

MEETING DATE	Wed, 26 Apr 2017 15:30 pm	TYPE	AGM	ISSUE DATE	Thu, 13 Apr 2017
MEETING LOCATION	Moderna Museet, Skeppsholmen, Stockholm				
CURRENT INDICES	FTSE EuroFirst				
SECTOR	Building Materials & Fixtures				

PROPOSALS		ADVICE
<b>1</b>	<b>Opening of the Meeting</b> Non-voting agenda item	Non-Voting
<b>2</b>	<b>Election of the Chairman of the meeting: Lars Renstrom</b> Non-voting agenda item.	Non-Voting
<b>3</b>	<b>Preparation and Approval of the Voting List</b> Non-voting agenda item.	Non-Voting
<b>4</b>	<b>Approve Agenda of Meeting</b> Non-voting agenda item	Non-Voting
<b>5</b>	<b>Election of Persons to Scrutinise the Minutes and to Supervise the Counting of Vote</b> Non-voting agenda item	Non-Voting
<b>6</b>	<b>Examination of whether the meeting has been duly convened</b> Non-voting agenda item.	Non-Voting
<b>7</b>	<b>Report by the President and CEO</b> Non-voting agenda item	Non-Voting
<b>8.A</b>	<b>Presentation of the Annual Report</b> Non-voting agenda item	Non-Voting
<b>8.B</b>	<b>Presentation of the Auditors Statement regarding the Guidelines for the Senior Managements Remuneration</b> Non-voting agenda item	Non-Voting
<b>8.C</b>	<b>Presentation of the Board of Directors Proposal regarding Distribution and Profits and Motivated Statement</b> Non-voting agenda item	Non-Voting
<b>9.A</b>	<b>Consolidated Financial Statements</b> Disclosure is acceptable and the financial statements were made available sufficiently before the meeting. The auditors have not qualified their opinion. No serious governance concerns have been identified.	For
<b>9.B</b>	<b>Approve the Dividend</b> The Board proposes a dividend of SEK 3.00 per share. The dividend is covered by earnings. Acceptable proposal. Triodos supports this resolution.	For
<b>9.C</b>	<b>Discharge the Board and the CEO</b> Standard proposal. No serious governance concerns have been identified. Triodos supports this resolution.	For
<b>10</b>	<b>Set the Number of Board Directors</b> The Company proposes to set the number of directors to be elected to the Board to nine directors. Acceptable proposal, in line with market practice. Triodos supports this resolution.	For

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|-----------|--|-------------------|
| <b>11</b> | <p><b>Approve Fees Payable to the Board of Directors and the Auditor</b></p> <p>The Board is seeking approval for Board and Committee membership fees for Non-Executive Directors. An increase of 8.4 % in average has been proposed. However, an increase of over 50% has been proposed for Vice Chairman, which is deemed excessive</p> <p>In addition, it is proposed that the auditor is paid according to invoice.</p> <p>It is regrettable that the Company has bundled the auditors and Directors remuneration in one resolution. Based on the excessive and not duly explained proposed fees for the Vice Chairman, Triodos opposes this resolution.</p>   | <b>Oppose</b>     |
| <b>12</b> | <p><b>Elect the Board Members and the Auditors</b></p> <p>It is proposed to elect the Board and the Auditors in a bundled resolution. Although common in this market, it is not considered to be best practice. It is proposed the election of Sofia Schörling Högberg as new member of the Board. All the remaining directors are proposed for re-election. Lars Renstorm is proposed for re-election as Chairman. There is insufficient independent representation on the Board.</p> <p>As for the auditors, PwC is proposed. Non-audit fees were approximately 61.70% of audit fees during the year under review. Non-audit fees over a three year basis were approximately 69.05% of audit fees. There are concerns that this level of non-audit fees creates a potential for conflict of interest on the part of the independent auditor. In addition, the auditors' term exceeds seven years, which raises further concerns for potential conflicts of interest.</p> <p>Given the concerns over the tenure of the auditor and the non-audit fees and the lack of independent representation on the Board, Triodos opposes this resolution.</p> | <b>Oppose</b>     |
| <b>13</b> | <p><b>Elect the Nomination Committee</b></p> <p>The Company proposes that the Nomination Committee shall consist of the representatives of the five major shareholders and the Chairman of the Board, who is not the Chair of the Committee. In accordance with Code recommendations, Triodos supports this resolution.</p>  | <b>For</b>        |
| <b>14</b> | <p><b>Approve Remuneration Policy to Senior Management</b></p> <p>It is proposed to approve the remuneration policy with a binding vote. Variable remuneration does not seem to be consistently capped and as such there are excessiveness concerns as the total potential variable remuneration may exceed 200% of the salary. In addition, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component, which makes it unlikely for shareholders to reclaim that variable remuneration unfairly paid out.</p> <p>Triodos opposes this resolution.</p>  | <b>Oppose</b>     |
| <b>15</b> | <p><b>Authorise Share Repurchase</b></p> <p>Authority sought to allow the Board to repurchase and use capital stock within legal boundaries. The authority exceeds 5% of the share capital; however, the Company explains that the purpose of the authorizations is to make possible the ability for the Board of Directors to continuously adapt the company's capital structure and thereby contribute to increased shareholder value, to be able to exploit attractive acquisition opportunities by fully or partly financing future acquisitions with the company's own shares, and to ensure the company's undertakings. Given that the reason for the buy-back is considered to bring benefits to shareholders, Triodos supports this resolution.</p>  | <b>For</b>        |
| <b>16</b> | <p><b>Approve New Long Term Incentive Plan</b></p> <p>It has been proposed to approve the new Long Term Incentive Plan of the Company for senior executives and key employees. The program requires participants to invest between 5% and 15% of their base salary in Series B shares and receive matching shares and performance award. For each share purchased, the CEO will receive one matching award and four performance awards, other executives will receive one matching award and three performance awards while any other participant will receive one matching and one performance award. These awards are based on EPS in 2017 compared to 2016. It is difficult to see how this long term remuneration structure (beyond being considered not sufficiently long term: three years) would gear participants towards better performance, if performance based criteria impact a small portion of the plan.</p> <p>Triodos opposes this resolution.</p>  | <b>Oppose</b>     |
| <b>17</b> | <p><b>Closing of the Meeting</b></p> <p>Non-voting agenda item</p>   | <b>Non-Voting</b> |

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## SUPPORTING INFORMATION FOR RESOLUTIONS

### **Proposal 13 - Elect the Nomination Committee**

According to the recommendations of the Corporate Governance Code, the Nomination Committee is to have at least three members, one of whom is to be appointed committee chair. The majority of the members of the Nomination Committee are to be independent of the Company and its executive management. At least one member of the Nomination Committee is to be independent of the Company's largest shareholder in terms of votes or any group of shareholders who act in concert in the governance of the Company. Neither the chief executive officer nor other members of the executive management are to be members of the Nomination Committee. Neither the Chairman of the board nor any other member of the Board may chair the Nomination Committee. If more than one member of the board is on the Nomination Committee, no more than one of these may be dependent of a major shareholder in the Company.

### **Proposal 16 - Approve New Long Term Incentive Plan**

It is considered best practice to base long term incentives on at least two sets of criteria, of which at least one non-financial indicator, which should work interdependently.

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