





# The Nomination Committee's report prior to the 2019 Annual General Meeting

The Nomination Committee for ICA Gruppen, which was appointed according to the principles adopted at the 2018 Annual General Meeting, consisted of chairman Tomas Emanuelz and Anna-Karin Liljeholm, who represent ICA-handlarnas Förbund (the Association of ICA Retailers); Annika Lundius, who represents AB Industrivärden; and Tommi Saukkoriipi, who represents SEB Investment Management. The composition of the Nomination Committee prior to the 2019 Annual General Meeting was published on 28 September 2018 and has been made available on the Company's website. The three largest shareholders represented at that time around 62% of the voting rights and capital in the Company.

The Chairman of ICA Gruppen's Board, Claes-Göran Sylvén, was co-opted onto the Nomination Committee. Shareholders with suggestions and points of view on the work of the Nomination Committee in preparation for the 2019 Annual General Meeting were given an opportunity to submit their points of view to the Nomination Committee no later than Monday 11 February 2019. No points of view were submitted.



**Annika Lundius**  
Styrelseledamot Industrivärden



**Tomas Emanuelz**  
Chairman of the Nomination  
Committee  
ICA-handlarnas Förbund



**Tommi Saukkoriipi**  
SEB Investment Management AB



**Anna-Karin Liljeholm**  
Chief Legal Officer  
ICA-handlarnas Förbund

# The work of the Nomination Committee

The Nomination Committee's duties include evaluating the Board of Directors and its work, and preparing proposals prior to the Annual General Meeting on a chairman for the Meeting, Chairman of the Board and other Board members, board fees, the election of and fees for auditors, and where applicable, principles for appointing the Nomination Committee.

The Nomination Committee held four meetings and the members were in regular contact via email and phone.

The Nomination Committee met with ICA Gruppen's CEO Per Strömberg and CFO Sven Lindskog who provided information on ICA Gruppen's operations, their view on the Board's work and the Company's focus areas. Chairman of the Board Claes-Göran Sylvén gave a description of the work of the Board. The Nomination Committee also received information about the evaluation of the Board performed in 2019. The chairman of the Audit Committee, Cecilia Daun Wennborg, reported on the Audit Committee's work and cooperation with ICA Gruppen's Accounting department. The Nomination Committee was also informed that all the current Board members were available for re-election with the exception of Bengt Kjell and Göran Blomberg.

The Nomination Committee has applied rule 4.1 of the Swedish Corporate Governance Code ("the Code") as a diversity policy with which the Nomination Committee, when preparing proposals for the Board, ensures that the Board of Directors, taking into consideration the nature of ICA Gruppen's business, its stage of development and circumstances in general, has an appropriate composition characterised by diversity and breadth with respect to the expertise, experience and backgrounds of the members elected by the general meeting, and aims to achieve gender balance on the Board.

The information provided to the Nomination Committee, as described above, has given the Committee a sound basis to determine whether the composition of the Board is satisfactory and to determine the type of expertise

and experience needed on the Board in the future. In addition, the Nomination Committee assessed the Board members' ability to devote sufficient time to the work of the Board. The Nomination Committee's evaluation of the Board's work and the interviews performed have confirmed the Board's opinion that there is very good cooperation within the Board. ICA Gruppen's Board members have broad and deep knowledge of ICA Gruppen's various operations and, together, possess many years of experience of management and board assignments for various listed companies and organisations. The Nomination Committee is of the opinion that the current Board of Directors more than meets the criteria of expertise and experience taking into account the Company's business and future development, but that additional members should be elected to the Board to replace the members who have declined re-election.

The Nomination Committee also focuses on meeting the goal of having gender balance between the Nominations Committee's proposed Board of Directors. Out of the AGM-elected Board of Directors 40 percent are women and 60 percent are men, which is also the result according to the recommendation of the Nomination Committee for the 2019 Annual General Meeting.

Based on the above, the Nomination Committee proposes that the Board should continue to have 10 members and proposes the re-election of Cecilia Daun Wennborg, Andrea Gisle Joosen, Fredrik Hägglund, Jeanette Jäger, Magnus Moberg, Fredrik Persson, Anette Wiotti and Claes-Göran Sylvén.

In addition, the Nomination Committee asked Lennart Evrell and Bo Sandström whether they are available for election to the Board.

**Lennart Evrell** (born 1954) is a former CEO of Boliden (2008–2018), SAPA and Munters, and is currently a member of the boards of Svenska Cellulosa Aktiebolaget SCA, Epiroc and Svenskt Näringsliv (the Confederation of Swedish Enterprise), among others. Among other things Lennart Evrell will contribute solid international experience, thereby further strengthening and broadening ICA Gruppen's Board. Lennart Evrell has a Master of Science in Engineering from KTH Royal Institute of Technology and a Master of Science in Business and Economics from the University of Gothenburg and Uppsala University. Lennart Evrell holds no shares in ICA Gruppen (including shares held by related parties).

**Bo Sandström** (born 1975) is a former CFO who has worked on financial matters in a number of large companies including HFN Group, SATS Elixia and SAS Sweden. Since 2016 he has



Lennart Evrell



Bo Sandström

been CFO of Telia Sweden. Bo Sandström will supplement and strengthen the Board with his expertise on financial matters. Among other qualifications, Bo Sandström has a Master of Science in Engineering Physics from the Faculty of Engineering at Lund University (LTH) and a Bachelor's degree in Economics from Lund University. Bo Sandström holds no shares in ICA Gruppen (including shares held by related parties).

The Nomination Committee has concluded that both Lennart Evrell and Bo Sandström exceed the general expertise and experience requirements which ICA Gruppen's Board of Directors must meet.

Together with the Board members proposed for re-election, the resulting Board has both breadth and expertise.

### **Independence**

Five of the proposed Board members, Cecilia Daun Wennborg, Andrea Gisle Joosen, Fredrik Persson, Jeanette Jäger and Lennart Evrell, are independent in relation to ICA Gruppen, its management and the Company's largest shareholders.

Magnus Moberg and Anette Wiotti are ICA retailers and members of the board of ICA-handlarnas Förbund. ICA-handlarnas Förbund is a non-profit association for Sweden's ICA retailers. According to the Code's rules on independence, Magnus Moberg and Anette Wiotti are independent in relation to ICA Gruppen and its management, but not in relation to the principal shareholder ICA-handlarnas Förbund. Claes-Göran Sylvén is an ICA retailer and member of ICA-handlarnas Förbund, and is considered to be independent in relation to ICA Gruppen and its management but not in relation to ICA-handlarnas Förbund.

Fredrik Häggglund and Bo Sandström are considered independent in relation to ICA Gruppen and its management. As employees of ICA-handlarnas Förbund, Fredrik Häggglund and Bo Sandström are not considered independent in relation to the Company's principal shareholder ICA-handlarnas Förbund.

### **Fees**

To ensure ICA Gruppen's ability to continue to recruit board members with excellent skills and relevant experience, the Nomination Committee has determined that the board fees should be adjusted and raised to the level paid by companies with similar market capitalisation, complexity and scope of operations, without leading the market.

The Nomination Committee therefore considers there to be good justification for raising the fees for the Board members. Last year's fees are shown in parentheses.

The Nomination Committee is proposing total fees to the Board of SEK 7,275,000 (6,900,000), which is an increase of SEK 375,000 compared with 2018. The Nomination Committee proposes distribution of the fees as follows: SEK 1,150,000 (1,100,000) to the Chairman of the Board, representing an increase of around 5 percent, and SEK 550,000 (500,000) to each of the other members, corresponding to an increase of around 10 percent.

For work on the Audit Committee, fees totalling SEK 500,000 (425,000) to be paid, of which SEK 200,000 (170,000) to the chairman and SEK 100,000 (85,000) to each of the other members.

For work on the Reward Group, fees totalling SEK 175,000 (175,000) to be paid, of which SEK 75,000 (75,000) to the chairman and SEK 50,000 (50,000) to each of the other members.

For work on the Retail Investment Committee, fees totalling SEK 225,000 (225,000) to be paid, of which SEK 75,000 (75,000) to the chairman and SEK 50,000 (50,000) to each of the other members.

For work on the Sustainability Committee, fees totalling SEK 175,000 (175,000) to be paid, of which SEK 75,000 (75,000) to the chairman and SEK 50,000 (50,000) to each of the other members.

A total of SEK 100,000 (300,000) to be held in reserve to give the Board the capacity to appoint additional members to existing

committees or to create additional board committees.

No fees were paid by ICA Gruppen to the members of the Nomination Committee for their work.

### **Investment by Board members**

The Nomination Committee considers it of great importance for Board members to own shares in the Company. The Nomination Committee would therefore like to see the Board applying the same principles for Board members' shareholdings in the Company as those adopted the previous year. These principles state that:

- Within a certain period, Board members are to accumulate a shareholding in the Company that corresponds to at least one year's board fees after tax;
- Board members are to retain a shareholding of at least this size as long as they are members of the Board; and
- a portion of the board fees are to be paid out during the term of office so that a Board member can use the board fees to acquire shares in the Company as soon as it is reasonably possible to do so after being elected to the Board by the Annual General Meeting.

### **Auditor**

The accounting firm of KPMG AB was elected as auditor at the 2018 Annual General Meeting for a term of one year until the end of the 2019 Annual General Meeting, and a new auditor is therefore to be elected. The Nomination Committee has evaluated the auditor's work and, based on this evaluation, proposes that the accounting firm KPMG AB be re-elected as auditor for one year, as recommended and preferred by the Audit Committee.

### **Proposals to the Annual General Meeting**

The Nomination Committee's proposals to the 2019 Annual General Meeting are as follows:

- The Nomination Committee proposes electing the current Chairman of the Board

Claes-Göran Sylvén as chairman of the 2019 Annual General Meeting.

- The Nomination Committee proposes having 10 Board members.
- The Nomination Committee proposes the following Board of Directors:
  - Re-election of Cecilia Daun Wennborg, Andrea Gisle Joosen, Fredrik Hägglund, Jeanette Jäger, Magnus Moberg, Anette Wiotti, Fredrik Persson and Claes-Göran Sylvén.
  - Election of Lennart Evrell and Bo Sandström as new members.

*Information on the current Board members can be found under About ICA Gruppen/Corporate Governance on ICA Gruppen's website*

- The Nomination Committee proposes that Claes-Göran Sylvén be elected as Chairman of the Board.
- The Nomination Committee proposes that board fees be paid in the amount of SEK 1,150,000 (1,100,000) to the Chairman of the Board and SEK 550,000 (500,000) to each of the other members.
- The Nomination Committee proposes that SEK 1,175,000 (1,300,000) be allocated as follows:
  - For work on the Audit Committee, fees totalling SEK 500,000 (425,000) to be paid, of which SEK 200,000 (170,000) to the chairman and SEK 100,000 (85,000) to each of the other members.
  - For work on the Reward Group, fees totalling SEK 175,000 (175,000) to be paid, of which SEK 75,000 (75,000) to the chairman and SEK 50,000 (50,000) to each of the other members.
  - For work on the Retail Investment Committee, fees totalling SEK 225,000 (225,000) to be paid, of which SEK 75,000 (75,000) to the chairman and SEK 50,000 (50,000) to each of the other members.
  - For work on the Sustainability Committee, fees totalling SEK 175,000 (175,000) to be paid, of which SEK 75,000 (75,000) to the

chairman and SEK 50,000 (50,000) to each of the other members.

- A total of SEK 100,000 (300,000) to be held in reserve to give the Board the capacity to appoint additional members to existing committees or to create additional board committees.
- If the AGM resolves in accordance with the Nomination Committee's proposals, the fees will total SEK 7,275,000 (6,900,000), which represents an overall increase in board fees of SEK 375,000.
- The Nomination Committee proposes that an accounting firm be elected as auditor.
- It is proposed that the accounting firm KPMG AB is re-elected as auditor.
- It is proposed that remuneration to auditors is paid based on approved invoices.
- Proposed principles for the Nomination Committee ahead of the 2020 Annual General Meeting:

The Company is to have a Nomination Committee consisting of four (4) members representing the Company's shareholders. ICA Gruppen's Chairman is to be co-opted onto the Nomination Committee.

Two of the members are to be appointed by the largest shareholder and two by the next two largest shareholders. The largest shareholders in terms of votes are to be determined based on the list of registered shareholders maintained by Euroclear Sweden AB as of the last trading day in August and they will be contacted by the Company at the earliest opportunity after that date. If any of the three largest shareholders decides to relinquish its right to appoint a representative to the Nomination Committee, this right will be transferred to the shareholder who has the next largest shareholding as of the stated date. The names of the shareholder representatives and the names of the shareholders they represent are to be published no later than six months before the Annual General Meeting. The Nomination Committee's term of office is to continue until a new Nomination Committee has

been appointed. Unless the members agree otherwise, the chairman of the Nomination Committee will be one of the members representing the largest shareholder in terms of voting power. The chairman is to have the deciding vote.

If, during the Nomination Committee's term of office, one or more of the shareholders who have appointed members to the Committee are no longer among the three largest shareholders and the shareholder or shareholders now among the three largest shareholders so request, the members appointed by such shareholder or shareholders are to vacate their positions and the shareholder or shareholders now among the three largest shareholders are to appoint members instead. Except in special circumstances, however, no changes are to be made to the Nomination Committee's composition if there are only minor changes in ownership or the change takes place later than two months before the Annual General Meeting. Shareholders who have been appointed as members of the Nomination Committee have the right to dismiss those members and appoint new members to the Nomination Committee. Changes in the Nomination Committee's composition are to be announced on the Company's website as soon as they have taken place.

The Nomination Committee is to apply rule 4.1 of the Code as the diversity policy with which the Nomination Committee will ensure that the Board of Directors, taking into consideration the nature of ICA Gruppen AB's business, its stage of development and circumstances in general, has an appropriate composition characterised by diversity and breadth with respect to the expertise, experience and backgrounds of the members elected by the general meeting. The Nomination Committee is also to focus on meeting the goal of having gender balance on the Board.

The Nomination Committee is to present proposals regarding the following matters prior to the Annual General Meeting:

- i. proposal for a chairman for the general meeting;
- ii. proposal for number of board members;
- iii. proposal for members of the Board of Directors;
- iv. proposal for Chairman of the Board;
- v. proposal for board fees, broken down into amounts for the Chairman of the Board and other Board members and as remuneration for committee work;
- vi. proposal for number of auditors;
- vii. proposal for auditor or auditors, and proposal for fees to be paid to the Company's auditor or auditors; and
- viii. proposed principles for the Nomination Committee.

The Nomination Committee is to perform the other duties that are incumbent upon such a committee according to the Code. The Company will, at the request of the Nomination Committee, provide personnel resources to facilitate its work, such as a secretary for the Committee. As required, the Company is also to bear reasonable costs for external consultants that the Nomination Committee deems necessary to perform its work.

*Any questions about the work of the Nomination Committee can be directed to the Nomination Committee's chairman Tomas Emanuelz, [tomas.emmanuelz@maxi.ica.se](mailto:tomas.emmanuelz@maxi.ica.se)*

ICA Gruppen AB • 171 93 Solna, Sweden. Visiting address: Svetsarvägen 16. Tel.: +46 8 561 500 00. [www.icagruppen.se](http://www.icagruppen.se). Corporate identity number 556048-2837

---

**ICA Sverige AB**

Box 4075, 169 04 Solna, Sverige  
Visiting address:  
Kolonnvägen 20  
Tel.: +46 8 561 500 00  
[www.ica.se](http://www.ica.se)

**Rimi Baltic AB**

A. Deglava Str 161  
LV-1021 Riga, Latvia  
Tel.: +37 1 800 001 80  
[www.rimibaltic.com](http://www.rimibaltic.com)

**Apotek Hjärtat AB**

169 04 Solna, Sweden  
Visiting address:  
Kolonnvägen 20  
Tel.: +46 8 561 500 00  
[www.apotekhartat.se](http://www.apotekhartat.se)

**ICA Fastigheter AB**

721 84 Västerås, Sweden  
Visiting address:  
Ingenjör Bååths gata 11, T2  
Tel.: +46 21 19 30 00  
[www.icafastigheter.se](http://www.icafastigheter.se)

**ICA Banken AB**

169 04 Solna, Sweden  
Visiting address:  
Kolonnvägen 20  
Tel.: +46 8 561 500 00  
[www.icabanken.se](http://www.icabanken.se)

**Hemtex AB**

Box 495, 504 33 Borås, Sweden  
Visiting address:  
Druveforsvägen 8  
Tel.: +46 33 20 69 00  
[www.hemtex.se](http://www.hemtex.se)