

Chairman's Report

Dear shareholders and other readers – we live in a market without borders

Midsona is the leader in the Nordic region in health and well-being and is now aiming to become the leader in Europe.

By continuously monitoring the consumers' needs, understanding where he or she is headed and following the development in nearby product areas, we are entering Europe step by step. Midsona works intensively with the products we have, but we are not comprehensive and therefore want to be involved early on and discover when the consumer finds new areas.

Unbordered consumer trends

The consumer acts without borders and our task is to interpret and monitor these trends. We live in a market without borders and it's a strength for Midsona to have its home base in the Nordic region, which is on the forefront in health and well-being. This is an important cog in our European strategy.

The fruit of the unbordered trends and Midsona's ambition to grow lead among other things to what we call "cross selling". This means that we "cultivate markets" so to speak by moving products from one country to another and thereby create added value for our consumers.

Strong management

Midsona has a strong company management, which develops the business with expertise and a team spirit. It is pleasing that we were able to present the acquisition of Davert during the year, a major player in Germany in ecology and an important step in our European strategy.

I am counting on further activities in 2019 and 2020 in this direction. The journey has just begun!

A dynamic Board

Midsona's Board is appointed by the Annual General Meeting to lead the company to profitable growth. Every year, we conduct an evaluation of the Board's work, and it continues to receive high marks. The evaluation also points out what we can develop and this year, it is time for a more in-depth screening of the Group's strategy. This is in line with the Board of Directors' long-term planning, meaning to raise our sights every three years and evaluate the company's strategy for the coming five years. Last time we did so was in 2016, which resulted in the decision on the on-going expansion in Europe.

The evaluation also shows that the Board has broad expertise relevant to Midsona. Our Board meetings are dynamic with lively discussions and it is my task to ensure that everyone contributes to these discussions in various ways. Just like market trends and consumer behaviour are without borders, the Board's way of thinking must be without borders. We thereby take responsibility for the company's development in the best way – in both the short and long terms.



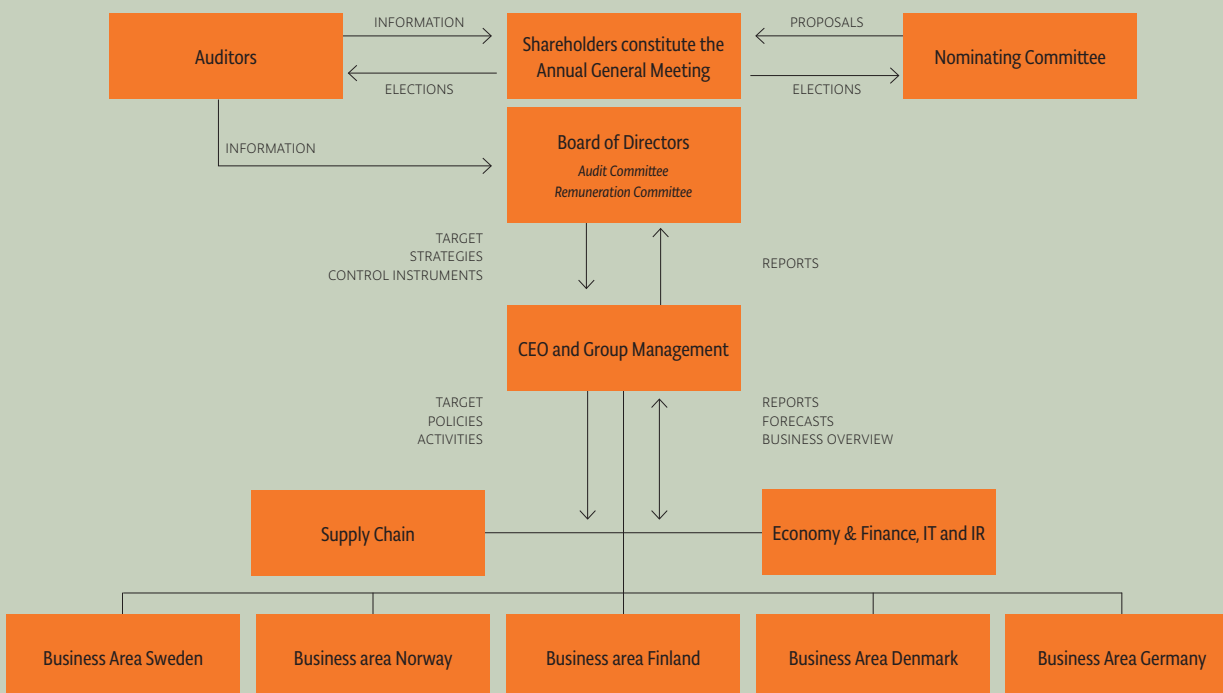
A handwritten signature in black ink, consisting of a stylized 'O' followed by a series of connected loops and a final horizontal stroke.

Ola Erici

Chairman of the Board

Corporate Governance

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 2018. In 2018, 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. During the year, the Group had two outstanding warrant programmes directed at senior executives, TO2016/2019 and TO2017/2020. The issued programmes have 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 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
- policy documents, manuals and instructions

Midsona's Articles of Association and Code of Conduct are available for download at 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 in 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. 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.

Shareholder

For information on shareholders, please see pages 74–77 and www.midsona.com.

Annual General Meeting 2018

The 2018 Annual General Meeting was held on 25 April 2018 in Malmö. At the Meeting, 56 shareholders were present in person or by proxy, representing 54.2 percent of the total number of votes. The minutes of the 2018 Annual General Meeting are available at www.midsona.com.

Annual General Meeting 2019

The 2019 Annual General Meeting will take place on 3 May 2019 in Malmö, as was announced in a press release on 17 September 2018. The complete announcement of the 2019 Annual General Meeting, including information about registration for participation at the Meeting was published in a press release on 2 April 2019 and is available at 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 2019 Annual General Meeting

The 2018 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 2018 to ask them to appoint one member each to the Committee.

Name/representing, %	Percentage of votes 31/08/2018	Percentage of votes 28/12/2018
Henrik Munthe/Stena Adactum AB	28.2	28.2
Anna Sundberg/Handelsbanken Fonder	7.0	6.7
Ulrika Danielson/Second AP fund	4.6	4.6
Total	39.8	39.5

In preparation for the 2019 Annual General Meeting, the Nominating Committee held two 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 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 has been the Chairman of the Board, Ola Erici, who has also attended all of the meetings. The composition of the Nominating Committee was published in a press release 17 September 2018 and at www.midsona.com. Shareholders have been offered the opportunity to submit proposals to the Nomination Committee. Information on how shareholders can submit proposals to the Nominating Committee is provided at www.midsona.com.

The Nominating Committee's proposal, and reasoned opinion, is published in connection with the announcement of the 2019 Annual General Meeting at the latest.

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

Proposal to the 2019 Annual General Meeting

The Nominating Committee has resolved to propose the following to the 2019 Annual General Meeting:

- Re-election of Board Members Ola Erici, Henrik Stenqvist, Birgitta Stymne Göransson, Peter Wahlberg, Johan Wester and Kirsten Ægidius.
- Re-election of Ola Erici as Chairman of the Board.
- Re-election of Deloitte AB as audit firm.
- Fees shall be payable in an amount of:
 - SEK 550,000 to the Chairman of the Board
 - SEK 235,000 to each of the other Board members
 - SEK 50,000 to the Chair of the Audit Committee
 - SEK 30,000 to each other Board member on the Audit Committee
 - SEK 30,000 to the Chair of the Remuneration Committee
 - SEK 20,000 to each other Board member on the Remuneration Committee

In relation to the previous year's remuneration levels, the proposal entails the following changes: an increase in the fee to the Board members (except the Chairman of the Board) by SEK 10,000 each and that the Chairman of the Board is now proposed to be entitled to fees for committee work.

Work of the Board in 2018



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 sitting 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.

Composition of the Board in 2018

At the 2018 Annual General Meeting, the following six Board members were elected: Ola Erics (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 128–129 or Midsona’s website 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.

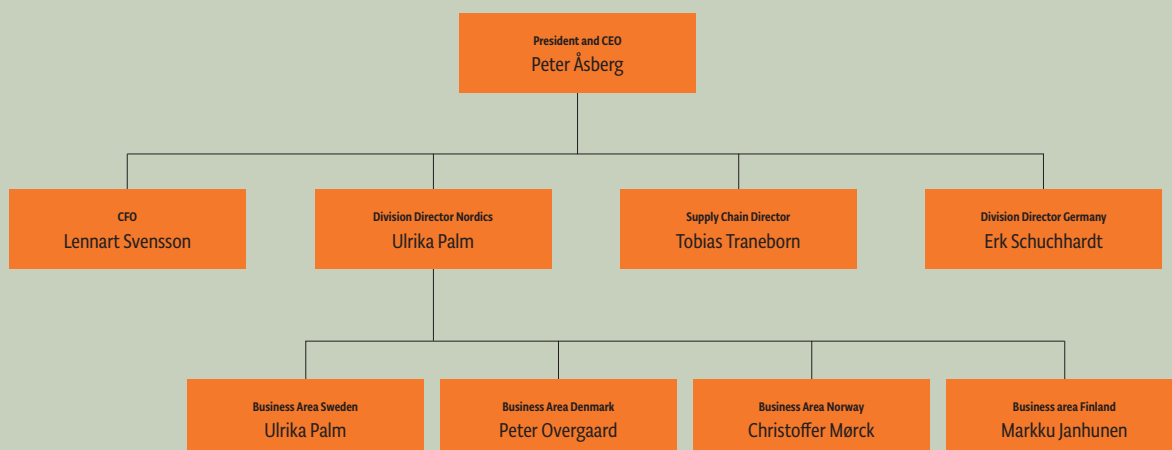
Work of the Board in 2018

In 2018, the Board held 7 meetings (15). For information on members’ attendance, please see pages 128–129.

The Board regularly reviews the strategic issues affecting the Group’s operations and general direction. The year’s work largely focused on the acquisition of Davert GmbH, 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 business areas 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

Group structure



members for approval. One Board meeting is normally held every year at one of the business area'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 2018, the Audit Committee consisted of Henrik Stenqvist (chairman), Peter Wahlberg and Johan Wester. The Committee met three times (twice) in 2018. For information on members' attendance, please see pages 128–129. The CEO and the CFO, who is also the Audit Committee's secretary, and the Auditor-in-Charge participate in the Committee's meetings.

As of 2018, the Audit Committee has increased the number of meetings, from the previous two meetings per year to three meetings a year, to ensure continuity in the work of the Audit Committee over the year.

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 2018, the Remuneration Committee consisted of Ola Erici (chairman), Birgitta, Stymne Göransson and Johan Wester. The Committee met twice (four times) in 2018. For information on members' attendance, please see pages 128–129.

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 Germany, the Supply Chain Director and the heads of the business areas.

In 2018, the Group Management met eight times (10). Meetings focus primarily on the Group's strategic and operational development and reviewing performance. Operations are organised into five business areas.

For further information about Group Management, please see page 130–131 and 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 2018 Annual General Meeting and the Board's proposed guidelines for remuneration to senior executives for the 2019 Annual General Meeting, please see pages 101–102 and 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. Since 2018, 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 Petterson as the principal auditor responsible, was elected by the 2018 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 100.

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, there are 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), Nasdaq Stockholm (www.nasdaqomxnordic.com) and Finansinspektionen (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, manuals, guidelines and instructions are in place. Consequently, an important part of the Board's work is to develop and approve a number of basic policies, guidelines and frameworks. 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.

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 assumptions, see Note 34 Important estimates and assumptions page 114 and the section Risks and risk management, pages 43–52.

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 business area 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 business area 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, business area 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. However, at the end of 2018, the Group began an overhaul of the Group's internal governance and control systems.

System improvements in 2018

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.

In Sweden and Denmark, Midsona implemented a common business system during the year that replaces the various business systems that were in the countries. The new business system will also be implemented in Norway and Finland in 2019.

In 2018, Midsona began using the digital tool InsiderLog to ensure the handling of insider information.

Auditor's statement regarding the Corporate Governance Report

To the Annual General Meeting of 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 2018 to 31 December 2018 on pages 122–127 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, 28 March 2019
Deloitte AB



Per-Arne Pettersson
Authorised Public Accountant

Board of Directors

Ola Erici



Henrik Stenqvist

Birgitta Stymne
Göransson

Peter Wahlberg



Born	1960	1967	1957	1962
Position on the Board/attendance	Chairman – 7/7	Member – 7/7	Member – 7/7	Member – 7/7
Elected, year	2012	2017	2015	2015
Position	Industrial advisor	CFO Sobi	Industrial advisor	Self-employed
Previous experience	CEO of Ferrosan and Skånemejerier and several executive positions in the Tetra Laval Group and Gambro	CFO of Recipharm and Meda and management positions within the AstraZeneca Group	President Memira, President Semantix, Executive Vice President Telefos, CFO Ähléns and CFO McKinsey	Stockbroker Penser Fondkommission and Matteus Fondkommission
Education	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
Other assignments	Chairman of the Board of Ecobrånslé 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, Board member of Elekta AB, Pandora AS and Sportamore AB.	Chairman of the Board of Wallhouse AB. Member of the Boards of Walldoc AB, Hestermus, AB Nolefo, Wahlbergs Drycker AB, AB Data Doc Holding AB and Pudelqvist.
Dependent on the company and its shareholders	No	No	No	No
Own shareholdings and those of closely-related parties, 2018 ²	71,282 Series B shares (personal holding and through closely-related parties) 100,000 call options ³	20,000 Series B shares	5,500 Series B shares	2,312,773 series B shares (family's and through the company), of which 753,406 is via endowment insurance.
Own shareholdings and those of closely-related parties, 2017	71,245 Series B shares (personal holding and through closely-related parties)	20,000 Series B shares	3,500 Series B shares	2,312,773 series B shares (family's and through the company), of which 753,406 is via endowment insurance.
Remuneration 2018 ⁴	Board fees 550,000 ⁵ Total 550,000	Directors' fees 225,000 Committee fees 50,000 Total 275,000	Directors' fees 225,000 Committee fees 20,000 Total 245,000	Directors' fees 225,000 Committee fees 30,000 Total 255,000

¹ Johan Wester conducts assignments on behalf of Stena Adactum AB.

² Shareholding as of 28 February 2019. For updated shareholding, please see www.midsona.com/bolagsstyrning.

³ 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.

⁴ Remuneration of the Board of Directors for the period May 2018 to April 2019. Remuneration to Board members elected by the 2018 Annual General Meeting following a proposal from the Nomination Committee. For more information, see Note 10 Employees, personnel expenses and senior executives' remuneration, pages 101–102.

⁵ The Board fees include fees for work in the Remuneration Committee.

Johan Wester

1966

Member – 7/7

2009

Investment Director,
Stena Adactum ABCEO of Mediatec Group, partner at
Arthur D. Little and member of the
Boards of Ballingslöv International
AB and Personec OyGraduate engineer,
Chalmers Institute of TechnologyChairman of S-invest.
Board member of Stena Renewable
and Beijer Electronics.Yes¹67,175 Series B shares
(personal holding and through
closely-related parties)66,425 class B shares
(personal holding and through
closely-related parties)Directors' fees 225,000
Committee fees 50,000
Total 275,000**Kirsten Ægidius**

1963

Member – 7/7

2016

Global Sales and Marketing
Manager Harboe Bryggeri A/SGroup 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/SMaster's Degree,
Copenhagen Business School

–

No

8,500 Series B shares

4,500 series B shares

Directors' fees 225,000
Committee fees –
Total 225,000**Auditor**Per-Arne Petterson. Authorised Public Accountant
with Deloitte AB and member of FAR.**Audit Committee/attendance**

Henrik Stenqvist – Chairman – 3/3

Peter Wahlberg – Member – 3/3

Johan Wester – Board member – 3/3

Remuneration Committee/attendance

Ola Erics – Chairman – 2/2

Birgitta Stymne Göransson – Member – 2/2

Johan Wester – Board member – 2/2

Group Management

Peter Åsberg



Lennart Svensson



Tobias Traneborn



Ulrika Palm



Born	1966	1961	1975	1973
Employed	2007	2009	2017	2016
In current position	2007	2009	2017	2018
Position	President and CEO	CFO	Supply Chain Director	Division Director Nordics, Business Area Manager Sweden
Previous positions	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	CEO Lager 157, Director of Marketing and Innovation for Lantmännen Cerealia and various positions at Procter & Gamble, Wella and Unilever.
Education	MSc Economics, Lund University	MSc Economics, Stockholm University	BSc Engineering, University of Borås	MSc Economics, Gothenburg School of Economics
Other assignments	Chairman of the Board of Svensk Egenvård	-	-	-
Own shareholdings and those of closely-related parties, 2018 ¹	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)	50,000 warrants (2016/2019) and 12,000 warrants (2017/2020)
Own shareholdings and those of closely-related parties, 2017	115,968 Series B shares, 100,000 call options ² , 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)	50,000 warrants (2016/2019) and 12,000 warrants (2017/2020)

¹ Shareholding as of 28 February 2019. For updated shareholding, please see www.midsona.com/cm-midsona/bolagsstyrning.

² The main owner Stena Adactum issued, in June 2015, 100,000 call options with their own holding in Midsona shares as guarantee. Midsona was not a party to the transaction.

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 2018 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. 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. The board has the right to deviate from these guidelines, if there is reasonable cause in a specific case.

Markku Janhunen

1971

2011

2015

Business Area Manager Finland

Senior positions in the Transmeri Group.

Master of Business Administration, Haaga-Helia University of Applied Sciences

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2,100 Series B shares, 40,000 warrants (2016/2019) and 10,000 warrants (2017/2020)

2,100 Series B shares, 40,000 warrants (2016/2019) and 10,000 warrants (2017/2020)

Christoffer Mørck

1979

2006

2017

Business Area Manager Norway

Business Unit Manager at Dangaard Telecom, various positions within the Midsona Group

Master of Management degree

–

15,000 warrants (2017/2020)

15,000 warrants (2017/2020)

Peter Overgaard

1967

2017

2018

Business Area Manager Denmark

Leading positions at Education Kompan, Cadbury, Scandic Food, Hjem Is and Jensens Bøffus

Master of Science in Economics, Aalborg University

–

15,000 warrants (2017/2020)

15,000 warrants (2017/2020)

Erk Schuchhardt

1969

2013

2018

Division Director Germany

Senior positions in Weleda Germany, Weleda North America and Weleda Argentina

Master degree from London School of Economics

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For the 2018 financial year, variable remuneration of SEK 1,350 thousand was paid to the CEO, of which SEK 450 thousand was allocated to pension benefits. The variable remuneration accounted for 36 percent of base salary. For the 2018 financial year, variable remuneration of SEK 1,552 thousand was paid to the other members of Group Management, which corresponded to 12 percent of base salary.

The Board of Directors' proposed guidelines for remuneration of senior executives ahead of the 2019 Annual General Meeting agree to all intents and purposes with the previous year's guidelines as adopted by the 2018 Annual General Meeting.

Remuneration and other benefits to Group Management, 2018

Group Management (8 individuals) ¹	SEK thousand
Basic salary	1 696 9
Variable remuneration	2 452
Other benefits	973
Pension expenses	4 304
Total	24 698

¹ 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, Lars Børresen (until 31 January 2018), Ulrika Palm, Anders Dahlin (until 30 November 2018), Tobias Traneborn, Christoffer Mørck, Peter Overgaard (from 1 February 2018) and Erk Schuchhardt (from 28 May 2018). For more information on remuneration and other benefits to Group Management, see Note 10 Employees, personnel expenses and senior executives' remuneration, pages 101–102.