

## **The Nomination Committee's report, proposals, and motivated statement ahead of Mekonomen's 2019 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 2018 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 2018.

Mekonomen's Nomination Committee ahead of the 2019 AGM was presented on 25 September 2018 and consists of John S. Quinn (Nomination Committee chair, LKQ Corporation), Kristian Åkesson (Didner & Gerge Småbolagsfond), Arne Löow (Fjärde AP-fonden), and Caroline Sjösten (Swedbank Robur Fonder). 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 and has also taken part of the evaluation of the Board. The Nomination Committee has subsequently evaluated the company's needs and also the Board's fees.

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

The Nomination Committee submits the following proposals to Mekonomen's 2019 AGM:

#### AGM chair

The Nomination Committee proposes Helena Skåntorp 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 620,000 to the Chairman of the Board (590,000), SEK 400,000 to the Vice Chairman (330,000), and SEK 300,000 to each of the other directors appointed by the AGM (285,000),
- for committee work, SEK 120,000 to the Chairman of the Audit Committee (70,000), and SEK 50,000 to each of the other members of the Audit Committee (40,000), and SEK 45,000 to the Chairman of the Remuneration Committee (40,000), and SEK 25,000 to each of the other members of the Remuneration Committee (unchanged), and
- auditor's fees in accordance with approved account.

Furthermore, the Nomination Committee proposes that a one time fee of SEK 600,000 be paid to the Vice Chairman of the Board Helena Skåntorp for the special work effort during 2018 in connection with the Company's acquisition of FTZ and Inter-Team.

The Nomination Committee has evaluated the Board fees in relation to similar sized companies and considered the cost of the Board fee 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 ordinary Board fees as set out above.

### Election of the Board and Chairman

The Nomination Committee proposes:

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

The director Malin Persson has declined re-election.

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 2020 AGM. The auditing firm has informed the Company that Linda Corneliussen will be the auditor in charge, if re-elected. The proposal is in accordance with the Audit Committee's recommendation.

### 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 has evaluated the current instruction and proposes no change.

### **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 Malin Persson, who has declined re-election, the Nomination Committee therefore proposes re-election of the directors Eivor Andersson, Kenny Bräck, Joseph M. Holsten, Magnus Håkansson, John S. Quinn and Helena Skåntorp. In addition, the Nomination Committee proposes new-election of Arja Taaveniku as director of the Board.

Arja Taaveniku, born in 1968, has upheld various international leadership roles within the IKEA Group and has served as the CEO of the Ikano Group in Luxembourg. She recently left Kingfisher Plc in the United Kingdom where she was a member of Group Management for 3.5 years as Chief Officer and Supply Chain Officer. Arja Taaveniku has extensive strategic and operational experience from developing customer value propositions, managing complete value chains and leveraging on benefits of scale, and from leading large company transformations. She is an Executive MBA graduate from Stockholm School of Economics.

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. The proposed Board of Directors will continue to consist of 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.

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Stockholm, March 2019

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.*