

## **Report on Metro International S.A. (“Metro”) Nomination Committee work preparatory to the 2010 Annual General Meeting**

In accordance with the decision reached at the 2009 Annual General Meeting, a Nomination Committee was convened by a representative of the largest shareholder of Metro, Investment AB Kinnevik, in October 2009 in preparation for the 2010 Annual General Meeting, consisting of the larger shareholders in Metro. The Nomination Committee consists of Cristina Stenbeck as representative of Investment AB Kinnevik, Annika Andersson as representative of Fourth Swedish National Pension Fund and Marianne Nilsson on behalf of Swedbank Robur Funds. The three shareholder representatives in the Nomination Committee jointly represent more than 50 percent of the voting rights in Metro.

The Nomination Committee has been assigned the tasks of (i) proposing the Board of Directors for approval by the 2010 Annual General Meeting; (ii) proposing auditor of Metro; (ii) nominating a chairman to lead the Annual General Meeting; (iii) to submit proposals for Board fees and auditor fees; and (iv) to propose a procedure for appointing members of the Nomination Committee in advance of the 2011 Annual General Meeting.

Cristina Stenbeck has been appointed Chairman of the Nomination Committee, which deviates from what the Swedish Code of Corporate Governance (the “**Code**”) prescribes. The other members of the Nomination Committee have declared their decision regarding election of the Chairman of the Nomination Committee as being in Metro’s and the shareholders’ best interest and a natural consequence of Cristina Stenbeck’s connection to Metro’s largest shareholders..

### **The Nomination Committee work**

The Nomination Committee has held six minuted meetings, with additional contacts between the meetings. As the basis for its work, the Nomination Committee has had an evaluation of the Board and its work, as communicated with the Chairman of the Board of Metro. To assess the degree to which the present Board fulfils the requirements to be placed on the Board, given Metro’s situation and future direction, discussion has centred on the Board’s composition with respect to a balance of relevant experience and expertise, as well as continuity among the members of the Board.

Suggestions of Board members have been received by no other than the Nomination Committee members.

The Nomination Committee proposes that the Board of Directors shall increase in size with the addition of one director, and thus consist of eight directors. Henry Guy has informed the Nomination Committee that he will not seek re-election at the 2010 Annual General Meeting. Accordingly, the Nomination Committee proposes two new members for election to the Board.

The Board composition fulfils the Code’s requirements regarding independent directors.

With respect to Board remuneration, the Nomination Committee has proposed a total Board remuneration (including remuneration for work within the Board’s committees) of EUR 357,500. This is an increase from previous year mainly due to an increase of the number of directors from seven to eight, and an increase of the remuneration to the Chairman of the Board, to be in line with comparable peers.

With respect to the auditors the Nomination Committee proposes election of PricewaterhouseCoopers S.à r.l. With respect to the remuneration to the auditors for the fiscal year 2010, the Nomination

Committee proposes to the Annual General Meeting that this shall be based on approved invoices that specify time, persons who worked and tasks performed.

### **The Nomination Committee's proposals for decisions**

The Nomination Committee herewith submits the following proposals for decision:

- Attorney Christian Kremer as Chairman at the Annual General Meeting.
- Eight directors of the Board without alternate directors.
- Re-election of Ms. Mia Brunell Livfors, Mr. Didier Breton, Mr. Nigel Cooper, Mr. Erik Mitteregger, Mr. Mario Queiroz, and Ms. Cristina Stenbeck as directors of Metro.
- To elect Ms. Michelle Guthrie and Mr. Patrick Stähle as new directors of the Board.
- Mia Brunell Livfors to be re-elected Chairman of the Board of Directors.
- The appointment of a Remuneration Committee and an Audit Committee within the Board of Directors at the Constituent Board Meeting.
- Remuneration to the Board of Directors for the period until the close of the next Annual General Meeting (including remuneration for the work in the committees of the Board) shall be a total of EUR 357,500, of which EUR 75,000 shall be allocated to the Chairman of the Board, EUR 35,000 to each of the other directors of the Board, and in total EUR 37,500 as remuneration for the work in the committees of the Board of Directors. The Nomination Committee proposes that for work within the Audit Committee EUR 16,000 shall be allocated to the Chairman and EUR 6,000 to each of the other two members. For work within the Remuneration Committee EUR 4,500 shall be allocated to the Chairman and EUR 2,500 to each of the other two members.
- Election of PricewaterhouseCoopers S. à r.l. as external auditors of Metro.
- Audit fee in accordance with approved invoice, specifying time, staff and tasks performed.
- The Nomination Committee proposes that the AGM approves the following procedure for preparation of the election of the Board of Directors and auditors of Metro. The work of preparing a proposal on the directors of the Board and auditor, and their remuneration, as well as the proposal on the Chairman of the 2011 AGM shall be performed by a Nomination Committee. The Nomination Committee will be formed during October 2010 in consultation with the largest shareholders of Metro as at September 30, 2010. The Nomination Committee will consist of at least three members representing the largest shareholders of Metro. The Committee is appointed for a term of office commencing at the time of the announcement of the third quarter report in 2010 and ending when a new Nomination Committee is formed. The majority of the members of the Committee may not be directors of the Board of Directors or employed by Metro. If a member of the Committee resigns during the Nomination Committee term before the work is concluded, a replacement member may be appointed after consultation with the largest shareholders of Metro. However, unless there are special circumstances, there shall not be changes in the composition of the Committee if there are only marginal changes in the number of votes, or if the change occurs less than three months prior to the 2011 AGM. Cristina Stenbeck will be a member of the Committee and will also act as its convenor. The members of the Committee will appoint the Committee Chairman at their first meeting. The Nomination Committee shall have the right to upon request receive personnel resources such as secretarial services from Metro, and to charge Metro with costs for recruitment consultants if deemed necessary.

## **Presentation of proposed directors to the Board of Metro**

Presentation of the directors proposed to be re-elected to the Board of Metro are available on Metro's website, [www.metro.lu](http://www.metro.lu).

Biographies of Ms. Guthrie and Mr. Stähle are included in the Convening Notice for the 2010 AGM published on May 10, 2010, as well as in a press release published on the same day. Both are available on Metro's website, [www.metro.lu](http://www.metro.lu).

Michelle Guthrie's and Patrick Stähle's individual media backgrounds and geographic focus on Asia during the course of their careers will provide valuable insight to the key strategic growth areas for Metro, both in terms of product development and geographic footprint. With six nationalities represented on the Board, the directors have worked and lived throughout Asia, Europe, and Latin America. This knowledge and experience will serve Metro's strategic priorities going forward. Both Ms. Guthrie and Mr. Stähle qualify as independent directors under the criteria of the Code.

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Cristina Stenbeck, on behalf of the Nomination Committee, May 2010