

Nomination Committee of Nobia AB's (publ) proposals, explanatory statement and report on its work prior to the 2017 Annual General Meeting

Background

The Annual General Meeting of Nobia AB (publ) ("Nobia") appointed a Nomination Committee at the 2016 Annual General Meeting comprising the following owner representatives: Viveca Ax:son Johnsson (Nordstjernan), Torbjörn Magnusson (If Skadeförsäkring), Lars Bergkvist (Lannebo Fonder) and Arne Lööv (Fourth Swedish National Pension Fund). The shareholders represented on the Nomination Committee hold about 46 per cent of the shares and votes in Nobia.

In accordance with the instruction adopted by the Annual General Meeting, the task of the Nomination Committee was to prepare proposals in the following matters to be presented to the 2017 Annual General Meeting of Nobia:

- the election of the Chairman and other members of the company's Board of Directors,
- the Directors' fees, divided between the Chairman and the other Board members, and any remuneration for Committee work,
- the election of and fees to auditors and deputy auditors (where applicable),
- the election of the Chairman of the Annual General Meeting, and
- the election of members of the Company's Nomination Committee for the period from the end of the Annual General Meeting until the conclusion of the following Annual General Meeting.

In addition, the Nomination Committee is to decide on whether to make any changes to the instruction for the Nomination Committee of Nobia adopted at the 2015 Annual General Meeting.

The Nomination Committee held two meetings at which minutes were taken and the Committee members maintained regular contact between meetings. The Nomination Committee received a report from the Board Chairman on the manner in which the Board's work was conducted, and also studied the evaluations performed internally. Additionally, the Nomination Committee interviewed individual Board members. The Nomination Committee discussed the size and composition of the Board in light of the company's situation and strategic challenges. The Nomination Committee also evaluated the procurement of auditing services by the Board in accordance with applicable laws and regulations, including the EU Audit Regulation.

The Nomination Committee's proposals for decisions

The election of the Chairman and other members of the company's Board of Directors

The Nomination Committee proposes that the members of the Board of Directors who are elected by Annual General Meetings be comprised of nine individuals with no deputies.

The Nomination Committee proposes that the following current Board members be re-elected: Tomas Billing (Chairman since 2015), Morten Falkenberg (member since 2011), Lilian Fossum Biner (member since 2012), Nora Førisdal Larssen (member since 2011), Stefan Jacobsson (member since 2014), Ricard Wennerklint (member since 2014) and Christina Ståhl (member since 2015). Thore Ohlsson (member since 2007) and Fredrik Palmstierna (member since 2006) have declined re-election.

The Nomination Committee proposes that Jill Little and George Adams be elected new Board members.

Jill Little has held senior positions at the John Lewis Partnership, which has about 400 stores in the UK under the John Lewis and Waitrose brands, for twelve years. She has served as Strategy and International Director and as Business Development Director for the John Lewis Partnership. For the last five years, Jill Little has been working for one of the UK's largest retail Groups, El Corte Ingles. Today she is the Senior Non Executive Director for Shaftesbury PLC, a central London property company and a Non Executive Director of the UK-based premium lifestyle brand retail company Joules PLC. In addition, Jill Little advises the National Trust, a UK charity.

George Adams has over 20 years in the European Home Improvement Industry, and is a previous President of the European DIY Retailers Association (EDRA). For 16 years, George Adams has held senior positions at Kingfisher, one of the leading home improvement companies in the UK with brands including B&Q and Screwfix. During his time at Kingfisher, George Adams led B&Q to become one of the large players in the UK, and was instrumental in the reinvention of Screwfix. He is currently a Director of ScS Plc, the furniture and flooring retailer, and Chairman of on-line retailer FFX Tools.

The proposal for the composition of Nobia's Board of Directors fulfils the independence requirements of the Swedish Corporate Governance Code. All of the Board members, with the exception of Tomas Billing, Nora Førisdal Larssen and Ricard Wennerklint, are considered to be independent in relation to the company's largest owners. All of the Board members, with the exception of the President Morten Falkenberg, are considered to be independent in relation to the company and company management.

Similar to previous years, the Nomination Committee based its proposals on ensuring that the Board is characterised by diversity and breadth in terms of competencies, experience and background. The overall evaluation of the Board's work has shown that the Board functions well with productive group dynamics. The Board Chairman shows great dedication in his leadership of the Board's work and creates an open and constructive atmosphere at meetings. The Nomination Committee believes that Nobia has a well-functioning Board, but has identified the need to strengthen expertise in the UK kitchen market since approximately 50 per cent of Nobia's sales derive from the UK.

The proposed Board has a well-balanced composition of individuals regarding competencies, gender distribution, experience and breadth in terms of a variety of qualifications that all complement each other. According to the proposal, the number of women on the Board will amount to four of the nine members elected at the Annual General Meeting including the President, corresponding to 44 per cent. The gender-distribution requirements of the Swedish Corporate Governance Code are thus deemed to be reasonably satisfied.

The diversity policy that the Nomination Committee applied in preparing its proposal complies with Article 4.1 of the Swedish Corporate Governance Code.

Fees for the Board Chairman and other Board members

The Nomination Committee proposes that the Directors' fees amount to a total of SEK 3,830,000, with the Chairman receiving SEK 1,100,000 of this amount and each of the other Board members elected by the General Meeting receiving SEK 390,000. This represents no change in Directors' fees. It is proposed that no Directors' fees be paid to Board members who receive a salary from the company. In 2016, the Board of Directors decided to establish an Audit Committee comprising Lilian Fossum Biner (Chairman) and Thore Ohlsson (member). It is

proposed that the fee for the Chairman of the Audit Committee be SEK 125,000 and the fee for members of the Committee be SEK 100,000 per annum. It is proposed that the Board's Remuneration Committee continue its work and that no fees be paid to members of the Committee.

Election of, and fees to, auditors and deputy auditors

The Nomination Committee proposes that Deloitte AB, with Daniel de Paula as Auditor-in-Charge until further notice, be elected as the company's new auditors for the period until the conclusion of the following Annual General Meeting.

In accordance with the Swedish Corporate Governance Code, the Nomination Committee's proposal to the General Meeting regarding election of auditors is to include the recommendation of the Audit Committee. Nobia's Audit Committee has recommended that Deloitte AB, with Daniel de Paula as Auditor-in-Charge until further notice, be elected auditor at the Annual General Meeting. Accordingly, the Nomination Committee's proposal on auditors is consistent with the recommendation of the Audit Committee.

Furthermore, the Nomination Committee proposes that no deputy auditors be appointed. It is proposed that fees be paid in accordance with approved invoices.

The election of the Chairman of the Annual General Meeting.

The Nomination Committee proposes that Board Chairman Tomas Billing be appointed Chairman of the 2017 Annual General Meeting.

Election of members of the Nomination Committee

The Nomination Committee proposes that the Annual General Meeting elect Viveca Ax:son Johnson representing Nordstjernen, Torbjörn Magnusson representing IF Skadeförsäkring, Lars Bergqvist representing Lannebo Fonder and Arne Lööw representing the Fourth Swedish National Pension Fund as members of the Nomination Committee until the conclusion of the 2018 Annual General Meeting. The Nomination Committee proposes that Viveca Ax:son Johnson be elected Chairman of the Nomination Committee. The owners proposed to be represented on the Nomination Committee hold approximately 46 per cent of the shares and votes in Nobia.

Instruction for the Nomination Committee

No amendments are proposed to the instructions for the Nomination Committee as adopted at the 2015 Annual General Meeting.

NOMINATION COMMITTEE