



To: The annual general meeting of Europris ASA

From: The nomination committee

Date: 20 March 2020

Recommendations from the nomination committee

Work of the nomination committee

The annual general meeting of Europris ASA adopted instructions for the nomination committee's work on 23 April 2015. These instructions are available on the company's website at www.europris.no. The nomination committee will recommend candidates for the board (shareholder-elected directors) and the nomination committee, as well as remuneration for these bodies and for the board sub-committees. The nomination committee has organised its work in accordance with the instructions. Six physical meetings have been held by the nomination committee between the previous AGM and this date, and the committee has otherwise worked via e-mail and telephone.

The nomination committee has had separate meetings with the chair and the directors as well as with the CEO and other relevant members of the executive management. The nomination committee has also been given a presentation of the board's self-evaluation process, conducted in December 2019. Information about the work of the nomination committee and the deadline for shareholder proposals to the committee has been posted to the company's website. In addition, the nomination committee has been in direct dialogue with the largest shareholders.

The nomination committee's objective is to ensure that the board of directors has a broad composition, functions well as a collegiate body and fulfils the company's requirements for competence, relevant experience, capacity and diversity. The composition of the board of directors should also ensure that the board can attend to the common interests of all shareholders.

In last year's recommendation, the nomination committee raised the issue of directors' ownership of shares in the company, in accordance with the recommendation in the Norwegian code of practice for corporate governance. While only two of the shareholder-elected directors were shareholders at 31 December 2018, this number had increased to five at 31 December 2019. This is a positive development, of course, but the nomination committee would again stress the importance of shareholding by the directors. It finds that shareholders in general are paying much greater attention to this topic, and a number of listed companies have consequently changed their remuneration structure for directors to a combination of cash payments and share ownership. The nomination committee will continue to follow up this issue during the coming period.

Item 9 on the AGM agenda: To consider remuneration for the board of directors

This AGM will set remuneration for the coming year (2020 AGM to 2021 AGM).

The nomination committee has compared the present remuneration of directors with comparable companies, as specified in the annual survey of directors' remuneration in listed companies compiled by the Norwegian Institute of Directors. The remuneration is regarded as being in line with comparable companies.

For the coming period, the nomination committee recommends that all directors' fees are raised in line with the general annual growth in pay in Norway, estimated to be about three per cent. The recommendation on directors' fees for the period from the 2020 AGM to the 2021 AGM is therefore as follows.

Chair	NOK	556,000
Directors	NOK	283,000
Chair, audit committee	NOK	74,000
Members, audit committee	NOK	48,000
Chair, compensation committee	NOK	34,000
Members, compensation committee	NOK	23,000

Item 11 on the AGM agenda: To elect members of the board of directors

The board of Europris ASA currently has the following shareholder-elected directors (in parentheses: date of first election and most recent election).

- Tom Vidar Rygh, chair (2012, 2019)
- Bente Sollid Storehaug (2015, 2019)
- Hege Bømark (2015, 2019)
- Tone Fintland (2017, 2019)
- Claus Juel-Jensen (2017, 2019)
- Sverre R Kjær (2018)
- Karl Svensson (2019)

Kjær is the only director up for re-election at this AGM. However, the nomination committee is free to assess the board's composition independently of which directors are up for election in any given year.

With one exception, all the directors have confirmed that they are willing to continue to serve on the board. Kjær has notified the nomination committee that he is not available for re-election as a consequence of taking up a new full-time executive position.

In light of the upcoming final decision related to Europris' option on the Swedish family-owned company Runsvengruppen AB, the change of CEO in the company and the potentially serious impact of the coronavirus on businesses in general, the nomination committee is giving emphasis to continuity at board level at the present stage. The nomination committee also finds that the board is well functioning and has a good breadth in expertise and experience.

As most shareholders may know, however, Pål Wibe, the former CEO of Europris, has expressed his willingness to join the board of the company. A direct move from the role of CEO to a role on the board is not common practice in Norway. This issue has therefore been given fairly detailed consideration by the nomination committee in order to evaluate the pros and cons. However, it has concluded that Wibe's strong retail expertise, combined with his motivation to contribute to the future success of Europris, will be most valuable to the board. He is also very aware of what this change in role requires of him. Wibe is thus proposed as a new member of the Europris board.

experience, having previously worked for Runsvengruppen AB, the parent company of ÖoB. He graduated from Uppsala University in 2003 with an MSc in business and economics.

Pål Wibe (born 1967)

Pål Wibe has recently joined XXL ASA as its chief executive officer. He has been the CEO of Europris from 2014 to 2020. Prior to that appointment, he served as CEO of Nille AS for almost seven years and CEO of Travel Retail Norway AS for two years. Before that, he held various executive positions at ICA Ahold AB for six years and worked for five years in McKinsey & Co. Wibe holds a degree in economics and business administration (siviløkonom) from the Norwegian School of Economics (NHH) and an MBA from the University of California at Berkeley.

Mai-Lill Ibsen (born 1955)

Mai-Lill Ibsen has been deputy CEO of Eksportfinans ASA, managing director and CCO of Citibank in Norway and CEO of NOS ASA. She has solid experience from boardroom work in the Nordic countries, including listed and state-owned companies and foundations. She was deputy chair of Folketrygdfondet until 2015. She is currently chair of Giek Kredittforsikring AS and Sbanken Boligkreditt AS and a director of companies including Carnegie AS, Fjellinjen AS, Royal Arctic Line A/S and Sbanken ASA. She is a graduate of the BI Norwegian Business School and has an MBA from Stanford University.

Inger Johanne Solhaug (born 1969)

Inger Johanne Solhaug is currently business development director in Insula AS. She has held various corporate positions in Orkla for more than two decades and was a member of the executive management team for several years. She was CEO of Nidar from 2008 to 2013 and a partner in XO Executive Advisors from 2013 to 2019. She has broad boardroom experience from the consumer goods sector, and is currently a director of MakeUp Mekka AS, Oslo Business Region, Navamedic AS, Marenor AB, Escamar OY, Amanda Seafoods DK and Andersen Nilsen AS, and an alternate director of Frøya AS and Lofotprodukt AS. Solhaug holds a degree in economics and business administration (siviløkonom) from the Norwegian School of Economics (NHH).

Alf Inge Gjerde (born 1964)

Alf Inge Gjerde works as senior portfolio manager at Storebrand Asset Management AS, a position he has held for several years. As part of the Norwegian equity team, his main responsibilities include investments in the retail sector and others. Gjerde has been a member of the nomination committee at Scatec Solar ASA since 2015, and its chair for the past year. He has also served on the nomination committee at Scana Industrier ASA. He holds an MBA from the Norwegian School of Economics (NHH) and has been certified as an authorised financial analyst (AFA) since 1994.

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The proposed composition of the board (shareholder-elected) will thereby be as follows:

- Tom Vidar Rygh, chair
- Bente Sollid Storehaug
- Hege Bømark
- Tone Fintland
- Claus Juel-Jensen
- Karl Svensson
- Pål Wibe

Item 12 on the AGM agenda: To elect members of the nomination committee and approve the remuneration of the members of the nomination committee

The nomination committee at the AGM in 2019 comprised (in parentheses: date of first election, and date of most recent election):

- Mai-Lill Ibsen, chair (2016, 2018)
- Tom Rathke (2017, 2019)
- Inger Johanne Solhaug (2018)

Sadly, Rathke died last summer and he has not been replaced on the committee. The nomination committee has therefore consisted since then of only Ibsen and Solhaug. Both Ibsen and Solhaug are up for re-election at this AGM, and are both willing to continue to serve. The nomination committee is to consist of three members, and it is consequently proposed that Alf Inge Gjerde of Storebrand Asset Management AS be elected to the nomination committee. Storebrand Asset Management AS is one of the larger shareholders in Europris, and Gjerde has valuable expertise to add to the nomination committee both from his work as a fund manager and from his experience on other nomination committees.

With regard to remuneration for the nomination committee, the same three per cent increase as for the board is proposed. The following remuneration is therefore proposed for the nomination committee for the period from the 2020 AGM to the 2021 AGM:

Nomination committee chair	NOK 64,000
Nomination committee member	NOK 53,000

all with a supplement of NOK 8,800 per meeting if these exceed seven per year.

Information from the CVs of all directors and nomination committee members is provided in the appendix to this recommendation.

Mai-Lill Ibsen
(sign)

Inger Johanne Solhaug
(sign)

APPENDIX - Information on directors/committee members and candidates

Tom Vidar Rygh (born 1958)

Tom Vidar Rygh (chair) is an adviser to the Nordic Capital Funds. He holds a degree in economics and business administration (siviløkonom) from the Norwegian School of Economics (NHH). Rygh has held various leading executive positions in industrial and financial companies, including executive vice president of Orkla ASA, CEO of SEB Enskilda and partner in/CEO of NC Advisory AS – adviser to the Nordic Capital Funds. He has served as chair and director of several companies in a number of sectors, including Telenor ASA, Oslo Børs, Carlsberg Breweries A/S, Storebrand ASA, Aktiv Kapital ASA, Eniro AB, Netcom ASA, Helly Hansen ASA, Dyno ASA, Industrikapital Ltd, Actinor Shipping ASA, Borregaard Forests AS, Holberg Inc, Orkla Eiendom AS, Telia Overseas AB and Baltic Beverage Holding AB. Rygh has also served as an adviser to a number of prominent investment groups, such as TPG and the John Fredriksen group.

Hege Bømark (born 1963)

Hege Bømark is a director of AF-Gruppen ASA, OBOSbanken AS and the Institute for Eating Disorders. She has also been a director of Oslo Areal ASA, Norgani Hotels ASA, BWGHomes ASA, Norwegian Property ASA and Fornebu Utvikling ASA, all of which are or have been listed companies. Prior to becoming a full-time professional director, Bømark served as a project broker in AS Eiendomsutvikling and as a financial analyst at Fearnley Finans AS and Orkla Finans AS. She holds a degree in economics and business administration (siviløkonom) from the Norwegian School of Economics (NHH).

Bente Sollid Storehaug (born 1967)

Bente Sollid Storehaug is CEO of Digital Hverdag and non-executive director of Polaris Media, Hafslund E-CO, Europris, Motor Gruppen and Eika Gruppen. She is also chair of Boostcom Group, Semway Norge and the Velixio Group. Storehaug has been a member of several policy advisory boards for government ministers in Norway. She has also been appointed by the government to an expert committee on the future funding of the Norwegian Broadcasting Corporation (NRK). Storehaug established her own internet consultancy in 1993, which is listed today on Oslo Børs as Bouvet ASA. She is the youngest member of the Norwegian Association of Editors.

Tone Fintland (born 1962)

Tone Fintland has many years of experience as a senior executive in the pharmaceutical industry. She has functioned since 2016 as global procurement director at Teva Pharmaceuticals, and has previously held similar positions in the Actavis Group and Alpharma Inc. In addition, Fintland is a president of the Norwegian Association for Purchasing and Logistics (Nima) and the Nima Oslo Akershus Affiliate. She holds a Bachelor in Business Administration from the BI Norwegian Business School.

Claus Juel-Jensen (born 1963)

Claus Juel-Jensen is a professional board member and has boardroom experience from more than 15 different companies in food and non-food retail, food production and wholesale. In his professional career, he was the CEO of Netto Germany, a joint venture between Edeka Germany and Dansk Supermarked Group, from 1995-2004 and after that CEO of Netto International (DK, DE, SE, PL, UK) from 2005-2017. Juel-Jensen has extensive experience in the food-discount industry and the internationalisation of retail concepts. He holds a Master of Business Administration and an MSc from the Copenhagen Business School and the University of Cologne, and has the rank of captain in the Royal Danish Guard.

Karl Svensson (born 1977)

Karl Svensson is a director of RuNor AS, the Svensson family's special purpose vehicle for its investment in Europris. He is a corporate finance professional, having worked for Swiss-based corporate finance institutions advising on mergers and acquisitions and private capital placements. Svensson also has operational retail

experience, having previously worked for Runsvengruppen AB, the parent company of ÖoB. He graduated from Uppsala University in 2003 with an MSc in business and economics.

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