

# The Nomination Committee's report 2018

## Board and Nomination Committee Structure

The Group Board consists of seven shareholder-elected and three employee-elected directors. In addition, the Head of Editorial in Schibsted News Media is an observer to the Group Board.

It is the Nomination Committee's mandate to propose the composition of the shareholder-elected Board members. The three members elected by the employees are nominated and elected by the employees through a democratic process.

The employees have elected two alternate directors. Alternate directors attend the meetings only in the event of an absence. No alternate directors have been appointed by the shareholders.

The Group Board's working language is English.

The Nomination Committee consists of John A. Rein (Chair), Ann Kristin Brautaset and Spencer Adair. The Nomination Committee is elected for two years at a time, and all three members were re-elected at the Annual General Meeting in May 2017.

Instructions to the Nomination Committee can be accessed at [www.schibsted.com](http://www.schibsted.com).

## Board balance and composition

The Board's shareholder-elected directors stand for re-election each year. The Nomination Committee evaluates the Group Board's effectiveness and continuously considers the recruitment of new directors.

In broad terms, the Nomination Committee endeavors to ensure that Schibsted's Group Board has an appropriate balance between continuity and renewal, maintains relevant expertise and experience of the evolving fields of the Group's operations and complies with the Norwegian Public Limited Companies Act's gender balance requirements.

In addition to gender balance, the Nomination Committee ensures that diversity with regards to age, education, professional background and international experience are applied as relevant criteria in their work on composition of the Board.

As a consequence of the special circumstances related to the reorganization of the group and spin-off of Adevinta, the Nomination Committee did not conduct a full Board Review during 2018. However, based on meetings and conversations with Board members and Management, the Nomination Committee is in the opinion that the members of the present Group Board are highly qualified, possess a good mix of expertise and work together effectively. At the same time, the committee values a degree of renewal in the Board.

Orla Noonan, a Group Board Member since May 2017, will not be standing for re-election, following her appointment as Chair of the Board of Adevinta. The Nomination Committee thanks Orla for her contribution to the Group Board over this period and wish her every success in her new role.

The Nomination Committee proposes to elect Anna Mossberg as a new Board member after a global search process. Anna has over 20 years strategic, commercial and operational experience including senior roles in the telecoms and consumer internet industries, most latterly at Google.

Pursuant to Article 8 of the Articles of Association, Blommenholm Industrier AS has exercised its right to directly appoint one director and has notified the company that they wish to re-appoint Ole Jacob Sunde.

Accordingly, the Annual General Meeting is invited to vote on the following directors at the Group Board for the period 2018-2019:

Ole Jacob Sunde (Chair, Norwegian)

Christian Ringnes (Norwegian)

Birger Steen (Norwegian)

Eugenie van Wiechen (Dutch)

Marianne Budnik (American)

Philippe Vimard (Canadian)

Anna Mossberg (Swedish)

The candidates are presented as an attachment to the notice of the Annual General Meeting. The notice, and a detailed presentation of the candidates, are available on the Schibsted website at [www.schibsted.com](http://www.schibsted.com).

The Nomination Committee proposes one ballot for each individual director at the Annual General Meeting on the 3rd May 2019.

### **Directors' independence**

Information on the directors' business relationships with shareholders or others with links to the shareholders, or to Schibsted, is disclosed under the "Corporate Governance" section.

The representation on the Group Board reflects the ownership shares in Schibsted and the right to elect directors, which, according to Schibsted's Articles of Association, belongs to shareholders holding at least 25 per cent of the A-shares (Article 8). As a consequence of Ole Jacob Sunde's links with Blommenholm Industrier and the Tinius Trust, the Nomination Committee does not consider him to be an independent director.

The Nomination Committee considers all the other directors to be independent. Thus, six of the seven shareholder-elected Group Board members are considered independent.

### **The group board's compensation committee and audit committee**

The members of the Compensation Committee and the Audit Committee are both elected by the Group Board for a one-year period. The task of these two committees is to prepare case files and documentation, as required, for the Group Board's consideration.

In the assessment of the Group Board's work, the preparatory efforts by the select committees are identified as important and positive contributions to the sound and thorough consideration of complex matters.

### **Compensation and remuneration**

All compensation and remuneration payable to Schibsted's corporate bodies is stipulated annually in advance by the Annual General Meeting based on a compensation and remuneration proposal from the Nomination Committee.

The Nomination Committee considers the current compensation to Group Board members to be in line with Norwegian market practice. The current levels are considered to be appropriate in this context. Over the long term, compensation should normally be adjusted annually in order to reflect general wage inflation in society as a whole.

The Nomination Committee will consider the merits and demerits of moving from the current 100% cash compensation for Group Board members towards a partial share-based remuneration structure during the coming year.

It is the Nomination Committee's responsibility to propose a compensation for the committee itself. The workload for the committee varies from term to term, but the current level of compensation is considered to be appropriate, from an average perspective. As for the Board member compensation, the level should normally be adjusted annually to reflect general wage inflation in society.

On this background the Committee proposes the following fees for the period 2018-2019. A comparison with current figures is also provided below:

All figures in NOK	2019-20	2018-19
<b>a) Group Board members</b>		
Chair	1 092 000	1 060 000
Other directors	512 000	497 000
Alternate directors	23 000	22 000
<b>b) Members of the Compensation Committee</b>		
Chair	129 000	125 000
Other committee members	83 000	81 000
<b>(c) Members of the Audit Committee</b>		
Chair	190 000	184 000
Other committee members	116 000	113 000
<b>(d) Members of the Nomination Committee</b>		
Chair	138 000	134 000
Other committee members, per meeting	84 000	82 000

The Committee proposes to maintain the flexibility to grant an allowance of NOK 100,000 to Group Board members resident outside the Oslo region. For the upcoming period 2018-2019 the Nomination Committee has adopted the following allowance tariffs: NOK 50,000 for Group Board members resident outside the Oslo region but in the Nordic countries, and NOK 100,000 for Group Board members resident outside the Nordic countries.

### Election of the Nomination committee

According to Schibsted's Articles of Association §10, the Nomination Committee is elected for two years. The service period for all the three members ends in 2019. All the members have agreed to stand for reelection for a new period of two years. Hence, the committee will

put forward to the Annual General Meeting the proposal to nominate the following Nomination Committee:

John A. Rein, Committee leader (Norwegian)

Ann Kristin Brautaset (Norwegian)

Spencer Adair (British)

The three individuals represent the three largest shareholders of Schibsted.

Oslo, 9 April 2019

John A. Rein

Ann Kristin Brautaset

Spencer Adair