

# Norva24 Group AB Corporate Governance Report 2021





# Corporate governance report

Norva24 strives to apply strict standards and effective corporate governance processes to ensure that the operations generate long-term value for shareholders and other stakeholders. This includes maintaining an efficient organisational structure, processes for internal control and risk management, and transparent internal and external reporting.

There is only one class of shares in Norva24. The share register of Norva24 is maintained by Euroclear Sweden AB. On 31 December 2021, Norva24 had 2,587 shareholders according to the share register. The largest shareholder on that date was Valedo Partners, with 33 percent of the shares and votes in Norva24. At the extraordinary general meeting held on 30 June 2021, it was resolved to authorize the Board of Directors to decide on issuing shares and warrants on one or more occasions, by no later than the following annual general meeting. Share issue is possible in accordance with, or waiving, shareholders' preferential rights, and in accordance with, or without, decisions on issues in kind, set-off, or subject to other terms & conditions.

## PRINCIPLES OF CORPORATE GOVERNANCE

Norva24 Group AB ("Norva24", the "Group" or the "Company") is a Swedish public limited company whose shares have been listed on Nasdaq Stockholm since December 2021. Norva24's corporate governance is based upon Swedish law, mainly the *Swedish Companies Act (Sw. aktiebolagslagen (2005:551))* and the *Swedish Annual Accounts Act (Sw. Årsredovisningslagen (1995:1554))*. As a company listed on Nasdaq Stockholm, the Company must also comply with *Nasdaq Main Market Rulebook for Issuers of Shares and the Swedish Code of Corporate Governance (the "Code")* as well as statements by the *Swedish Securities Council (Sw. Aktie marknadsnämnden)* regarding good stock market practice on the Swedish securities market and other applicable laws and regulations. Companies are not obliged to comply with every rule in the Code as the Code itself provides for the possibility to deviate from the rules, provided that any such deviations and the chosen alternative solutions are described, and the reasons therefore are explained in the corporate governance report (the so-called "comply or explain principle"). Central internal control instruments include Norva24's articles of association, the Board of Directors' rules of procedure and other internal policies and instructions.

## Deviations from the Code

The Code establishes a standard for good corporate governance that is more ambitious than the minimum requirements of the *Swedish Companies Act* and other rules. Norva24 does not intend to deviate from any of the rules set out in the Code.

For the 2021 financial year, from the time at which the company was listed on Nasdaq Stockholm there was, however, a deviation from item 2.1 in the Code, requiring the Company to have a Nomination Committee. With Norva24 being listed in December 2021, it had, for practical reasons, been determined to appoint a Nomination Committee ahead of the annual general meeting 2022 based on the share register as per the last banking day in December 2021. The Nomination Committee was subsequently appointed in January 2022. According to the instructions for the Nomination Committee, future committees will be appointed on the last banking day in August. Except for deviations due to the actual time of the Norva24 share's listing, Norva24 did not deviate from the Code in 2021.

## SHARES, SHARE CAPITAL AND SHAREHOLDERS

According to the articles of association, the share capital shall be not less than SEK 608,246 and not more than SEK 2,432,984. The number of shares shall be not less than 182,474,021 and not more than 729,896,084. On 31 December 2021, the share capital amounted to SEK 608,246.74, divided on 182,474,021 shares.

## GENERAL MEETINGS

According to the Swedish Companies Act, the general meeting is the Company's supreme decision-making body and shareholders exercise their voting rights at such meetings.

The annual general meeting must be held within six months of the end of each preceding financial year to consider, among other things, statutory accounts and reports, disposition of profit or loss and discharging the Board of Directors from liability.

The Company's articles of association stipulate those notices convening the annual general meeting shall be published in the *Official Swedish Gazette (Sw. Post- och Inrikes Tidningar)* and be made available on the Company's website. In addition, the publication of such notice must be announced in the Swedish daily newspaper Dagens Industri. The notice convening the annual general meeting must be published no earlier than six weeks and no later than four weeks prior to the meeting.

Extraordinary general meetings are held when the Board of Directors considers such meetings appropriate or when either the auditor or shareholders representing at least one-tenth of all issued shares request such meeting in writing for a specified purpose. A notice convening an extraordinary general meeting will be announced in the same manner as the notice to the annual general meeting described above. Pursuant to the *Swedish Companies Act*, a notice convening an extraordinary general meeting must be made no earlier than six weeks and no later than four weeks prior to the date of the extraordinary general meeting if the general meeting will decide on a proposed amendment of the articles of association. To any other extraordinary general meeting the notice convening the meeting must be announced no earlier than six weeks and no later than three weeks prior to the date of the meeting.

Pursuant to the *Swedish Companies Act*, a general meeting may not adopt any resolution that is likely to give undue advantage to a shareholder or a third party to the detriment of the Company or another shareholder of the Company.

## Right to participate in meetings

Shareholders who wish to participate in a general meeting must be included in the share register maintained by Euroclear Sweden as of six banking days prior to the meeting and notify the Company of their participation no later than the date stipulated in the notice convening the meeting.

Shareholders may attend a general meeting in person or by proxy and may be accompanied by a maximum of two assistants. Typically, it is possible for a shareholder to register for the general meeting in several different ways as indicated in the notice of the general meeting.

A shareholder may vote for all shares owned or represented by the shareholder.

## Shareholder initiatives

Shareholders who wish to have a matter brought before the general meeting must submit a written request to the Board of



Directors. Such a request must normally be received by the Board of Directors no later than seven weeks prior to the general meeting.

Notices, communiqués and minutes, as well as other materials associated with general meetings are kept available on Norva24's website.

## NOMINATION COMMITTEE

Pursuant to the Code, the Company must have a Nomination Committee. The purpose of the Nomination Committee is to make proposals in respect of the Chairman at annual general meetings, board member candidates, including the position of Chairman, and other remuneration for each member of the Board of Directors as well as remuneration for committee work, and election of and remuneration for the external auditor.

The Nomination Committee, will be composed of representatives of the four largest shareholders or shareholder groups (this includes directly registered and trustee-registered shareholders) who are registered in the share register maintained by Euroclear Sweden as of 31 August each year and the Chairman of the Board of Directors, with the exception of the Nomination Committee ahead of the 2022 annual general meeting which will be composed of representatives of the four largest shareholders or shareholder groups (this includes directly registered and trustee-registered shareholders) who are registered in the share register maintained by Euroclear Sweden as of 30 December 2021 and the Chairman of the Board of Directors. The member representing the largest shareholder will be appointed Chairman of the Nomination Committee. If a change in the Company's ownership structure occurs after 31 August, but before the date which occurs three months ahead of the next annual general meeting, and if a shareholder that after this change has become one of the four largest shareholders in terms of votes, who are registered in the share register of the Company, makes a request to the Chairman of the Nomination Committee to be part of the Nomination Committee, the shareholder shall have the right, in the discretion of the Nomination Committee, either to appoint an additional

member of the Nomination Committee or to appoint a member who has been appointed by the shareholder who, after the change in the ownership structure, is no longer among the three largest shareholders in the Company in terms of votes. Should a member resign from the Nomination Committee before its work is completed and the Nomination Committee considers it necessary to replace him or her, such substitute member is to represent the same shareholder or, if the shareholder is no longer one of the four largest shareholders, the largest shareholder in turn. Changes to the composition of the Nomination Committee shall be announced as soon as they occur.

The composition of the Nomination Committee will be announced not later than six months prior to the annual general meeting. No remuneration is payable to the members of the Nomination Committee. The Nomination Committee has the right to charge the Company for reasonable expenses that are required for the Nomination Committee to complete its assignment. The mandate period of the Nomination Committee will extend until such time as a new Nomination Committee is announced.

The Nomination Committee for the Annual General Meeting 2022 consists of the following persons:

- Nils Forsberg, elected by Valedo Partners, Chairman of the Nomination Committee
- Björn Elfstrand, elected by Swedbank Robur Fonder
- Arild Bødal, elected by Invest24 AS
- Hans Hedström, elected by Carnegie Fonder
- Vidar Meum, Norva24 Group AB (Chairman of the Board)

The Nomination Committee represents 52 percent of the votes in Norva24 as of 31 December 2021.

## BOARD OF DIRECTORS

Pursuant to the Swedish Companies Act, the Board of Directors is responsible for the organization of the company and the management of the Company's affairs, which means that the Board of Directors is responsible for, among other things, setting targets

## COMPOSITION OF THE BOARD OF DIRECTORS

Elected by the AGM	Elected, year <sup>1</sup>	Independence of shareholders	Independent in relation to the Company and Management	Attendance at Board Meetings	Attendance Audit Committee	Attendance Remuneration Committee
Vidar Meum (Chairman)	2017	Yes	Yes	32/32		4/4
Arild Bødal	2015	Yes	Yes	32/32	9/9	
Terje Bøvlestad	2015	Yes	Yes	32/32		
Allan Engström	2015	No	Yes	32/32		4/4
Linus Lundmark	2015	No	Yes	32/32	9/9	
Mats Lönnqvist	2015	Yes	Yes	32/32	9/9	
Monica Reib	2021	Yes	Yes	27/27		
Ulrika Östlund	2021	Yes	Yes	26/27		4/4
Einar Nornes	2017	Yes	No	32/32		

<sup>1</sup> Refers to year of appointment as member of Board of Directors in Norva24 Holding AS, the former parent company of the Group.



and strategies, securing routines and systems for evaluation of established targets, continuously assessing the financial position and profits, and evaluating the operating management.

According to the Company's articles of association, the Board of Directors shall consist of no less than three ordinary members and no more than ten ordinary members, each of whom is elected at the annual general meeting until the end of the next annual general meeting.

The Chairman of the Board of Directors shall, pursuant to the Code, be appointed by the annual general meeting and has particular responsibility for the management of the work of the Board of Directors and ensuring that such work is well organized and conducted effectively. The Chairman of the Board of Directors does not participate in the operating management of the Company.

The Board's work is regulated in the rules of procedure established by the Board of Directors each year, and by applicable laws and regulations. Every year the Board of Directors decides on instructions for the CEO and for the Board committees, as well as other policy documents. The Board of Directors held 32 meetings in 2021. Ahead of each Board meeting documents are distributed to the Board members.

**Diversity on the Board of Directors**

The Nomination Committee applies Rule 4.1 of the Code as a diversity policy when preparing the proposal to the Board of Directors. This means that the Nomination Committee bases its proposal on ensuring that the composition of the Board of Directors is adapted to the purposes of Norva24, with regard to Norva24's business, its state of development and other circumstances. The Nomination Committee also considered the fact that the composition of the members of the Board of Directors appointed by the Annual General Meeting shall be characterized by diversity and breadth in terms of competence, experience and background.

**Evaluation of Board of Directors.**

Once a year, the Board of Directors carries out an evaluation in which members are given the opportunity to offer their views on working methods, Board material and their own and other members' contributions to the work of the Board. The aim is to develop the work of the Board of Directors and provide the Nomination Committee with a relevant basis for decisions ahead of the annual general meeting. An internal evaluation was conducted in February 2022 through a written questionnaire to Board members. The results of the individual evaluation were reported at the Board meeting in February 2022. The result of the common evaluation was discussed within the Board of Directors. The result of the evaluation was reported to the Nomination Committee.

**Board committees**

To streamline and increase the efficiency of the Board of Directors on remuneration and audit matters, the Board of Directors annually appoints a Remuneration Committee and an Audit Committee. The committees are appointed for a maximum of one year and are appointed among the members of the Board of Directors itself. The primary objective of the committees is to provide preparatory and administrative support to the Board of Directors.

**Remuneration committee**

The Remuneration Committee shall prepare decisions on issues concerning remuneration principles, remuneration and other employment terms for the CEO and the executive management. The Remuneration Committee's tasks are governed by the Company's instructions for the Remuneration Committee. The committee is also tasked with following up and evaluating the Company's remuneration policy, remuneration programs and remuneration structure.

Vidar Meum is the Chairman of the Remuneration Committee and Allan Engström and Ulrika Östlund are members of the Remuneration Committee. The Remuneration Committee held four meetings in 2021.

**Audit committee**

The Audit Committee shall, without affecting the other responsibilities and duties of the board of directors, monitor the Company's financial reporting and make recommendations and proposals to safeguarding the reliability of the reporting in relation to the reporting, monitor the efficiency of the Company's internal controls and risk management, keep itself informed about the audit of the annual report and Group accounts and about the conclusions of the quality controls performed by the competent Inspectorate of Auditors, inform the board of directors about the result of the audit and the way the audit contributed to the reliability of the financial reporting, and also about the function of the Audit Committee, review and monitor the impartiality and independence of the auditor, paying particular attention to whether the auditor provides the Company with services other than auditing services, and assist in preparing draft resolutions for election of auditors to be passed at a general meeting.

Mats Lönnqvist is the Chairman of the Audit Committee and Arild Bødal and Linus Lundmark are members of the Audit Committee. The Audit Committee held nine meetings in 2021.

**AUDITORS**

The Company's auditors are elected at the annual general meeting. At the annual general meeting 2021 Öhrlings Pricewaterhouse-Coopers AB, were re-elected as auditors of the Company for a period until the end of the 2022 annual general meeting, with Nicklas Kullberg as the auditor in charge. Norva24's articles of association does not contain a mandate period for the auditor, meaning that the auditor is elected pursuant to the Swedish Companies Act yearly at the annual general meeting.

**Board of Directors**

The amount of remuneration granted to the Board of Directors, including the Chairman, is determined by resolution at the annual general meeting. For the 2021 financial year, the Chairman of the Board of Directors, Vidar Meum, remuneration was NOK 600,000 and the remuneration for other members of the Board of Directors who were not salaried by Norva24 was NOK 300,000, respectively. Allan Engström and Linus Lundmark did not receive any remuneration for their assignments as members of the Board of Directors.

Furthermore, the remuneration for work in the Audit Committee or in the Remuneration Committee was NOK 100,000 to the Chairman of the Audit Committee and NOK 50,000 to ordinary members of the Audit Committee with the exception of Linus Lundmark. Remuneration was NOK 70,000 to the Chairman of the Remuneration Committee and with NOK 40,000 to ordinary members of the



Remuneration Committee excluding Allan Engström. The members of the Board of Directors are not entitled to any benefits upon ceasing to serve as a member of the Board of Directors.

**Auditing**

The Company's statutory auditor is appointed at the general meeting. The auditor shall review the Company's accounts and consolidated accounts, applied accounting principles as well as the management of the Board of Directors and the CEO. Following each financial year, the auditor shall submit an audit report to the shareholders at the annual general meeting.

Pursuant to the Company's articles of association, the Company shall have not less than one and not more than two auditors, and not more than two deputy auditors.

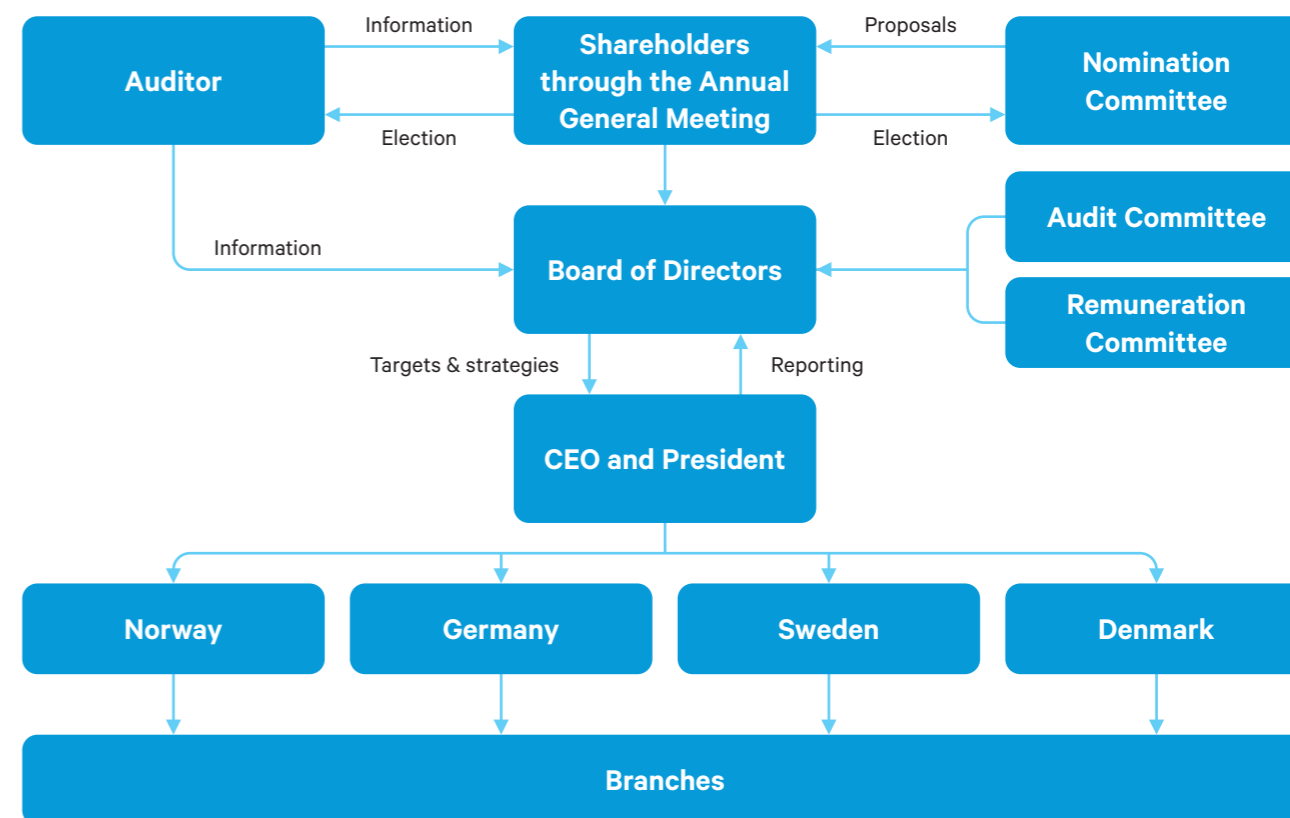
**REMUNERATION TO AUDITORS**

Fees to the auditor for the fiscal year 2021 is included in note 8 in the annual report 2021.

**INTERNAL CONTROL**

Norva24's internal control framework is governed by the Swedish Companies Act and the Code. Utilizing control activities such as segregation of duties, reconciliations, approvals, safeguarding of assets and control over information systems. Internal control framework is intended to provide a reasonable assurance that Norva24's objectives are met with respect to effective and efficient operations, reliable and timely internal and external reporting and compliance with applicable laws and regulations. This is described on page 63.

**Control structure**



## Our Board of Directors



### Vidar Meum

*Born:* 1955

*Position:* Chairman of the Board of Directors (since 2017).

*Nationality:* Norwegian.

*Education:* High School Education and different Leadership Colleague educations.

*Current engagements:* Owner and Chairman of the board of directors of Giggen AS. Member of the board of directors of Scantrade Holding AS, SEFBO Holding AS, SEFBO AS and Profundo AS.

*Previous engagements/experience:* Partner at Mentor Partner AS, Director Distribution at Posten Norge and CEO and COO at Braathens ASA. Chairman of the board of directors of Sørmiljø Holding AS, Brandsdal Holding AS, Reinhartsen Holding AS and board member of Kristiansands Skruefabrikk & Mek Verksted AS.

*Shareholding in the Company:* 933,103 shares.



### Arild Bødal

*Born:* 1965

*Position:* Board member (since 2015).

*Nationality:* Norwegian.

*Education:* Certified Public Accountant, Business Administration degree from Inland Norway University of Applied Sciences, and Part of MBA from Herriot-Watt University. Continuing education from BI Norwegian Business School, Norwegian School of Economics and Norwegian University of Science and Technology.

*Current engagements:* Chairman of the board of directors and chairman of the risk committee, the audit committee and the remuneration committee of Sparebanken Vest. Chairman of the board of directors of Nomek AS, NSM Bygginvet AS, Grandevegen Invest AS, FL Eigendom AS, Ivarhølsen Næringspark AS and Stryvo AS. CEO and chairman of the board of Invest24 AS and AHB Invest AB. Member of the board of directors of Sefbo Holding AS, Eltera Gruppen AS and Eltera Gruppen Norge AS.

*Previous engagements/experience:* Chairman of the board of directors of Grønn Vekst AS and Septik24 Group AS. Member of the board of directors of Sogn og Fjordane Næringsråd, Cordel AS/ Smartcraft, Høst verdien i Avfall AS and Hyperthermics AS. Chairman of the audit committee of Sparebanken Vest. Consultant at Norva24 AS.

*Shareholding in the Company:* 2,079,095 shares.



### Monica Reib

*Born:* 1972

*Position:* Board member (since 2021).

*Nationality:* Danish.

*Education:* Masters of Law (Commercial) from University of California, Davis – School of Law and Masters of Law from Aarhus University.

*Current engagements:* Member of the board of directors of Aller Aqua Group A/S, Rud Pedersen AB, NMS Group A/S, GDV Technology A/S, SMYKBAR ApS, Inviocare ApS, Tons ApS, DBA-ONE ApS, Nordic Medical Solutions ApS and a:gain ApS. CEO at monrei.dk ApS.

*Previous engagements/experience:* Partner and lawyer at Bech-Bruun Law Firm. Vice Chairman of the board of directors of Henning Larsen Architects A/S. Advisory board member of Elements ApS (today Scandinavian Cosmetics Denmark ApS).

*Shareholding in the Company:* 26,030 shares.



### Terje Bøvelstad

*Born:* 1948

*Position:* Board member (since 2015).

*Nationality:* Norwegian.

*Education:* Bachelor's degree in Heating, Ventilation, Air Conditioning and Refrigeration Engineering [Technology/Technician] from Oslo Ingeniør Skole and Bachelor Degree from Bedriftsøkonomisk Institutt, Oslo.

*Current engagements:* CEO and Chairman of the Board of directors of AVAKO AS and Bøvelstad Holding AS. Consultant at Trelleborg Seals GmbH and consulting engineer for municipal and private entities.

*Previous engagements/experience:* CEO at TT-Teknikk AS, Engineer at Lamerud VVS AS, Sales Manager at Termo Teknikk AS and Consulting engineer at Brødrene Dahl AS, Plumbing engineer at Tor Veiteberg AS.

*Shareholding in the Company:* 476,929 shares.



### Allan Engström

*Born:* 1980

*Position:* Board member (since 2015).

*Nationality:* Swedish.

*Education:* Master of Science in Finance from Stockholm School of Economics.

*Current engagements:* Member of the board of directors and member of the remuneration committee in SmartCraft ASA. Member of the board of directors of Sefbo Holding AS, Becksöndergaard ApS and Eltera Gruppen AS. Partner at Valedo.

*Previous engagements/experience:* Member of the board of directors of OJ Holding Sweden AB. Chairman of the board of directors of A Söderlindh I Sverige AB. Previous experience from investment banking at Merrill Lynch.

*Shareholding in the Company:* -.



### Ulrika Östlund

*Born:* 1968

*Position:* Board member (since 2021).

*Nationality:* Swedish.

*Education:* Bachelor of Arts in System Science from Mid Sweden University.

*Current engagements:* Business Area Manager (BAM) of Psychiatry at Cereb AB. Chairman of the board of directors of Tina-mottagningen AB.

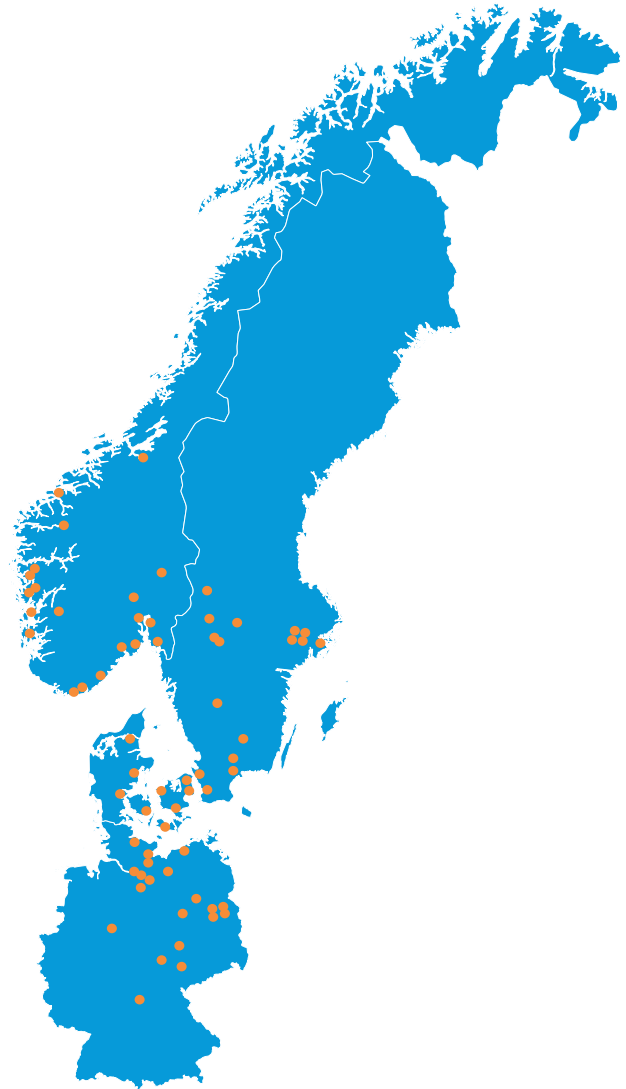
*Previous engagements/experience:* Chairman of the board of directors of Vårdföretagarna. Board member and CEO of INOM. Board member of Humana and Qit AB.

*Shareholding in the Company:* 43,018 shares.

**Linus Lundmark***Born:* 1990*Position:* Board member (since 2015).*Nationality:* Swedish.*Education:* BSc in Business and Economics from Stockholm School of Economics.*Current engagements:* Director at Valeo. Member of the board of directors of Palmarium AB. Deputy member of the board of directors of BRP Systems Holding AB and Nordward Seafood Holding AB.*Previous engagements/experience:* Deputy board member of Aditro Logistics Holding AB. Previous experience from investment banking at UBS.*Shareholding in the Company:* -.**Mats Lönnqvist***Born:* 1954*Position:* Board member (since 2015).*Nationality:* Swedish.*Education:* BSc in Business Administration from Stockholm School of Economics.*Current engagements:* CEO of Resolvator AB. Chairman of the board of directors of Hydrosand Group AB, Ovacon AB, Spendrup Holding AB, Thunderful Group AB and Östholmen Bostadsproduktion AB. Member of the board of directors of aylima group AB, BAM Intressenter AB, Bordsjö Skogar AB, Förvaltnings AB Värde Invest, Porall AB, Prosero Security Holding AB, Solhem Property AB and Tagehus Holding AB. Deputy board member of Skerry Crow AB.*Previous engagements/experience:* CFO and Deputy CEO at Biacore, Esselte, SAS and Postnord. CFO at Securum, Eniro, Bisnode and Addtech. Chairman of the board of directors of 21 Grams Holding AB, ECT Holding AB, Spendrups Bryggeri AB and VI-Plast AB. Member of the board of directors of AEVS Sverige 1 AB, Aviator Airport Alliance AB, Best Transport Holding AB, Biolin Scientific Holding AB, Camfil AB, Hydroforming Design Light AB, Polyprojekt Environment AB, Solkompaniet Sverige AB, Sveafastigheter Fund II AB, Sveafastigheter Fund III AB and Uppsala Bostadsproduktion AB.*Shareholding in the Company:* 1,202,962 shares.**Einar Nornes***Born:* 1966*Position:* Board member (since 2017).*Nationality:* Norwegian.*Education:* One year of studies at Business School and Trade Certificates in Logistics.*Current engagements:* Operations Coordinator at Norva24 Grenland.*Previous engagements/experience:* -.*Shareholding in the Company:* 43,282 shares.

ALWAYS HERE  
TO HELP!

**NORVA**<sup>24</sup>



**Norva24**

Grandeveien 13, 6783 Stryn, Norway

[ir@norva24.com](mailto:ir@norva24.com)

[www.norva24.com](http://www.norva24.com)