



Report of the Nomination Committee prior to the 2009 Annual General Meeting

Background

On October 22, 2008, Hakon Invest published the names of the members of the Nomination Committee, in accordance with the procedural instructions for the Nomination Committee adopted at the 2008 Annual General Meeting.

The Nomination Committee shall comprise four members who represent the Company's shareholders. Two of the members are nominated by the Company's largest owner, which at present is ICA-handlarnas Förbund (the ICA retailers' organization), and two by the two subsequent largest shareholders, which at September 12, 2008 were SEB Fonder and Handelsbanken Fonder. ICA-handlarnas Förbund and SEB Fonder exercised their right to appoint members of the Nomination Committee. Since Handelsbanken Fonder declined to exercise its right to nominate a member, the right transferred to the next largest shareholder, Swedbank Robur fonder, which exercised its right to appoint a member. At that

time, these three owners represented approximately 70% of the share capital and the voting rights in Hakon Invest.

ICA-handlarnas Förbund appointed Claes Ottosson, ICA retailer in Hovås, and Håkan Olofsson, ICA retailer in Boden, as its members of the Nomination Committee. SEB Fonder appointed Stefan Roos, SEB Asset Management, as its representative and Swedbank Robur fonder appointed KG Lindvall. Claes Ottosson was appointed within the Nomination Committee as Chairman.

Shareholders were provided with opportunity to submit proposal and comments regarding the work of the Nomination Committee up to and including Friday, February 27, 2009 in accordance with instructions provided on the Hakon Invest website.

Nomination Committee's work

The Nomination Committee has held two meetings prior to the 2009 Annual General Meeting. In addition, the members have had internal contact with the management team, with the directors and with each other.

The duties of the Nomination Committee include evaluating the Board and its performance and presenting proposal to the Annual General Meeting for the Chairman and other members of the Board, for fees to be paid to the Board and, where applicable, candidates for auditors and fees to be paid to the auditors, as well as a proposal for Chairman of the Annual General Meeting.

In order to be able to make proposal for the composition of the Board, the Nomination Committee must assess the degree to which the incumbent Board satisfies the demands that will be placed on the Board given the Company's situation and future direction, among other things by studying the results of the completed evaluation of the Board's performance, establishing requirement profiles for any new members who, according to such evaluation, need to be recruited, and by implementing a systematic process of identifying candidates for the Board positions to be filled, proposal received from shareholders being taken into consideration.

In its initial meeting, the Nomination Committee met the Chairman of the Board, Lars Otterbeck and the President, Claes-Göran Sylvén, to be provided with information about the Company's operations and the Board's work. During the



Claes Ottosson
ICA-handlarnas Förbund
Chairman of the Nomination Committee



Stefan Roos
SEB Fonder



Håkan Olofsson
ICA-handlarnas Förbund



KG Lindvall
Swedbank
Robur fonder

second meeting, Cecilia Daun Wennborg, the chair of the Audit Committee, gave an account of the audit work and the finance function. The Board Chairman also at this time reviewed the 2008 evaluation of the Board. The evaluation of the Board required each Board member to complete an extensive questionnaire containing various questions about Board operations. The outcome was then compared with the results from prior years.

The Nomination Committee completed its evaluation of the Board, agreed the proposal for the Annual General Meeting and prepared this report on the work of the Nomination Committee. The Nomination Committee also dealt with comments received regarding the composition of the Board of Hakon Invest.

From the evaluation of the Board, it emerged that the Board's work had functioned well and that the Board is a well-composed group of highly committed members. Each of the members contributes broad knowledge and long experience of various sectors, and in particular of the operations of ICA, which represents Hakon Invest's largest holding, and of investment activities. The Board Chairman also stated that cooperation with Hakon Invest's management team had functioned well.

The Nomination Committee's evaluation of the Board's work confirmed the opinion that cooperation within the Board functions exceptionally well. Taking this into account, the Nomination Committee is unanimous that it should aim for continuity among the members, and therefore considers that all incumbent members shall be proposed for reelection. The desire for continuity in the Board was weighed up against other interests, such as achieving a more even gender split on the Board.

The Nomination Committee judges that the proposed Board is warranted as regards the Company's operations, stage of development and circumstances and that the composition of the Board is appropriately characterized by diversity and breadth of expertise, experience and background among the members.

Four of the members of the Board – Lars Otterbeck, Cecilia Daun Wennborg, Jan-olle Folkesson and Jan Olofsson – are independent in relation to the Company and its management as well as to the major shareholders in the Company. Combined, all of them have many years of experience of management and Board positions in various listed companies.

The three other members – Anders Fredriksson, Thomas Strindeborn and Magnus Moberg – are ICA retailers. The last two named are also members of the Board of ICA-handlarnas Förbund. ICA-handlarnas Förbund is a non-profit association

for Sweden's ICA retailers. According to the exact wording of the rules for issuers laid down by the Nasdaq OMX Stockholm Exchange and the rules of the Swedish Code of Corporate Governance regarding the independence of Board members with respect to the listed company and to companies closely associated with it, Anders Fredriksson, Thomas Strindeborn and Magnus Moberg, in their capacity as ICA retailers, are to be considered independent in relation to Hakon Invest and its management, but not independent in relation to the Company's principal owner, which is ICA-handlarnas Förbund.

The Nomination Committee proposes that the fees to the Board shall be unchanged from the previous year, thus amounting to SEK 1,980,000 in total, of which SEK 550,000 is to be paid to the Chairman of the Board, SEK 330,000 to the Vice Chairman and SEK 220,000 to each of the other members.

The Nomination Committee proposes that the total fees for committee work remain unchanged from the previous year, such that a provision of SEK 325,000 is made for committee work. For 2009 it is proposed that the fees are distributed as follows: remuneration of SEK 100,000 for work in the Investment Committee, representing a payment of SEK 25,000 to each member including the Chairman (this reduces the Chairman's fee by SEK 25,000 compared with the previous year); remuneration of SEK 100,000 for work in the Audit Committee, of which SEK 75,000 is to be paid to the Chairman and SEK 25,000 to the other member (this increases the Chairman's fee by SEK 25,000 compared with the previous year; the increase in the fees is due to the fact that more meetings have been held than in previous years, and that a substantial amount of work continues to be demanded of the Audit Committee); remuneration of SEK 50,000 for work in the Remuneration Committee, or SEK 25,000 for each member. A total of SEK 75,000 is being reserved so that the Board has scope to appoint up to three additional members to committee work or create other committees in the Board.

The Nomination Committee believes that it is highly important that Board members own shares in the Company. Accordingly, the Nomination Committee wishes the Board to confirm that it will apply the same principles to Board members' share ownership in the Company as were adopted last year. These principles are:

- Board members should within a certain time acquire a shareholding in the Company that corresponds to at least one year's Board fee after tax;

- Board members shall retain a shareholding of at least such an amount as long as their Board assignment applies; and
- part of the Board fee shall be paid out early in the mandate period so that the Board members can use the Board fee to acquire shares in the Company as soon as possible after the election of the Board at the Annual General Meeting.

The Ernst & Young auditing firm was elected as auditor at the 2006 Annual General Meeting for a mandate period of four years through the 2010 Annual General Meeting.

The Nomination Committee has addressed the request from the Swedish Association of Share Investors that the form for the election of the Nomination Committee in Hakon Invest be changed prior to the 2009 Annual General Meeting in two respects: (i) the Nomination Committee shall be appointed by the Annual General Meeting and (ii) comprise at least one member independent of the Board and the major owners. The Nomination Committee concluded that the current form functions well and that it is important that Hakon Invest's principal shareholders are represented on the Nomination Committee. Accordingly, the Nomination Committee proposes that the current form for election of the Nomination Committee be retained.

The Nomination Committee's proposal to the 2009 Annual General Meeting are as follows:

- The Nomination Committee proposes the lawyer Claes Beyer as the Chairman of the 2009 Annual General Meeting.
- The Nomination Committee proposes seven (7) regular Board Members (unchanged)
- The Nomination Committee proposes the re-election of Lars Otterbeck, Cecilia Daun Wennborg, Anders Fredriksson, Jan-Olle Folkesson, Magnus Moberg, Jan Olofsson and Thomas Strindeborn. Information about the members proposed for re-election is available under the heading Corporate Governance on the Hakon Invest company website.
- The Nomination Committee proposes that Lars Otterbeck be re-elected Chairman of the Board.
- The Nomination Committee proposes that the total fees to the Board shall be unchanged from the previous year, thus amounting to SEK 1,980,000 in total, of which SEK 550,000 is to be paid to the Chairman of the Board, SEK 330,000 to the Vice Chairman and SEK 220,000 to each of the other members.
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- It is proposed that compensation be paid to auditors as per approved invoice.
- The Nomination Committee proposes an unchanged form of election of the Nomination Committee.

Any questions concerning the activities of the Nomination Committee may be directed to the Chairman of the Nomination Committee, Claes Ottosson, at claes.ottosson@kvantum.ica.se or +46-702-68 76 25.