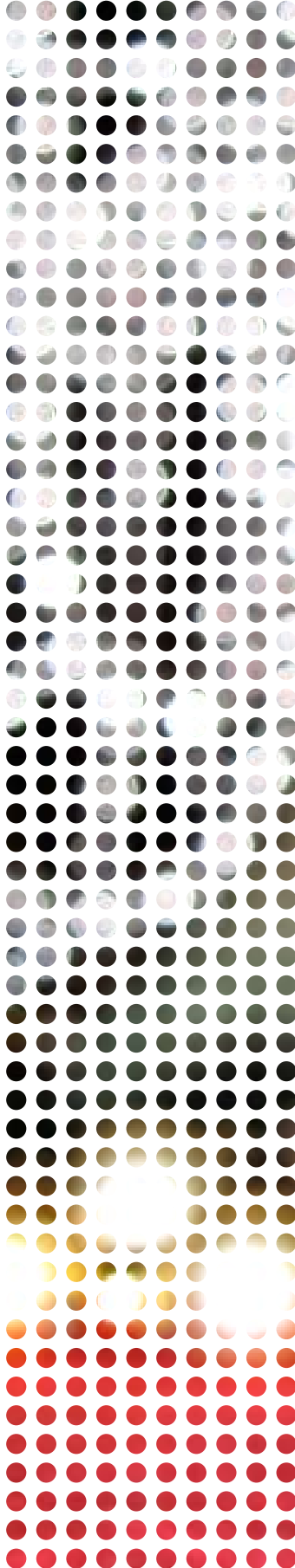


REPORT OF THE NOMINATION COMMITTEE



# Report of the Nomination Committee prior to the 2007 Annual General Meeting

## Background

On October 5, 2006, Hakon Invest published the names of the members of the Nomination Committee, in accordance with a decision made at the 2006 Annual General Meeting and with the procedural instructions adopted for the Nomination Committee.

The Nomination Committee comprises four members. Two of the members were nominated by the Company's principal owner, ICA-handlarnas Förbund (the ICA retailers' organization), one by SEB Fonder and one by Handelsbanken Fonder, the latter two being the next-largest owners at September 15, 2006. At that time, these three owners represented approximately 70% of the share capital and the voting rights in Hakon Invest.

ICA-handlarnas Förbund has appointed Lennart Boström, ICA retailer in Lilla Edet, and Håkan Olofsson, ICA retailer in Boden, to the Nomination Committee. SEB Fonder appointed Stefan Roos, SEB Asset Management, as its representative and Handelsbanken Fonder appointed Kjell Norling, Head

of Institutional Asset Management. Lennart Boström was appointed within the Nomination Committee as Chairman.

Shareholders were provided the opportunity to submit proposals and comments regarding the work of the Nomination Committee up to and including Friday, March 2, 2007. No proposals other than those of the Nomination Committee were received.

It should be noted that the ownership register prepared by VPC AB at February 28, 2007, listed the Fourth National Pension Fund (4th AP-Fonden) as the third largest shareholder in Hakon Invest. Since the ownership change occurred less than two months prior to the 2007 Annual General Meeting, and in accordance with the instructions for the Nomination Committee adopted by the Annual General Meeting, no change in the composition of the Nomination Committee was implemented. Hakon Invest has been in contact with the 4th AP-Fonden, which did not want to become involved in the work of the Nomination Committee prior to the Annual General Meeting since the Committee's work was in its final stage.

## Nomination Committee's work

In 2006, the Nomination Committee held three meetings, one in December 2006 and two in 2007. In addition, Committee members had internal contact with the management team and telephone contact with each other.

The duties of the Nomination Committee include evaluating the Board and its performance and presenting proposals to the Annual General Meeting for the Chairman and other members of the Board, of fees to be paid to the Board and, where applicable, candidates for auditors and fees to be paid to the auditors.

In order to be able to make proposals for the composition of the Board, the Nomination Committee must assess the degree to which the incumbent Board satisfies the demands that will be placed on the Board given the Company's current situation and direction, by studying the results of the completed evaluation of the Board's performance, establishing requirement profiles for any new members who, according to such evaluation, need to be recruited, and by implementing a systematic process of identifying candidates for the Board positions to be filled, whereupon proposals received from shareholders shall be taken into consideration.



**Lennart Boström**  
ICA-handlarnas Förbund  
Chairman of Nomination Committee



**Stefan Roos**  
SEB Fonder



**Håkan Olofsson**  
ICA-handlarnas Förbund



**Kjell Norling**  
Handelsbanken Fonder

In order to make its assessments, the Nomination Committee initially met the Chairman of the Board, Lars Otterbeck, the President, Claes-Göran Sylvén, the CFO Göran Hesseborn and the Chairman of the Audit Committee Cecilia Daun Wennborg to provide information about the company's operations and the Board's work. The Chairman of the Board presented the 2005 Board evaluation and described its work. The evaluation of the Board required each Board member to complete an extensive questionnaire containing various questions about Board operations, to which the answers were given on a scale of one to five, as well as a number of questions require an open answer. The President provides his view of the Board's work procedures and functions. CFO Göran Hesseborn reported on the work of the Audit Committee. Audit Committee Chairman Cecilia Daun Wennborg reported on the Committee's evaluation of the audit work.

The review indicated that Board had performed well and that the composition of the Board is highly satisfactory and is characterized by a high degree of commitment. Each of the members contributes a wide range of expertise and many years of experience in various industries. The Board Chairman also reported that cooperation between the Board and the management team of Hakon Invest had proceeded smoothly.

The Nomination Committee's evaluation of the Board's work confirmed the conclusion that cooperation within the Board function exceptionally well. Taking this into account, and that the members have worked together for a relatively short period, the Nomination Committee is unanimous in its prioritization of continuity and finds that reelection of all incumbents will be proposed.

Four of the members of the Board – Lars Otterbeck, Cecilia Daun Wennborg, Jan-Olle Folkesson and Jan Olofsson – are independent in relation to the Company and its management as well as to the major shareholders in the Company. Combined, all of them have many years of experience of management and Board positions in various listed companies.

The three other members – Anders Fredriksson, Thomas Strindeborn and Olle Nyberg – are ICA retailers and members of the Board of the ICA-handlarnas Förbund. ICA-handlarnas Förbund is a non-profit association. According to the exact wording of the rules of the Stockholm Stock Exchange and the Swedish Code of Corporate Governance regarding the independence of Board members with respect to the listed company and to companies closely associated with it, Anders Fredriksson, Thomas Strindeborn and Olle Nyberg, in their capacity as ICA retailers, are to be considered independent in relation to the Company and its management, but not independent in relation to the Company's principal owner, which is the ICA-handlarnas Förbund

The Nomination Committee is proposing unchanged Board fees compared with the preceding year. A new item

prior to the 2007 Annual General Meeting, is that the Nomination Committee is proposing that a fee of SEK 250,000 be allocated for committee work and be distributed as follows: remuneration of SEK 125,000 for working the Investment Committee, of which SEK 50,000 to the Chairman and SEK 25,000 to each of the other members; remuneration totaling SEK 75,000 for work in the Audit Committee, of which SEK 50,000 to the Chairman and SEK 25,000 to other members, and for work on the Remuneration Committee, a total of SEK 50,000, which is SEK 25,000 to each member.

The Ernst & Young auditing firm was elected as auditor at the 2006 Annual General Meeting for a mandate period of four years through the 2010 Annual General Meeting.

The Nomination Committee proposes the following:

- The Nomination Committee proposes that the current Board Chairman, Lars Otterbeck, be appointed Chairman of the 2007 Annual General Meeting.
- The Nomination Committee proposes that Lars Otterbeck, Cecilia Daun Wennborg, Anders Fredriksson, Jan-Olle Folkesson, Olle Nyberg, Jan Olofsson and Thomas Strindeborn be re-elected. Information about the members proposed for reelection is available under the heading Corporate Governance on the Hakon Invest company website.
- The Nomination Committee proposes that Lars Otterbeck be reelected Chairman of the Board.
- The Nomination Committee proposes that the Board be paid a fee totaling SEK 1,800,000, of which SEK 500,000 is allocated to the Board Chairman, SEK 300,000 to the Vice Chairman and SEK 200,000 to each other member. The Nomination Committee is proposing that a fee of SEK 250,000 be allocated for committee work and be distributed as follows: remuneration of SEK 125,000 for work in the Investment Committee, of which SEK 50,000 to the Chairman and SEK 25,000 to each of the other members; remuneration totaling SEK 75,000 for work in the Audit Committee, of which SEK 50,000 to the Chairman and SEK 25,000 to other members, and for work on the Remuneration Committee, a total of SEK 50,000, which is SEK 25,000 to each member. The total amount for fees and other remunerations to the Board's members is unchanged compared with the preceding year.
- It is proposed that compensation be paid to auditors as per invoice.

Any questions concerning the activities of the Nomination Committee may be directed to the Chairman of the Nomination Committee, Lennart Boström, at [lennart.bostroem@telia.com](mailto:lennart.bostroem@telia.com) or +46-703-79 64 50.