

## **Report on Metro International S.A. (“Metro”) Nomination Committee work preparatory to the 2011 Annual General Meeting**

In accordance with the decision reached at the 2010 Annual General Meeting (the “**2010 AGM**”), a Nomination Committee was convened by Cristina Stenbeck in October 2010 in preparation for the 2011 Annual General Meeting (the “**2011 AGM**”), consisting of the largest 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 2011 AGM; (ii) proposing auditor of Metro; (iii) nominating a chairman to lead the 2011 AGM; (iv) to submit proposals for Board fees and auditor fees; and (v) to propose a procedure for appointing members of the Nomination Committee in advance of the 2012 Annual General Meeting (the “**2012 AGM**”).

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 representing Metro’s largest shareholder.

### **The Nomination Committee work**

The Nomination Committee has held two 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. In the assessment of the Board composition the Nomination Committee has taken into account the progress of Metro during the last year, the integration of the new Board members elected at the 2010 AGM, and the requirement for continuity among the members of the Board.

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

Against this background the Nomination Committee proposes that the Board of Directors shall continue to consist of eight directors, and that all directors shall be re-elected.

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

With respect to Board remuneration, the Nomination Committee proposes an unchanged total Board remuneration (including remuneration for work within the Board’s committees) of EUR 357,500. Furthermore, the Nomination Committee proposes that the 50% of the Board fees (excluding remuneration for the work in committees) that was decided at the annual general meeting in 2009 (the “**2009 AGM**”) to be paid in the form of restricted shares of Metro, shall be paid in cash instead of shares. The reason for this proposal is that the restricted shares have never been issued, and Metro has since changed to paying Board fees in cash only. It is therefore proposed that the amounts that were to be paid to the directors of Metro in the form of restricted shares during the period from the 2009 AGM to the 2010 AGM be paid in cash to the directors of Metro during the said period immediately following the 2011 AGM. The total amount of EUR 130,000 will thus be split as follows: the Chairman of the board of directors of Metro during the said period, fees in an amount of EUR

32,500; each of the ordinary directors of the board of directors of Metro during the said period, fees in an amount of EUR 16,250.

With respect to the auditors the Nomination Committee proposes re-election of PricewaterhouseCoopers S.à r.l. With respect to the remuneration to the auditors for the fiscal year 2011, the Nomination Committee proposes to the AGM 2011 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 Jean-Michel Schmit 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, Ms. Michelle Guthrie, Mr. Erik Mitteregger, Mr. Mario Queiroz, Ms. Cristina Stenbeck, and Mr. Patrick Stähle as directors of Metro.
- 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.
- Proposal that EUR 130,000 in Board fees (excluding remuneration for the work in committees) that was decided at the 2009 AGM to be paid in the form of restricted shares of Metro, shall be paid in cash instead of shares to the directors during the period from the AGM 2009 to the AGM 2010. The amount will be split as follows: the Chairman of the board of directors of Metro during the said period, fees in an amount of EUR 32,500; each of the ordinary directors of the board of directors of Metro during the said period, fees in an amount of EUR 16,250.
- Re-appointment 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 2012 AGM shall be performed by a Nomination Committee. The Nomination Committee will be formed during October 2011 in consultation with the largest shareholders of Metro as of September 30, 2011. 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 2011 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 2012 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).

-----  
Cristina Stenbeck, on behalf of the Nomination Committee, April 2011