

# Corporate Governance

**Nobia AB is a Swedish public limited liability company domiciled in Stockholm, Sweden. The company is the Parent Company of the Nobia Group. The basis for the control of the Group includes the Swedish Corporate Governance Code, the Articles of Association, the Swedish Companies Act, the Swedish Annual Accounts Act and Nasdaq Stockholm's Rule Book for Issuers.**

Nobia has applied the Swedish Corporate Governance Code (the Code) since July 2005 and the company had no deviations to report for 2020. Nobia also applies the Swedish Annual Accounts Act concerning the company's corporate governance reporting.

Nobia monitors developments in the area of corporate governance and continuously adapts its corporate-governance principles to create value for its owners and other stakeholders. By way of information, it is noted that there were no breaches of applicable stock-exchange rules or good practice on the stock market based on decisions by Nasdaq Stockholm's Disciplinary Committee or statements by the Swedish Securities Council.

The following information is available at [www.nobia.com](http://www.nobia.com).

- Nobia's Articles of Association
- Code of Conduct
- All corporate governance reports since 2009
- Information from Nobia's AGM

## Board commitment

The Board is committed to maintaining the highest standards of corporate governance in the management of its affairs and ensuring its activities reflect the culture we wish to nurture with our colleagues and other stakeholders.

The Board places great importance on ensuring a sustainable long-term success for the businesses and markets in which Nobia operate, while being aligned with our culture. The Board has overall responsibility for establishing the Company's purpose, values and strategy to deliver the long-term sustainable success of the Company and generate value for shareholders.

Throughout the year, the Board has proactively focused on ensuring that both the short and long-term implications of Covid-19 pandemic on our business is managed consequently, significant time has been spent at each Board meeting to address specific Coronavirus risks. During the pandemic, the Board has continuously monitored the development of the infection situation, the restrictions imposed by various governments and the business impacts of the pandemic, and the company has implemented measures to secure business continuity. The safety of our employees, partners and local communities is of primary importance to the Board. The Board and Senior Management closely monitors the development of the coronavirus pandemic and is updating its policies and instructions on the basis of the guidelines issued by the authorities.

## Shareholders

On December 31, 2020, Nobia had 169 852 821 outstanding shares according to the share register. The largest shareholder, on that date was Nordstjernan AB, with 24.9 percent of the shares/votes based on the number of shares outstanding. As per the same date, IF Skadeförsäkring AB (publ) held 10.7 percent of the shares/votes based on the number of shares outstanding

## 2020 annual general meeting

The right of shareholders to make decisions concerning the affairs of Nobia is exercised at general meetings of shareholders. A notice convening a general meeting is issued pursuant to the Swedish Companies Act and the company's Articles of Association.

The 2020 Annual General Meeting (AGM) was held on 5 May at World Trade Center, Auditorium New York, Klarabergsviadukten 70, Stockholm. At the meeting, ten shareholders were in attendance, personally or by proxy, representing about 69 percent of votes in Nobia.

The Board Chairman, Hans Eckerström and Board member Nora Førisdal Larssen were present at the Meeting. Board Chairman, Hans Eckerström, was elected Chairman of the Meeting.

## Some of the AGM resolutions were as follows:

- no dividend was to be paid to the share holders for the financial year 2019 in accordance with the Board's proposal.
- that the number of Board members was to be six with no deputy members, until the conclusion of the next AGM.
- fees to the Board, Board Chairman, and the Chairman and members of the Audit Committee.
- re-elected Nora Førisdal Larssen, Marlene Forsell and George Adams.
- Jan Svensson, Arja Taaveniku and Carsten Rasmussen was elected as new Board members.
- Nora Førisdal Larssen was elected as Chairman of the Board.
- Hans Eckerström, Stefan Jacobsson and Jill Little declined re-election.
- re-election of Deloitte AB as auditor, with Daniel de Paula as Auditor-in-Charge.
- principles and guidelines on remuneration and other employment conditions for the President and other senior executives.
- authorisation for the Board to acquire and sell treasury shares during the period until the 2021 AGM.

The complete minutes from the AGM and information are available on Nobia's website [www.nobia.com](http://www.nobia.com).

Individual shareholders wishing to have a specific matter addressed by the AGM can do so by submitting a request to Nobia's Board in good time prior to the Meeting, to the address published on the Group's website.

## 1 Shareholders through general meetings

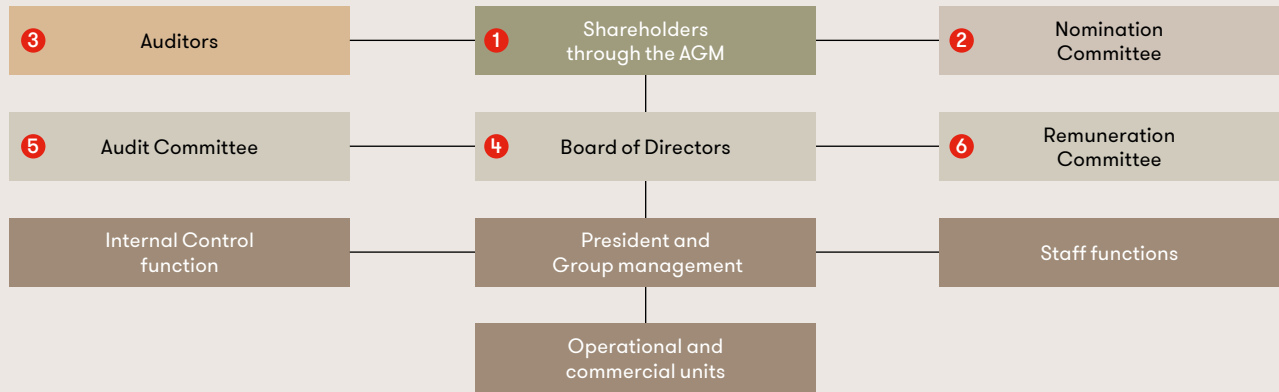
Nobia is a Swedish public limited liability company that is subject to the Swedish Companies Act, Nasdaq Stockholm's Rule Book for Issuers, the Swedish Corporate Governance Code and the company's Articles of Association. Shareholders exercise their influence at the general meeting of shareholders, which is Nobia's highest decision-making body. Nobia has one class of share with one share corresponding to one vote at general meetings. Additional information about the Nobia share and ownership structure can be found on pages 114-115. The AGM resolves on the Articles of Association and at the AGM, which is the annual scheduled general meeting, the shareholders elect Board members, the Board Chairman and auditors, and decide on their fees. Furthermore, the AGM resolves on the adoption of the income statement and the balance sheet, appropriation of the company's profit and discharge from liability for the Board members and President in relation to the company. The AGM also resolves on the composition and work of the Nomination Committee, and resolves on principles for remuneration and other employment conditions for the President and other senior executives.

## 2 Nomination committee

According to the instruction for Nobia's Nomination Committee adopted at the 2020 AGM, the members and Chairman of the Committee are to be elected at the AGM for the period until the conclusion of the following AGM.

The Nomination Committee shall comprise at least three but not more than four members representing the largest shareholders of the company. The Chairman of the Nomination Committee shall convene the first meeting of the Nomination Committee. The Nomination Committee is entitled to appoint an additional two co-opted members. Co-opted members shall assist the Nomination Committee in performing its duties but have no voting rights. The Chairman of the Board may be a member of the Nomination Committee only as a co-opted member.

In accordance with the Code, the Nomination Committee should be chaired by an owner representative. The instruction for the Nomination Committee adopted by the AGM also states that the Nomination Com-



**Key external regulatory frameworks:**

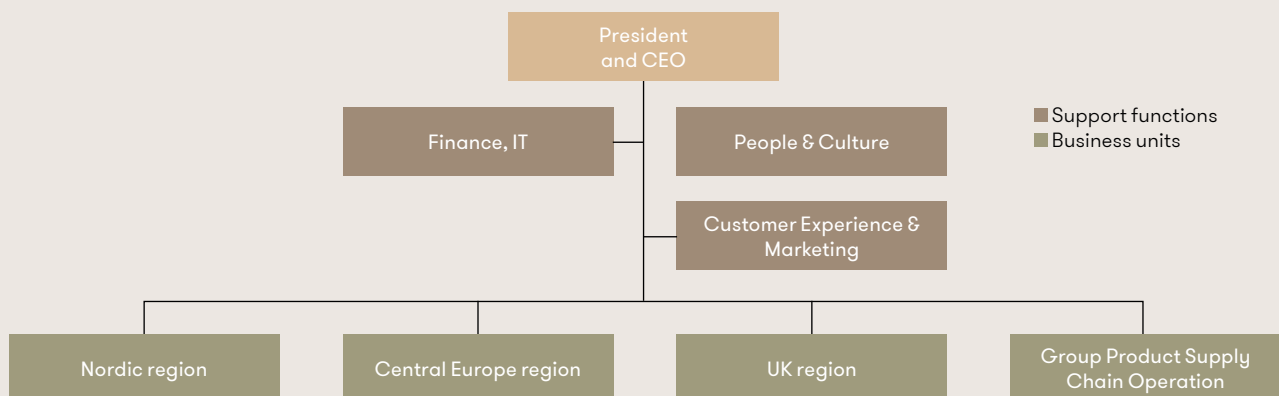
- Swedish Companies Act
- Annual Accounts Act and IFRS
- Nasdaq Stockholm’s Rule Book for Issuers
- Market Abuse Regulation (MAR)
- Swedish Corporate Governance Code
- Modern Slavery Act

**Examples of key internal regulatory frameworks:**

- Articles of Association
- The Board’s rules of procedure and instructions to the President
- Audit Committee’s rules of procedure
- Nobia’s Financial & Accounting Manual
- Risk Management Process
- Sustainability strategy
- Code of Conduct
- Supplier Code of Conduct
- Environmental and climate policy
- Policy for sustainable forestry
- Modern Slavery Statement

**Examples of voluntary commitments:**

- UN Sustainable Development Goals
- UN Global Compact initiative
- Science Based Target initiative
- Sustainability reporting according to the Global Reporting Initiative



mittee's tasks are to submit proposals on the election of the Board Chairman and other members of the Board of Directors, Directors' fees and any remuneration for committee work, election and remuneration of the auditor, election of the Chairman of the AGM and election of members of the Nomination Committee.

In performing its other duties, the Nomination Committee shall fulfil the requirements incumbent on the Committee in accordance with the Code. The Nomination Committee applied rule 4.1 of the Code to its work as its diversity policy.

In accordance with the resolution adopted at the 2020 AGM, the Nomination Committee comprised the following members prior to the 2021 AGM:

#### Nomination Committee ahead of the 2021 AGM

Name/representing	Share of votes 31 Dec 2020
Peter Hofvenstam (Chairman) representing Nordstjernan	24.9%
Ricard Wennerklint representing If Skadeförsäkring	10.7%
Mats Gustafsson representing Lannebo funds	4.4%
Arne Lööw representing Fourth Swedish National Pension Fund	7.4%
<b>Total</b>	<b>47.4%</b>

The members of the Nomination Committee represent approximately 47% of the shares and votes in the company. No remuneration is paid to the Committee members.

The Nomination Committee held four minuted meetings prior to the 2021 AGM. All members were present at these meetings.

The Nomination Committee's proposals prior to the 2021 AGM are incorporated in the notice of the AGM, which was published on Nobia's website on 25 March.

Shareholders are welcome to contact the Nomination Committee and submit proposals by post to: Nobia AB, Nomination Committee, Blekhölmsterassen 30 E7, SE-111 64 Stockholm, Sweden.

#### 3 Auditors

The AGM elects the auditor who examines the Annual Report, consolidated financial statements, the administration of the Board and President, the Annual Report and accounts of subsidiaries, and also submits an audit report.

Deloitte AB was re-elected as the company's auditor at the 2020 AGM for a mandate period of one year until the conclusion of the 2021 AGM. The Auditor-in-Charge is Authorised Public Accountant Daniel de Paula.

The Nomination Committee's proposals for auditing firm and Auditor-in-Charge prior to the 2021 AGM were presented in the notice of the AGM, which was published on Nobia's website on 25

## Nominations Committee activity 2020

Set out below are some of the key matters addressed by the committee.

#### Board and committee composition

- The Nomination Committee held interview and receives information from the Board Chairman and other Board members and the CEO about the work of the Board.
- Reviewed the composition of the Board to ensure maintenance of an appropriate balance of skills and diversity of experience to support the future growth strategy.
- Concluded that the number of women on the Board elected by the general meeting corresponding to 50%. The gender-distribution requirements of the Swedish Corporate Governance Code are thus deemed to be met.
- Reviewed the continued independence of each Board member, including consideration of their term in the Board and any potential conflicts of interest.
- Reviewed the time commitment required of each director, concluding that all non-executive directors continued to devote appropriate time to address their duties to Nobia.

#### Corporate governance and other matters

- Considered the requirements of the Board in the longer term.
- Considered and recommended based on the Audit Committee recommendation the re-election of Deloitte until next Annual General Meeting.
- Recommended the re-election of all directors at the Annual General Meeting.
- The Nomination Committee evaluates its instructions every year and presents proposals to the Annual General Meeting when necessary.
- Concluded that a majority of the members elected by the general meeting are independent in relation to Nobia and company management and in relation to Nobia's largest shareholders.

March. Nobia's purchases of services from Deloitte, in addition to audit assignments, are described in Note 6 on page 84.

#### **4 Board of directors**

The primary role of the Board is to lead the Group and to ensure its long-term success, taking into consideration the views and interests of not only our investors, but our other key stakeholders. The Board, led by the Chair, has responsibility for setting, and overseeing the implementation of, the Group's strategy, ensuring the implementation of an appropriate risk management framework and overseeing financial performance. Underpinning this are the values and culture defined by the Board and a strong corporate governance framework, designed to ensure ethical and sustainable performance.

In accordance with Nobia's Articles of Association, the Board is, to the extent appointed by the General Meeting, to comprise not fewer than three and not more than nine members, with not more than three deputy members. A maximum of one Board member elected by the AGM may work in company management or in the management of the company's subsidiaries. Furthermore, a majority of the Board members elected by the AGM are to be independent in relation to the company and company management.

The objective is for the Board to have an appropriate composition with respect to Nobia's operations, stage of development, strategy and other circumstances, and be characterised by diversity and

breadth in terms of the skills, experience and background of the Board members elected by the general meeting, and aim for a gender balance. The board is to approve any significant assignments the chief executive officer has outside the company

The 2020 AGM resolved that the elected Board was to comprise six members with no deputy members. The Board also includes members elected by the employees' organisations in accordance with the Swedish Board Representation (Private Sector Employees) Act.

Other executives in the company participate at Board meetings to make presentations and the Group's CFO has served as secretary to the Board for the entire year. During the year, the committee convened eleven times. All members were present at these meetings.

The annual evaluation of the Board of Directors' work, including the Board's committees (Audit Committee and Remuneration Committee) was conducted by the Chair of the Board, Nora Larssen. She evaluated the Board's working procedures, competence and composition, including the background, experience and diversity of Board members. Her findings were presented to the Nomination Committee. The Board continuously evaluates the performance of the President and CEO, Jon Sintorn and annually meet without management being present in order to evaluate the performance.

## Board activity 2020

The key matters considered by the Board during the year are set out below. In addition, each meeting includes a report from the Group CEO providing an operational update; a report from the Group CFO on the Group's financial performance; and a report on recent governance and regulatory matters.

### **Financial performance**

- Reviewed and approved the quarterly, half-yearly and full results and trading updates.
- Reviewed and approved the Nobia Group financial statements, ensuring they are fair, balanced and understandable.
- Considered dividend recommendations and declarations in light of the Group's stated dividend policy.
- Reviewed and approved the budget for 2021, considering assumptions made and the reasonableness of the plan and focusing on the operational overviews, cash flow management.

### **Strategy formulation and monitoring**

- A strategy review session, considering where Nobia is today, its strategic focus, options for future growth and detailed Divisional strategic initiatives, resulting in continued support for Nobia's strategic direction and confidence that Nobia's strategy is sustainable in the long-term.
- Discussed and implemented the simplification of Nobia's corporate structure, resulting in creating strong Commercial Regions and a separate Product & Supply Division to support the Commercial Regions.
- Considered and approved a number of capital expenditure projects, taking into consideration the interests of Nobia's key stakeholders.
- Concluded on the investment of a new factory in Jönköping
- Regular review of competitor and market analyses.

### **Operational performance**

- Reports from the Group CEO.
- Considered succession and talent management plans.
- Monitored the planning of a number of large capital projects, including the preparation for a new factory in Jönköping.

### **Governance and stakeholders**

- Regular reports from the chair of each committee and continuously kept its self updated of governance and regulatory developments.
- Evaluated the efficiency of the board work and concluded despite not being able to hold physical meetings and travel to different sites digital tools enabled an effective Board year.
- Had three meetings with the auditor without the presence of Group Management.
- Reviewed and approved the principal Group policies.
- Evaluated the Presidents work during 2020.

### **Risk management**

- Received regular risk reports from management and held a number of extra ordinary meetings to address risks associated with corona virus pandemic.
- Sustainability risks and opportunities including emerging risks were also considered as part of the integrated risk management process.
- Received updates on the status of the Group insurance program.

All board decisions were unanimous and no conflicting opinions were recorded on any issue decided during the year. Due to the Covid-19 outbreak in early 2020 several meetings had either indirectly or directly a connection on how this pandemic affected or could affect Nobia and what mitigation activities that could be taken proactively.

## 5 Audit committee

The committee's primary responsibility is to oversee the Group's corporate financial reporting, including the relationship with the external auditor, as well as Nobia's internal control and risk management framework and to assist the Board with any judgements and decision-making required in this regard. This remained the key focus of the committee during the year, with its activities being consistent with prior years and in line with its terms of reference. The Audit Committee is selected by the Board at the statutory Board meeting after the Annual General Meeting and until the statutory Board meeting the following year.

The work of the Audit Committee is directed by the Audit Committee Charter, which is reviewed and approved annually by the Board. The Chair of the committee has the accounting competence required by the Swedish Companies Act and both of the members are independent from the Company and its main shareholder.

The Audit Committee is also responsible for supporting the Nomination Committee in preparing proposals on the election of external auditors and auditor's fees.

The Audit Committee reports to the Board after every meeting. Minutes are taken at all Audit Committee meetings and these minutes are made available to all Board members and the auditors. During the year, the committee convened nine times. All members were present at these meetings.

A policy is in place that governs the provision of non-audit services provided by Deloitte to Nobia, differentiating between those services that are permissible and prohibited and including the requirements for the approval of permissible services. For all non-audit services, the business must submit a formal request setting out the objectives, scope of work, likely fee level and the rationale for requiring the work to be carried out by the Group's external auditor, as well as sufficient

information to allow an assessment of materiality. The committee monitors compliance with the policy, receiving reports annually summarizing the approved non-audit services. The Group's CFO, Head of Group Accounting & Business Control and the Head of Internal Control participated in the Audit Committee's meetings. In 2020, Marlene Forsell and Arja Taaveniku were elected as the Audit Committee.

## 6 Remuneration committee

The Board appoints a Remuneration Committee from within its ranks, which for the period from the 2020 AGM until the 2021 AGM comprised Nora Forisdal Larssen (Board Chairman), and Jan Svensson.

The Committee's task is to prepare proposals to the Board relating to the remuneration and employment terms for the President. The Committee also has the task of making decisions on the President's proposals regarding remuneration and other employment terms for the managers who report to the President. Furthermore, the Committee submits proposals to the AGM regarding principles for remuneration and other employment terms for senior executives and monitors and evaluates the ongoing schemes for variable remuneration to senior executives, and the schemes concluded during the year, and the implementation of the Annual General Meeting's decision on guidelines for remuneration to senior executives. The Committee held five meetings during the year. The Board of Directors resolved to deviate from the guidelines during 2020. Board member George Adams has been engaged on a consultancy basis and has received, in addition to his Board fee, compensation for his work-efforts. The background and reasons were that, in June 2020, the former EVP and Head of commercial region UK resigned from his position. Concurrently, the UK operations were subject to an ongoing strategic review and the coronavirus outbreak had a negative impact on Nobia in general and the UK operations in partic-

# Audit Committee activity 2020

Set out below are some of the key matters addressed by the committee.

## Financial reporting

Reviewed the integrity of all financial announcements with input provided by the Group CFO, Group Controller and Deloitte.

- Reviewed the Nobia Group financial statements for tone and consistency and considered whether the report as a whole was fair, balanced and understandable.
- Considered and agreed the accounting treatment applicable to the simplification of the Group's corporate structure.
- Reviewed and discussed Deloitte's reports to the committee.
- Reviewed accounting policies to be applied for the year ending 31 December 2020.
- Reviewed new accounting pronouncements and any potential impact for the Group's financial reporting.

## External audit matters

- Recommended to the Nomination Committee that the appointment of Deloitte for the 2021 audit be put to shareholders at the Annual General Meeting.
- Reviewed the independence, objectivity and effectiveness of Deloitte.
- Reviewed and approved the external audit plan, taking account of the scope, materiality and audit risks and agreeing the audit fees.
- Received a report of any non-audit services performed by Deloitte in order to monitor auditor independence.
- Reviewed and agreed the engagement and representation letters.
- Held two meetings with Deloitte without management present; the committee chair also engaged regularly with the lead audit partner.

## Risk management and internal controls

- Undertook a review of the Group's risk management policy, plan and tolerance levels and of the process to assess the risks. Emerging risks were also considered.
- Reviewed the effectiveness of the risk management and internal control systems.
- At each committee meeting undertook a more in-depth review of a number of the most significant Group risks.
- Received a presentations on IT risk management and cyber security.
- Received a presentation on Operational Supply Chain risk

## Internal Audit

- Nobia has a corporate governance function which includes internal audit activities primarily towards financial risks. External and internal resources may also be engaged in the context of certain special examinations.

## Governance

- Monitored and reviewed the implementation of the Group's Code of Conduct, as well as the supporting policy framework.
- Reviewed the legal and compliance risks faced by the Group.
- Reviewed the committee's terms of reference, performance and work programme.
- Reviewed reports received via Nobia's confidential reporting hotline, Speakup.

ular. To support the UK operations in these unforeseen and extraordinary challenging times, the Board considered different options and decided that it would be in the best interest of the company to engage Board member George Adams, who had significant operational and commercial experience, temporarily on a consultancy basis. During his short consultancy assignment, George Adams received market-based remuneration. The EVP and business area manager for the UK who left Nobia in June 2020 received compensation in excess of 12 monthly salaries, the reason for the deviation from the compensation guidelines was that the individual had a fixed-term contract that Nobia was forced to renegotiate. The Board considers the deviation to be acceptable as this was part of the strategic and long-term change in Nobia's operations in the United Kingdom.

#### Remuneration to senior executives

The members of Group management receive both fixed and variable remuneration. The fundamental principle is that the variable salary portion may amount to a maximum of 40% of fixed annual salary. The exception to this principle is the President, whose variable salary portion may amount to a maximum of 65% of fixed annual salary. Exceptions may also be made for other senior executives following a resolution by the Board. The variable salary portion is normally divided between several targets, for example, the Group's earnings, earnings in the business unit for which the manager is responsible and individual/quantitative targets. The variable portion is based on an earning period of one year. The targets for the President are determined by the Board. The targets for the other senior executives are established by the President following recommendations by the Board's Remuneration Committee.

Nobia has implemented long-term share-based remuneration plans since 2005, following decisions by each year's AGM. The Performance Share Plans are described in more detail in the Financial overview of the Board of Directors' Report on pages 46-51. The remuneration and benefits of senior executives are described in Note 4 on pages 79-80.

#### Group management

The CEO is responsible for the business development of the company and leads and coordinates the daily operations according to the Board's instructions for the CEO and other decisions made by the Board. Group management comprised eight individuals at the end of 2020. For further information about Group management, refer to pages 108-109. Group management holds regular meetings according to a fixed schedule. These meetings monitor strategic and operational progress, major change programmes, risks and other strategic issues of significance for the Group as a whole. In addition, the President and the CFO meet the management team of each commercial business unit several times per year at local management team meetings.

#### Sustainability governance

Sustainability is an integrated part of our operations and is pursued at various levels, from the Board's approval of Group-wide policies and principles to operational reviews, risk assessment and goal-oriented work in our business units. Sustainability is to permeate the

company's entire business and all employees have a responsibility to contribute to Nobia's sustainability agenda. One of the principle tasks of Nobia's board of directors include identifying how sustainability issues impact risks to and business opportunities for Nobia, consequently have sustainability been integrated in the Strategy and Enterprise Risk Management processes. Nobia's engagement and commitment have been implemented in frameworks and work processes. Read more on pages 50-58.

#### Auditors

Deloitte AB was re-elected as the company's auditor at the 2020 AGM for a mandate period of one year until the conclusion of the 2021 AGM. The Auditor-in-Charge is Authorised Public Accountant Daniel de Paula. The Nomination Committee's proposals for auditing firm and Auditor-in-Charge prior to the 2021 AGM were presented in the notice of the AGM, which was published on Nobia's website on 25 March. The interaction of the auditors with the Board is described above. Nobia's purchases of services from Deloitte, in addition to audit assignments, are described in Note 6 on page 84.

#### Auditor's Report on the corporate governance statement

To the general meeting of the shareholders in Nobia AB (publ), corporate identity number 556528-2752.

#### Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the financial year 2020 on pages 102-107 and that it has been prepared in accordance with the Annual Accounts Act.

#### The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our 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 examination has provided us with sufficient basis for our opinions.

#### Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm April 6, 2021  
Deloitte AB

Daniel de Paula  
Authorized Public Accountant

## Internal control over financial reporting

**The Board's responsibility for internal governance and control is regulated in the Swedish Companies Act, the Annual Accounts Act and the Swedish Corporate Governance Code. The Annual Accounts Act requires that the company, each year, describes its system for internal control and risk management with respect to financial reporting.**

Nobia's internal control process for financial reporting has been developed to ensure accurate and reliable financial reporting and preparation of financial statements in accordance with applicable laws and regulations, generally accepted accounting principles and other requirements for listed companies.

The internal control process is based on a control framework that creates structure for the other five components of the process – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The five components of this framework are Control environment, Risk assessment, Control activities, Monitor and improve, and Inform and communicate.

### Control environment

The Board of Directors is responsible for maintaining effective internal control and has therefore established fundamental documents of significance for financial reporting. These documents include the Board of Directors' rules of procedure and instructions to the CEO, the Code of Conduct, financial policy and an accounting manual. All units in the Group apply uniform accounting and reporting instructions. Internal control guidelines have been established and are reviewed annually for all operating companies. These Group-wide guidelines have a relatively broad scope and concern various processes such as ordering, sourcing, financial statements, plant management, compliance with various policies, legal matters, and HR matters. The Code of Conduct is regularly reviewed and updated, and compliance is monitored systematically in operations.

### Risk assessment

The primary risk associated with the financial reporting is the risk that material errors may be made when reporting the company's financial position and earnings. Risk assessment includes identifying risks of not fulfilling the fundamental criteria, i.e., completeness, accuracy, valuation and reporting for significant accounts in the financial reporting for the Group and at regional and local levels, as well as risk of loss or misappropriation of assets and liabilities. Nobia has a standardised process for performing a risk-based evaluation of its financial risks. To minimise this risk, control documents

have been established pertaining to accounting, procedures for annual accounts and follow-up of reported annual accounts.

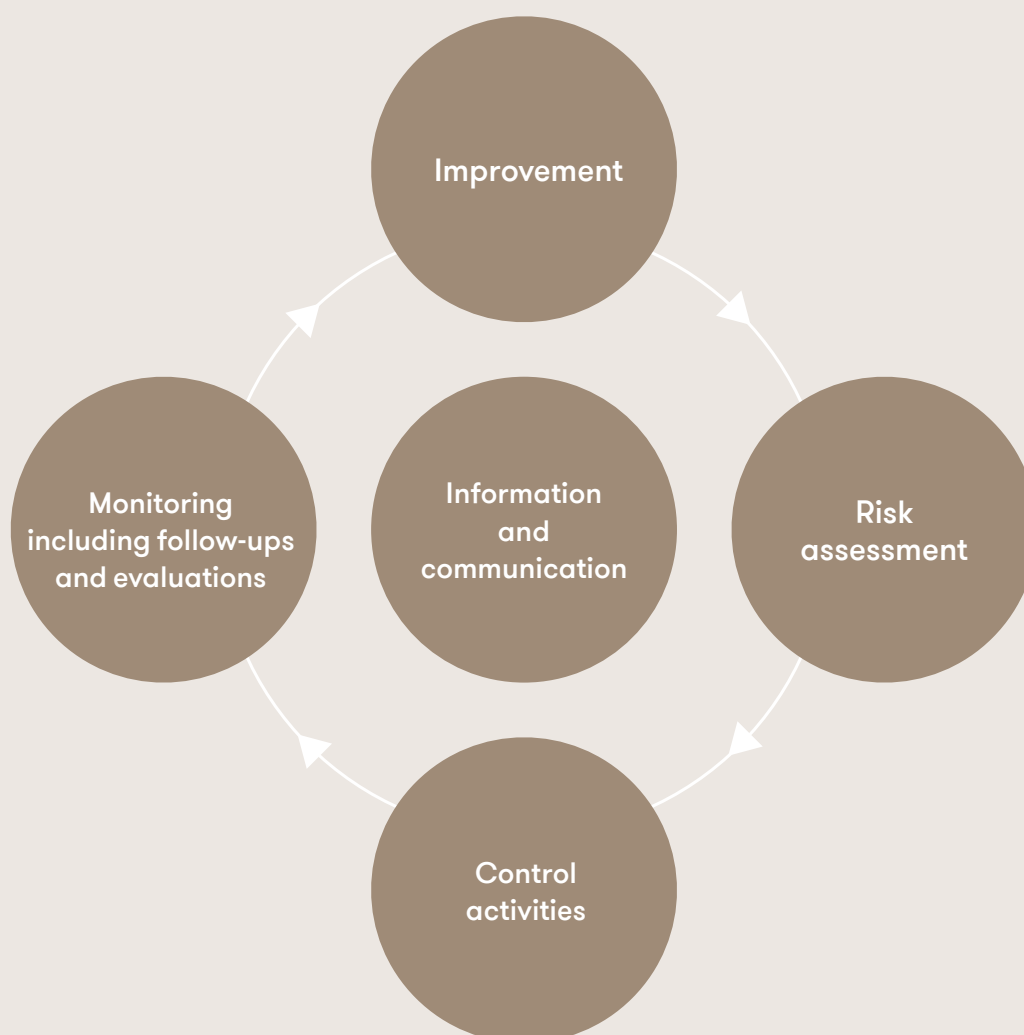
### Control activities

The Group Function Finance is responsible for ensuring complete, accurate and timely financial reporting, including compliance with instructions and guidelines. Regional and local Chief Financial Officers are responsible for ensuring that financial reporting from each unit is correct, complete and delivered in a timely manner. In addition, each business unit has head of accounting with responsibility for the individual business unit's financial statements. The company's control activities are assessed based on, for example, approved budgets prepared by the individual business units and updated during the year with continuous forecasts. Nobia has a standardised system of control measures involving processes that are significant to the company's financial reporting. The controls are adapted to the operational process and system structure of each unit. Accordingly, each unit prepares a record of the actual controls to be carried out in the unit in question.

### Monitor and improve

Significant instructions and guidelines related to financial reporting are prepared and updated regularly by the Group Function Finance and are available on the Group's intranet. All business units report their financial results monthly in accordance with the Group's accounting policies. This reporting serves as the basis for quarterly reports and a monthly operating review. Operating reviews form the basis of a structure in which sales, earnings, cash flow, capital employed and other important key figures and trends for the Group are compiled and are used for analysis and actions by management and controllers at different levels. Financial reviews take place quarterly at regional management meetings, monthly in the form of performance reviews and through more informal analysis. Other important Group-wide components of internal control comprise the annual business planning process and regular forecasts. Control of these processes is assessed through self-evaluation, some of these questions relates to bribery. Controls that have failed must be addressed, which means establishing and implementing actions to correct weaknesses. In addition, independent testing of selected controls is conducted by the Group Internal Control function. In some cases, Nobia has enlisted external help to validate these controls. Financial results are reported and examined regularly within the management teams of the operating units and communicated to Nobia's management at monthly and quarterly meetings. Information on the status and where the internal control process can be enhanced is





periodically provided to Group management, the Audit Board and the Audit Committee by the Head of Internal Control.

#### Financial reporting to the Board

The Board's rules of procedure stipulate which reports and information of a financial nature are to be submitted to the Board at each scheduled meeting. The CEO, together with the Chairman, ensures that the Board receives the reports required to enable the Board to continuously assess the company's and Group's financial position. Detailed instructions specifically outline the types of reports that the Board is to receive at each meeting.

#### External financial reporting

The quality of external financial reporting is guaranteed via a number of actions and procedures. Nobia's CEO is responsible for ensuring that all information issued, such as press releases with financial content, presentation material for meetings with the media, owners and financial institutions, is correct and of a high quality. The responsibilities of the company's auditors include reviewing accounting issues that are critical for the financial reporting and reporting

their observations to the Audit Committee and the Board of Directors. In addition to the audit of the annual accounts, a review of the report for the third quarter and of the company's administration is carried out.

inform and communicate

The company has information and communication channels designed to ensure that information is identified, captured and communicated in a form and time frame that enable managers and other employees to carry out their responsibilities, and contributes to ensuring that the correct business decisions are made. Guidelines for financial reporting are communicated to employees, for example, by ensuring that all manuals, policies and codes are published and accessible through the Group-wide intranet as well as information related to the internal control process. To inform and communicate is a central element of the internal control process and is performed continuously throughout the year. Management, process owners and control operators in general are responsible for informing and communicating the results within the internal control process. Outcomes are reported and regularly discussed at Audit Committee meetings.



## Board of Directors



**Nora Førisdal Larssen**  
Chairman of the Board

**Year elected** 2011

**Born** 1965

**Nationality** Norwegian

**Education**

B.Sc. Economics, MBA.

**Other assignments**

Senior Investment Manager at Nordstjernen. Board member of Disruptive Materials, chairman of Etac and Emma S.

**Work experience**

Product Line manager at Electrolux and partner at McKinsey & Co.



**George Adams**  
Board member

**Year elected** 2017

**Born** 1956

**Nationality** British

**Education**

Politics, Philosophy & Economics, Oxford University

**Other assignments**

Chairman of FX Tools. Board member of ScS.

**Work experience**

Senior positions at Kingfisher. President of the European DIY Retailers Association (EDRA).



**Marlene Forsell**  
Board member

**Year elected** 2019

**Born** 1976

**Nationality** Swedish

**Education**

B.Sc. Business Administration  
Stockholm School of Economics

**Other assignments**

Board member of Kambi Group, Lime Technologies, AddSecure and Index Pharmaceuticals.

**Work experience**

CFO of Swedish Match 2013 – 2018 and before that several leading positions in finance at the same company.



**Jan Svensson**  
Board member

**Year elected** 2020

**Born** 1956

**Nationality** Swedish

**Education**

B.Sc. Business Administration  
Stockholm School of Economics

**Other assignments**

Chairman of Tomra Systems ASA and Fagerhult. Board member of ASSA ABLOY, Billerud-Korsnäs, Loomis, Climeon, Stena Metall and Herenco.

**Work experience**

CEO and Board member of Investment AB Latour 2003 – 2019.



**Arja Taaveniku**  
Board member

**Year elected** 2020

**Born** 1968

**Nationality** Swedish

**Education**

Executive MBA, Stockholm School of Economics

**Other assignments**

Board member of Handelsbanken, Mekonomen and Dunelm Plc. Chairman of Svenska Handelsfastigheter

**Work experience**

Among others, Chief Offer and Supply Chain Officer at Kingfisher Plc 2015 - 2018, CEO Ikano Group 2012-2015 and Business Area Director, IKEA Kitchen & Dining 2009 – 2012.



**Carsten Rasmussen**  
Board member

**Year elected** 2020

**Born** 1972

**Nationality** Danish

**Education**

Master of Logistics from Aarhus University

**Other assignments**

Chairman of LEGO System A/S.

**Work experience**

COO of LEGO Group since 2017, where he has been employed since 2001. Previous experience including positions at Scan Choco A/S 1997 – 2001.

**Hans Eckerström**, Chairman, attended six meetings and one Remuneration Committee meeting, left the Board on 5 May 2020. Total remuneration 2020: SEK 400,000.

**Jill Little**, Board member, attended six meetings, left the Board on 5 May 2020. Total remuneration 2020: SEK 140,000.

**Stefan Jacobsson**, Board member, attended six meetings, left the Board on 5 May 2020. Total remuneration 2020: SEK 140,000.

**Auditors Deloitte AB**

Auditor-in-charge Daniel de Paula, Authorised Public Accountant  
Other audit assignments: Permobil and BAE Häggglunds.



**Per Bergström**  
Employee representative

**Year elected** 2000

**Born** 1960

**Nationality** Swedish

**Education** –

**Other assignments**

Board member of Tidaholms Energi, Elnät, Bredband Östra Skaraborg and Nobia Production Sweden.

**Work experience**

Various roles within production, Nobia Production Sweden.



**Susanne Levinsson**  
Employee representative, deputy

**Year elected** 2017

**Born** 1973

**Nationality** Swedish

**Education**

High school diploma.

**Other assignments** –

**Work experience**

Various roles within production, Nobia Production Sweden.



**Terese Asthede**  
Employee representative

**Year elected** 2013

**Born** 1971

**Nationality** Swedish

**Education**

Post-secondary education, logistics

**Other assignments** –

**Work experience**

Various positions within sales and project management, Nobia.



**Mats Karlsson**  
Employee representative, deputy

**Year elected** 2019

**Born** 1976

**Nationality** Swedish

**Education**

Master of Politics. Business analyst

**Other assignments** –

**Work experience**

Managerial roles within sourcing, Nobia Production Sweden.

## Board of Directors 2020

Assignment	Independent	Own and related parties' shareholdings	Shares in related companies	Board of Directors' meetings, 13 meetings	Audit Committee, 9 meetings	Remuneration Committee, 4 meetings	Remuneration 2020, SEK	Of which Board, SEK	Of which Committee, SEK
<b>Nora Førisdal Larssen,</b> Chairman of the Board	No	5,000	–	13	3	4	940,000	907,000	33,000
<b>George Adams,</b> Board member	Yes	–	–	13	–	–	793,000 <sup>1)</sup>	410,000	–
<b>Marlene Forsell,</b> Board member	Yes	5,500	–	13	9	–	560,000	410,000	150,000
<b>Jan Svensson,</b> Board member	Yes	20,000	–	7	–	3	270,000	270,000	–
<b>Arja Taaveniku,</b> Board member	Yes	–	–	7	6	–	360,000	277,000	83,000
<b>Carsten Rasmussen,</b> Board member	Yes	–	–	7	–	–	270,000	–	–
<b>Per Bergström,</b> Employee representative	–	–	–	13	–	–	–	–	–
<b>Susanne Levinsson,</b> Employee representative, deputy	–	–	–	13	–	–	–	–	–
<b>Terese Asthede,</b> Employee representative	–	–	–	13	–	–	–	–	–
<b>Mats Karlsson,</b> Employee representative, deputy	–	–	–	13	–	–	–	–	–

<sup>1)</sup> George Adams was compensated SEK 383,000 for management support services in the UK during April, May and June 2020. See page 106.

## Group management



**Jon Sintorn**  
President and CEO

**Born** 1966

**Employed** 2019

**Previous positions**

President and CEO of Permobil. Global head of Cooling, DeLaval. Various positions at ABB.

**Holding in Nobia**

1,791,120 call options.



**Kristoffer Ljungfelt**  
Chief Financial Officer (CFO)

**Born** 1977

**Employed** 2013

**Previous positions**

CFO Nordic region in Nobia. Finance Director in Nobia Norway and Business Area Director in Sigdal Kjøkken. Various positions at Electrolux.

**Holding in Nobia**

28,179 shares (private and occupational pension). 145,560 call options.



**Ola Carlsson**  
EVP Chief Product Supply Officer

**Born** 1965

**Employed** 2017

**Previous positions**

Group Vice President Global Operations at Munters and Chief Operations Officer at Electrolux Small Appliances.

**Holding in Nobia**

33,894 shares.



**Cecilia Forzelius**  
EVP People & Culture

**Born** 1975

**Employed** 2020

**Previous positions**

Chief People Officer and HR Director Northern Europe, Transcom. Various management positions at Skandia and Telia.

**Holding in Nobia**

-



**Ole Dalsbø**  
EVP Commercial Region North (Nordic region)

**Born** 1966

**Employed** 2004

**Previous positions**

Leading positions at Nobia Norway, Norema and Sigdal Kjøkken.

**Holding in Nobia**

26,298 shares.



**Sara Björk**  
Chief Information Officer (CIO)

**Born** 1973

**Employed** 2020

**Previous positions**

Head of IT for H&M Group's IT division for design, sourcing and production.

**Holding in Nobia**

-



**Dan Carr**  
EVP Commercial Region West (UK region)

**Born** 1975

**Employed** 2005

**Previous positions**

CFO UK Region, Nobia

**Holding in Nobia**

4,377 shares.



**Dan Josefsberg**  
EVP, Marketing, Customer Experience and Communication

**Born** 1973

**Employed** 2019

**Previous positions**

Managing Partner of PwC Experience Center and Pond.

**Holding in Nobia**

23,712 shares (through companies).



