

# **Nomination Committee of Nobia AB's (publ) proposals, explanatory statement and report on its work prior to the 2015 Annual General Meeting**

## **Background**

The Annual General Meeting of Nobia AB (publ) ("Nobia") resolved on the principles for the composition of the Nomination Committee at the 2011 Annual General Meeting. In accordance with these principles, a Nomination Committee was announced in October 2014 comprising the following owner-representatives: Tomas Billing (Nordstjernan), Evert Carlsson (Swedbank Robur funds), Fredrik Palmstierna (Latour) and Torbjörn Magnusson (If Skadeförsäkring). The owners represented on the Nomination Committee hold approximately 53 per cent of the shares and votes in Nobia.

The owner-representatives decided that Nobia Board Chairman, Johan Molin, should be a member of the company's Nomination Committee. Tomas Billing was appointed Chairman of the Nomination Committee.

In accordance with the principles adopted by the Annual General Meeting, the task of the Committee was to prepare proposals in the following matters to be presented to the 2015 Annual General Meeting of Nobia:

- the appointment of the Chairman and other members of the company's Board of Directors,
- the Directors' fees, divided between the Chairman and the other members, and any remuneration for committee work,
- principles for the composition of the Nomination Committee, and
- election of, and fees to, auditors and deputy auditors, and the Chairman of the 2015 Annual General Meeting.

The Nomination Committee held four meetings at which minutes were taken and the Committee members maintained regular contact between meetings. The Nomination Committee received a report from the Board Chairman on the manner in which the Board's work was conducted, and also studied the evaluations performed. Additionally, the Nomination Committee interviewed individual Board members. The Committee discussed the size and composition of the Board in light of the company's situation and strategic challenges.

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

### *The election of the Chairman and other members of the company's Board of Directors*

The Nomination Committee proposes that the Board of Directors, whose members are elected by the Annual General Meeting, be comprised of nine members with no deputies. Johan Molin, who has served as a Board member since 2010 and Chairman since 2011, declined re-election to the Board.

The Nomination Committee proposes that the following current Board members be re-elected: Morten Falkenberg (member since 2011), Lilian Fossum Biner (member since 2012), Nora Førisdal Larssen (member since 2011), Thore Ohlsson (member since 2007), Fredrik Palmstierna (member since 2006), Stefan Jacobsson (member since 2014) and Ricard Wennerklint (member since 2014). It is proposed that Tomas Billing and Christina Ståhl be elected as new Board members. The Nomination Committee proposes that Tomas Billing be elected Chairman of the Board.

Tomas Billing was born in 1963 and holds a B.Sc. in Business Administration. He is the CEO of Nordstjernan, Nobia's largest owner. He previously worked as the President of Hufvudstaden and Monark Bodyguard. He has been the Chairman of NCC since 2001. Tomas Billing owns 175,779 shares in Nobia.

Christina Ståhl was born in 1970 and holds a B.Sc. in Business Administration and an M.Sc. in Business and Economics. She has extensive experience of consumer goods. She is CEO of the listed clothing company MQ and was previously CEO of the Mio furniture chain. Christina Ståhl does not own any shares or other financial instruments in Nobia.

The proposal for the composition of Nobia's Board of Directors fulfils the independence requirements of the Swedish Corporate Governance Code. All of the Board Members, with the exception of Nora Førisdal Larsen, Tomas Billing, Fredrik Palmstierna and Ricard Wennerklint, are considered to be independent in relation to the company's largest owners. All of the Board Members, with the exception of the President Morten Falkenberg, are considered to be independent in relation to the company and company management.

Similar to previous years, the Nomination Committee based its proposals on ensuring that the Board is characterised by diversity and breadth in terms of competencies, experience and background. The overall evaluation of the Board's work has shown that the Board functions well with a productive group dynamics. The Board Chairman shows great dedication in his leadership of the Board's work and creates an open, constructive and pleasant atmosphere at meetings. The Nomination Committee believes that Nobia has a well-functioning Board with a well-balanced composition of individuals regarding competencies, gender distribution, experience and breadth in terms of a variety of qualification that all complement each other. As the Nomination Committee stated at the Annual General Meeting held on 9 April 2014, it would be desirable to have a greater level of expertise in the retail sector to be represented on the Board. In light of this, the Nomination Committee has proposed Christina Ståhl. Christina Ståhl has extensive experience from the retail sector from her time as CEO of the Mio furniture chain and from her current position as CEO of clothing company MQ. According to the proposal, the number of women on the Board will amount to three of the nine members elected at the Annual General Meeting including the President, corresponding to 33 per cent. The gender-distribution requirements of the Swedish Corporate Governance Code are thus deemed to be satisfied.

#### *Fees for the Board Chairman and other Board members*

The Nomination Committee proposes an adjustment to the Directors' fee per Board member. The reason is that the Nomination Committee believes that Board work has become increasingly comprehensive. The Nomination Committee proposes that the Directors' fee for Board members be increased from SEK 350,000 to SEK 375,000, and that the fee for the Chairman be increased from SEK 945,000 to SEK 1,000,000. The difference in fees between the Chairman and other Board members is in line with market practice and reflects the differences in responsibilities and level of work involved. It is proposed that no Directors' fees be paid to Board members who receive a salary from the company. It is proposed that the Board's Remuneration Committee continue its work and that no fees be paid to the Remuneration Committee. The Board of Directors has not established an audit committee. The reason for this is that the company's Board believes that such issues can best be addressed by the Board as a whole. This is in line with the resolution made at the 2004 Annual General Meeting.

#### *Election of, and fees to, auditors and deputy auditors*

The Nomination Committee proposes that KPMG AB, with George Pettersson as Auditor in Charge, be re-elected as the company's auditors for the period until the conclusion of the following Annual General Meeting.

Furthermore, the Nomination Committee proposes that no deputy auditors be appointed. It is proposed that fees be paid in accordance with approved invoices.

*Principles for the composition of the Nomination Committee*

In accordance with the Swedish Corporate Governance Code, the General Meeting is to either appoint the members of the Nomination Committee or is to state how the members are appointed. The current principles for the composition of the Nomination Committee were adopted by the 2011 Annual General Meeting. As a change to these principles, the Nomination Committee proposes instead that the members be appointed at the Annual General Meeting and that the Meeting approve the instructions for Nobia's Nomination Committee as stipulated in Appendix 1.

The Nomination Committee proposes that the Annual General Meeting elect Viveca Ax:son Johnson representing Nordstjernan, Fredrik Palmstierna representing Investmentaktiebolaget Latour, Torbjörn Magnusson representing IF Skadeförsäkring, Evert Carlsson representing Swedbank Robur funds and Lars Bergqvist representing Lannebo funds as members of the Nomination Committee for the period until the conclusion of the 2016 Annual General Meeting. The Nomination Committee proposes that Viveca Ax:son Johnson be elected Chairman of the Nomination Committee. The owners proposed to be represented on the Nomination Committee hold approximately 56.3 per cent of the shares and votes in Nobia.

*Chairman of the 2015 Annual General Meeting*

The Nomination Committee proposes that Board Chairman Johan Molin be appointed Chairman of the 2015 Annual General Meeting.

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NOMINATION COMMITTEE

## **Instructions for the Nomination Committee of Nobia AB (publ)**

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### **1. Number of members**

The Nomination Committee shall comprise at least three (3) members representing the largest shareholders of the Company. The members are to be elected at the Annual General Meeting for the period until the conclusion of the following Annual General Meeting. The Chairman of the Nomination Committee shall also be appointed at the Annual General Meeting.

The Chairman of the Nomination Committee shall convene the first meeting of the Nomination Committee.

The Nomination Committee is entitled to appoint an additional two (2) co-opted members. Co-opted members shall assist the Nomination Committee in performing its duties but have no voting rights. The Chairman of the Board may be a member of the Nomination Committee only as a co-opted member.

The Nomination Committee shall appoint replacements for any members prematurely leaving the Committee in accordance with item 2 (iv) below.

### **2. Changes to the Nomination Committee**

The Nomination Committee is to remain unchanged unless:

- (i) a member dies or wishes to step down prematurely, in which case a request to leave the Committee shall be sent to the Chairman of the Nomination Committee (of if the Chairman him/herself wishes to step down, to another Committee member), and receipt of this request shall entail that the request has been executed, or
- (ii) a shareholder wishes to replace their representative on the Nomination Committee with another individual, in which case such a request (containing the names of the individuals in question) shall be sent to the Chairman of the Nomination Committee (of if the Chairman him/herself wishes to step down, to another Committee member), and receipt of this request shall entail that the request has been executed, or
- (iii) a shareholder whose representative is a member of the Nomination Committee sells his/her holdings in the Company, at which point the member representing this shareholder is deemed to have automatically left the Nomination Committee, or
- (iv) the Nomination Committee decides itself to offer vacant positions on the Committee to shareholders or representatives of shareholders to reflect ownership of the Company.

Changes to the Nomination Committee shall be published immediately.

### **3. Duties of the Nomination Committee**

The Nomination Committee shall prepare and present proposals to the Chairman of the Board well in advance of (but not later than six weeks prior to) the Annual General Meeting regarding:

- the election of the Chairman and other members of the Company's Board of Directors,
- the Directors' fees, divided between the Chairman and the other members, and any remuneration for committee work,
- the election of and fees to auditors and deputy auditors (where applicable),
- the election of the Chairman of the Annual General Meeting,

- the election of members of the Company's Nomination Committee for the period from the end of the Annual General Meeting until the conclusion of the following Annual General Meeting.

In addition, the Nomination Committee is to decide on whether to make any changes to these instructions in accordance with item 7 below.

The Nomination Committee's proposals shall be presented in the notice of the Annual General Meeting. In connection with the publication of the notice of the Annual General Meeting, the Nomination Committee shall ensure that the Nomination Committee's proposals explanatory statement and information regarding how the Nomination Committee performed its work are published on the Company's website. In performing its other duties, the Nomination Committee shall fulfil the requirements on Nomination Committees in accordance with the Swedish Corporate Governance Code.

#### **4. Quorum**

The Nomination Committee forms a quorum when at least three (3) members are present. The Nomination Committee's decision is the decision of which more than half of the members present vote in favour. If the number of votes is equal, the decision supported by the Chairman shall apply.

#### **5. Attendance at Annual General Meeting**

Representatives of the Nomination Committee should always be attend the Annual General Meeting and present the reasons for the Nomination Committee's proposals.

#### **6. Fees**

No remuneration is payable to the members of the Nomination Committee. The Nomination Committee has the right to charge the Company with costs associated with, for example, recruitment consultants or other expenses necessary for the Nomination Committee to complete its assignments.

#### **7. Changes to these instructions**

The present instructions for the Nomination Committee shall apply until the Annual General Meeting resolves on any changes. It is the duty of the Nomination Committee, prior to the Annual General Meeting, to take a standpoint on whether the Committee finds it necessary to propose any changes to the principles in question and, where applicable, present a proposal to the Annual General Meeting in accordance with item 3 above.