

### **Nomination Committee**

The AGM decides how the Nomination Committee shall be appointed. The 2008 AGM decided that the company's Chairman of the Board, in consultation with the company's major shareholders, should appoint a Nomination Committee. The Nomination Committee must consist of at least four members, one of whom is the Chairman of the Board. A member who is familiar with the company's major owners is elected as chairman, although not the Chairman of the Board. If a member already appointed leaves the Nomination Committee, the company's major shareholders must consult to appoint a replacement. The present Nomination Committee constitutes the Nomination Committee until a new Nomination Committee is appointed.

The Nomination Committee of HL Display in 2008 consisted of Johan Lannebo, Lannebo Fonder (chairman), Anders Remius, Chairman of the Board of HL Display, Arne Karlsson, CEO of Ratos and Hasse Bjurevad, former Bank Director at Nordea. The composition of the Nomination Committee was published on 1 September 2008 in a press release and on HL Display's website.

It is the task of the Nomination Committee to:

- assess the composition and work of the Board,
- draw up a proposal for the AGM in respect of the election of the Board and the Chairman of the Board,
- in collaboration with the company's Audit Committee draw up a proposal for the AGM in respect of the election of auditors, if relevant,
- draw up a proposal for the AGM in respect of fees to the Board and auditors and
- draw up a proposal for the AGM in respect of the chairman of the AGM.

Since the 2008 AGM the Nomination Committee has held four meetings, and has also maintained telephone contact between meetings. A report on the work of the Nomination Committee will be presented at the 2009 AGM. No separate remuneration was paid to the members of the Nomination Committee.

### **The Board**

The members of the Board are appointed by the shareholders at the AGM for a period of one year, until the end of the following AGM. In accordance with the Code, the Chairman of the Board was also appointed by the 2008 AGM. According to the articles of association, the Board of HL Display shall consist of no fewer than three and no more than eight members and it is the AGM that decides the exact number of Board members. Employees are represented on the Board.

In 2008 there were eight Board members elected by the shareholders' general meeting. There were also two permanent employees' representatives with one deputy. The only member elected by the shareholders' general meeting who is an employee of HL Display is the CEO, Gérard Dubuy. All other members elected by the shareholders' general meeting are considered to be independent in relation to the company. Anders Remius and Stig Karlsson have a position of dependence in respect of the company's major shareholders. Other members elected by the shareholders' general meeting - Jan-Ove

Hallgren, Mats-Olof Ljungkvist, Åke Modig, Anna Ragén and Lars-Åke Rydh – are considered to be independent in respect of major shareholders. The composition of the Board is shown in the table below. Additional information about the members of the Board may be found on p. 67 in the annual report.

### **The work of the Board at HL Display**

The Chairman of the Board organizes and manages the work of the Board to ensure that it is undertaken in accordance with prevailing laws, rules and regulations. It is also the Chairman of the Board's responsibility to make sure that the work of the Board is assessed every year and that the Nomination Committee is provided with the results of this assessment. The Chairman of the Board monitors the business on an ongoing basis in a dialogue with the CEO and makes sure that the Board receives the information and documentation it requires in order for it to be able to perform its work.

The Board held eleven Board meetings during the financial year 2008. The dates of Board meetings are confirmed in connection with the inaugural Board meeting. Certain Board meetings coincide with the dates for financial information. These are the quarterly, half-yearly and year-end accounts. The Board's work follows an annual presentation plan with special topics and fixed decision-making points. A normal agenda for a Board meeting contains the following items:

- Review of the minutes of the previous meeting
- CEO's status report
- Finance
- The Board's background information for decisions
- Any other business

The Board's work is regulated by a set of specially drawn up rules of procedure. Put briefly, the rules of procedure mean that the Board is responsible for the company's strategy and organization, as well as the administration of the company's affairs. The Board makes sure that the company's organization is structured so that bookkeeping, fund management and the company's financial situation in general are checked in a secure way. The Board checks the company's and the Group's financial situation on an ongoing basis. This is reported monthly, so that the Board can perform its duty of assessment pursuant to the law, reporting rules and best practice for boards of directors. The general rule is that the Board deals with matters of significant importance for the Group, such as:

- Strategic plans
- Budgets and forecasts
- Product planning
- Sales and acquisitions of companies or businesses
- Purchases and sales of other significant assets

The CEO participates in all Board meetings, except in connection with matters where there is a conflict of interest, for example when remuneration to the CEO is confirmed and when the CEO's work is being assessed. It is the express wish of the Board to invite a member of HL Display's management team or from the rest of the organization to each

Board meeting in order to give the Board in-depth information about this person's specific area. In 2008 this took place at seven meetings, and the Board was provided with information about areas including supply chain management, research and development, finance and strategy. Representatives of HL Display's auditor took part at one meeting in 2008.

Important matters dealt with in 2008 included:

- Investment matters
- Organizational matters
- Review of the Group's instructions and policies
- Follow-up on cost control and investments
- Capital structure
- Establishment of a management development program
- Liquidity of the share
- Assessment of the Board's composition and work

| Attendance of the Board member, participation in committees, and remuneration | Audit Committee | Remuneration Committee | Attendance at Board meetings | Attendance at committee meetings | Total remuneration |
|---|-----------------|------------------------|------------------------------|----------------------------------|--------------------|
| <b>Anders Remius</b> Chairman of the Board                                    | –               | Chairman               | 11 of 11                     | 4 of 4                           | 250,000 SEK        |
| <b>Gérard Dubuy</b> Board member and CEO                                      | –               | –                      | 11 of 11                     | –                                | –                  |
| <b>Jan-Ove Hallgren</b> Board member  | –               | Member                 | 11 of 11                     | 4 of 4                           | 150,000 SEK        |
| <b>Åke Modig</b> Board member   | –               | –                      | 11 of 11                     | –                                | 150,000 SEK        |
| <b>Stig Karlsson</b> Board member   | Member          | –                      | 10 of 11                     | 4 of 4                           | 175,000 SEK        |
| <b>Mats-Olof Ljungkvist</b> Board member                                      | Chairman        | Member                 | 9 of 11                      | 7 of 8                           | 190,000 SEK        |
| <b>Anna Ragén</b> Board member  | –               | –                      | 10 of 11                     | –                                | 150,000 SEK        |
| <b>Lars-Åke Rydh</b> Board member   | Member          | –                      | 9 of 11                      | 2 of 4                           | 150,000 SEK        |
| <b>Kent Mossberg</b> Board member *   | –               | –                      | 10 of 11                     | –                                | –                  |
| <b>Magnus Jonsson</b> Board member *  | –               | –                      | 6 of 11                      | –                                | –                  |
| <b>Henrik Smedlund</b> Deputy member *  | –               | –                      | 3 of 11                      | –                                | –                  |
| * Appointed by the employees  |                 |                        |                              |                                  | 1,215,000 SEK      |

### The work of the Board in committees

The Board has set up committees that, in accordance with the Board's instructions, deal with certain defined matters and prepare these matters for decisions by the Board. The Board currently has two committees: the Remuneration Committee and the Audit Committee.

#### *Remuneration Committee*

The Remuneration Committee prepares matters relating to remuneration and terms of employment for company management, and draws up proposals for guidelines on remuneration to the CEO and senior executives, which the Board submits for a decision by the AGM. In light of this, it is also the Remuneration Committee's responsibility to monitor trends in remuneration offered by competitors and other comparable players in order to make sure that the company is offering a competitive level of remuneration. The

Remuneration Committee also draws up recommendations to the Board about how the guidelines on remuneration to senior executives as adopted by the AGM shall be implemented in practice.

The CEO's remuneration is defined by the Board. Remuneration to other senior executives is decided upon by the CEO in consultation with the Remuneration Committee. The Remuneration Committee, which is appointed by the Board, consists of the Chairman of the Board and two Board members who are independent in relation to the company and management. In 2008 the Remuneration Committee consisted of Chairman of the Board Anders Remius and members Jan-Ove Hallgren and Mats-Olof Ljungkvist. The Remuneration Committee met on four occasions in 2008.

### ***Audit Committee***

It is the Audit Committee's task to support the work of the Board to guarantee high quality in three primary areas: internal control, financial reporting and external audit. This means, among other things, that the committee guarantees effective systems for internal control and a correct assessment of the company's financial status. It also means that the committee reviews interim reports and the year-end bulletin before they are submitted to the Board and deals with all critical accounting matters, for example accounting and valuation policies applied.

The Audit Committee is also an important communication conduit between the Board and the company's auditors. One of the committee's tasks is to assist the Nomination Committee in preparations for the election of auditors and the recommendation of remuneration to auditors, as well as conducting a dialogue with the auditors about the audit. The Audit Committee in 2008 consisted of Board members Mats-Olof Ljungkvist (chairman), Stig Karlsson and Lars-Åke Rydh. The Audit Committee held meetings on four occasions in 2008. The company's auditors participated at all meetings. Minutes were kept of all meetings, and the minutes were presented to the Board.

### **Assessment of the Board**

The Chairman of the Board is responsible for ensuring that the work of the Board is assessed every year and that the Nomination Committee is provided with the results of the assessment. The assessment takes the form of an anonymous questionnaire-based survey and interviews, and covers such issues as the Board's composition, working methods and responsibility. The survey is compiled and assessed by a third party, and the results are presented to the Nomination Committee.

### **CEO**

HL Display's CEO, Gérard Dubuy, is in charge of day-to-day, operational business. A written set of instructions defines the allocation of responsibility between the Board and the CEO. The CEO reports to the Board and presents a special CEO's report at each Board meeting, including information about how the business is performing on the basis of the decisions made by the Board. There is additional information about the CEO on page 68 in the annual report.

**Group management**

Group management at HL Display consists of seven members with day-to-day responsibility for various parts of the business. Group management has eight scheduled meetings a year. For more information about the members of Group management, see page 68 in the annual report.

**Management of subsidiaries**

HL Display has five Area Managers, each responsible for their own region with between two and seven sales companies, who report directly to CEO Gérard Dubuy. Each Area Manager has total responsibility for profits and sales in his/her own region.

***Remuneration to the Board***

At the 2008 AGM, in accordance with the Nomination Committee's proposal, a total fee to the Board was adopted of a maximum of SEK 1,250,000, to be paid in the form of SEK 250,000 to the Chairman of the Board and SEK 150,000 to each of the other members who are not employed by the company. Within the framework of the maximum amount, supplementary remuneration may be paid to members of the Remuneration or Audit Committee in the event of significant additional work. This supplementary remuneration may amount to a maximum of SEK 50,000 per person, with a grand total of no more than SEK 100,000. For 2008 supplementary remuneration for committee work will be paid to Mats-Olof Ljungkvist (SEK 40,000) and Stig Karlsson (SEK 25,000).

**Information about the auditor**

The auditor is appointed by the AGM at the suggestion of the Nomination Committee. At the 2008 AGM the audit company KPMG AB was elected as auditor for the next four-year period. The chief auditor is authorized public accountant Åsa Wirén Linder. For additional information about the auditor, see page 68 in the annual report. At the AGM a decision was also made that remuneration to the auditor should be paid in accordance with an approved invoice. See note 39 in the annual report for information about remuneration to the auditors.

It is the auditor's task, on behalf of shareholders, to audit HL Display's annual accounts and bookkeeping methods, as well as the Board's and the CEO's administration of the company. The chief auditor also submits an auditor's report to the AGM. At the AGM shareholders have the opportunity to put questions to the auditor.