

## **The Nomination Committee's report, proposals, and motivated statement ahead of Mekonomen's 2020 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 members appointed by the four largest shareholders, who wish to participate, based on owner statistics from Euroclear Sweden AB as per 30 August 2019.

Mekonomen's Nomination Committee ahead of the 2020 AGM was presented on 13 September 2019 and consists of John S. Quinn (Nomination Committee chair, LKQ Corporation), Kristian Åkesson (Didner & Gerge Fonder), Arne Lööw (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.

Ahead of the 2020 AGM, the Nomination Committee has the assignment to, among other things, present proposals regarding the number of members of the Board, the composition of the Board, as well as its compensation. As informed on the Company'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 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.

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

The Nomination Committee submits the following proposals to Mekonomen's 2020 AGM:

1. AGM chair

The Nomination Committee proposes board member Helena Skåntorp as AGM chair.

2. 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.

3. Compensation to the Board and auditor

The Nomination Committee proposes the following compensation to the Board members and auditor:

- SEK 620,000 to the Chairman of the Board (620,000), SEK 400,000 to the Vice Chairman (400,000), and SEK 300,000 to each of the other directors appointed by the AGM (300,000),
- for committee work, SEK 120,000 to the Chairman of the Audit Committee (120,000), and SEK 50 000 to each of the other members of the Audit Committee (50,000), and SEK 45,000 to the Chairman of the Remuneration Committee (45,000), and SEK 25,000 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, and the need to be competitive to attract and retain qualified board members. Notwithstanding this evaluation, in light of the Company's current situation, the committee proposes no increase in the Board fees, as set out above.

#### 4. 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, Helena Skåntorp and Arja Taaveniku, 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).

#### 5. 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 2021 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.

#### 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 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**

Based on the work and evaluation performed, the Nomination Committee considers that the current Board is well functioning and that its composition is appropriate for the Company. The Nomination Committee therefore proposes re-election of all current directors.

In its work, the Nomination Committee has considered the requirement in the Swedish Corporate Governance Code regarding diversity and breadth of the Board members and to strive for gender balance on the Board. 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 proposed Board has an appropriate composition with regards to the operations, phase of development and other relevant circumstances pertaining to the Company. The Committee is of the opinion that the proposed Board members have such diversity and breadth with respect to qualifications, experience and background that the Company's strategic development and operations may demand. 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 2020

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.*