

# Corporate governance

This corporate governance report is part of the directors' report.

## Corporate governance in Opus Group AB 2018

Corporate governance in Opus is based on both external and internal instruments of control.

### External instruments of control

External instruments of control include Swedish legislation (in particular, the Swedish Companies Act), the Swedish Corporate Governance Code ("the Code"), and the Stockholm Nasdaq listing requirements as specified in "Rule Book for Issuers".

### Swedish Corporate Governance Code

Opus Group AB's shares have been listed for trade on Nasdaq Stockholm since July 2, 2013 and the Company has applied the Code from this date. Under the principle of "comply or explain", it is possible for the Company to deviate from the Code and choose other solutions deemed to better respond to the circumstances of the individual case, provided that the Company openly reports each such deviation, describes the chosen solution, and states the reason for this.

### Internal instruments of control

The most important internal instrument of control is the Articles of Association adopted by the Annual General Meeting, followed by the Board's rules of procedure and the Board's instructions to the CEO. In addition, the Board has established a number of policies, guidelines and instructions with binding rules for the entire Group. All policies are reviewed annually.

### Annual General Meeting

The shareholders' right to decide on the company's affairs is exercised at the Annual General Meeting, or, where appropriate, at Extraordinary General Meetings, which is Opus' highest decision-making body.

The Annual General Meeting is usually held in Gothenburg in May. The Meeting appoints the members and the Chairman of the Board, elects the auditor, decides whether to approve the parent company's and the consolidated income statement and balance sheet, decides on the distribution of company profits, decides whether to discharge the Board members and CEO from liability, and decides on director remuneration and auditor fees, etc.

Notice of the Annual General Meeting and of any Extraordinary General Meeting at which amendments to the Articles of Association will be addressed must be given no earlier than six and no later than four weeks before the Meeting. Notice of any other Extraordinary General Meeting must be given no earlier than six and no later than two weeks before the Meeting.

Notice of the General Meeting will be published in the notification medium Post- och Inrikes Tidningar and on the company's website. Indication that notice has been given will be published in the financial newspaper Dagens Industri.

### 2018 Annual General Meeting

The last Annual General Meeting was held at Elite Park Avenue Hotel, Kungsporsavenyn 36 in Gothenburg on May 17, 2018. 89 shareholders and proxies were in attendance. These owners represented 75,922,561 shares, equal to 26 percent of the number of shares and votes in the Company. The Annual General Meeting adopted the financial statements for 2017 and discharged the Board and CEO from liability for 2017 management.

The following decisions were made at the Annual General Meeting on May 17, 2018:

- The decision was made for a dividend of SEK 0.05 per share.
- Re-election of board members: Katarina Bonde (Chairman), Anne-Lie Lind, Friedrich Hecker, Ödgård Andersson and Magnus Greko.
- Election of Håkan Erixon and Jimmy Tillotson as Board members. Anders Lönnqvist chose to decline re-election.
- Re-election of authorized public accounting firm KPMG AB as auditor, with authorized public accountant Jan Malm as the main responsible auditor.
- The Nomination Committee's proposed principles for appointment of the Nomination Committee were approved.
- Remuneration to executive officers were adopted in accordance with the Board's proposal for guidelines.
- The Annual General Meeting resolved that remuneration to the Board, the Audit Committee and the auditor shall be paid in accordance with the Nomination Committee's proposal.
- The Annual General Meeting resolved, in accordance with the Board's proposal, to introduce an incentive program (Option Program 2018) aimed primarily at executive officers within the company and its subsidiaries. This option program means that the company, deviating from shareholders' preferential rights, will issue a maximum of 6,000,000 options to the wholly-owned subsidiary Opus Services Sweden AB, entitling holders to subscribe for a maximum of 6,000,000 shares in the company with the right and obligation for Opus Services Sweden AB to manage the subscription rights in accordance with Option Program 2018.
- For the period up until the next AGM, the Board was authorized, in accordance with the Board's proposal, to decide on the acquisition of own shares on one or more occasions for up to 10 percent of the existing share capital. The Board was also authorized to decide on the transfer of the own shares held by the Company at the time of the Board's decision to transfer.
- For the time period up until the next AGM, the Board was authorized, in accordance with the Board's proposal, to decide on the issue of new shares and/or warrants and/or convertibles of up to 10 percent of the share capital, with or without deviation from shareholders' preferential rights. The issue may be conducted as a cash issue, non-cash issue or offset issue. The issue may only be conducted at market price. Deviation from the shareholders' preferential rights is only permissible in connection with company acquisition or in connection with new contracts or start-up of new business areas that require extensive investments.

The full minutes from the 2018 Annual General Meeting are available at [www.opus.global](http://www.opus.global).

## 2019 Annual General Meeting

The 2019 Annual General Meeting of Opus will be held on Thursday, May 16, 2019 at Elite Park Avenue Hotel, Kungssportsavenyn 36, Gothenburg, Sweden. For information on the Annual General Meeting, see page 33.

## Nomination committee

Opus' nomination committee is tasked with submitting proposals to the AGM regarding the number of Board members to be elected by the meeting, Board and auditor remuneration, any remuneration for committee work, the composition of the Board, Chairman of the Board, chairman of the AGM, decisions on election nominations and selection of auditors.

The nomination committee shall consist of at least five members and is appointed after the Chairman of the Board has identified the number of votes held by the four largest shareholders in Opus Group AB. The identification shall be based on the share register and nominee list administrated by Euroclear Sweden AB, and shall refer to those registered in their own name or as part of an ownership group as of September 30.

The Chairman of the Board shall then, as soon as reasonably possible and in an appropriate manner, contact the four identified shareholders and request that they, in writing and within a reasonable amount of time (which shall not exceed 30 days), name the person that the shareholder would like to appoint as a member of the nomination committee.

The composition of the nomination committee for the 2019 Annual General Meeting is presented in the table below. The nomination committee has met four times in preparation for the 2019 Annual General Meeting. No remuneration has been paid for work in the nomination committee. As, according to the Code, the CEO of the company must not be a member of the nomination committee Lothar Geilen has appointed Henrik Wagner Jørgensen as a member of the nomination committee.

### Composition of the nomination committee

Name	Representing	Percentage of votes as of September 30, 2018
Petteri Soininen (Chairman)	RWC	19.9%
Jörgen Hentschel	AB Kommandoran	13.4%
Henrik Wagner Jørgensen	Lothar Geilen	6.8%
Martin Jonasson	Andra AP-fonden	6.4%
Katarina Bonde	As chairman of the board at Opus	0.0%
<b>Share of voting rights for all shares in the company</b>		<b>46.5%</b>

## The Board and its work

The Board of Directors at Opus, according to the company's Articles of Association, shall consist of at least five and no more than nine members, with no deputies. In 2018, the Board of Directors at Opus consisted of seven members, with no deputies. Board members are appointed for maximum one year at a time. The Company's CEO is not a member of the Board. According to the Code, a majority of the elected board members must be independent of the company and its management. Board member Magnus Greko was CEO of Opus until April 2017 and is now Vice President Strategic Business Development as well as a member of Group Management and therefore cannot be considered independent of the Company and Company management in accordance with the Code. Magnus Greko is also a board member of AB Kommandoran, which owns more than 10% of the shares in Opus, and therefore, according to the Code, cannot be regarded as independent of the Company's major shareholders. Other Board members are independent of the Company, its management, and its major shareholders.

Board responsibilities include being responsible for the company's organization and management of the company's affairs, ensuring that the company's organization is structured so that the accounting, cash management and the company's financial condition in general can be controlled in a satisfactory manner and that it is continuously possible to assess the financial situation of the company and the Group. The Board is accountable to shareholders for the organization and management of the company.

The Board shall establish rules of procedure for the Board and instructions to the CEO. The Board also decides on changes to the adopted rules of procedure for the Board and the instructions to the CEO.

In 2018, the Board addressed issues related to various investments, operations, financing, a new operative organization, sustainability, and other routine accounting and corporate law issues. According to the current rules of procedure, after the post-election meeting following the Annual General Meeting, the Board shall meet on at least five scheduled occasions during the financial year.

In 2018, the Board met 16 times, including the post-election meeting.

### Board meeting attendance 2018

Board Member	Number of meetings
Katarina Bonde (Chairman)	16
Anders Lönnqvist (resigned May 17, 2018)	8
Anne-Lie Lind	14
Friedrich Hecker	16
Ödgård Andersson	16
Magnus Greko	16
Håkan Erixon (elected May 17, 2018)	8
Jimmy Tillotson (elected May 17, 2018)	8

*Evaluation of the Board's work*

The Chairman of the Board is responsible for evaluating the work of the Board. In 2018, an external consultant, commissioned by the chairman, conducted extensive surveys with the members. The result has been presented by the external consultant to the Board and the Nomination Committee and discussed in those groups. The evaluation has focused on the work of the board in general and on the efforts of individual members, including the chairman and the CEO.

*Board committees*

The Board has established two committees - the HR-committee (previously known as the remuneration committee) and the Audit committee.

*HR-committee*

The HR-committee shall prepare matters related to remuneration and other employment terms for the company CEO and executive officers. It consists of Katarina Bonde (chairman) and Friedrich Hecker. The HR-committee's tasks include in particular preparing issues related to remuneration principles and other terms of employment for company management before the Board makes a decision, and following and evaluating ongoing and completed programs for variable remuneration to company management.

The committee shall also monitor and evaluate application of the guidelines for remuneration to executive officers that the Annual General Meeting, by law, shall decide on, as well as the remuneration structures and remuneration levels in force at the company.

The HR-committee held four meetings in 2018, discussing remuneration issues, talent management and issues relating to how the company should attract new staff.

*Audit committee*

The audit committee shall be responsible for preparing the Board's work with quality assurance of the company's financial reporting, internal control, and risk management. In addition, the audit committee shall stay abreast of information related to auditing of the annual report and the consolidated financial statements, meet with the company auditor on a regular basis, examine the auditor's impartiality, evaluate the audit work, assist, and provide recommendations to the nomination committee in determining who to propose as auditor and remuneration to said auditor. Opus' audit committee consists of Håkan Erixon (chairman), Anne-Lie Lind and Ödgård Andersson.

The committee met five times during the year, with the auditors participating in four of these meetings. The auditors have also participated in one Board meeting to present their review. Issues related to the annual and quarterly financial statements, the auditors' review, changes to IFRS, impairment test of goodwill and internal control were discussed during the year. A total of SEK 216,000 was paid for work in the audit committee in relation to 2018.

*Diversity policy*

Opus, the nomination committee and the Annual General Meeting will promote diversity at the appointment of board members. Differences, equality and diversity are not an end in itself. It is the ability to take advantage of different experiences and skills that make diversity a success factor for sustainable improvement of profitability and make Opus remain an attractive employer.

All members, regardless of ethnicity, gender, religion or belief, age, sexual orientation or disability shall have equal opportunities when it comes to selection and appointment. Work conditions and other conditions shall be designed in such a way that they promote equal opportunities and make it easier for all board members to strike a good balance between work, personal life and parenthood. Laws and contracts are the minimum levels for equality and diversity work in Opus.

In terms of the Board's composition, the Company has applied what is stated in section 4.1 of the Corporate Governance Code as the diversity policy as well as the relevant objectives of it. This has resulted in the nomination committee's proposal to the Annual General Meeting regarding election to the Board.

**Auditors**

One or two auditors, with or without deputy auditors, are appointed each year at the Annual General Meeting for the purposes of reviewing the company's annual report and financial statements, and the management work of the Board and the CEO.

At the 2018 Annual General Meeting, KPMG AB was chosen as Opus' external auditors until the 2019 Annual General Meeting. Jan Malm was appointed head auditor. The auditors report to the audit committee, and meet with the company Board without the presence of the CEO or any other member of company management on at least one occasion per year. The auditor shall be paid regularly during their mandate period after receipt of an approved invoice. For more information on audit fees, see Note 4.

**CEO**

Lothar Geilen has been the CEO since April 1, 2017. The CEO is responsible to the Board and shall manage and develop the company. The CEO is responsible for the daily management of the company's affairs and shall make the decisions required for the development of operations within the limitations set by the Swedish Companies Act; the business plan, budget and instructions to the CEO adopted by the Board; as well as any other guidelines and instructions provided by the Board. The CEO shall take the measures necessary to ensure that the company's accounting is in full compliance with the law, and that financial management is handled in a satisfactory manner. The CEO and the Board of Directors of Opus have drawn up instructions regarding the CEO's work tasks and reporting duties.

The instructions to the CEO are defined annually at the board meeting immediately following the Annual General Meeting.

*Executive Vice President*

The Executive Vice President is Linus Brandt, who also serves as CFO of Opus. The instructions to the CEO also apply to the Executive Vice President in instances when he is serving as acting CEO.

### Guidelines for remuneration to executive officers

The Annual General Meeting 2018 decided on the following guidelines for remuneration to executive officers. The basic principle is that remuneration and other terms of employment for senior executives shall be market based and competitive in every market where Opus operates, so that competent and proficient employees can be attracted, motivated and retained. Individual compensation levels are based on experience, competence, responsibility and performance.

Remuneration consists of a fixed and variable component. The fixed part consists of salaries, pension contributions and other benefits such as car benefits.

The variable component refers to bonus. The variable component shall be based on earnings performance or other predefined measurable goals. The variable component shall in principle be limited and not exceed 30 percent of the fixed remuneration.

Pension terms shall be consistent with prevailing market rates, and as a rule shall be premium based. The pension terms of company management are in line with other employees within the Group. The company pays premiums for occupational pension insurance for other executive officers at agreed amounts or according to local agreements in Sweden. The CEO is entitled to severance pay of 12 months' salary in the event of termination of employment by the company. No severance pay shall be paid to other executive officers. Other executive officers have at most a twelve-month notice period.

Issues related to remuneration to company management shall be addressed by the HR-committee, and reported to and decided on by the Board. The Board is entitled to deviate from the guidelines if special circumstances exist. Prior to the Annual General Meeting 2019, no changes are proposed to the principles for remuneration and other employment conditions of the company management.

For further information regarding remuneration to Group management, see Note 5.

### Incentive program

Opus' Board of Directors is of the opinion that incentive programs benefits both the employees eligible for the incentive program and the company shareholders, and that it contributes to Opus' ability to recruit and retain skilled employees since it gives employees the opportunity to take advantage of the company's growth in value, maintains confidence in the company, and increases the value of the share. Incentive programs are also expected to increase the commitment and motivation of program participants, and help form a closer tie between those eligible for the program and Opus.

Opus has two outstanding option programs for executive officers and other employees of the company. The dilution effect of outstanding option programs, if fully exercised, would not exceed a maximum of 11,500,000 shares or 4.0 percent of the share capital and voting rights.

For more information on the option program, see Note 5.

### Internal control

The Board's responsibility for internal control is regulated in the Swedish Companies Act and in the Code, which contains requirements for annual external communication of information on how internal control related to financial reporting is organized. Opus' internal controls are designed to provide reasonable assurance that the company's assets are protected, and that the financial reporting is reliable in accordance with generally accepted accounting principles, laws, and ordinances. The Board of Directors and CEO have overall responsibility for internal control in relation to financial reporting. The Board has adopted written rules of procedure that, among other things, establishes procedures for the Board's work and for its control of the management of company affairs, and that defines the distribution of tasks and responsibilities between the Board and the CEO, and between the Board and its committees.

The Board has also appointed an audit committee, whose responsibilities include overseeing the financial reporting, the internal control and the external audit. Opus has adopted guidelines and procedures relating to financial reporting, a finance policy, and an accounting manual that includes accounting principles, reporting procedures, and more. Through set authorization principles, levels and rules for approval of transactions within the company and with external parties have been defined.

The audit committee and the Board also engage in discussions with the external auditor for purposes such as uncovering deficiencies in the financial reporting and/or the internal control.

The Board has evaluated the need for internal audit and made the assessment that there is no need for such. The question of setting up a special internal audit function is tested annually.

### Financial reporting and follow-up

In accordance with applicable law and stock exchange rules, as well as other regulations applicable at the respective time, Opus strives to regularly provide accurate, reliable, and current financial information. The financial information is published regularly in the form of quarterly reports, annual reports, and press releases containing news and significant events that could affect the share price.

Each month, the various segments of the Group create a report presenting the development in the Group and submits it to Group management. The report includes an income statement report with comments on the monthly results and on the aggregated results, and a comparison against budget and the corresponding period of the previous year. A monthly report to the Board is prepared by the company's CFO, who is also ultimately responsible for consolidation of the monthly reports.