



Ahlsell AB (publ) Corporate Governance Statement 2016

Extracted from the annual report published on March 31 2017



ahlsell

Corporate Governance Statement 2016

Ahlsell's corporate governance aims to provide the sustainable creation of added value for its shareholders by ensuring good risk control and a healthy corporate culture. Good corporate governance leads to effective decision-making and increases our opportunities to enhance and expand the business. A high level of transparency towards shareholders and the capital market and a clear division of roles and responsibilities across the management and supervisory bodies provide a solid foundation for active and responsible ownership.

Ahlsell AB is a Swedish public company. Its corporate identity number is 556882-8916. Ahlsell has its headquarters in Stockholm, Sweden and its shares are traded on the Nasdaq Stockholm stock exchange. This Corporate Governance Statement is part of the company's Directors' report and includes both the Parent Company Ahlsell AB and the Ahlsell Group.

External control instruments

The external control instruments provide the framework for Ahlsell's corporate governance and comprise the Swedish Companies Act, the Swedish Annual Accounts Act, other relevant laws, and the Nasdaq Stockholm's set of regulations for issuers and the Swedish Code of Corporate Governance (the Code).

Internal control instruments

The most important internal control instruments are the Articles of Association approved by the Annual General Meeting. Thereafter come the rules of procedure for the Board of Directors, including Board sub-committees, the instructions for the Managing Director, the business plan and budget, and a number of policies, guidelines and instructions that are binding for the business operations as a whole.

All policies are revised annually by the Board. In addition, the Group actively reviews and revises the company's Code of Conduct. Foreign subsidiaries apply their country's relevant laws and regulations and also ensure compliance with the Group's guidelines for management and control.

Compliance with the Swedish Code of Corporate Governance

Ahlsell launched its initial public offering on 28 October 2016 and has since applied the Code except for the following point:

Non-compliance of the Code 2.5

The Code requires the composition of the Nomination Committee to be published well in advance, no later than six months before the Annual General Meeting.

Explanation

According to the instructions of the Nomination Committee, the composition of the Nomination Committee is based on the

shareholder statistics presented on the last banking day in August and should be published no later than six months before the Annual General Meeting. Since Ahlsell AB launched its initial public offering on 28 October 2016, the composition of the Nomination Committee for the 2017 Annual General Meeting shall instead be based on the shareholder statistics presented on 31 December 2016 and will therefore not be communicated six months before the Annual General Meeting, which constitutes a non-compliance of the Code.

Governance and organisational structure

Governance, management and control are divided among the shareholders at the Annual General Meeting, the Board of Directors and the Managing Director in accordance with the model below.

Shareholders

Ahlsell began trading on the Nasdaq Stockholm stock exchange on 28 October 2016. At 31 December 2016, the number of shares outstanding amounted to 436,302,187. All shares carry equal voting rights and a share in the company's profits and capital. The principal owner at the time was Keravel S.a.r.l. with a 60.4 per cent holding of shares and voting rights in Ahlsell. The company had no holding of own shares at the end of the year.

The principal shareholder has agreed not to sell its shareholding within 180 days after the first day of trading. The lock-up period for directors holding stock and for certain employees holding stock, including senior executives, is 365 days. Exceptions may be granted by (i) Goldman Sachs and Nordea, or (ii) a majority of the Joint Global Coordinators.

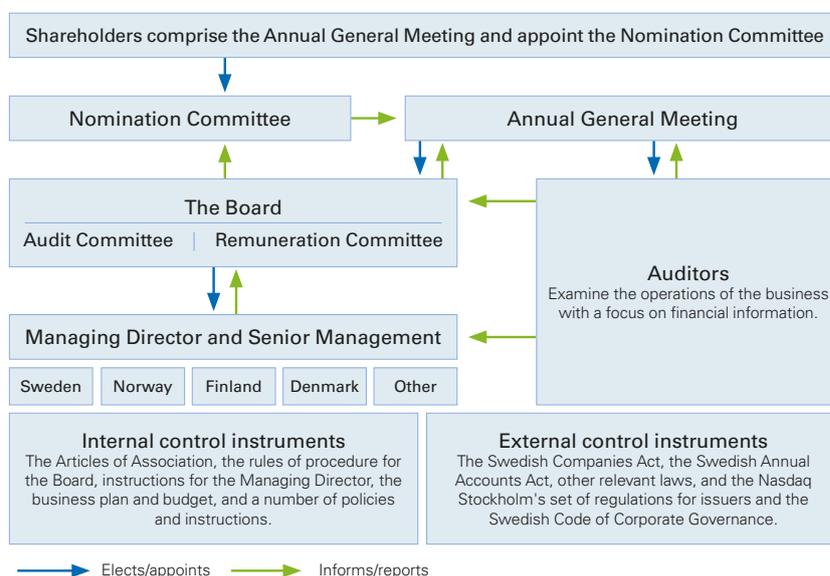
Apart from the above, there are no restrictions on the rights of the shareholders in the Articles of Association or, in the shareholders' agreement, as far as is known to the company.

Annual General Meeting and General Meeting of Shareholders

The General Meeting of Shareholders is the company's highest decision-making body at which the shareholders give their approval to decisions concerning the company's Articles of Association and governance. The Annual General Meeting must be held within six months of the end of the financial year.

Ahlsell's Articles of Association contain no specific provisions on the appointment and dismissal of Board members nor on amendments to the Articles of Association. Nor does it contain any provisions that restrict the right of shareholders to exercise their rights at the Annual General Meeting.

In addition to the Annual General Meeting, extraordinary general meetings



may be convened upon the initiative of the Board.

The chair of the Board, all Board members, the Managing Director, at least one member of the Nomination Committee and an auditor must attend the Annual General Meeting. The chair of the Board, as many Board members as possible and the Managing Director must attend extraordinary general meetings.

A notice to announce the Annual General Meeting or General Meeting of Shareholders, and information relating to such meeting, must be published in the official Swedish gazette (Post- och Inrikes Tidningar) and on Ahlsell's website. It must also be announced in the Swedish Svenska Dagbladet newspaper that notice of the meeting has been issued.

Minutes of the meeting, the Managing Director's speech and other documents are published on www.ahlsell.com under "Corporate Governance" as required by the Code.

Nomination Committee

The main duties of the Nomination Committee are to present the Annual General Meeting with proposals for a Chairperson and other Board members, and proposals for remuneration and other pay to each of the Board members. The Nomination Committee shall also submit proposals for auditors and their fees.

The Nomination Committee shall strive to achieve an appropriate Board composition characterised by diversity and a breadth of skills, experience, background and gender.

The Nomination Committee shall comprise four members representing the largest shareholders in the company on the last banking day in August the year before the Annual General Meeting. In addition to these four members, the Board chairperson shall be a co-opted member and convenor in the Nomination Committee. The Board chairperson has a duty to convene the Nomination Committee.

If a shareholder qualifies as one of the four largest shareholders, after the Nomination Committee has been constituted but two months before the Annual General Meeting, that shareholder is entitled to take a place in the Nomination Committee and the representative that no longer represents one of the four largest shareholders shall leave the Committee.

The composition of the Nomination Committee shall be announced at least six months before the Annual General Meeting. All shareholders may contact the Nomination Committee to submit proposals for Board members. Contact details can be found at www.ahlsell.com.

The Board

The Board of Directors shall comprise at least three and a maximum of ten members elected by the General Meeting without deputy Board members. Board members, with the exception of employee representatives, are elected annually at the Annual General Meeting for the period until the end of the next Annual General Meeting.

The Board should include a mix of skills and expertise that are important in managing Ahlsell in a responsible and successful way. Such skills and expertise include knowledge of trade and distribution, financing and financial analysis, remuneration issues, corporate governance and regulatory matters.

Work of the Board

The Board is accountable to the General Meeting of Shareholders and must protect the interests of all shareholders in accordance with the responsibilities placed on the Board by external and internal controls.

The Board of Directors' duties include setting overall objectives and strategies, business plans and budgets, interim reports, year-end financial statements and annual reports, and ensuring the quality of internal controls. The Board of Directors is also required to follow economic developments and ensure the quality of financial reporting. The Board shall ensure that appropriate systems are in place to monitor and control the business and its compliance with internal guidelines, laws and regulations. The Board must ensure that the information communicated by the company is transparent and reliable. The Board shall also appoint, evaluate and, if necessary, dismiss the Managing Director.

Each year, the Board of Directors approves written rules of procedure on the division of duties and responsibilities among the members of the Board, the Board chairperson and the Managing Director. The Board also approves instructions for Board sub-committees, instructions for the Managing Director of Ahlsell, and instructions for the Managing Director's financial reporting to the Board.

The Board chairperson leads the operation of the Board and is responsible for ensuring that the Board carries out its duties effectively and in compliance with applicable laws and regulations. The Board chairperson shall prepare and ensure that the Board always receives the information it requires in order for it to carry out its work effectively. The Board chairperson acts as the Board's representative in communications with the company's shareholders.

The Board chairperson is also responsible for the evaluation of the Board's work

and for presenting this to the Nomination Committee. The purpose of the evaluation is to hear the Board members' opinions on how the Board's work is being conducted and what measures can be taken to make its work more efficient. This evaluation is therefore an important basis for the work of the Nomination Committee in preparing for the Annual General Meeting.

Board sub-committees

Ahlsell's Board of Directors has set up an Audit Committee and a Remuneration Committee. The members of the sub-committees are appointed at the inaugural Board meeting for a period of one year. The sub-committees deal with matters in their respective areas of responsibility and submit proposals for decision by the Board. The minutes of the sub-committees' meetings are available to the Board. The chairperson of the respective sub-committee informs the Board of the work of the sub-committee at the Board meetings.

Audit Committee

The Audit Committee shall comprise at least three members of the Board where the majority shall be independent from the company and the company's management. At least one of the members of the Audit Committee shall be independent from major shareholders. The members of the Committee shall have expertise and experience in accounting, auditing and/or risk management. The Audit Committee shall meet as often as required and its meetings shall be recorded in the minutes.

The Audit Committee is responsible for overseeing procedures for accounting, financial reporting, internal control and risk management. The Audit Committee also reviews and monitors the impartiality and independence of the auditors, other services provided by the company's auditors, and assists the company's Nomination Committee in the preparation of proposals for auditors to the Annual General Meeting.

Remuneration Committee

The Remuneration Committee shall comprise at least three members of the Board which shall be independent from the company and the company's management. At least one of the members of the Remuneration Committee shall be independent from major shareholders. The Board chairperson shall also be the chairperson for the Remuneration Committee. The Remuneration Committee shall meet as often as required and its meetings shall be recorded in the minutes.

The main duties of the Remuneration Committee are to prepare the Board's decisions in matters relating to salaries

and other employment terms, pension benefits and bonus systems for the Managing Director and managers who report directly to the Managing Director, and also remuneration matters based on principles. The Remuneration Committee shall draw up a remuneration policy that is to be reviewed and revised annually. The Remuneration Committee shall also oversee and assess the application of the remuneration guidelines approved at the Annual General Meeting.

Remuneration of Senior Executives

Guidelines for pay and other conditions of employment for the Managing Director and other members of Ahlsell's senior management team are put to shareholders for approval each year at the Annual General Meeting. Before the Annual General Meeting, the Board of Directors presents recommended guidelines for remuneration of the Managing Director and the senior management team. Questions concerning remuneration of the Managing Director are then prepared by the Remuneration Committee and decided by the Board. Questions concerning remuneration of members of senior

management are prepared and decided by the Remuneration Committee.

Senior management

The senior management team comprises Ahlsell's Managing Director and CEO, CFO, Director of Human Resources, Purchasing Director, Head of Business Support and the country managers of the three largest segments. The senior management team holds monthly meetings to address current issues and discuss business development. The senior management team meets once a year to review and assess the Group's strategy.

The segments within the Ahlsell Group are managed through monthly reviews with the management team of each segment, with the CEO and CFO participating at the meetings. A member of senior management is also always represented in each subsidiary board. An annual business plan is put in place and followed up at subsidiary level at the respective country meeting.

Managing Director

The Managing Director shall comply with external and internal control mechanisms

and oversee the day-to-day management of the business in line with the guidelines and directions of the Board. The Managing Director shall also ensure that Ahlsell's accounts are in compliance with legislative and procedural requirements and that the company's funds are managed in a sustainable way. Details of the division of duties and responsibilities between the Board and the Managing Director are set out in the instructions to the Managing Director.

Auditors

The company's statutory auditors are appointed by the Annual General Meeting. The company must have at least one and at most two auditors. Both an authorised public accountant and a registered audit company can be appointed to serve as auditors. The auditor shall examine Ahlsell's Annual Report and accounts, the Consolidated Financial Statements, and the management of the company by the Board and by the Managing Director. The auditor is required to produce an auditors' report at the close of the financial year for presentation to the Annual General Meeting.

CORPORATE GOVERNANCE YEAR 2016 Shareholders

At year-end, there were 14,261 shareholders. The principal owner at the time was Keravel S.a.r.l., owned indirectly by CVC European Equity Fund V and CVC European Equity Tandem Fund, with a 60.4 percent holding of shares and voting rights in Ahlsell. The second largest shareholder was Odin Fonder with a 2.5 percent holding of shares and capital. The remaining 37.1 percent is held by institutional and individual investors in Sweden and other countries. At year-end, 76.4 percent of shares were held by foreign investors.

General Meetings of Shareholders 2016

On 26 September, Ahlsell AB (publ) was registered as a firm for the top company in the Ahlsell Group. The former name of the company was Norrmalm 1:1 AB. The name Ahlsell is used for the company throughout the rest of this report.

Annual General Meeting 2016

Ahlsell's 2016 Annual General Meeting was held on 25 May 2016 in Stockholm. Representatives for the company's shareholder Keravel S.a.r.l. were present at the Meeting. A majority of the Board's members, including Peter Törnquist the Board chairperson, and the Managing Director attended the Meeting.

The following key matters were considered and determined at the Meeting:

- The Annual General Meeting resolved to grant discharge of liability to members of the Board for the 2015 financial year.
- The Annual General Meeting resolved to approve the Income Statement and Balance Sheet.
- The Annual General Meeting resolved to approve the allocation of profits in accordance with the approved Annual Report.
- The Annual General Meeting re-elected all members of the Board.

Extraordinary General Meeting 31 August 2016

Ahlsell convened an extraordinary general meeting on 31 August 2016. The following key matters were considered and determined at the Meeting:

- The General Meeting resolved to approve instructions for the Nomination Committee.
- The General Meeting resolved to dismiss Board member Mattias Fajers and to appoint, for the period until the next Annual General Meeting, Peter Törnquist, Gustaf Martin-Löf, Johan Nilsson, Kenneth Bengtsson, Sören Vestergaard-Poulsen, Terje Venold, Satu Huber and Magdalena Gerger as members of the Board.

Extraordinary General Meeting 14 September 2016

Ahlsell convened an extraordinary general meeting on 14 September 2016. The following key matters were considered and determined at the Meeting:

- The General Meeting resolved to approve new Articles of Association to reflect the change of company name from Norrmalm 1:1 AB to Ahlsell AB (publ) and company category to public company, and the introduction of a CSD clause and adjustment of the voting rights. On 26 September, the change of firm and company category was registered with the Swedish Companies Registration Office (Bolagsverket).
- The General Meeting resolved to approve annual payment of Board fees, with SEK 1,000,000 to the Board chairperson, SEK 600,000 to the deputy chairperson, and SEK 400,000 to the other elected members of the Board. It was further resolved that a special fee for committee work shall be paid annually, with SEK 150,000 to the chairperson of the Audit Committee, SEK 100,000 to the chairperson of the Remuneration Committee, and SEK 100,000 to each of the other members of the Audit Committee, and SEK 50,000 to each of the other members of the Remuneration Committee. No fee is paid to Board members who are employed by the Group.

The composition, independence, attendance and fees of the Board in 2016

Name	Position	Elected	Independent from the company and its management	Independent from largest shareholder	Attendance at meetings with		
					The Board	Audit Committee	Remuneration Committee
Kenneth Bengtsson	Chairman	2012	Yes	Yes	24/25	–	3/3
Peter Törnquist	Board member, Deputy Chair	2012	Yes	No	25/25	6/6	3/3
Johan Nilsson	Board member, CEO	2015	No	Yes	24/25	–	–
Magdalena Gerger	Board member	2016	Yes	Yes	13/25 ¹⁾	–	2/3
Satu Huber	Board member	2016	Yes	Yes	18/25 ¹⁾	2/6	–
Gustaf Martin-Löf	Board member	2012	Yes	No	25/25	5/6	–
Göran Näsholm	Board member	2015	No	Yes	6/25	–	–
Terje Venold	Board member	2014	Yes	Yes	21/25	–	–
Søren Vestergaard-Poulsen	Board member	2012	Yes	No	21/25	–	–
Glenn Edlund	Employee representative	–	–	–	21/25	–	–
Maria Herbertsson	Employee representative	–	–	–	22/25	–	–
Anders Nilsson	Employee representative	–	–	–	23/25	–	–

1) Magdalena Gerger and Satu Huber became Board members on August 31, 2017.

Extraordinary General Meeting 4 October 2016

Ahlsell convened an extraordinary general meeting on 4 October 2016. The following key matters were considered and determined at the Meeting:

- The General Meeting resolved to approve new Articles of Association to reflect the removal of a pre-emption clause, change of purpose of the company, and change of limits on the number of shares.
- The General Meeting resolved to approve a share split, whereby one share was split into four shares.

Extraordinary General Meeting 16 October 2016

Ahlsell convened an extraordinary general meeting on 16 October 2016. The following key matters were considered and determined at the Meeting:

- The General Meeting resolved to introduce a long-term share savings programme. The decision was conditional on flotation of the company's shares on the Nasdaq stock exchange by 31 December 2016.
- The General Meeting resolved to approve the terms of a warrants programme and an issue of warrants within the framework of the warrants programme. The decision was conditional on flotation of the company's shares on the Nasdaq stock exchange by 31 December 2016.

Extraordinary General Meeting 27 October 2016

Ahlsell convened an extraordinary general meeting on 27 October 2016. The following key matters were considered and determined at the Meeting:

- The General Meeting resolved on a reduction of the company's share capital through a retraction of shares of preferred stock and repayment to the shareholders, see Note 29.
- The General Meeting resolved to approve new Articles of Association to reflect that there will only be one kind of share.
- The General Meeting resolved to approve an offset issue, see Note 29.
- The General Meeting resolved to approve a non-cash issue, see Note 29.
- The General Meeting resolved to approve of the company entering into an underwriting agreement with the banks that are involved in the offer within the context of the planned IPO.

Nomination Committee for the Annual General Meeting 2017

According to the instructions of the Nomination Committee, the composition of the Nomination Committee is based on the shareholder statistics presented on the last banking day in August and should be published no later than six months before the Annual General Meeting. Since Ahlsell launched its initial public offering on 28 October 2016, it was instead decided to base the composition of the Nomination Committee for the 2017 Annual General Meeting on the shareholder statistics presented on 31 December 2016. This constitutes a non-compliance of the Code's general rule that the announcement of the Nomination Committee shall be made at least six months before the Annual General Meeting.

Work of the Board

The Board has been engaged primarily in the subsidiary Ahlsell Operations AB in the first six months. To enable flotation

of the top company in the Group, Ahlsell AB (publ), the work of the Board has been conducted in Ahlsell AB (publ) since 31 August 2016. The descriptions below aim to provide a general picture of the work of the Board for the whole in 2016.

Since the Extraordinary General Meeting on 31 August 2016, Ahlsell's Board has comprised eight ordinary elected members, three employee representatives and an alternate member for each employee representative. Each of these Board members possess skills and expertise that are key to Ahlsell. Ahlsell's Managing Director and CEO, Johan Nilsson, is a member of the Board, and Ahlsell's CFO Kennet Göransson is the Board secretary. The members of the Board are presented in more detail on pages 102–103.

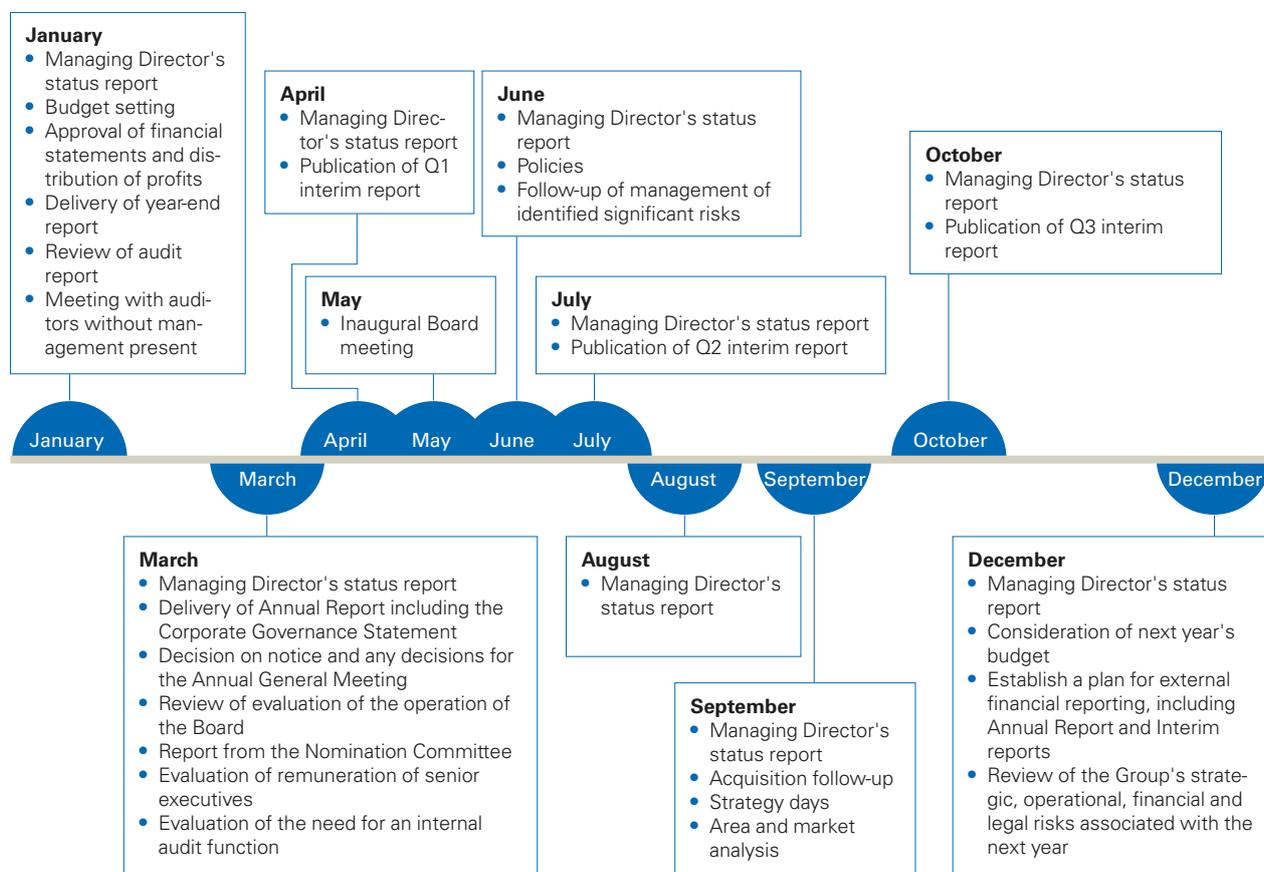
Kenneth Bengtsson was elected as the Board chairperson at the inaugural Board meeting on 12 September 2016. Peter Törnquist was elected as the Board's deputy chairperson at the Board meeting on 22 September 2016.

In 2016, Ahlsell's Board of Directors held 25 meetings. Six of the 25 meetings were held per capsulam. The company's flotation on the Nasdaq Stockholm stock exchange on 28 October 2016 resulted in more Board meetings than can normally be expected in a financial year.

The Managing Director's operational and financial status report is a standing agenda item at each Board meeting. The following key matters have also been addressed:

- Flotation of Ahlsell on the Nasdaq Stockholm stock exchange
- Approval of updated Group policies
- Appointment of a Managing Director who is also CEO

The Board of Directors adopted updated rules of procedure on 22 September 2016 and it is shown below how the Board will divide its duties in 2017.



- Appointment of new committee members
- Refinancing of the Group
- Conversion, consolidation and new issue of the company shares
- Incentive programmes for senior management and other key employees
- Change of name and company category from Norrmalm 1.1 AB to Ahlsell AB (publ)
- Acquisition of Elgross'n i Göteborg AB, Prevox AB and the operations of Värmematerial VVS AB

The Board of Directors has met the external auditors without management being present once in 2016.

Independence of the Board

The Code requires a majority of the elected Board members to be independent from the company and its management. At least two of these must also be independent from the company's major shareholders. Ahlsell considers the current Board of Directors to be independent under the criteria set out in the Code.

Audit Committee

In 2016, the Audit Committee held six meetings and addressed matters relating to quarterly financial statements and financial reporting, tax and internal control.

On 22 September 2016, Satu Huber was elected to the Audit Committee which since then has comprised Peter Törnquist (Audit Committee chair), Gustaf Martin-Löf and Satu Huber, who are all independent from the company and its management. Satu Huber is also independent from the company's major shareholders. Ahlsell considers that the current Audit Committee meets the competence criteria set out in the Swedish Companies Act.

Remuneration Committee

In 2016, the Remuneration Committee held three meetings and addressed the conditions and outcomes related to variable remuneration of senior executives, and proposed incentive programmes.

Magdalena Gerger was elected to the Remuneration Committee on 22 September

2016. Since then, the Remuneration Committee has comprised Kenneth Bengtsson (Remuneration Committee chair), Peter Törnquist and Magdalena Gerger, who are all independent from the company and its management. Kenneth Bengtsson and Magdalena Gerger are also independent from the company's major shareholders.

Guidelines for remuneration of senior executives

The guidelines for pay and other conditions of employment for the Managing Director and other senior executives were set by the Board on 18 August 2015 and have remained the same since then.

The main remuneration principles are that Ahlsell shall provide competitive salaries and other conditions of employment to enable it to attract and retain talented senior executives. Remuneration in the company shall be commensurate with the employee's position, responsibility and performance. Remuneration to senior executives comprises fixed salary, variable

remuneration based on annual performance targets (capped at 80 percent of the fixed salary), long-term incentives and other benefits such as car, pensions and insurance. Other benefits may be offered in line with the levels and practices of the country in which the senior executive is employed, and must not constitute a substantial part of the complete benefits package.

Furthermore, the Annual General Meeting can decide to offer long-term incentive programmes such as share and share price related programmes. These incentive programmes should aim to promote long-term growth and provide a common interest.

On 16 October 2016, an Extraordinary General Meeting resolved to approve two long-term incentive programmes, a share savings programme for some 100 senior executives, including the senior management team and other key employees, and a warrants programme for ten senior executives, including the senior management team. Further details can be found at www.ahlsell.com.

Evaluation of the Board's work

Ahlsell's Board of Directors reviews and appraises its work annually. The findings are reported to the Board and the Nomination Committee.

Senior Management

In 2016, Ahlsell's management team comprised Ahlsell's CEO, the managing directors of three operating companies and four chiefs of staff. A more detailed presentation of Senior Management can be found on page 104.

Auditors

The audit company KPMG AB was re-elected at the 2016 Annual General Meeting as the company's auditors until the 2017 Annual General Meeting. Joakim Thilstedt, authorised public accountant, will serve as chief auditor.



The Board's internal control report

Under the Swedish Companies Act, the Board of Directors is required to ensure that the company's organisation is structured so as to enable adequate controls of accounting, management of funds and the company's finances in general. The Code clarifies this and prescribes that the

Board is responsible for internal control. The CEO and the senior management team are responsible for ensuring that the Group has good internal controls and regularly report to the Audit Committee and the Board. Ahlsell's operations managers are responsible for internal controls within their areas of operations and report any irregularities to the CEO and the senior management team. Group Internal Control acts as support for the development and monitoring of internal controls. The Board therefore concluded in 2016 that a separate internal audit function was not required.

Ahlsell uses the COSO model and its five areas to describe internal controls in a structured way. The five areas are control environment, risk management, control activities and monitoring, and information and communication. The descriptions in the Corporate Governance Statement focus primarily on the key elements of the company's system of internal control over financial reporting. The processes for its financial reporting are designed to ensure reliable external financial reporting in accordance with IFRS, applicable laws and regulations, and other requirements imposed on companies listed on the Nasdaq Stockholm stock exchange.

This report has been prepared in accordance with the Swedish Annual Accounts Act and the Code.

The control environment

Corporate culture and a good control environment are created through shared values. A good control environment is documented and supported in policies, guidelines and instructions. These form Ahlsell's internal control mechanisms.

During the year, the Board of Directors produced a set of governing documents that provide a platform for Ahlsell's internal control and governance. The Board of Directors' rules of procedure, including instructions for its sub-committees, and the Managing Director's instructions, including instructions on financial reporting, serve as the basis for Ahlsell's governance and control environment. Ahlsell also has a set of Group-wide policies and instructions providing clear guidance on the business. Ahlsell's Financial Manual and Ahlsell's Treasury Policy are central policies for financial reporting.

Ahlsell's Group functions and Ahlsell's operations managers are all responsible for developing and updating an effective control environment.

Risk management

Ahlsell has an established annual process of working with risk. This process is led by Ahlsell Group Internal Control. The risks are analysed and documented at risk workshops that are run in close partnership with country managers and heads of operations. The risks are related to both their operating and their financing activities. This is based on an accepted risk model. A report of the risk management activities is presented at least once a year to Ahlsell's Board of Directors.

Control activities and reviews

A priority for Ahlsell's employees is to maintain Ahlsell's business-critical procedures and processes. Controls, monitoring and reviews of the financial reporting are performed at all levels.

Ahlsell's finance organisation is decentralised. The companies in the Group's main segments all use the same financial system, and a Group-wide reporting system is used for reporting for all the countries. All the Group companies are analysed and consolidated on a monthly basis. The reporting process requires all subsidiaries to ensure that their figures have been checked and are correct. Ahlsell has a Group-wide reporting system that assists with this process. Meetings are held monthly with the managing director and financial officer of each country to review financial statements. The CEO and the CFO also attend the monthly management meetings in Sweden, Finland and Norway. Sales, gross margins and other financial measures are also reviewed on a weekly basis.

Ahlsell's auditors examine the financial information and the interim financial statements for the third quarter. The auditors also examine a selection of internal controls and processes each year and then report identified areas of improvement to the Audit Committee, the executive team and management team of each subsidiary. The chief auditor also attends most Audit Committee meetings.

Information and communications

Ahlsell's strategic policies and guidelines are communicated primarily via a Group-wide intranet. Email and SharePoint are used for communications within the Group's finance organisation. Ahlsell's finance functions convene each year to share insights and experience.

Ahlsell's external communications are managed by Group Investor Relation based on a communication policy established by the Board of Directors.

Board of Directors



Kenneth Bengtsson

(1961)
Chairman of the board since 2012. Chairman of the Remuneration Committee.



Peter Törnquist

(1953)
Board member since 2012. Vice Chairman since 2015. Chairman of the Audit Committee and member of the Remuneration Committee.



Johan Nilsson

(1960)
Board member since 2015, Group President and CEO since 2015. Senior executive at Ahlsell since 2008.



Magdalena Gerger

(1964)
Board member since 2016. Member of the Remuneration Committee.



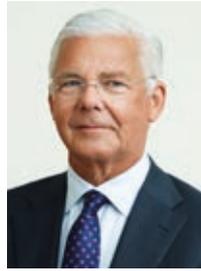
Satu Huber

(1958)
Board member since 2016. Member of the Audit Committee.

Education	Kenneth Bengtsson studied economics at upper secondary school level and took several education programmes while working in the ICA Group.	Peter Törnquist holds a degree in business administration from the Stockholm School of Economics and an MBA from IMD in Switzerland.	Johan Nilsson holds a degree in business administration from Lund University and an MSc(Eng) from Lund University's Faculty of Engineering.	Magdalena Gerger holds an MBA and a degree in business administration from the Stockholm School of Economics and an MBA Exchange from McGill University in Montreal.	Satu Huber holds an MSc(Econ) from the Hanken School of Economics in Helsinki.
Other positions	<ul style="list-style-type: none"> – Chairman of Clas Ohlsson, Mekonomen (declined re-election in 2017), Systembolaget, Ersta sjukhus, World Childhood Foundation and Eurocommerce – Board member of Synsam and Herenco 	<ul style="list-style-type: none"> – Chairman of Synsam, ÅR Packaging and Shd Green Energy – Vice Chairman and Chairman of the Audit Committee for Paroc Group 	– None	<ul style="list-style-type: none"> – CEO Systembolaget – Board member of Investor and Husqvarna as well as Svensk Handel 	<ul style="list-style-type: none"> – CEO, Elo Mutual Pension Insurance Company – Board member and member of the Employee Committee of YIT Until March 2017 also member of the Audit Committee at YIT – Board member of Pensionskyddscentralen (ETK), Arbetspensionsförsäkrarna TELA, Näringslivets forskningsinstitut (ETLA), Näringslivets delegation (EVA) and Finansbranschens Centralförbund (FC)
Previous positions	<ul style="list-style-type: none"> – Group CEO and various positions in the ICA Group over more than 30 years. 	<ul style="list-style-type: none"> – CEO, Chairman CVC Capital Partners Norden – Partner CVC Capital Partners – Managing Director, Nordic region and European Industrial sectors Lehman Brothers – Senior Partner, Executive Committee member and head of Europe Bain&Company – Chairman DT Group – Vice Chairman Post Danmark – Board member, Matas A/S 	<ul style="list-style-type: none"> – CEO of Ahlsell Sweden since 2008 – Sales and Marketing Director, Sanitec – CEO, IFÖ Sanitär and IDO 	<ul style="list-style-type: none"> – Board member of IKEA (Ingka Holding BV) and Svenska Spel – Vice President Global Fresh Dairy and Nordic Marketing & Innovation, Arla Foods – Management Consultant, Futoria AB – Division Head, Nescafe – Market Director, UK & Ireland at ICI Paints 	<ul style="list-style-type: none"> – Vice CEO, Elo Mutual Insurance Company and CEO, Pensionsbolaget LokalTapiola – CEO, Finansbranschens Centralförbund – Division Head, Statskontoret – Various positions at Merita Bank – Various assignments at Citibank, Helsinki and London – Board member of e.g. Finnair, Metso and Boliden
Dependency relationship in accordance with the Code	Independent in relation to Ahlsell and Group Executive Board, and in relation to Ahlsell's main owner.	Independent in relation to Ahlsell and Group Executive Board, but not in relation to Ahlsell's main owner.	Independent in relation to Ahlsell's main owner, but not in relation to Ahlsell and Group Executive Board.	Independent in relation to Ahlsell and Group Executive Board, and in relation to Ahlsell's main owner.	Independent in relation to Ahlsell and Group Executive Board, and in relation to Ahlsell's main owner.
Holdings, including related parties	291,898 shares	–	1,581,127 shares and 202,429 options	–	–



Gustaf Martin-Löf
(1977)
Board member since 2012.



Terje Venold
(1950)
Board member since 2014.



Søren Vestergaard-Poulsen
(1969)
Board member since 2012.



Glenn Edlund
(1954)
Board member, employee representative since 2010.



Maria Herbertsson
(1979)
Board member, employee representative since 2006.



Anders Nilsson
(1966)
Board member, employee representative since 2012.

Gustaf Martin-Löf holds a BA (Hons) in International Business Studies, with main subjects finance and economics, European Business School, London.

Terje Venold holds a degree in business administration from Norwegian Business School, BI.

Søren Vestergaard-Poulsen holds a Master's degree and an MSc(Econ) from Copenhagen Business School.

Glenn Edlund is a specially trained pipe installation technician and has also attended several sales courses, and taken TCO's Board training for employee representatives.

Maria Herbertsson has taken LO's Board training for employee representatives and has attended other courses related to employee representative work and labor law.

Anders Nilsson is a specialised construction products salesperson, professional electrician and has also taken several sales courses during his employment.

- Managing Director CVC Capital Partners
- Vice CEO of CVC Capital Partners' Swedish branch
- Board member of Synam and Paroc Group

- Board member and member of the Audit Committee, Sporveien Oslo AS
- Chairman of the Corporate Assembly and Nomination Committee at Norsk Hydro ASA
- Chairman of the Board of Representatives and Nomination Committee at Storebrand ASA
- Member of the Corporate Assembly at Statoil

- Managing Partner CVC Capital Partners
- Executive Board member, CVC Capital Partners
- Vice Chairman, Post Invest Europe
- Board member of ÅR Packaging, CVC Capital Partners, Douglas Group, Paroc Group and News Capital

- Chairman of Executive Committee, Professional group at central level

- Works at the Ahlsell Sweden logistics centre in Hallsberg

- Chairman at Unionen Gothenburg
- Chairman at Negotiations delegation of Handels & Visita

- Various roles at PWC Transaction Service

- Group CEO and CEO, Veidekke
- Chairman of Norwegian Business School, BI and Norwegian Association for Share Promotion
- Member of NHO - Confederation of Norwegian Enterprise Board of Representatives

- Vice Chairman of DT Group
- Chairman of Matas Group
- Vice Chairman of Danske Commodities and Douglas Group
- Board member, BPost, Post Danmark

-

- Board Member of local branch of the Union of Commercial employees in Hallsberg 2001-2011

- Sales executive and Board member, Total-Partner Optimera

Independent in relation to Ahlsell and Group Executive Board, but not in relation to Ahlsell's main owner.

Independent in relation to Ahlsell and Group Executive Board, and in relation to Ahlsell's main owner.

Independent in relation to Ahlsell and Group Executive Board, but not in relation to Ahlsell's main owner.

N/A

N/A

N/A

-

89,702 shares

-

700 shares

500 shares

500 shares

Management



Johan Nilsson

(1960)
Group President and CEO and Board member since 2015, senior executive since 2008.



Kennet Göransson

(1963)
Finance Director since 2014.



Erik Andersson

(1968)
Head of Business Support since 2015.



Anna Björklund

(1964)
HR Director since 2016.

Training	Degree in business administration from Lund University and MSc from Lund University's Faculty of Engineering.	Degree in business administration from Linköping University.	Economics at Linköping University.	MSc in Personnel, Work, and Organisation from Stockholm University.
Other positions	None	None	None	None
Previous positions	<ul style="list-style-type: none"> – CEO of Ahlsell Sweden since 2008 – Sales and Marketing Director, Sanitec – CEO, IFÖ Sanitär and IDO 	<ul style="list-style-type: none"> – Finance Director at Indutrade, Addtech and Bergman & Beving 	<ul style="list-style-type: none"> – Other positions within Ahlsell Sweden, finance manager for many years 	<ul style="list-style-type: none"> – Human Resources Director at Svenska Spel – Project manager at SEB – Managerial positions at Pengar in Sweden
Holdings including related parties	1,581,127 shares and 202,429 options	237,317 shares and 151,821 options	407,007 shares and 101,214 options	37,286 shares and 38,461 options



Rune Flengsrud

(1960)
Head of Operations, Norway, since 2015.



Magnus Nordstrand

(1965)
Chief Procurement Officer since 2011.



Mika Salokangas

(1962)
Head of Operations, Finland, since 2006.



Claes Seldeby

(1969)
Head of Operations, Sweden, since 2016.

Education	Engineering degree from NTNU in Gjøvik.	Degree in business administration from Lund University.	MSc(Econ) from Hanken School of Economics, Helsinki.	Degree in business administration from Lund University.
Other positions	None	None	<ul style="list-style-type: none"> – Chairman of Mercantile – Board member, Elektrotekniska Handelsförbundet in Finland – Board member, VVS-Tekniska Handelsförbundet – Board member, LVI-Numero 	<ul style="list-style-type: none"> – Board member, RGF Service and VVS-Information Data in Stockholm. – Sveriges Elgrossisters Serviceaktiebolag (Swedish Electrical Wholesalers Federation)
Previous positions	<ul style="list-style-type: none"> – CEO and Senior Vice President Nordics and Baltics for Schneider Electric – Several positions at Schneider Electric Norge 	<ul style="list-style-type: none"> – Managerial positions at Birgma International and ICA 	<ul style="list-style-type: none"> – Managerial positions at Saab-Auto, Cederroth and Wihuri 	<ul style="list-style-type: none"> – President and CEO at FM Mattsson Mora Group – CEO, Schneider Electric Sverige – Chairman, Damixa
Holdings including related parties	152,845 shares and 121,457 options	1,030,540 shares and 101,214 options	893,712 shares and 121,457 options	194,767 shares and 101,214 options

One order, one delivery,
one invoice.