

## Proposals and Statement by the Nomination Committee of Lifco AB in respect of the Annual General Meeting 2017

### 1. Background

At the AGM 2016, principles for the establishment of a Nomination Committee were adopted, entailing that the Nomination Committee shall consist of the Chairman of the Board, representatives of each of the Company's five largest shareholders per 31 August 2016 and one representative of the minor shareholders. The Nomination Committee in respect of the 2017 AGM consists of Carl Bennet (*Carl Bennet AB*), Anna-Karin Celsing (*representative of minority shareholders*), Per Colleen (*the Fourth National Swedish Pension Fund*), Hans Hedström (*Carnegie Funds*), Marianne Nilsson (*Swedbank Robur Funds*) and Adam Nyström (*Didner & Gerge Funds*). The composition of the Nomination Committee in respect of the 2017 AGM was announced on 25 October 2016 and all shareholders have had the possibility to approach the Nomination Committee with nomination proposals.

The Nomination Committee shall submit proposals concerning the election of the Chairman of General Meetings, the election of the Chairman of the Board and other members of the Board, the election of auditors, as well as fees to be paid to the Board and auditors.

### 2. Proposals by the Nomination Committee

The Nomination Committee makes the following proposals in respect of the 2017 AGM:

**Chairman of the AGM:** The Chairman of the Board, Carl Bennet, shall be elected chairman of the Meeting.

**Board of Directors:** The number of Board members elected by the General Meeting shall be ten, without deputy members. Carl Bennet, Gabriel Danielsson, Ulrika Dellby, Erik Gabrielson, Ulf Grunander, Annika Espander Jansson, Fredrik Karlsson, Johan Stern and Axel Wachtmeister shall be re-elected as Board members. Anna Hallberg shall be elected new member of the Board. Carl Bennet shall be re-elected as Chairman of the Board.

For additional information concerning Anna Hallberg, see Appendix A. Information concerning all members proposed for re-election is available on the company's website [lifco.se](http://lifco.se).

**Board and Committee fees:** Board fees, excluding remuneration for Committee work, shall be paid in a total of SEK 5,750,000, of which SEK 1,150,000 to the Chairman and SEK 575,000 to each of the other Board members elected by the General Meeting who are not employees of the Group. Work in the Audit Committee shall be compensated with SEK 200,000 to the Chairman and SEK 100,000 to each of the other members, and work in the Remuneration Committee shall be compensated with SEK 126,000 to the Chairman and SEK 70,000 to each of the other members.

**Auditor:** The Company is to have one auditor, with no deputies. The registered auditing firm, PricewaterhouseCoopers AB, shall be re-elected as auditor for the period up until the end of the annual meeting of shareholders in 2018. The Authorised Public Accountant Erik Salander will serve as Auditor-in-Charge. Audit fees shall apply as agreed. The proposal regarding the auditors is in accordance with the Audit Committee's recommendation.

### 3. Statement by the Nomination Committee on the proposed Board of Directors

Ahead of the 2017 AGM, the Nomination Committee has held three meetings at which minutes were kept. As a basis for its work, the Nomination Committee has reviewed the annual accounts for the company's operations in 2016. Further, the Nomination Committee has reviewed nomination proposals received and the evaluation made by the Board and its work. The evaluation revealed that the current Board members represent a broad spectrum of expertise with sound industry knowledge and extensive financial know-how with regard to international conditions and markets. The evaluation also showed that the attendance rate at Board meetings was high and that all Board members demonstrated a high level of commitment.

Based on the results of the evaluation reviewed by the Nomination Committee, and the demands placed on the Board as a result of Lifco's position and future focus, the Nomination Committee proposes that the number of Board members elected by the General Meeting shall be ten, without deputies, and that Carl Bennet (Chairman of the Board), Gabriel Danielsson, Ulrika Dellby, Erik Gabrielson, Ulf Grunander, Annika Espander Jansson, Fredrik Karlsson, Johan Stern and Axel Wachtmeister shall be re-elected as Board members. Anna Hallberg shall be elected new member of the Board.

The Lifco Group currently has a broad base of operations within a number of industries and has subsidiaries in a variety of different development phases, from established international groups to smaller entrepreneurial companies. The Nomination Committee believes that this motivates the premise that the competencies and experience of the Board members is to reflect the breadth of Lifco's operations. In order to meet this requirement and, at the same time, increase the diversity of Board membership, the Nomination Committee has proposed that the Board be comprised of ten Members.

The Nomination Committee is of the opinion that the proposal entails a Board composition that will continue to be appropriate to the company's operations, phase of development and other relevant circumstances as well as exhibit diversity and breadth of qualifications, experience and background. In respect of the composition of the Board, the diversity policy and related objective has been applied as set out in rule 4.1 of the Swedish Code of Corporate Governance.

The Nomination Committee strives for equal gender distribution on the Board. The proposed Board members comprise three women and seven men (equivalent to 30.0 and 70.0 per cent, respectively). As per 10 June 2016, the percentage of women on all Swedish listed company boards amounted to 31.6 per cent (36.2 per cent in the so-called Large Cap companies).<sup>1</sup> In April 2014, the Swedish Corporate Governance Board published certain aspiration levels concerning gender distribution in the boards of listed companies, namely at least 40 per cent of each gender after General Meetings held in 2020 and at least 35 per cent of each gender in major companies after the General Meetings in 2017 (in both cases exclusively of employee representatives). The issue of equal gender distribution should be given particular attention in connection with the election of new board members. The Nomination Committee proposes Anna Hallberg to be elected new member of the Board. She has thorough experience in strategic and operational management, such as corporate governance and Board work. The Nomination Committee is of the opinion that the continuity of the board work is of vital importance and proposes re-election of all other board members elected at the General Meeting and re-election of the Chairman of the Board.

In addition, the Nomination Committee has assessed the independence of the Board members. The Nomination Committee believes that its proposal regarding the composition of the Board in Lifco fulfils the requirements of independence as stipulated in the Code. In preparing its proposal, the Nomination Committee has considered that Fredrik Karlsson, in his capacity as CEO, is to be regarded as dependent in relation to the Company and the executive management, and that Carl Bennet and Johan Stern as representative of and Board member in, respectively, Lifco's principal owner Carl Bennet AB, are to be regarded as dependent in relation to major shareholders. The Nomination Committee deems the other proposed Board members – Gabriel Danielsson, Ulrika Dellby, Annika Espander Jansson, Erik Gabrielson<sup>2</sup>, Ulf Grunander, Anna Hallberg, Axel Wachtmeister – to be independent in relation to the company and the executive management as well as the major shareholders.

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Stockholm in April 2016

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<sup>1</sup> Statistics compiled by the Swedish Corporate Governance Board (refers to board members elected at General Meetings).

<sup>2</sup> The Board member Erik Gabrielson is partner in the law firm Vinge which provides legal services to both Lifco AB and Carl Bennet AB. Erik Gabrielson is also, since February 2016, Chairman of the Board in Lifco's subsidiaries Eldan Recycling A/S and Redoma Recycling AB. The Nomination Committee deems that Erik Gabrielson, despite this, is independent in relation to the Company and the executive management as well as the major shareholders.



## Appendix A

### **Anna Hallberg (born 1963)**

<b>Relevant education:</b>	Law and business administration at the University of Gothenburg's School of Business, Economics and Law
<b>Professional experience:</b>	Anna Hallberg is Assistant Managing Director of Almi Företagspartner which is owned by the Ministry of Enterprise, Energy and Communications and is Sweden's largest public financing entity. Anna Hallberg was previously CFO for Almi Företagspartner and Head of SEB Private Banking in Stockholm. Prior to this, she worked with, amongst other things, corporate financing at Öhman Fondkommission and held a variety of positions within SEB.
<b>Present assignments:</b>	Director of the Boards of Atrium Ljungberg, University West and five companies associated with Almi's operations. Anna Hallberg is also a member in the governing group of Näringspolitiskt forum (network for company management, company owners, authorities, organisations, politicians and opinion builders for policy discussions regarding issues of special relevance to the long-term development of Swedish business. She is also a member of the Board of Entreprenörskapsforum, an independent research foundation initiating, undertaking and communicating policy-relevant research to improve the premises for entrepreneurship, innovation, small businesses and economic growth. Anna has been appointed by the Government to serve as an expert in the investigation on the development of the innovation and entrepreneurial climate in Sweden.
<b>Shareholdings in Lifco AB:</b>	-

*The Nomination Committee deems Anna Hallberg to be independent in relation to the major shareholders as well as the company and the executive management.*