

The Nomination Committee's proposals to the 2019 Annual General Meeting of Byggmax Group AB (publ), corporate registration number 556656-3531

Background

In accordance with *Byggmax's* instruction for the Nomination Committee as decided by the 2018 AGM, the two largest shareholders who accepted the invitation to appoint members of *Byggmax's* Nomination Committee have appointed the aforesaid members to comprise, together with the Chairman of the Board, the Nomination Committee of the company. The Nomination Committee comprises Vegard Søråunet, *ODIN Fonder*; Anders Algotsson, *AFA Försäkring*; and Anders Moberg, Chairman of the Board of *Byggmax*.

The Nomination Committee has been tasked with preparing proposals for the Annual General Meeting on the following items:

- the election of the Chairman of the Annual General Meeting;
- the number of Board members;
- the election of the Chairman of the Board of Directors and other Board members on the Company's Board of Directors;
- the fees for Board members;
- the election of the auditor;
- the fees to the auditor; and
- resolutions on policies regulating the appointment of the Nomination Committee (where applicable).

The Nomination Committee's proposals

1. Chairman of the Board Anders Moberg is proposed as Chairman of the Annual General Meeting
2. The proposed composition of the Board is eight members and no deputies. Furthermore, the Committee proposes that the number of auditors remains unchanged at one auditor with no deputy.

Re-election of the following Board members: Ullrika Eliasson, Hannele Kemppainen, Anders Moberg, Daniel Mühlbach and Per Strömberg. Board members Mikael Norman and Lottie Svedenstedt have declined re-election. Kjersti Hobøl, Gunilla Spongh and Anders Berg are proposed for election as new Board members. The Nomination Committee also proposes that Anders Moberg be re-elected as Chairman of the Board.

3. The Nomination Committee proposes that the directors' fees are raised to SEK 630,000 (600,000) to the Chairman of the Board and SEK 300,000 (285,000) to each of the other Board members. For the Audit Committee, fees are proposed of SEK 100,000 to the Chairman and SEK 40,000 to each of the other members.
4. The Nomination Committee proposes, in accordance with the Audit Committee's recommendation, the re-election of the Company's current auditor, the registered accounting firm *Öhrlings PricewaterhouseCoopers AB*. *Öhrlings PricewaterhouseCoopers AB* has notified that Authorized Public Accountant Ann-Christine Hägglund will continue to serve as the Auditor in Charge.
5. Fees to auditors are payable against approved invoices.

The Nomination Committee has not deemed it necessary to propose amendment of *Byggmax*'s instruction for the Nomination Committee as decided by the 2018 AGM.

The work and motivated statements of the Nomination Committee

The Nomination Committee held three minuted meetings as well as detailed telephone discussions and e-mail correspondence as part of preparing proposals for the 2019 AGM. The independent members of the Nomination Committee have also interviewed the Board members and met with *Byggmax*'s CEO to review the company's operations. The Nomination Committee has interviewed several candidates before taking a decision on the composition of the Board.

The Committee has benchmarked the level of the fees to members of the Board and its committees against those of similar companies in terms of sector and size. Based on the above and the lack of any adjustment to directors' fees at the 2018 AGM, the Nomination Committee proposes raising the directors' fees by around 5%. Fees to the Audit Committee are proposed to remain unchanged. Altogether, the Nomination Committee's proposal means that total remuneration to the Board will be increased by SEK 420,000 to SEK 2,910,000 (2,490,000). However, it should also be noted that SEK 300,000 of the increase is due to the number of Board members increasing to eight.

The Nomination Committee makes the following proposals for new Board members:

Kjersti Hobøl who is currently the CEO of Nille AS and who has past experience as Chief Executive Officer for Kid ASA, Board member of Expert AS and Kid Interiør AS, and Senior Vice President for DNB. Ms. Hobøl is currently a Board member of Møbelringen AS, Cosmetic Group and Mestergull AS.

Gunilla Spongh who was formerly the CFO of Preem Aktiebolag (publ), Board member of B&B Tools AB (publ), and International Business Director and CFO of Mekonomen AB (publ). Ms. Spongh is currently a Board member of Pierce Holding AB, Ripasso Energy AB (publ), Momentum Group AB (publ), AQ Group AB (publ), SSG Partners A/S and Infranord AB.

Anders Berg who is Executive Vice President Americas, DIAB Group, External Advisor to Odin Fonder and has various assignments for Backgatan Industri AB. Mr. Berg has past experience as President and CEO of Lindab, Vice President at SSAB for the Asia Pacific region and President and CEO of Plannja. He is the Chairman of Cimco Marine AB (publ) and Runway Safe Sweden AB, and a Board member of Symbrio AB.

Information about all of the proposed Board members is available on the Company's website www.byggmax.se.

The assessment of the Nomination Committee is that Board work at *Byggmax* functions well. At the same time, the proposed change in the Board's composition will also ensure adequacy and appropriateness of Board work moving forward. The composition of the proposed Board is highly appropriate given the needs and challenges of the company, and each of the members can contribute relevant experience and competence. The Nomination Committee is of the opinion that the proposed Board has the requisite versatility and breadth as well as the competence and experience needed for *Byggmax*'s operations, given the company's stage of development and other circumstances. The Board is also well qualified to ensure that *Byggmax*'s operations are conducted in a sustainable manner. All of the Board members meet the requirements for being a board member of a listed company.

As its diversity policy, the Nomination Committee has used rule 4.1 under the Swedish Corporate Governance Code when preparing its proposal for the Board's composition. The Nomination Committee's proposal to the AGM means, inter alia, that of the Board's eight members, half are women and half are men.

All of the Board members are deemed independent in relation to the Company and its management and independent in relation to the Company's major shareholders.