





# The Nomination Committee's report prior to the 2021 Annual General Meeting

The Nomination Committee for ICA Gruppen, which was appointed according to the principles adopted at the 2019 Annual General Meeting, consisted of chairman Tomas Emanuelz and Anna-Karin Liljeholm, who represent ICA-handlarnas Förbund (the Association of ICA Retailers); Tommi Saukkoriipi, who represents SEB Investment Management; and Emma Englén, who

represents Spiltan Fonder. The composition of the Nomination Committee prior to the 2021 Annual General Meeting was published on 17 and 29 September 2020 and has been made available on the Company's website. The shareholders that appointed members of the Nomination Committee represented at that time around 56% 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 views on the work of the Nomination Committee in preparation for the 2021 Annual General Meeting were given an opportunity to submit their points of view to the Nomination Committee up until 31 December 2020.



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



**Anna-Karin Liljeholm**  
ICA-handlarnas Förbund



**Tommi Saukkoriipi**  
SEB Investment Management AB



**Emma Englén**  
Spiltan Fonder

## 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 has had three digital meeting and reconciliations by phone and e-mail.

The Nomination Committee met with ICA Gruppen's CEO Per Strömberg who provided information on ICA Gruppen's operations, their view on the Board's work and the company's focus areas. The Chairman of the Board Claes-Göran Sylvén have a described the work of the Board. The Nomination Committee have also considered the evaluation of the Board performed in 2020. Moreover, the chairman of the Audit Committee, Cecilia Daun Wennborg, have 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 except for Jeanette Jäger.

The Nomination Committee has applied rule 4.1 of the Swedish Corporate Governance Code ("the Code") as a diversity policy. That implies that 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 characterized by diversity and breadth with respect to the expertise, experience and backgrounds of the members elected by the annual 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 evaluate whether the composition of the Board is satisfactory and to appraise 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 the cooperation within the Board is well-functioning. ICA Gruppen's board possesses a broad and deep knowledge of ICA Gruppen's various operations and have diverse and many years of experience of management and board assignments for various listed companies and organizations. The Nomination Committee believes the current Board meets the requirements in terms of competence and experience with regard to the company's operations and future development, but that another member should be elected to replace the member who declined re-election. In this work, the Nomination Committee has consulted with an external recruitment consultant.

The Nomination Committee also focuses on meeting the goal of having gender balance on the Board. Of the Board members elected by the Annual general meeting 40% were women and 60% men, which is also the recommendation of the Nomination Committee for the 2021 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, Lennart Evrell, Andrea Gisle Joosen, Fredrik Hägglund, Magnus Moberg, Fredrik Persson, Anette Wiotti, Bo Sandström and Claes-Göran Sylvén.

In addition, the Nomination Committee has asked Charlotte Svensson if she is available to be elected as a board member.

**Charlotte Svensson** (born 1967) has previously, among other things, been a board member of Boozt AB and Head of BA Communication Services at Postnord AB, CTO at Bonnier AB and held various management positions at Bonnier News AB.



**Charlotte Svensson**

She is currently Executive Vice President and CIO at SAS AB and has, among other things, board member of Combient Mix AB (AI company). Charlotte is a systems scientist and has also studied at Chalmers and Stanford. Charlotte Svensson will, among other things, provide ICA Gruppen's board with experience in technology and communication, which will further strengthen and broaden the board. Charlotte Svensson does not own any shares in ICA Gruppen (incl. related parties).

### The question of independence

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

Magnus Moberg and Anette Wiotti are ICA retailers, members of ICA-handlarnas Förbund 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. He is considered to be independent in relation to ICA Gruppen and its management, but not in relation to ICA-handlarnas Förbund. Fredrik Hägglund and Bo Sandström are employees of ICA-handlarnas Förbund. They are considered to be independent in relation to ICA Gruppen and its management, but not in relation to 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 capitalization, 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. The fees were not increased last year. The fees stated within brack-

ets below have been applied since the 2019 Annual General Meeting.

The Nomination Committee is proposing total fees to the Board members elected by the general meeting of SEK 7,595,000 (7,275,000), which is an increase of SEK 320,000 compared to previous year. The Nomination Committee proposes distribution of the fees as follows: SEK 1,200,000 (1,150,000) to the Chairman of the Board, representing an increase of around 4 percent, and SEK 580,000 (550,000) to each of the other members, corresponding to an increase of around 5 percent.

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

For work on the Reward Group, fees totaling 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 totaling 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 totaling 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 (100,000) to be held in reserve to give the Board the capacity to appoint additional members to existing committees or to create additional board committees.

The fee is only to be paid to board members elected by the Annual general meeting.

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 early on 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 2020 Annual General Meeting for a term of one year until the end of the 2021 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 2021 Annual General Meeting are as follows:

- The Nomination Committee proposes electing the current Chairman of the Board Claes-Göran Sylvén as chairman of the 2021 Annual General Meeting.
- The Nomination Committee proposes having 10 Board members.
- The Nomination Committee proposes the following Board of Directors:
  - New election of Charlotte Svensson
  - Re-election of Cecilia Daun Wennborg, Lennart Evrell, Andrea Gisle Joosen, Fredrik Hägglund, Magnus Moberg, Fredrik Persson, Bo Sandström, Claes-Göran Sylvén and Anette Wiotti.

*Information on the current Board members can be found under the subject matter 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 1,200,000 (1,150,000) to the Chairman of the Board and SEK 580,000 (550,000) to each of the other members.
- The Nomination Committee proposes that SEK 1,175,000 (1,175,000) be allocated as follows:
  - For work on the Audit Committee, fees totaling SEK 500,000 (500,000) to be paid, of which SEK 200,000 (200,000) to the chairman and SEK 100,000 (100,000) to each of the other members.
  - For work on the Reward Group, fees totaling 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 totaling 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 (100,000) to be held in reserve to give the Board the ability to appoint additional committee members or create additional Board committees.

If the AGM resolves in accordance with the Nomination Committee's proposals, the fees will total SEK 7,595,000 (7,275,000), which represents an overall increase of SEK 320,000 compared with the previous year.

- 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 appointment of, and instructions for, the Nomination Committee for the 2021 Annual General Meeting:

The company is to have a Nomination Committee consisting of four (4) members. ICA Gruppen AB's Chairman is to be co-opted onto the Nomination Committee. In these instructions "Registered Shareholder" shall mean a shareholder that has expressed in writing to the Board of Directors a wish to nominate a member of the Nomination Committee.

The three Registered Shareholders with the largest shareholdings in terms of voting power, based on the list of registered shareholders maintained by Euroclear Sweden AB as of the last trading day in August, are entitled to appoint a member of the Nomination Committee. Of these three Registered Shareholders, the largest shareholder in terms of voting power is entitled to appoint two members of the Nomination Committee and the two next largest shareholders in terms of voting power are entitled to appoint one member each. Should one of these three Registered Shareholders fail to appoint a member of the Nomination Committee within 10 days of the last trading day in August, the right to appoint a member shall transfer to the Registered Shareholder that has the next largest shareholding as of the last trading day in August and that has not already appointed a member. The names of the members and the names of the Registered Shareholders

that appointed them 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 appointed

by the Registered Shareholder with the most voting power. The chairman is to have the deciding vote.

If a member of the Nomination Committee represents a Registered Shareholder that has sold the bulk of its holding of shares in the company, the member shall offer to give up their place and the Nomination Committee shall ask the company's other Registered Shareholders, in order of size starting with the largest Registered Shareholder in terms of voting power that has not already appointed a member, whether such shareholder wishes to appoint a replacement for the member that has made their place available. Except in special circumstances, no changes are to be made to the Nomination Committee's composition if the change takes place less than two months before the Annual General Meeting. Shareholders who have appointed 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's business, its stage of development and the circumstances in general, has an appropriate composition characterized 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 of 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 appointment of, and instructions 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 Emanuel, [tomas.emmanuel@maxi.ica.se](mailto:tomas.emmanuel@maxi.ica.se).*



ICA Gruppen AB • Box 4075, 169 04 Solna, Sweden. Visiting address: Kolonnvägen 20. Tel.: +46 8 561 500 00. [www.icagruppen.se](http://www.icagruppen.se)  
Corporate registration number 556048-2837

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**ICA Sverige AB**

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

**Rimi Baltic AB**

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

**Apotek Hjärtat AB**

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

**ICA Fastigheter AB**

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

**ICA Banken AB**

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