

MEETING DATE	Wed, 28 Apr 2021 13:30	TYPE	AGM	ISSUE DATE	Thu, 15 Apr 2021
MEETING LOCATION	Postal Ballot				
CURRENT INDICES	FTSE EuroFirst				
SECTOR	Building Materials & Fixtures				
FYE	31 Dec 2020				

	PROPOSALS	ADVICE
1	<b>Election of Chair of the Annual General Meeting</b> Non-voting agenda item.	Non-Voting
2	<b>Designate Johan Hjertonsson and Liselott Ledin as Inspector of Minutes of Meeting</b> Non-voting agenda item.	Non-Voting
3	<b>Preparation and approval of the voting list</b> Non-voting agenda item.	Non-Voting
4	<b>Approve Agenda of Meeting</b> Non-voting agenda item.	Non-Voting
5	<b>Acknowledge Proper Convening of Meeting</b> Non-voting agenda item.	Non-Voting
6	<b>Receive Financial Statements, Statutory Reports and Auditor's Report on Application of Guidelines for Remuneration for Executive Management</b> Non-voting agenda item.	Non-Voting
7.A	<b>Approve Financial Statements</b> Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. No serious governance concerns have been identified.	For
7.B	<b>Approve the Dividend</b> The Board proposes a dividend of SEK 3.90 per share. The dividend is covered by earnings. Acceptable proposal.	For
7.C.1	<b>Approve Discharge of Board Chairman Lars Renstrom</b> Standard proposal. No serious governance concerns have been identified. Support is recommended.	For
7.C.2	<b>Approve Discharge of Carl Douglas</b> Standard proposal. No serious governance concerns have been identified. Support is recommended.	For
7.C.3	<b>Approve Discharge of Eva Karlsson</b> Standard proposal. No serious governance concerns have been identified. Support is recommended.	For
7.C.4	<b>Approve Discharge of Birgitta Klasen</b> Standard proposal. No serious governance concerns have been identified. Support is recommended.	For
7.C.5	<b>Approve Discharge of Lena Olving</b> Standard proposal. No serious governance concerns have been identified. Support is recommended.	For
7.C.6	<b>Approve Discharge of Sofia Schorling Hogberg</b> Standard proposal. No serious governance concerns have been identified. Support is recommended.	For

<b>7.C.7</b>	<b>Approve Discharge of Jan Svensson</b> Standard proposal. No serious governance concerns have been identified. Support is recommended.	<b>For</b>
<b>7.C.8</b>	<b>Approve Discharge of Joakim Weidemanis</b> Standard proposal. No serious governance concerns have been identified. Support is recommended.	<b>For</b>
<b>7.C.9</b>	<b>Approve Discharge of Employee Representative Rune Hjalm</b> Standard proposal. No serious governance concerns have been identified. Support is recommended.	<b>For</b>
<b>7.C.10</b>	<b>Approve Discharge of Employee Representative Mats Persson</b> Standard proposal. No serious governance concerns have been identified. Support is recommended.	<b>For</b>
<b>7.C.11</b>	<b>Approve Discharge of Employee Representative Bjarne Johansson</b> Standard proposal. No serious governance concerns have been identified. Support is recommended.	<b>For</b>
<b>7.C.12</b>	<b>Approve Discharge of Employee Representative Nadja Wikstrom</b> Standard proposal. No serious governance concerns have been identified. Support is recommended.	<b>For</b>
<b>7.C.13</b>	<b>Approve Discharge of President Nico Delvaux</b> Standard proposal. No serious governance concerns have been identified. Support is recommended.	<b>For</b>
<b>8</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 eight (8) directors. Acceptable proposal, in line with market practice.	<b>For</b>
<b>9.A</b>	<b>Approve Fees Payable to the Board of Directors</b> It is proposed to increase the amount payable to the Board of Directors by less than 10% on annual basis. Within recommended guidelines.	<b>For</b>
<b>9.B</b>	<b>Allow the Board to Determine the Auditor's Remuneration</b> It is proposed that auditors are paid in accordance to the invoice. Standard proposal.	<b>For</b>
<b>10</b>	<b>Elect Board: Slate Election</b> Proposal to renew the Board with a bundled election. Although slate elections are not considered to be best practice, they are common in this market. There is insufficient independent representation on the Board after the meeting as resulting from this slate of candidates. Triodos opposes this resolution.	<b>Oppose</b>
<b>11</b>	<b>Appoint the Auditors</b> EY proposed. Non-audit fees represented 6.56% of audit fees during the year under review and 35.36% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. EY was appointed as new auditor last AGM. Auditor rotation is considered a positive factor. Acceptable proposal.	<b>For</b>
<b>12</b>	<b>Approve the Remuneration Report</b> It is proposed to approve the implementation of the remuneration report. The pay-out is in line with best practice, under 200% of the fixed salary. However, the company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and 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 that shareholders will be able to reclaim any variable remuneration unfairly paid out. Triodos opposes this resolution.	<b>Oppose</b>
<b>13</b>	<b>Authorize Class B Share Repurchase Program and Re-issuance of Repurchased Shares</b> It is proposed to authorise the Board to purchase Company's shares until next AGM. Triodos supports this resolution.	<b>For</b>

14

**Approve Performance Share Matching Plan LTI 2021**

**Oppose**

It is proposed the approval of a new executive incentive plan. Under the plan, the CEO and other executives will be allotted shares or rights to shares. The company does not disclose clear performance criteria but only a list of indicators, which makes it impossible to assess clearly the link between pay and performance and is deemed a serious frustration of shareholder accountability.

LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the company (creating capital and - lawful - dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

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