

# Good conditions for higher growth and profitability

Right now, we are all in a very serious global crisis and our role as a company is primarily to ensure our employees' health so that we will continue to be able to perform our task – producing and delivering good, healthy and beneficial food to all of our customers. All of Midsona's personnel in all countries have demonstrated fantastic commitment and professionalism and we have largely succeeded in providing the stores with what has been in demand.

In the upcoming years, Midsona has good conditions of presenting even higher growth and profitability. We therefore revised the Group's financial targets in 2019. The growth target was raised to 15 percent per year, the profitability target (EBITDA margin) to at least 12 percent and the debt/equity ratio to 3–4 times EBITDA. The dividend target is still at least 30 percent of profit after tax.

The growth target means that Midsona's sales shall be doubled in five years. We have made a fantastic acquisition journey in recent years and contributed to consolidating the supplier level, first in the Nordic region and in recent years in the rest of Europe. The central decision to expand outside the Nordic region was made at the Board of Directors' strategy day in 2016, which resulted in Midsona now competing to become one of the leading companies in health and well-being in Europe. This strategy has been realised through strong acquisitions, both major platform acquisitions and smaller add-on acquisitions, and company management has done a brilliant job here.

The increased debt/equity ratio creates space for a continued high pace of acquisitions rate, but new acquisitions also presuppose other things, which we must become even better at in the coming years:

1. Organic growth – a greater focus on our established brands shall lead to accelerating sales. Our brands will become even stronger and work even more across borders.
2. Identity – our brands must bear an attractive identity and communicate more clearly, and it is important that this identity is an integrated part of everyone's daily lives, from employees to consumers.
3. Efficiency – continue the pressing work of constantly fine tuning the value chain to create a continuously improved profitability.

Friggs is a really good example of one of our brands that the company very successfully revitalised, which yielded a strong organic growth. In 2019, we also worked intensively on a major change in our organic brands in the Nordic region through the One Organic project, which was launched at the beginning of 2020.

## A smaller Board increased efficiency

The Annual General Meeting resolved a few years ago to reduce the number of members on the Board of Directors from seven to six, a change that has been positive. This contributed to more efficient discussions, faster decisions and better focus in the Board room.

How does the Board work function in Midsona? For many years, we have worked based on a method with annual Board evaluations. The 2019 evaluation indicates continued good results. And I can confirm that we have a very committed Board, which is particularly apparent in large acquisitions and work in connection with the raising of capital. However, one should be open to the Board's expertise reflecting the company's challenges.



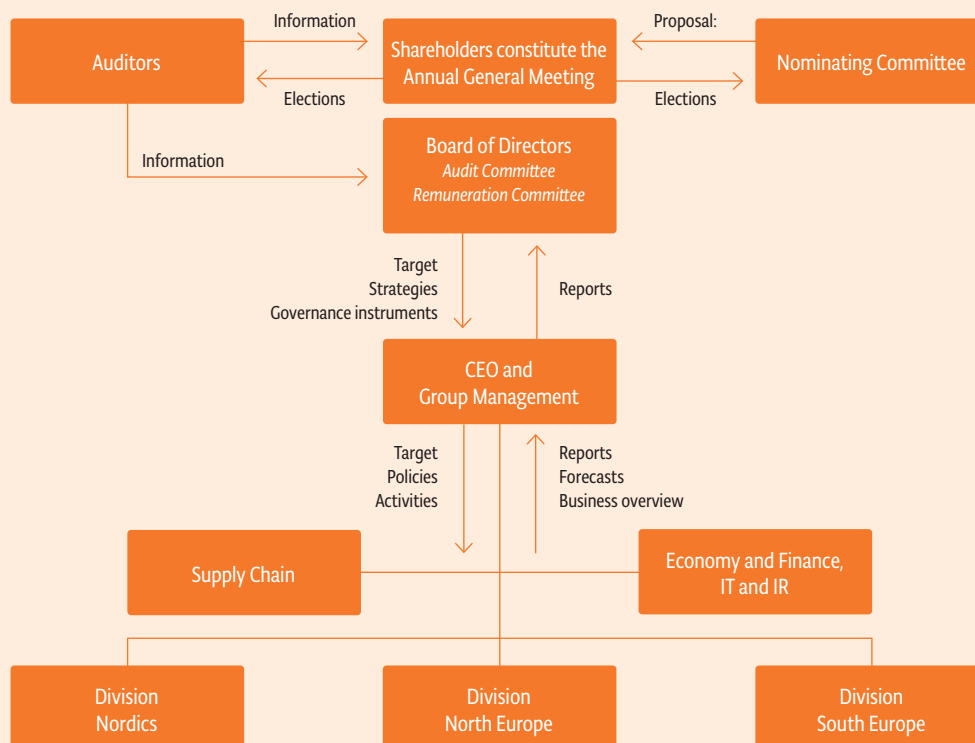
Malmö, March 2020

Ola Erics  
Chairman

# Corporate Governance Report

Midsona AB (publ) (below "Midsona") is a Swedish public company listed on the Nasdaq Stockholm, Mid Cap list. Midsona applies the Swedish Code of Corporate Governance and hereby presents its Corporate Governance Report for 2019. During the year, the Group had two outstanding warrant programmes directed at senior executives, TO2017/2020 and TO2019/2022. Regarding both of the warrant programmes TO2017/2020 and TO2019/2022,

in 2019, Midsona deviated from rule 9.7 in the Code that sets a vesting period of at least three years for incentive programmes based on warrants, which are directed at senior executives. The issued programme has a slightly shorter vesting period than three years, which the Board found suitable. The report has been prepared by the company's Board of Directors and the company's auditor has issued an opinion.



## Governance instruments

The external governance instruments forming the framework of Midsona's corporate governance include:

- legislation
- Nasdaq Stockholm's Rules for Issuers
- Swedish Code of Corporate Governance

Midsona also has a number of internal governance instruments, including:

- Articles of Association
- Midsona's Code of Conduct
- formal work plan and instructions for the Board, committees, CEO and financial reporting to the Board
- internal governance documents, such as policy documents, procedures and instructions

Copies of Midsona's Articles of Association and Code of Conduct are available for download at [www.midsona.com](http://www.midsona.com).

## Annual General Meeting

Midsona's Annual General Meeting is highest decision-making body at which shareholders exercise their voting rights.

The Annual General Meeting makes decisions regarding amendments to the Articles of Association and the Annual General Meeting which is the annual, ordinary General Meeting, shareholders make decisions on matters including the approval of the income statement and balance sheet, the appropriation of earnings, the discharge of the Board and CEO from liability, the election of Board members, the Chairman of the Board and audit firm, and approval of remuneration of the Board and the audit firm. The Annual General Meeting also decides principles for the appointment of the Nominating Committee and work, as well as guidelines for remuneration of the CEO and other senior executives. Information on shareholders' right to request that matters be considered by the Annual General Meeting is published at [www.midsona.com](http://www.midsona.com). Normally, the Annual General Meeting takes place in April or May. Following the meeting, decisions made at the Annual General Meeting are published in a press release. The minutes of the Meeting are published at [www.midsona.com](http://www.midsona.com).

## Shareholder

For information on shareholders, please see pages 59–61 and [www.midsona.com](http://www.midsona.com).

### Annual General Meeting 2020

The 2019 Annual General Meeting was held on 3 May 2019 in Malmö. At the Meeting, 83 shareholders were present in person or by proxy, representing 50.1 percent of the number of votes represented at the Meeting. The minutes of the 2019 Annual General Meeting are available at [www.midsona.com](http://www.midsona.com).

### Annual General Meeting 2020

The 2020 Annual General Meeting will take place on 5 May 2020 in Malmö, as was announced in a press release on 11 September 2019. The complete announcement of the 2020 Annual General Meeting, including information about registration for participation at the Meeting, was published in a press release on 3 April 2020 and is available at [www.midsona.com](http://www.midsona.com).

## Nominating Committee

The Nominating Committee represents the company's shareholders and nominates the chair of the Annual General Meeting, Board members, Chairman of the Board, audit firm and remuneration of them.

### Nominating Committee for the 2020 Annual General Meeting

The 2019 Annual General Meeting resolved to task the Chairman of the Board with contacting representatives of the company's three largest shareholders at the end of August 2019 to ask them to appoint one member each to the Committee.

Name/Representing, %	Percentage of votes	
	31 August 2019	28 December 2019
Henrik Munthe/Stena Adactum AB	2.8.2	2.8.0
Claes Murander/Lannebo Fonder	5.6	5.6
Anna Sundberg/Handelsbanken Fonder	5.5	4.6
<b>Total</b>	<b>39.3</b>	<b>38.2</b>

In preparation for the 2020 Annual General Meeting, the Nominating Committee held four minuted meetings prior to the publication of the notice of the Annual General Meeting and members have also maintained ongoing contacts. The Nominating Committee has interviewed two board members and received a presentation of Midsona's operations by the CEO. The Nominating Committee has addressed the issues it is required to consider in accordance with the decisions of the Annual General Meeting and in accordance with the Swedish Code of Corporate Governance. Among other matters, the Committee has discussed and considered the extent to which the current Board of Directors meets the demands imposed on a listed company and otherwise as a consequence of the company's operations. In addition, the Nominating Committee has discussed the Board's gender distribution, size, competence, experience and diversity, as well as how well the Board functions, taking into account aspects including the outcome of the Board's own assessment of its work. The election of auditors and remuneration of Board Members and auditors have also been discussed. The Nominating Committee has received information from the Audit Committee on the work of the auditors. The Nominating Committee applied Midsona's Board's diversity policy and Rule 4.1 of the Swedish Code of Corporate Governance in preparing its proposal for the election of Board Members.

The convener of the Nominating Committee was the Chairman of the Board, Ola Erici. The composition of the Committee was published in a press release 11 September 2019 and at [www.midsona.com](http://www.midsona.com). Shareholders have been offered the opportunity to submit proposals to the Nominating Committee. Information on how shareholders can submit proposals to the Committee is provided at [www.midsona.com](http://www.midsona.com).

The Nominating Committee's proposal, and reasoned opinion, is published in connection with the announcement of the 2020 Annual General Meeting at the latest.

Members do not receive any fees or remuneration for their work on the Committee.

### Proposal to the 2020 Annual General Meeting

The Nominating Committee has resolved to propose the following to the 2020 Annual General Meeting:

- Re-election of Board members Ola Erici, Henrik Stenqvist, Peter Wahlberg and Johan Wester.
- Election of Sandra Kottenauer and Heli Arantola.
- Re-election of Ola Erici as Chairman of the Board.
- Re-election of Deloitte AB as audit firm.
- The Chairman of the Board's remuneration is proposed to be increased from SEK 550,000 to SEK 575,000
- The Board members' remuneration is proposed to be increased from SEK 235,000 to SEK 250,000.
- The remuneration of the Audit Committee chair is proposed to be increased from SEK 50,000 to SEK 60,000
- The remuneration of the Audit Committee members is proposed to be increased from SEK 30,000 to SEK 35,000.
- The remuneration of the Remuneration Committee chair is proposed to be increased from SEK 30,000 to SEK 40,000
- The remuneration of the Remuneration Committee members is proposed to be increased from SEK 20,000 to SEK 25,000

Board members Birgitta Stymne Göransson and Kirsten Ægidius have declined re-election.

The Nominating Committee's complete proposals are included in the announcement of the Annual General Meeting.

The Nominating Committee considers that the expertise that exists in the proposed Board meets the company's current needs well.

## Board of Directors

### Work and responsibilities of the Board

The Board of Directors is the highest management body beneath the Annual General Meeting and is responsible for the organisation and management of the company's affairs. It shall primarily engage in more overarching and long-term issues that are of substantial significance for the Group's future focus.

The work of the Board follows written rules governing its practices and responsibilities, the division of work between the Board and its committees, as well as the role of the Chairman. Also regulated is the framework for the Board meetings, including their convening, agenda and minutes, as well as how the Board is to be supplied with comprehensive information for its work. The Board has also decided on the introduction of general policies for the operations and other central governance documents for the regulation of responsibilities, guidelines, procedures, values and targets.

The work of the Board is normally cyclical in nature. At the beginning of the year, the year-end and annual reports are addressed, as are the matters to be presented at the Annual General Meeting. After the summer, the Group's long-term strategic plan and focus are addressed. At the end of the year, the budget for the coming year is addressed. Each quarter, financial reporting is reviewed and the interim reports are approved for publication. In connection with the Annual General Meeting, an inaugural Board meeting is held, at which Committee members and signatories are determined, among other things.

According to the Articles of Association, the Board of Directors shall consist of at least three members and not more than nine and that no deputies shall be appointed. Members of the Board are elected annually at the Annual General Meeting for the period until the end of the next Annual General Meeting. There are no rules about how long a member may serve on the Board.

## Work of the Board in 2019



### Composition of the Board in 2019

At the 2019 Annual General Meeting, the following six Board members were elected: Ola Erici (Chairman), Henrik Stenqvist, Birgitta Stymne Göransson, Peter Wahlberg, Johan Wester and Kirsten Ægidius. Board composition complies with the Swedish Code of Corporate Governance with regard to its independence in relation to both the company and its management and major shareholders. The gender distribution is two women and four men, which corresponds to a percentage of women of just over 33 percent. For information regarding the Board members' independence, other assignments and shareholdings in the company, see pages 122–123 or Midsona's website [www.midsona.com](http://www.midsona.com).

The CEO and the CFO, who is also the Board's secretary, both participate in Board meetings. When necessary, other officials participate in Board meetings to report on particular matters.

### Work of the Board in 2019

In 2019, the Board held 13 meetings (7). For information on members' attendance, please see pages 122–123.

The Board regularly reviews the strategic issues affecting the Group's operations and general direction. The year's work largely focused on the acquisitions of Alimentation Santé SA, Eisblümerl Naturkost GmbH and Ekko Gourmet AB, structural and growth issues, follow-up of prior years' acquisitions, sustainability strategy and strategic planning.

Board meetings follow a pre-approved agenda, to which specific issues will be added as necessary. The agenda, together with documentation for each of its items, is distributed to all Board Members approximately one week before the meeting. Each Board meeting commences with the minutes of the previous meeting and a review of any open matters. The CEO then provides an account of the Group's sales, earnings and business situation, including important external factors. Normally, the CFO then accounts for the Group's financial position in greater detail, together with any necessary analyses, reports are made regarding outstanding questions from earlier Board meetings, and plans and proposals are presented. All divisions present their operations at Board meetings according to a predetermined plan. In addition to the information provided in connection with Board meetings, the CEO distributes a monthly report to Board members. Minutes are kept for all Board meetings and sent to members for approval. One Board meeting is normally held every year at one of the Group's facilities.

### Chairman of the Board

The Chairman organises and directs the work of the Board, represents the company on ownership issues and is responsible for evaluating the Board's

work. The Chairman is also responsible for the on-going dialogue with the CEO regarding operations and for the Board's fulfilment of its duties.

### Evaluation of the Board's work

The Chairman of the Board is responsible for evaluating the Board's work, including the assessment of individual Board members' performance in accordance with an established process. The evaluation is reported to the Nominating Committee and forms the part of the basis for the Committee's proposals to the AGM regarding the composition of the Board and its fees.

### Board Committees

The Board has appointed an Audit Committee and a Remuneration Committee. The members of the committees and their chairpersons are appointed at the inaugural Board meeting for one year at a time. The work of the committees is mainly of a preparatory and advisory nature, although the Board may, in individual cases, delegate the right to determine specific issues to the committees. The matters addressed at committee meetings are minuted and reported to the Board at the next Board meeting.

### Audit Committee

The Audit Committee's main task is to oversee the financial reporting and ensure that the adopted principles for financial reporting, internal controls, internal audit and risk assessment are adhered to and applied. Its mission is to support the Nominating Committee with proposals for the election of audit firm and audit fees.

In 2019, the Audit Committee consisted of Henrik Stenqvist (chairman), Peter Wahlberg and Johan Wester. The Committee met three times (three) in 2019. For information on members' attendance, please see pages 122–123. The CEO and the CFO, who is also the Audit Committee's secretary, and the principal auditor responsible participate in the Committee's meetings.

### Remuneration Committee

The Remuneration Committee's main task is to prepare business for decision by the Board relating to terms of remuneration and employment for the CEO and other senior executives on the basis of principles established by the Annual General Meeting. It is also tasked with proposing guidelines for remuneration to the CEO and other senior executives, and with monitoring and evaluating the objectives and principles for variable compensation.

In 2019, the Remuneration Committee consisted of Ola Erici (chairman), Birgitta, Stymne Göransson and Johan Wester. The Committee met twice (twice) in 2019. For information on members' attendance, please see pages 122–123.

### Group structure



### CEO and Group Management

The President of the company, who is also the CEO of the Group, is appointed by the Board of Directors. Peter Åsberg is the CEO and is responsible for on-going management in accordance with the Board's guidelines and instructions. In consultation with the Chairman of the Board, the CEO prepares the information the Board needs to conduct its work, presents matters and proposals for decisions and keeps the Board informed of the company's development. The CEO leads the work of Group Management and makes decisions in consultation with other members of Group Management. In addition to the CEO, Group Management includes the Chief Financial Officer, Division Director Nordics, Division Director North Europe, Division Director South Europe and Supply Chain Director.

In 2019, the Group Management met seven times (eight). Meetings focus primarily on the Group's strategic and operational development and reviewing performance. Operations are organised into three divisions.

For further information about Group Management, please see page 124–125 and [www.midsona.com](http://www.midsona.com).

#### Instructions for the CEO

The Board adopts written instructions for the work of the President that, among other things, clarify responsibilities for day-to-day management, the division of duties between the Board and the CEO, as well cooperation with, and the information to, the Board.

#### Evaluation of the CEO

The Board continuously evaluates the CEO's work and expertise. The evaluation is made once a year without his presence.

#### Guidelines for remuneration of senior executives

For information on the guidelines for remuneration to senior executives adopted by the 2019 Annual General Meeting and the Board's proposed guidelines for remuneration to senior executives for the 2020 Annual General Meeting, please see pages 124–125 and [www.midsona.com](http://www.midsona.com).

### Regulations regarding share trading

Board members, the CEO and other senior executives registered as executives may trade in Midsona shares in accordance with applicable legislation and regulations. Beyond these, there are no specific internal regulations.

#### Insider information

Midsona is covered by the stipulations in the EU Market Abuse Regulation No 596/2014 (MAR) that sets requirements on how insider information is handled and the manner in which Midsona is obliged to keep a so-called log book.

Midsona uses the digital tool InsiderLog to ensure the handling of insider information. Only authorised individuals in Midsona have access to InsiderLog.

#### External auditor

Deloitte AB, with authorised public accountant Per-Arne Pettersson as the principal auditor responsible, was elected by the 2019 Annual General Meeting for a period of one year. For information on fees and remuneration of audit firms, please see Note 9 *Fees and remuneration to auditors* on page 94.

### Audit assignment

The audit assignment includes an audit of the annual and consolidated financial statements. An audit is also performed of the proposal for appropriation of the Company's profit or loss and the administration by the Board of Directors and the CEO. Statements are also issued regarding the Corporate Governance Report and the Sustainability Report. Statutory reviews are also conducted of the interim reports for the periods 1 January to 30 September and for the period 1 January to 31 December within the framework of the audit assignment.

The principal auditor responsible participates in Audit Committee meetings and reports in an on-going manner to the Chairman of the Audit Committee as necessary. The Board meets with the principal auditor responsible in connection with its handling of the year-end report. The principal auditor responsible participates at the Annual General Meeting, outlining there the audit and presenting the Audit Report.

### Additional information

At [www.midsona.com](http://www.midsona.com), there is an overview of the company's application of the Swedish Code of Corporate Governance, the Articles of Association, the Code of Conduct, information from previous Annual General Meetings and previous Corporate Governance Reports.

Information on the laws and practices of Swedish corporate governance can be found at the Swedish Corporate Governance Board ([www.bolagsstyrning.se](http://www.bolagsstyrning.se)), Nasdaq Stockholm ([www.nasdaqomxnordic.com](http://www.nasdaqomxnordic.com)) and the Swedish Financial Supervisory Authority ([www.fi.se](http://www.fi.se)).

### Internal control of financial reporting

The report on internal control of financial reporting has been prepared by the Board of Directors in accordance with the Swedish Code of Corporate Governance and the guidelines issued by the Confederation of Swedish Enterprise and FAR. It describes how internal control is organised to manage and minimise the risk of errors in financial reporting.

### Internal control

Within the company, the following targets have been set with regard to internal control.

- It shall ensure compliance with the framework of applicable laws, regulations, rules and standards to which we are subject.
- It shall ensure that financial reporting is reliable and provides shareholders, the Board of Directors, management and other stakeholders adequate information on which to assess performance and development.
- It shall ensure that business operations are appropriately organised and conducted in such a manner that risks are continuously assessed, managed and minimised to meet financial and operational targets. On-going efforts to meet these targets involves a process building on a framework for internal control in which there is a particularly crucial interplay between control activities and the development of an effective control environment whereby responsibilities are assumed within the organisation.

The description of how internal controls are organised is limited to the internal control of financial reporting and follows a framework developed by "The Committee of Sponsoring Organisations of the Treadway Commission" (COSO). The framework consists of five components: control environment, risk assessment, control activities, information and communication, and review.

### Control environment

The control environment forms the basis for the internal control of financial reporting. An important part of the control environment is that decision-making paths, authorisations and responsibilities are clearly defined and communicated between different parts of the organisation and that control documents in the form of policies, procedures and instructions are in place. Consequently, an important part of the Board's work is to develop and approve a number of basic steering documents. These include the Board's formal work plan, the instructions to the CEO, regulations regarding investments, a financial policy and an insider policy. The purpose of these documents is to establish a basis for good internal control. The Board also works to ensure that the organisational structure provides clear roles, responsibilities and processes, facilitating effective management of operational risks and enabling the achievement of targets.

A project was begun in 2019 to strengthen Midsona's internal governance processes and create a more functional structure. In the process, all of Midsona's policies are reviewed and when necessary have been revised.

As part of the responsibility structure, each month, the Board evaluates business performance and results through an appropriate package of reports containing income statements and balance sheets, analyses of key performance indicators, comments regarding the business situation of each operation and, on a quarterly basis, also forecasts for future periods. As part of efforts to strengthen the internal control, policies, regulations and procedures are in place that provide a clear picture of the economic situation. These are living documents that are updated regularly and adapted to changes in the operations. In addition to this there are instructions that provide guidance in the day-to-day work of the organisation.

### Risk assessment

An on-going process is under way to map the Group's risks. In this process, a number of income statement and balance sheet items are identified where the risk of errors in financial reports is elevated. The company makes continuous efforts to strengthen controls around these risks. Furthermore, risks are addressed in specific forums, for example issues related to acquisitions. For information about items that are subject to significant estimates and judgements, see Note 35 *Important estimates and assessments* pages 109–110 and the section *Risks and risk management*, pages 62–71.

### Control activities

The Group's control structure is designed to manage risks that the Board deems relevant in the internal control of financial reporting. The purpose of control activities is to detect, prevent and correct errors and inconsistencies in reporting. Control activities include, for example, processes and procedures for the making of important decisions, earnings analyses and other analytical follow-ups, reconciliations, stock-taking procedures and controls in IT systems.

### Information and communication

The company's governing documents, including policies, guidelines and manuals are continuously updated and communicated through the appropriate channels, primarily via e-mail, internal meetings and the intranet.

### Follow-up

The Board continuously evaluates the information provided by the Audit Committee, Group Management and the external auditor. The CEO and CFO hold frequent briefings with each of the division managers regarding the business situation, performance, financial position and forecasts. In addition, the central controller function maintains close cooperation with finance managers and controllers at the division and company level with regard to

reporting and closing the accounts. Follow-up and feedback on any problems arising in the internal controls form a central component in the internal control processes.

### Financial reporting

Financial data are reported monthly from all reporting units, in accordance with standardised reporting procedures as documented in the Group's accounting manual. This reporting forms the basis of the Group's consolidated financial reporting. The consolidation, which is performed centrally, culminates in complete income statements and balance sheets for each company and for the Group as a whole. Reported financial data are stored in a central database from which it is retrieved for analysis and review at the Group, division and company levels.

### Assessment of the need for a special review function

The Group currently has no separate review function (internal audit). In light of the existing process for self-assessment and objective testing by an independent party, the view is taken that there is currently no need for a special review function to perform effective monitoring of internal control.

### Operational improvements in 2019

The level at which review and evaluation should be performed is assessed continuously. This assessment also takes into account what systems should be implemented or updated and when.

Division Nordics with Sweden, Denmark, Norway and Finland have implemented a common business system since the fourth quarter of 2019.

In connection with the system implementation, an overall audit was done of the IT system. This will be followed up by a more in-depth audit in 2020.

To further strengthen internal control, recruitment of controllers has been initiated in France, Germany and Finland.

## Auditor's statement regarding the Corporate Governance Report

To the General Meeting of Shareholders in Midsona AB (publ)  
corporate identity number 556241-5322

### Assignment and responsibilities

The Board of Directors is responsible for the Corporate Governance Report for the financial year 1 January 2019 – 31 December 2019 on pages 117–121 and for it being prepared in accordance with the Annual Accounts Act.

### Review focus and scope

Our review has been conducted in accordance with FAR's statement RevU 16 Auditor's review of the corporate governance report. This means that our statutory examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our statements.

### Statement

A corporate governance report has been prepared. Disclosures in accordance with Chapter 6, Section 6, second paragraph, Items 2–6 of the Annual Accounts Act and Chapter 7, Section 31, second paragraph of the same Act are consistent with the financial statements and are in accordance with the Annual Accounts Act.

Malmö, 7 April 2020  
Deloitte AB



Per-Arne Pettersson  
Auditor in charge

# Board of Directors



Ola Erici



Henrik Stenqvist

Birgitta Stymne  
Göransson

Peter Wahlberg

<b>Born</b>	1960	1967	1957	1962
<b>Position on the Board/attendance</b>	Chairman – 13/13	Member – 12/13	Member – 13/13	Member – 13/13
<b>Elected, year</b>	2012	2017	2015	2015
<b>Position</b>	Industrial advisor	CFO Sobi	Industrial advisor	Self-employed
<b>Previous experience</b>	CEO of Ferrosan and Skånemejerier and several executive positions in the Tetra Laval Group and Gambro	CFO Recipharm and Meda AB and management positions within the AstraZeneca Group	President Memira, President Semantix, Executive Vice President Telefonos, CFO Åhléns and management consultant at McKinsey	Stockbroker Penser Fondkommission and Matteus Fondkommission
<b>Education</b>	MSc Economics, Stockholm School of Economics	MBA, Linköping University	Graduate Engineer, Royal Institute of Technology, Stockholm and MBA Harvard Business School	Economics studies at Lund University
<b>Other assignments</b>	Chairman of the Board of Ecobrånse AB, Geveko AB and Dynsafe AB. Board Member of Haarslev A/S and Tresu A/S, among others.	Board Member of MedCap AB	Chairman of the Board of MAG Interactive AB and BCB Medical Oy, member of the Boards of Elekta AB, Pandora AS and Enea AB	Chairman of the Board of Wallhouse AB. Member of the Boards of Hestermus, AB Nolefo, Wahlbergs Drycker AB, Data Doc Holding AB and Pudelqvist.
<b>Dependent on the company and its shareholders:</b>	No	No	No	No
<b>Own shareholdings and those of closely-related parties, 2019<sup>2</sup></b>	99,415 Series B shares (own and related parties <sup>3</sup> ), 100,000 call options <sup>3</sup>	28,059 Series B shares	9,900 Series B shares	3,237,885 Series B shares (related parties and through the company), of which 1,665,719 is via endowment insurance.
<b>Own shareholdings and those of closely-related parties, 2018</b>	71,282 Series B shares (own and related parties <sup>3</sup> ), 100,000 call options <sup>3</sup>	20,000 series B shares	5,500 Series B shares	2,312,773 Series B shares (related parties and through the company), of which 753,406 is via endowment insurance.
<b>Audit Committee/attendance</b>		Chairman – 3/3		Member – 3/3
<b>Remuneration Committee/attendance</b>	Chairman – 2/2		Member – 2/2	
<b>Remuneration 2019<sup>4</sup></b>	Directors' fees 550,000, Committee fees 30,000, Total 580,000	Directors' fees 235,000, Committee fees 50,000, Total 285,000	Board fees 235,000, Committee fees 20,000, Total 255,000	Board fees 235,000, Committee fees 30,000, Total 265,000

<sup>1</sup> Johan Wester conducts assignments on behalf of Stena Adactum AB.

<sup>2</sup> Shareholding as at 28 February 2020. For updated shareholding, please see [www.midsona.com/Bolagsstyrning](http://www.midsona.com/Bolagsstyrning).

<sup>3</sup> The main owner Stena Adactum AB issued, in November 2016, 100,000 call options with their own holding in Midsona shares as guarantee.

Midsona is not a party to the transaction and the future redemption of the warrants will not affect Midsona's financial position and earnings.

<sup>4</sup> Remuneration to the Board of Directors for the period May 2019 to April 2020. Remuneration to Board members elected by the 2019 Annual General Meeting following a proposal from the Nomination Committee.

For more information, see Note 10 Employees, personnel expenses and senior executives' remunerations, page 95–96.

**Johan Wester**

1966	1963
Member – 13/13	Member – 13/13
2009	2016
Senior Vice President, Stena Adactum AB	Global Sales and Marketing Director Harboe Bryggeri A/S
CEO of Mediatec Group, partner at Arthur D. Little and member of the Boards of Ballingslöv International AB and Personec Oy	Group Marketing Director, Hilding Anders, CEO Weber-Stephan Nordics, Marketing Director Carlsberg Denmark and various positions at Coca-Cola and Unilever, member of the Board of Andersen/Martini A/S
Graduate engineer, Chalmers Institute of Technology	Master's Degree, Copenhagen Business School
Chairman of the Board of S-Invest and Captum Group AB. Member of the Boards of Stena Renewable, S&L Access Systems AB and Beijer Electronics	Board member of Arcus ASA
Yes <sup>1</sup>	No
78,045 Series B shares (personal holding and through related parties)	11,900 Series B shares
67,175 Series B shares (personal holding and through closely-related parties)	8,500 Series B shares
Member – 3 / 3	
Member – 2 / 2	
Board fees 235,000 Committee fees 50,000 Total 285,000	Board fees 235,000 Committee fees – Total 235,000

**Kirsten Ægidius****Auditor**

Per-Arne Pettersson.  
Authorised Public Accountant with Deloitte AB and member of FAR.



# Group Management



Peter Åsberg



Lennart Svensson



Tobias Traneborn



Marjolaine Cevoz Goyat

<b>Born</b>	1966	1961	1975	1975
<b>Employed</b>	2007	2009	2017	2016
<b>In current position</b>	2007	2009	2017	2019
<b>Position</b>	President and CEO	CFO	Supply Chain Director	Division Director South Europe
<b>previous positions:</b>	President of Cloetta Fazer, Sverige. Various positions at Procter & Gamble and Coca-Cola.	Senior management positions within Ericsson, both in Sweden and internationally.	Positions as Chief Operating Officer at CDON.COM, Operations Manager at HKC and as Logistics Manager at both Lantmännen Cerealia and Kjell & Company	Former marketing manager at the Panzani Group and brand manager at Procter & Gamble
<b>Education</b>	MSc Economics, Lund University	MSc Economics, Stockholm University	BSc Engineering, University of Borås	Master degree from École des hautes études commerciale, Paris
<b>Other assignments</b>	Chairman of the Board of Svensk Egenvård			
<b>Own shareholdings and those of closely-related parties, 2019<sup>2</sup></b>	533,534 Series B shares, 60,000 warrants (2017/2020) and 60,000 warrants (2019/2022)	92,790 Series B shares, 30,000 warrants (2017/2020) and 18,000 warrants (2019/2022)	20,000 Series B shares, 15,000 warrants (2017/2020) and 16,000 warrants (2019/2022)	18,000 warrants (2019/2022)
<b>Own shareholdings and those of closely-related parties, 2018</b>	235,668 Series B shares, 100,000 warrants (2016/2019) and 60,000 warrants (2017/2020)	27,492 Series B shares, of which, 8,742 in endowment insurance, 50,000 warrants (2016/2019) and 30,000 warrants (2017/2020)	20,000 warrants (2016/2019) and 15,000 warrants (2017/2020)	

<sup>1</sup> Shareholding as at 28 February 2020. For updated shareholding, please see [www.midsona.com/Bolagsstyrning](http://www.midsona.com/Bolagsstyrning).

## Principles for remuneration

Principles for remuneration of senior executives are determined by the Annual General Meeting. Senior executives are considered to be the CEO and other members of the management team. The 2019 Annual General Meeting approved the following guidelines for remuneration of senior executives: Senior executives shall be offered market-based and competitive compensation. Remuneration levels for individual executives are to be based on factors including position, competence, experience and performance. Remuneration consists of fixed salary and pension, and shall additionally be able to include variable pay, severance pay and non-monetary benefits. The Board of Directors will also be able to propose long-term incentive programmes, both securities-based and others. Variable pay shall be based on quantitative and qualitative targets being achieved. It shall be possible for the CEO to earn variable pay of at most 50 percent of basic salary and for other members of Group Management to earn variable pay of at most 30 percent of basic salary.

Severance pay shall amount to at most six months' salary if notice is given by the company. Salary during the period of notice and severance pay shall be limited to at most 24 months' salary. Pension benefits shall be defined-contribution benefits and normally entitle the individual to pension from the age of 65. On termination of employment by the company, 6 to 12 months' salary normally applies. Remuneration and other terms of employment for the President are prepared by the Remuneration Committee and approved by the Board of Directors. Remuneration and other terms of employment for other members of the management team are determined by the Remuneration Committee in consultation with the CEO. The Board of Directors is kept continuously up-to-date regarding remuneration levels for other senior executives. By law, the guidelines do not apply to incentive programmes that are decided according to Chapter 16 of the Swedish Companies Act. The board has the right to deviate from these guidelines, if there is reasonable cause in a specific case.

**Ulrika Palm****Erk Schuchhardt**

1973	1969
2016	2013
2018	2018
Division Director Nordics	Division Director North Europe
CEO Lager 157, Director of Marketing and Innovation for Lantmännen Cerealia and various positions at Procter & Gamble, Wella and Unilever.	Senior positions in Weleda Germany, Weleda North America and Weleda Argentina
MSc Economics, Gothenburg School of Economics	Master degree from London School of Economics
12,000 warrants (2017/2020) and 18,000 warrants (2019/2022)	18,000 warrants (2019/2022)
50,000 warrants (2016/2019) and 12,000 warrants (2017/2020)	

For the 2019 financial year, variable remuneration amounting to SEK 551 thousand was paid to the CEO. Variable salary accounted for 15 percent of base salary for the CEO. For the 2019 financial year, variable remuneration of SEK 966 thousand was paid to the other members of Group Management, which corresponded to 7 percent of base salary.

The Board of Directors' proposed guidelines for remuneration of senior executives to be presented for approval by the Annual General Meeting of 5 May 2020 agree to all intents and purposes with the previous year's guidelines. The proposed guidelines for senior executives that will be presented at the Annual General Meeting have, however, been adjusted in relation to the proposal presented at the 2019 Annual General Meeting. The adjustments have been made as a result of new legal rules that aim to provide transparency in remuneration issues, but entail no significant material changes over the proposal adopted at the 2019 Annual General Meeting.

#### Remuneration and other benefits to Group Management, 2019

Group Management (8 individuals) <sup>1</sup>	SEK thousand
Basic salary	16,828
Variable remuneration	1,517
Other benefits	900
Pension expenses	4,229
<b>Total</b>	<b>23,474</b>

<sup>1</sup>Group Management comprises those who, together with the CEO Peter Åsberg, were included in Group Management during all or part of the year. These senior executives comprised Lennart Svensson, Markku Janhunen (until 30 November 2019), Ulrika Palm, Tobias Traneborn, Christoffer Mørck (until 30 November 2019), Peter Overgaard (until 30 November 2019), Erk Schuchhardt and Marjolaine Cevoz-Goyat (from 1 October 2019). For more information on remuneration and other benefits to Group Management, see Note 10 Employees, personnel expenses and senior executives' remuneration, pages 95–96.