



To: The annual general meeting of Europris ASA

From: The nomination committee

Date: 26 March 2021

## **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](http://www.europris.no). The nomination committee will recommend candidates for the board (shareholder-elected directors) and for 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 formal 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 the telephone.

The nomination committee has had separate meetings with the chair and the directors as well as with the CEO. The nomination committee has also been given a presentation of the board's self-evaluation process, conducted in December 2020. Information about the work of the nomination committee and the deadline for shareholder proposals to the committee was made available at the company's website on 18 November 2020. 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 has a broad composition, functions well as a collegial body and fulfils the company's requirements for competence, relevant experience, capacity and diversity. The composition of the board should also ensure that it can attend to the common interests of all shareholders and that, in the opinion of the nomination committee, a sufficient number of directors are independent of major shareholders as well as of management and significant vendors.

The nomination committee is aware that shareholders in general are paying increased attention to share ownership by directors. In the 2019 recommendation from the nomination committee, therefore, the issue of share ownership by directors in the company was raised since only two of the shareholder-elected directors were shareholders at 31 December 2018. At 31 December 2019, this number had increased to five of the seven shareholder-elected directors. The nomination committee regarded that as a positive development, but has nevertheless continued its dialogue with the company about this issue during 2020. The figures remained unchanged at 31 December 2020, but the nomination committee has been informed that the board is working on a share purchase programme for directors and members of the executive committee, which will be presented to the AGM for approval in due course.

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

Remuneration for the coming year (2021 AGM to 2022 AGM) will be set at this 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. Remuneration to the directors is considered to be in line with comparable companies. Based on annual pay growth, the nomination committee proposes to increase remuneration to the board (chair and directors) for the coming year by NOK 14,000. Where the audit committee is concerned, the increase proposed is NOK 11,000 for the chair and NOK 7,000 for the members, while the rise for the compensation committee is NOK

2,000 for both chair and members. The somewhat higher increase in remuneration for the audit committee relates to the new audit law, which is expected to increase the committee's workload and responsibility.

The recommendation on directors' fees for the period from the 2021 AGM to the 2022 AGM is therefore as follows (last year's fees in parentheses):

Chair:	NOK	570,000	(556,000)
Directors:	NOK	297,000	(283,000)
Chair, audit committee:	NOK	85,000	(74,000)
Members, audit committee:	NOK	55,000	(48,000)
Chair, compensation committee:	NOK	36,000	(34,000)
Members, compensation committee:	NOK	25,000	(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 date of 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)
- Karl Svensson (2019)
- Pål Wibe (2020)

With the exception of Wibe, all the directors are up for re-election at this AGM. The election period is two years. However, the nomination committee is free to assess the board's composition independently of which directors are up for election in any given year. All directors have confirmed that they are willing to continue to serve in their present positions on the board.

After reviewing the board's self-evaluation, the nomination committee is of the opinion that the board is well-functioning and has the required breadth in terms of competence. This impression has been strengthened by the conversations it has had with each director. The recruitment of a new CEO and CFO, as well as dealing with the Covid-19 pandemic, have been handled in a very good manner.

Europris' option to acquire the Swedish family-owned company Runsvengruppen AB has still not been exercised, but the board has informed the nomination committee that a decision is expected later in 2021. Since this is an important strategic decision for the Europris board, the nomination committee is giving emphasis to continuity at board level.

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 members of the nomination committee**

The nomination committee at the AGM in 2020 comprised (in parentheses: date of first election, and date of most recent election):

- Mai-Lill Ibsen - chair (2016, 2020)
- Inger Johanne Solhaug (2018, 2020)
- Alf Inge Gjerde (2020)

None of the members of the nomination committee are therefore up for election at this AGM, and all three are willing to remain in their positions.

Where remuneration is concerned, the nomination committee proposes to increase the chair's fee to NOK 75,000, while raising the fee for the members to NOK 55,000 and the per-meeting fee (if meetings exceed seven) to NOK 9,200. The following remuneration is therefore proposed for the nomination committee for the period from the 2021 AGM to the 2022 AGM:

Nomination committee chair	NOK	75,000	(64,000)
Nomination committee member	NOK	55,000	(53,000)

all with a supplement of NOK 9,200 (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

Alf Inge Gjerde

Inger Johanne Solhaug

(sign)

(sign)

(sign)

## **APPENDIX - Information about directors and committee members**

### **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. Rygh is considered to be independent of major shareholders, vendors and management.

### **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). Bømark is considered to be independent of major shareholders, vendors and management.

### **Bente Sollid Storehaug (born 1967)**

Bente Sollid Storehaug is CEO of Digital Hverdag and a director of Polaris Media, Hafslund E-CO, Europris, Motor Gruppen, Nortel and Eika Gruppen. She is also chair of Placewise Group, Vinje Ullvarefabrikk AS (Lanullva) 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. Storehaug is considered to be independent of major shareholders, vendors and management.

### **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 NIMA (the Norwegian Association for Purchasing and Logistics) and NIMA Oslo Akershus Affiliate. She holds a Bachelor in Business Administration from the BI Norwegian Business School. Fintland is considered to be independent of major shareholders, vendors and management.

### **Claus Juel-Jensen (born 1963)**

Claus Juel-Jensen is a professional director and has extensive boardroom experience from different companies in food and non-food retailing, food production and wholesale in Germany, Denmark, Sweden and Norway. 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 from the food discount industry and the internationalisation of retail concepts. He holds a Master of Business Administration and an MSc from Copenhagen Business School and the

University of Cologne, and has the rank of captain in the Royal Danish Guard. Juel-Jensen is considered to be independent of major shareholders, vendors and management.

#### **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. Svensson is considered to be independent of major vendors and management, but not of major shareholders.

#### **Pål Wibe (born 1967)**

Pål Wibe joined XXL ASA as its chief executive officer in 2020. He was 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 with 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. Wibe is considered to be independent of major shareholders, vendors and management.

#### **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 both listed and state-owned companies and foundations. She was deputy chair of Folketrygdfondet until 2015, and chair of GIEK Kredittforsikring AS until 2020. She is currently chair of Sbanken Boligkreditt AS, and a director of such companies as 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 20 years 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. Solhaug has broad boardroom experience from the consumer goods sector, and is currently a director of Henning-Olsen Iskrem AS, MakeUp Mekka AS, Oslo Business Region, Navamedic AS, Marenor AB, Escamar OY, Amanda Seafoods DK and an alternate director of Frøya AS and Lofotprodukt AS. She is also chair of Anders Nilsen AS. Solhaug holds an MSc in business economics (siviløkonom) from the Norwegian School of Economics (NHH).

#### **Alf Inge Gjerde (born 1964)**

Alf Inge Gjerde is 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 investment in the retail sector. Gjerde has been a member of the nomination committee at Scatec Solar ASA since 2015 and currently chairs the committee. He has also been a member of the nomination committee at Scana Industrier ASA. He holds an MBA from the Norwegian School of Economics (NHH) and has been an authorised financial analyst (AFA) since 1994.