Berg and Christer Åberg as directors of the Board.
- Board directors Antonia Ax:son Johnson and Anders G Carlberg have declined re-election.
- Caroline Berg was born in 1968 and holds a degree in media and psychology from Middlebury College, USA. She has been Vice President, Human Resources and Communications at Axel Johnson Aktiebolag and a member of the management team since 2006. Her duties also include responsibility for sustainable business. Caroline Berg is a member of the board of Axstores AB,

Åhléns AB, Axel Johnson International Aktiebolag, AxFast AB, Filippa K Group AB, and a deputy director of Martin & Servera Aktiebolag. She is also Chairman of the Erik and Göran Ennerfelt Foundation for International Studies for Young Swedes. Caroline Berg will be elected as Vice Chairman of the Board of Axel Johnson Aktiebolag at the company's Annual General Meeting in March 2014. In conjunction with this, she will leave the management team and a number of the aforementioned board assignments.

Christer Åberg was born in 1966 and is since 2013 CEO of Orkla Confectionery & Snacks, with operations in the Nordic and the Baltic regions. From 2009 to 2013 Christer Åberg was CEO of Arla Foods AB, with operations in Sweden and Finland. He previously held the post of Managing Director of Atria Scandinavia AB and has held management positions at Unilever, in the Nordic region and internationally. Christer Åberg is a member of the board of AB Svenska Spel, SBAB Bank AB and MECA Scandinavia AB.

Item 16 New-election of the chartered auditing firm PricewaterhouseCoopers AB as the company's auditor from the conclusion of the Annual General Meeting 2014 to the conclusion of the Annual General Meeting 2015. The auditing firm has stated that, provided that the Nomination Committee's proposal is approved by the Annual General Meeting, the authorized public accountant Lennart Danielsson will be chosen as auditor in charge.

***Item 17 - Guidelines for appointment of the Nominating Committee etc***

The Nominating Committee proposes that the Annual General Meeting 2014 adopts the following.

Mekonomen shall have a Nominating 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 31 August 2014. 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 Nominating Committee, the right to appoint such member shall transfer to the subsequent largest shareholder. The chairman of the Nominating Committee shall, unless its members agree otherwise, be the member representing the largest shareholder.

The Nominating Committee's composition shall be publicly announced by Mekonomen as soon as the Nominating Committee has been appointed. The Nominating Committee's mandate period runs until a new Nominating Committee has been appointed.

If a member of the Nominating 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 Nominating Committee, the Nominating Committee's composition shall be changed in accordance with the above procedure. A shareholder who has appointed a member to the Nominating Committee is always entitled to replace such member or appoint a new member should its member leave the assignment.

Changes in the Nominating Committee's composition shall be publicly announced on Mekonomen's website.

Fees will not be paid to the members of the Nominating Committee.

The Nominating Committee is tasked with submitting recommendations for the following ahead of the Annual General Meeting:

- Chairman to preside over the Annual General Meeting,
- The number of directors and deputy directors,
- Directors' and auditor's fees, and any special fees for committee work,

- Chairman and other directors of the Board,
- Auditors,
- Guidelines for appointment of the Nominating Committee.

The Nominating 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 Nominating Committee, Mekonomen shall provide personnel resources, such as a secretarial function for the committee, to facilitate its work. Where needed, Mekonomen shall also be able to bear reasonable cost for external consultants which are deemed by the Nominating Committee to be necessary for the committee to fulfil its assignment.

## **The Board of Directors' proposals**

### ***Item 10 – Dividend and record date***

The Board proposes a dividend of SEK 7.00 per share and 11 April 2014 as record date for dividend. Given the proposed record date, dividends are expected to be paid out via Euroclear Sweden AB on 16 April 2014. The last day to trade in Mekonomen's shares including the right to the dividend is 8 April 2014.

### ***Item 18 - Guidelines for remuneration to senior executives***

The Board proposes that the Annual General Meeting 2014 adopts the following guidelines for remuneration to senior executives.

The Board is of the opinion that it is highly important that there is a clear relationship between the remuneration and the values and financial objectives of the Mekonomen group, both in the short and the long term. The Board's proposal for guidelines for remuneration entail that the company shall offer competitive compensation, which will enable the Mekonomen group to recruit and keep executives, and that the criteria for deciding the compensation shall be based on the importance of the individual's work duties as well as their competence, experience and performance. The compensation shall consist of the following components:

- fixed base salary,
- variable remuneration,
- pension benefits,
- other benefits, and
- severance terms.

The guidelines include the group management, currently consisting of five senior executives including the CEO.

The remuneration shall be decided by the Remuneration Committee of the Board. The remuneration to the CEO shall however be decided by the Board in its entirety.

#### Fixed base salary

Mekonomen shall offer a fixed base monthly salary which shall be competitive in comparison with the market conditions. The fixed salary constitutes compensation for committed work performed at a high professional level, which creates added value for the customers, shareholders and personnel of Mekonomen.

#### Variable remuneration

In addition to the fixed base salary, Mekonomen shall offer variable short term as well as long term remuneration which shall be based on the fulfilment of Mekonomen's objectives for:

- the result of the Mekonomen group, and
- individual qualitative parameters.

The allocation between base salary and variable compensation shall be proportionate to the responsibility and authority of the executive.

The short term variable compensation to the CEO amounts to a maximum of 60 per cent of the base salary and the other executives' to a maximum of 33 per cent of their respective base salary.

The long term variable compensation shall be calculated on the result of the Mekonomen group for the financial years 2014 - 2016. In addition to the five members of the group management, a number (approximately seven) of selected business critical employees will be offered to partake in the long term program. The criteria for deciding the amount for each individual is decided by the Remuneration Committee of the Board of Directors (except for the CEO, whose criteria is set by the Board of Directors in its entirety). The total cost for Mekonomen over the period for this program is MSEK 24. An additional requisite for disbursements under the long term program is that the average share price of the Mekonomen share on NASDAQ OMX Stockholm on the last trading day in December 2016 shall exceed the OMX Stockholm PI index for the program period.

The right to variable compensation expires upon resignation made by a senior executive, provided resignation precedes the disbursement of the compensation.

#### Pension benefits

Pension benefits are paid with an amount based on the Swedish ITP-plan or the corresponding system for employees abroad. The pension qualifying income is the fixed base salary. However, the CEO's pension benefit amounts instead to a maximum of 29 per cent of the fixed base salary.

#### Other benefits and severance terms

A maximum notice period of twelve months applies. Severance pay upon termination from the company amounts to a maximum of twelve month's salary. The notice period for senior executives, by their own initiative, is six months.

Other benefits consist mainly of car benefit.

#### Information on previously decided remuneration

All previously decided remuneration that has not yet been paid out is within the parameters set out above.

#### Authorization of the Board

The Board is authorized to depart from these guidelines, if in an individual case there are special reasons for doing so.

The guidelines adopted by the Annual General Meeting 2013 have been followed.

#### ***Item 19 - Employees' acquisition of shares in subsidiaries***

The Board proposes that the Annual General Meeting 2014 resolves to adopt the following.

The Mekonomen group of companies contains wholly and partly owned Swedish and non-Swedish companies which operate Mekonomen stores throughout the Nordic region, so-called store companies. The partners in these store companies are, alongside the Mekonomen group, the store manager in the store company. The Mekonomen group of companies also contains wholly and partly owned Swedish and non-Swedish companies which operate Mekonomen workshops, so called workshop companies (in addition to the workshops which

are part of the Mekonomen network as independent businesses). The partners in these workshop companies are, alongside the Mekonomen group, the manager in the workshop company.

Mekonomen deems it important that the store managers and workshop managers employed by the Mekonomen group have an interest in the long term financial development of the said companies.

With the purpose of increasing the long term commitment among the store and workshop managers also in the wholly owned companies and to increase their interest in the proceeds of the stores and workshops, the Board proposes that the Annual General Meeting decides that the employed store and workshop managers in the wholly owned companies shall be entitled to acquire shares in the relevant company through the purchase of existing shares, in order to make such managers partners in the store or workshop companies.

The thus acquired shares shall amount to a maximum of nine (9) per cent of the total shares in each company. The Mekonomen group will thus hold shares corresponding to at least 91 per cent.

The acquisitions shall be made at market value. Payment for such shares shall be made in cash. The acquisitions shall be completed no later than 31 December 2014.

As a result of the resolution adopted by the Annual General Meeting 2013 on the corresponding matter, two store and work shop managers have become shareholders in their respective company. The Board deems this outcome satisfactory and is of the opinion that other store and work shop managers should be offered to acquire shares in the company in which they are employed also during 2014, in accordance with the principles which were adopted by the Annual General Meeting 2013.

The Mekonomen group currently contains 83 wholly owned store companies which operate 210 stores and 68 partly owned companies which operate 79 stores. The Mekonomen group further contains eleven wholly owned and seven partly owned companies which operate 24 workshops.

#### ***Item 20 - Authorization of the Board to issue shares***

The Board proposes that the Annual General Meeting 2014 resolve to adopt the following.

The Board is authorized, for the time period until the next Annual General Meeting, at one or several occasions, with or without preferential rights for the shareholders, to resolve upon new issues of a maximum of 3,590,149 shares.

Such decision on new issue may include provisions that payment, in addition to cash payment, may be made in kind, through set-off or as else is set forth in chapter 13 section 5 paragraph 1 item 6 of the Swedish Companies Act.

The reason for the proposal is to enable Mekonomen to issue shares as payment in relation to acquisitions of companies or parts of companies and/or of assets, which the Board deems to add value to the business of the Mekonomen group, and to be able to raise capital for such acquisitions.

The subscription price for shares in a new issue made under the authorization and which is made without the shareholders' preferential rights shall be market-based. The Board is also authorized to further resolve upon other terms.

The Board, the CEO or any person empowered by the Board, is authorized to make minor amendments to the resolutions set out above to the extent necessary in connection with the filing of requisite documents with the Swedish Companies Registration Office.

**Majority requirement**

A decision by the Annual General Meeting in accordance with the Board's proposal set out in item 19 (employees' acquisition of shares in subsidiaries) requires that it has the support of shareholders with at least nine-tenths of the number of votes and shares represented at the Annual General Meeting.

A decision by the Annual General Meeting in accordance with the Board's proposal set out in item 20 (authorization of the Board to issue shares) requires that it has the support of shareholders with at least two-thirds of the number of votes and shares represented at the Annual General Meeting.

**Shares and votes**

The total number of shares in Mekonomen at the day of this notice is 35,901,487, with one (1) vote each.

**Documents**

The Nominating Committee's proposals are complete as rendered in this notice. The Nominating Committee's reasoned statement on its proposal and information about the directors nominated for the Board are available at Mekonomen's head office at Smista Allé 11 in Segeltorp, Sweden and on the company's website, [www.mekonomen.com](http://www.mekonomen.com).

The annual report and the auditor's report will be held available at the company's head office and on its website (please see above paragraph for addresses) latest from 18 March 2014. The auditor's statement on application of the guidelines adopted by the Annual General Meeting 2013 for remuneration to senior executives is available correspondingly.

The Board's proposals are complete as rendered in this notice. The Board's statement regarding dividend will be included in the annual report.

Copies of the above documents will be sent to shareholders who so request and state their postal address. Such request may be made by phone at + 46 8 402 90 47.

All documents will also be held available at the Annual General Meeting.

**Information at the Annual General Meeting**

The Board of Directors and the CEO shall, if any shareholder so requests and the Board of Directors is of the opinion that it can be done without material harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda and circumstances that can affect the assessment of the company's or its subsidiaries' financial situation and the company's relation to other companies within the Mekonomen group.

Stockholm, March 2014

Mekonomen Aktiebolag (publ)

The Board of Directors

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