

## **The Nomination Committee's explanatory statement on the Humana AB Board recommendations prior to the 2017 AGM**

### ***Report on the work of the Nomination Committee during the year***

Prior to the 2017 Annual General Meeting, the Nomination Committee of Humana AB comprises:

- Lloyd Perry, representative of Argan Capital (through the company Air Syndication SCA), Chair of the Committee
- Sven-Erik Zachrisson, representative of Zirkona AB
- Oskar Andersson, representative of Bodenholm
- Mikael Moll, representative of Zeres Capital
- Per Båtelson, Chairman of the Board of Humana AB

The Nomination Committee's members represent shareholders holding over 62 percent of the total votes in the Company.

The Nomination Committee held its first meeting on 18 November 2016, with a total of 6 subsequent minuted meetings and additional contact by email and telephone. All the Committee's decisions were unanimous.

The Chairman of the Board has described the work of the Board of Humana AB to the Nomination Committee, explained how the annual evaluation of the Board proceeded and reported the results of the evaluation. The Nomination Committee has discussed appropriate expertise enhancement and held interviews with the proposed Board candidates. The Committee has also received the Audit Committee's recommendation concerning external auditors.

As Humana was listed in 2016, the Nomination Committee has taken into account the increased requirements for companies on the stock exchange and the need for Board representation to be based on the current ownership situation. Humana has expanded widely in the last year, mainly in Sweden and Norway, and has also established operations in Finland. The Nomination Committee has therefore sought to bring broader Nordic expertise to the Board, and in particular knowledge of the Finnish care market. The Nomination Committee's expertise priorities, in addition to good knowledge of the care market and experience in the Finnish market, have been political experience and service contracts and knowledge of IT operations in large organisations.

The Committee has discussed the composition of the Board and has agreed on the main profiles for the Board members, including requirements for independent members. The recommended composition of the Board meets the requirements of the Swedish Corporate Governance Code on the independence of Board members, as all members are considered independent of the Company and its management.

The composition of the Board also meets the requirement for at least two of the Board members to be independent of the Company's major shareholders. In Humana's case, six out of seven Board members are independent of the Company's major shareholders. Only Lloyd Perry, elected to the Board by Argan Capital, can be considered to have a connection to the Company's major shareholders.

As a diversity policy, the Nomination Committee has applied the Code's rule that the Board's composition should reflect diversity and breadth in terms of the elected Board members' expertise, experience and background, and that gender balance should be sought on the Board. Humana's Board has had gender balance for a long time. The Board members recommended for election by the 2017 AGM comprise four women and three men, a ratio of 57.1 to 42.9 percent. The recommendation therefore goes beyond the Swedish Corporate Governance Board's long-term target of about 40 percent for the less represented gender on corporate boards by 2020.

The Nomination Committee has also emphasised the importance of Board members having a reasonable total work load, so that sufficient time and commitment can be devoted to their Humana Board duties. The Nomination Committee believes that the recommended members meet all criteria.

The Nomination Committee has received views on the Board's composition from shareholders, and these have been taken into account in the Committee's work.

### ***Explanation of the Board recommendations***

The Nomination Committee's assessment is that the work of the current Board is efficient and that the Board collectively brings Humana significant knowledge and valuable experience. The Nomination Committee therefore recommends the re-election of Per Båtelson, Helen Fasth Gillstedt, Per Granath, Lloyd Perry and Ulrika Östlund. However, Wojciech Goc, Simon Lindfors and Maria Nilsson are not seeking re-election.

As three of the existing Board members have declined re-election, the Nomination Committee recommends appointing two new members at the 2017 AGM, and prior to the 2018 AGM, evaluating whether an additional member should be appointed to the Board. The Nomination Committee's recommendation means that the number of members of Humana's Board would decrease from the current eight members to seven members.

The Nomination Committee recommends that Monica Lingegård and Kirsi Komi be elected as new Board members.

Monica Lingegård, who is currently CEO of Samhall, is recommended on the basis of her years of experience from leading positions in the Swedish business world. Kirsi Komi is a lawyer and a board professional with expertise on the Finnish market. The Nomination Committee considers that the two recommended candidates will bring valuable expertise to the Board.

Monica Lingegård, born in 1962, has a degree in business administration from Stockholm University. She is currently CEO of Samhall and has previously held leading positions at G4S Solutions, Prenax, Spray Razorfish and SEB. Monika serves as chairman of the board of Swedish Space Corporation Group and is a director on the boards of Orio AB (previously Saab Parts AB), Svenskt Näringsliv and Almega.

Kirsi Komi, born in 1963, has an LL.M Master of Laws degree from the University of Helsinki. Kirsi has extensive experience from the Finnish business world and has held leading positions at Nokia from 1992 to 2010. She is now a board professional and sits

on the boards of Metsä Board Oyj, Bittium Oyj, Finnvera Oyj, Martela Oyj and Citycon Oyj. She is chairman of the board of Docrates Cancer Center in Helsinki and of the Blood Service under the Finnish Red Cross. She also sits on the board of the Directors' Institute Finland.

Information about all recommended Board members will be available on Humana's website [www.humana.se](http://www.humana.se) when the notice convening the AGM is published.

The Nomination Committee considers the proposed Board of Directors to have a sound composition that is well-suited to Humana's operations, needs and phase of development. It is the Committee's assessment that the Board brings valuable expertise, diversity and breadth, both in terms of experience and background.

Stockholm, March 2017

Nomination Committee, Humana AB

Lloyd Perry  
(Chair)

Sven-Erik Zachrisson

Oskar Andersson

Mikael Moll

Per Båtelson  
(Chairman, Humana AB)