

CORPORATE GOVERNANCE REPORT

This report describes corporate governance, management and administration, as well as the manner in which the Board of Directors ensures the quality of the financial statements and its cooperation with the company's independent auditors. The report for the 2015/2016 financial year includes the Board's report on internal controls for financial reporting and operational governance.

CORPORATE GOVERNANCE AT NOBINA

Nobina's corporate governance focuses on how to govern, manage and control operations with the aim of creating value for the company's shareholders and other stakeholders. Corporate governance aims to create the preconditions for active, responsible corporate bodies, to clarify the allocation of roles and responsibilities and to ensure accurate reporting and information. Both external and internal regulations form the basis of Nobina's corporate governance.

EXTERNAL REGULATIONS:

- Swedish Companies Act
- Swedish Annual Accounts Act
- Other relevant laws
- Swedish Corporate Governance Code

INTERNAL REGULATIONS:

- Articles of Association
- The Board's Rules of Procedure
- The Board's instructions for the CEO
- Policies and guidelines

Since 1 July, 2008, all companies whose shares are listed on Nasdaq Stockholm or NGM Equity are required to apply the Swedish Corporate Governance Code (the Code), regardless of their market capitalisation. Nobina is subject to the rules of the Code and has followed them since becoming listed on 18 June, 2015.

Articles of Association

The Articles of Association contain no separate provisions pertaining to the appointment or removal of Board members or the amendment of the Articles of Association. The Articles are available in their entirety on Nobina's website at www.nobina.com.

Annual General Meeting and shareholders

The Annual General Meeting (AGM) is the company's highest governing body. Shareholders exercise their decision-making rights at the AGM on such matters as the composition of the Board of Directors and the election of auditors. The Nomination Committee proposes candidates for selection as Board members, Chairman of the Board and auditors. Resolutions at the AGM are normally passed with a simple majority. In certain cases, however, the Swedish Companies Act stipulates a certain level of attendance to reach a quorum or a special voting majority. Shareholders have the opportunity at the AGM to pose questions about the company and its results for the

preceding year. Representatives of the Board of Directors, the executive management and the auditors are normally present to answer such questions at the AGM.

Annual General Meeting 2015

At the AGM on 27 May, 2015, 50.08 per cent of the shares and the voting rights were represented. Representatives of Nobina's Board of Directors and Group management, and the auditor were present.

The following resolutions were passed:

The meeting resolved that the Board should comprise six Board members with no deputies and that the company should have one auditor with no deputy. John Allkins, Birgitta Kantola, Graham Oldroyd, Gunnar Reitan, Ragnar Norbäck and Jan Sjöqvist were re-elected as Board members, and Jan Sjöqvist was also re-elected as Chairman of the Board. All of the above were elected for the period until the next AGM. PricewaterhouseCoopers AB was elected as the company's auditors. A fee of SEK 900,000 was approved for the Chairman of the Board and a fee of SEK 450,000 for each of the other Board members, SEK 2,700,000 in total. No fees are paid to Board members employed by the company or by any of its subsidiaries. Fees to the auditors are paid against invoices approved by the Board.

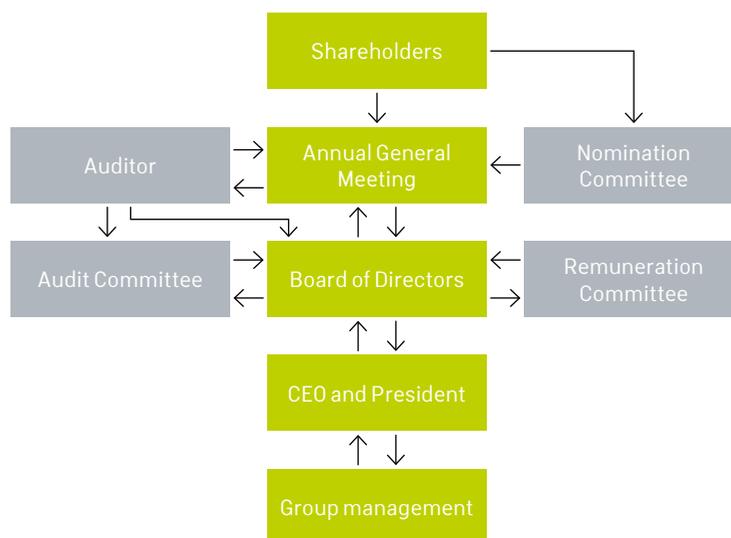
The Parent Company's income statement and balance sheet and the consolidated income statement and balance sheet were adopted for the 2014/2015 fiscal year and the Board members and CEO were discharged from liability.

In accordance with the proposal by the Board and the CEO, it was resolved that the profit for the year of SEK 108,197,506, disposable earnings from previous years totalling SEK 1,764,270,693 and the share premium reserve of SEK 612,407,930 would be appropriated, such that SEK 2,484,876,129 is carried forward. The meeting resolved that no dividend would be paid for the preceding fiscal year.

Furthermore, the principles for appointing a Nomination Committee and the guidelines on remuneration of senior executives were decided in accordance with the submitted proposal.

The Board was authorised to take decisions on new share issues and, in that connection, to disapply shareholders' pre-emption rights, with the aim of offering shares to investors in conjunction with raising capital and/or spreading owner-

ORGANISATION CHART, NOBINA CORPORATE GOVERNANCE



ship. In line with the Board's proposal, it was then resolved to conduct a new issue of a maximum of 645,396 shares to the company's CEO and President at a subscription price determined in accordance with the applicable agreements. The deadline for subscription to and cash payment for the new shares was set as 30 June, 2015. The reason for deviating from the shareholders' pre-emption rights was because the company has committed to issuing new shares under an incentive programme agreement.

Finally, to arrive at an appropriate number of shares, it was resolved to perform a 1:10 reverse split to consolidate the company's shares. To enable this consolidation, it was also resolved to amend the Articles of Association such that the number of shares should be not less than 60,000,000 and not more than 240,000,000.

Annual General Meeting 2016

The 2016 AGM will be held on 31 May, 2016. See page 100.

Nomination Committee

The Nomination Committee is tasked with the preparation and submission of proposals for: the Chairman of the AGM, members of the Board, the Chairman of the Board, directors' fees to the Chairman and each of the members of the Board, as well as any remuneration for Committee work, fees to the company's auditor and, where applicable, proposals regarding the election of auditors. Furthermore, the Nomination Committee prepares and submits proposals to the AGM regarding principles governing the composition of the Nomination Committee.

Principles governing appointment of the Nomination Committee

The 2015 AGM passed resolutions on the following principles governing the Nomination Committee until the end of next AGM: Nobina will have a Nomination Committee comprising one representative for each of the three largest shareholders in terms of votes and the Chairman of the Board. The names of the members of the Nomination Committee and the shareholders they represent is to be published not later than six months prior to the AGM and be based on shareholding statistics provided by Euroclear Sweden AB as of the last banking day in September 2015. Unless the members of the Nomination Committee agree otherwise, the member representing the largest shareholder, in terms of votes, will be appointed Chairman of the Committee. In the event that a shareholder who has appointed a member is no longer one of the three largest shareholders, in terms of votes, the appointed member is to resign and be replaced by a new member in accordance with the above procedure.

Nobina's Nomination Committee ahead of the 2016 AGM

Member	Representing	Shareholding/votes
Jan Sjöqvist	Chairman of the Board	0.2%
Ralph Herrgott	Sothic Capital	11.8%
Nuno Caetano	Invesco	5.8%
Tomas Ehlin	Fourth Swedish National Pension Fund (AP4)	5.6%

The members of the Committee were appointed based on the ownership structure as of 30 September 2015. The shareholdings are reported as of the same date. The Chairman of the Nomination Committee is Ralph Herrgott, who also represents the largest owner.

Member elected by the AGM	Year elected	Born	Remuneration, SEK	Number of shares/votes	Independent ¹	Attendance at Board meetings	Attendance at committees
Jan Sjöqvist	2005	1948	900,000	193,737	Yes	13 of 13	2 of 2
Graham Oldroyd	2014	1961	450,000	34,375	Yes	13 of 13	2 of 2
Birgitta Kantola	2009	1948	450,000	14,578	Yes	13 of 13	3 of 3
Ragnar Norbäck	2014	1955	–	722,444	No	13 of 13	
Gunnar Reitan	2012	1954	450,000	16,500	Yes	12 of 13	2 of 3
John Allkins	2013	1949	450,000	54,963	Yes	13 of 13	3 of 3
Summa			2,700,000				

1) According to the Code, the member is independent of the Company, its management and major shareholders of the company (i.e. shareholdings that exceed 10 per cent).

NOBINA'S BOARD OF DIRECTORS

The Board's responsibility

The Board's work is governed by the Swedish Companies Act, the Articles of Association, the Code and the Rules of Procedure established by the Board annually. Nobina's Board is responsible for the organisation and administration of the company's affairs. Neither during his time on the Board, nor previously, has the CEO participated in meetings where his remuneration was discussed. One of the Board's most important assignments is to secure a long-term strategy, governance, follow-up and control of Nobina's daily operations with the aim of creating value for shareholders, customers, employees and other stakeholders. The Board appoints the CEO, who is also President.

Composition of the Board of Directors

The Articles of Association state that the Board is to comprise not less than three and not more than ten Board members. The Board is to have an appointed Chairman, who, under Swedish law, may not simultaneously serve as the company's CEO. According to the Code, the Chairman is elected by the AGM. During the 2015/2016 financial year, the Board consisted of six members. John Allkins, Birgitta Kantola, Graham Oldroyd, Gunnar Reitan, Ragnar Norbäck and Jan Sjöqvist were re-elected at the AGM, with the latter re-elected as Chairman of the Board.

All Board members are independent in relation to major shareholders in the company. All Board members, except Ragnar Norbäck, are independent in relation to the company and its management.

Work performed by the Board during the year

The Board met thirteen times during the financial year. Board meetings are normally convened by notice sent at least one week prior to the meeting. A shorter notice period is permitted, however, if there are special reasons. If the material to be discussed at the Board meeting is available, this is also attached to the notice. Nobina's General Counsel and CFO participate at all Board meetings. Other Nobina employees may occasionally hold presentations at Board meetings. At meetings held during the financial year, the Board dealt with issues including the company's operations, business plan, financial reporting, risk analysis and IPO. The Board evaluates its work once each year by responding to an anonymous survey and the Chairman of the Board presents the survey results to the Board.

Board meetings during the financial year:

Date	Type	Items addressed
3 March	Scheduled	Operations, Budget and IPO
23 April	Extraordinary	AGM, Policies and Instructions, and Committees
23 April	Scheduled	Operations, Annual Report, Multi-Year Plan, Financial Targets and IPO
10 May	By letter	IPO
19–24 May	Extraordinary	IPO
2 June	Extraordinary by telephone	IPO
14 June	Extraordinary	Interim Report and IPO
17 June	Extraordinary	IPO
17 June	Extraordinary	IPO
25 June	Scheduled	Operations, IPO, Traffic Launch, Strategy and Election of Officers
29 September	Scheduled	Operations, Strategy, Business Plan and Interim Report
22 October	Extraordinary by telephone	Strategy and Interim Report
21 December	Scheduled	Operations, Interim Report, Risk Analysis and Business Plan

The Board's work procedures

The Board has adopted Rules of Procedure governing its operations that describe how work is divided between the Board, its committees and the CEO. The Rules of Procedure are established each year by the Board and apply to the Board members. Instructions for the CEO and for financial reporting are described in the appendices to the Rules of Procedure. The prevailing Rules of Procedure were adopted on 25 June, 2015.

Remuneration Committee

The Rules of Procedure state that a Remuneration Committee is to be comprised from the Board of Directors. The main tasks of the Remuneration Committee include: (a) preparing questions for the Board regarding the remuneration and other terms of employment of senior executives, (b) monitoring and evaluating the applicable remuneration structures, levels of remuneration and variable remuneration programmes for such senior executives and (c) monitoring and evaluating the results of variable remuneration programmes and how the company complies with the remuneration guidelines adopted by the general meeting.

In accordance with the Code, members of the Remuneration Committee are to be independent in relation to the company. The Remuneration Committee currently has two members: Jan Sjöqvist (Chairman) and Graham Oldroyd, who are both deemed independent in relation to the company and its senior executives. The Remuneration Committee met twice during the financial year.

Audit Committee

The Rules of Procedure that an Audit Committee is to be comprised from the Board of Directors. Without prejudice to the tasks and areas of responsibility of the Board, the Audit Committee is to: (a) monitor the company's financial reporting, (b) monitor the company's internal controls, internal auditing and risk management based on the company's financial reporting, (c) keep informed about the auditing of the Annual Report and the Group's short and long-term cash flow trends, (d) review and monitor the impartiality and independence of the auditor, with a particular focus on whether the auditor is providing the company with any services other than auditing, and (e) provide support in the preparation of proposals for the general meeting's resolutions regarding the election of auditors.

In accordance with the Code, the Audit Committee comprises three members, the majority of whom are independent in relation to the company and Group management. At least one of the members who is independent in relation to the company and Group management must also be independent in relation to the company's major shareholders and, in accordance with the Swedish Companies Act, have financial reporting or auditing competence.

The Audit Committee currently consists of three members; John Allkins (Chairman), Birgitta Kantola and Gunnar Reitan, who are all deemed to be independent in relation to the company, Group management and the company's major shareholders. The Chairman of the Committee has the requisite financial reporting competence under the Swedish Companies Act. The Audit Committee meets ahead of all Board meetings in connection with the interim reports. The Committee met three times during the financial year.

CEO and Group management

The CEO is appointed by the Board and is responsible for ensuring that daily operations are conducted in accordance with the Board's guidelines and instructions. Nobina's Group management consists of the CEO, CFO, Director of Human Resources, Head of Investor Relations, Senior Legal Counsel, Head of Business Development and the Managing Director of each subsidiary. From the 2016/2017 financial year, the Head of Investor Relations will be replaced by a Communications Director and Group management will be expanded to include a Head of Central Operational Resources. Group management meets once each month and works in line with all of the company's policies and applicable directives. All material decisions in the daily management of the Group's operations are taken by the CEO following consultation with Group management. The managing director of each operating subsidiary is responsible for collecting information about the development of the

operations and how financial and qualitative targets are achieved. The managing director of each subsidiary is also responsible for compiling this information and reporting to the relevant senior executives and the CEO. The CEO then provides feedback to each of the managing directors who, in turn, are responsible for ensuring the received instructions are implemented.

Auditors

The shareholders at the AGM elect an external independent auditor for the period until the end of the next AGM. The auditor reports to the shareholders at the company's AGMs. The company is to have not less than one (1) and not more than two (2) auditors with at most two (2) deputies. Authorised public accountants or registered auditing firms are to be appointed as auditors or deputies as appropriate.

The 2015 AGM re-elected PricewaterhouseCoopers AB as Nobina's auditors for the coming year. Authorised Public Accountant, Michael Bengtsson, is the Auditor in Charge. Michael Bengtsson is a member of the Swedish Institute of Authorised Public Accountants (FAR).

The external auditors are responsible for auditing the company's annual report, which consists of consolidated financial statements and accounts, as well as the administration of the Board and CEO. The auditor also conducts a general review of the company's six and nine-monthly interim reports in accordance with the Code. The auditor regularly reports to the Audit Committee, Group management and the local company management teams. At the Board meeting in conjunction with the annual accounts, the auditor presents his conclusions from the review to the entire Board. During the year, the auditors have met the Board without the presence of the CEO. The auditor may only be engaged for consulting services that have been decided and approved in advance by the Audit Committee. The auditor informs the Audit Committee of the annual audit plan, its scope and contents, and presents its conclusions. The Audit Committee is also informed about assignments that were performed in addition to auditing services, compensation for such assignments and other circumstances of importance for assessing the auditors' independence. The audit is carried out in accordance with the Swedish Companies Act, International Standards on Auditing and generally accepted auditing standards in Sweden, which are based on the International Federation of Accountants' (IFAC) international audit standards. Remuneration to auditors has been paid in accordance with Note 6.

REMUNERATION OF MANAGEMENT AND THE BOARD

Guidelines for remuneration of senior executives

Senior executives at Nobina include the CEO, CFO, the managing directors of subsidiaries and functions that report directly to the CEO. In order for the company to be able to attract, develop and retain senior executives with the relevant experience and skills, it is important that the company has a competitive remuneration package that is in line with the market for senior executives in different industries. Remuneration to senior executives consists of fixed salary, variable remunera-

tion, pension, other customary benefits and any severance payment. Overall remuneration should reflect the market, be competitive and reflect the employee's performance and responsibilities.

Variable remuneration is based on the individual's performance and the company's performance in relation to predetermined targets. Evaluation of these targets takes place annually. Variable remuneration consists of a cash bonus as determined by the Board.

In the event of termination of employment, senior executives at Nobina are entitled to not more than 12 months' compensation including salary during the notice period. As a basic principle, a six-month mutual termination period applies between the company and the executive. In addition, a maximum of six months' remuneration is payable should employment be terminated by the company.

Pension and terms for the CEO

The retirement age for the company's CEO is 62. Pension payments by the company are reduced to 90 per cent of salary when retirement takes place at the age of 62–63, 80 per cent of salary when retirement takes place at the age of 63–64 and 70 per cent of salary when retirement takes place at the age of 64–65. Nobina's commitment to the CEO ends at retirement, at the age of 65. Pension expenses comprise defined contribution pensions, for which the premium is equal to 30 per cent of pensionable salary. Pensionable salary refers to basic salary as long as the CEO remains employed by the company. Salary paid upon termination is pensionable.

The CEO has the right to 30 holiday days each year. The CEO is insured for 90 per cent of salary (sick pay) during a maximum of 365 days per calendar year without a qualifying period. In addition to the taxable benefits described above, benefits include health insurance. A certain part of any previously earned bonus is compensated through the allotment of shares.

See Note 8 concerning remuneration of the Board and senior executives.

Incentive programme

During the financial year, Nobina AB made payments under two incentive programmes, one covering ten senior executives (including the CEO) and the other five Board members (excluding the CEO), after which the incentive programmes were ended. The total cost for both programmes was SEK 172 million (including social security contributions and taxes), whereupon the senior executives received a total amount of SEK 123 million (excluding social security contributions and taxes) and the directors received a total amount of SEK 11 million (excluding social security contributions and taxes). The amount was paid in connection with the IPO, with 75 per cent of the after-tax amount being reinvested via the acquisition of shares in Nobina. The acquired shares are subject to lock-up agreements.

Remuneration of the Board of Directors

The fees to the Chairman and members of the Board are paid in accordance with the resolutions of the AGM. No remuneration is paid to the Board beyond that approved by the AGM now that the aforementioned incentive programme has been concluded. The CEO receives no directors' fees. Directors' fees paid during the financial year totalled SEK 2.7 million.

Remuneration of auditors

For the financial year, remuneration to auditors has been paid in accordance with Note 6.

INTERNAL CONTROLS CONCERNING FINANCIAL REPORTING

The CEO and Group management are tasked with managing efforts to prepare reliable financial accounts for external publication in an efficient manner. Reliable financial reporting for Nobina means that:

- accounting policies are appropriate and comply with International Financial Reporting Standards (IFRS) and the Swedish Annual Accounts Act (ÅRL),
- profit and loss accounting is informative and sufficiently detailed, and
- it accurately reflects underlying events and the company's actual earnings, financial position and cash flow with reasonable assurance.

Control environment

The company's governance is based on a shared, process-oriented management system. The aim is to ensure a company culture that is characterised by integrity and that ethical values are not compromised. The management system includes employees' experience, skills, attitudes, ethical values and perception of how responsibility and authority are distributed within the organisation. The management system illustrates how Nobina works in important areas. The control environment comprises the main operational processes and the associated Group policies and instructions, as well as local instructions. For each main process in Nobina, a process owner is responsible for the process and is responsible for proposing preventative measures, as well as suggestions on how to develop and improve the process. Business leaders are responsible for the implementation of controls, and the follow-up and correction of deficiencies.

Risk assessment

The risks that arise in operations that could have consequences for the company's financial position are primarily fraud, loss or embezzlement of assets, undue preference in favour of another party at the company's expense and other risks that relate to significant errors in the financial accounts. The valuation of assets, liabilities, revenue and costs or deviations from disclosure requirements are some examples.

Nobina applies the same type of risk assessment for all processes, and assessment is conducted based on the COSO framework. This takes place in three stages and is initiated by

the management's review. The basis for the assessment is a SWOT analysis of Nobina's current status and the management's previous experience. The risks that are deemed to significantly affect financial reporting are categorised as high risks. The risks that receive the opposite assessment are categorised as low risks. In the second stage, high risks in operations are evaluated in conjunction with a survey of sub processes. Process experts are used to conduct an accurate evaluation of all risks in the respective processes.

The work procedure involves the following steps:

- Identifying risks and assigning them to the relevant process stage
- Describing current preventative measures
- Evaluating the probability/impact/risk of discovery
- Calculating risk values
- Proposing improvement measures in cases of high-risk values

This means that the management and the operation could produce differing assessments of a specific risk. A risk assessed to be high by the management could be assessed to be low by the operation and vice versa.

Afterwards, all risk values that were identified during the survey are compiled and presented at a Group management meeting. Based on this decision data, management prioritises the risks with high values and allocates resources to address them. The risks that received low values are archived on a risk list for renewed assessment, at the latest in conjunction with the next year's risk assessment.

Once per year, Nobina's Board reviews the mitigation of risks that have been deemed significant from the risk assessment processes.

Control activities

Risk assessment provides an opportunity to take preventative measures. High risks are prioritised, resulting in measures to eliminate or reduce them. Controls and control points ensure that preventative measures are followed up in all Nobina companies.

The company has a number of controls for approving and authorising business transactions. Controls are applied in daily operations, as are established accounting principles when preparing the year-end accounts and financial reports for all Group companies. Established routines govern the review and analysis of the financial reports at all levels in the Group, which is important in order to ensure the accuracy of the reports. Governance is carried out by way of established policies and instructions that have been implemented via Group-wide process teams. The teams also decide on important control points to ensure the accuracy of the financial reporting.

Decision channels, authorities and responsibilities at various levels of the organisations are defined in accordance with current policies and instructions, which include an authorisation manual.

Information and communication

The communication plan ensures that information reaches the appropriate target group. The communication plan shows how the company acts and how deviations are reported and monitored. The person responsible for each main process is responsible for ensuring that information about Group-wide methods reaches the entire organisation. The line organisation holds regular meetings on a function or area basis. New policies and directives are presented at these meetings as part of their introduction. Written communication is primarily made available via the intranet that reaches the relevant target group. This is where all news updates are published, along with information about the management system, Group policy documents and instructions.

Follow-up and monitoring

Financial risks deemed to be high are primarily followed up within each process. There is an inbuilt control function in the risk management system, which means that the actual operation ensures that functions are handled as planned.

The purpose of following up and monitoring is to ensure a stable control environment at the company and to check that key areas of the operations are applied and followed up. The principle applied at the company is that every process should have control functions that support follow-up activities. Internal operational reviews are a supplementary instrument for ensuring that operations are conducted in line with approved decisions.

Nobina has an outsourced internal audit function. In addition, regular internal operational reviews are conducted by internally trained personnel to ensure that control points are functional and efficient. The results of the internal reviews are reported to both the Board and Group management. Changes in the organisation that may affect the internal controls are assessed each year and reported to the Board.



Jan Sjöqvist

Birgitta Kantola

Gunnar Reitan

JAN SJÖQVIST

Chairman of the Board since 2005.

Year of birth: 1948

Other assignments: Chairman of the Board of Aditro Logistics AB.

Previous assignments: President and CEO of NCC. Board Member of SSAB AB, Green Cargo AB, Eltel Networks AB, Lannebo Fonder AB and Stora Enso Oyj.

Dependence status: Independent in relation to Nobina, its management and major shareholders.

Education: MSc in Business and Economics, University of Gothenburg, School of Business, Economics and Law.

Shareholding: 193,737 shares

BIRGITTA KANTOLA

Board member since 2009.

Year of birth: 1948

Other assignments: Skandinaviska Enskilda Banken AB (publ).

Previous assignments: Vice President and CFO of the International Finance Corporation (World Bank Group), Washington D.C. 1995–2000. Executive Vice President of the Nordic Investment Bank 1991–1995. Member of a number of Boards of listed companies, including Fortum Oyj, Espoo, Finland, NASDAQ OMX, New York, and Stora Enso Oyj.

Dependence status: Independent in relation to Nobina, its management and major shareholders.

Education: Master of Laws from University of Helsinki, Econ.Dr.H.C.

Shareholding: 14,578 shares

GUNNAR REITAN

Board member since 2012.

Year of birth: 1954

Other assignments: Board member of Bio Energy AS.

Previous assignments: Chairman of the Board of Strata Marine & Offshore AS. Over 20 years of international experience from leading positions and Board assignments within the airline, travel, freight, financial, insurance, real estate and oil industries. CFO and Executive Vice President of SAS between 1993 and 2007.

Dependence status: Independent in relation to Nobina, its management and major shareholders.

Education: MSc. Economics, Trondheim Business School.

Shareholding: 16,500 shares



Ragnar Norbäck

John Allkins

Graham Oldroyd

RAGNAR NORBÄCK

CEO and President of Nobina AB since 2004. Board member since 2014.

Year of birth: 1955

Other assignments: Board Member of N3 Group AB. Member of K2 Research Institute. Chairman of the Board of RALT AB.

Previous assignments: Examples include: CEO of American Express Corporate Travel Nordic, Volvo Aero Engine Services, Linjebuss Trafik AB, GLAB (Adidas Sweden) and TNT Ipec Sweden.

Dependence status: Dependent in relation to Nobina and its management. Independent in relation to its major shareholders.

Education: MSc. Engineering.

Shareholding: 722,444 shares

JOHN ALLKINS

Board member since May 2013.

Year of birth: 1949

Other assignments: Non-Executive Director (NED) and Chairman of the Audit Committee (C of AC) of Punch Taverns Plc. Board member, C of AC and Senior Independent Director (SID) of Renold Plc, Board member, C of AC and SID of Fairpoint Group Plc.

Previous assignments: Previous NED roles with Volex Plc, Linpac Senior Holdings Ltd, Albemarle & Bond Plc, Molins Plc and Intec Telecommunications Plc. Executive Roles; Group Finance Director MyTravel Plc 2003–2007 and CFO of Equant NV 1995–2003.

Dependence status: Independent in relation to Nobina, its management and major shareholders.

Education: BA (Hons) Business Studies, FCMA.

Shareholding: 54,963 shares

GRAHAM OLDROYD

Board member since 2014.

Year of birth: 1961

Other assignments: Non-Executive Director, Chairman of the Audit Committee (C of AC) of Henderson Alternative Strategies Trust Plc (publ.). Board member, Chair of the Remuneration Committee of PHS Plc. Member of the Church Commissioners For England. Senior Adviser, MCF Corporate Finance and Downing LLP. Member of The MBA Advisory Board, Durham University Business School.

Previous assignments: Partner at Bridgepoint, 1990–2013, responsible for Bridgepoint's investments in the Nordic region 2000–2009.

Professional Qualifications: EurIng, CEng, FIMechE and MCSI, UK

Dependence status: Independent in relation to Nobina, its management and major shareholders.

Education: MA Engineering, Cambridge University; MBA INSEAD Business School.

Shareholding: 34,375 shares



Ragnar Norbäck

Per Skärgård

Jan Bosaeus

Annika Kolmert

Niels Peter Nielsen

Joakim Palmqvist

RAGNAR NORBÄCK

CEO and President of Nobina AB since 2004.

Year of birth: 1955

Other assignments: Board Member of N3 Group AB. Member of K2 Research Institute. Chairman of the Board of RALT AB.

Previous assignments: Examples include: CEO of American Express Corporate Travel Nordic, Volvo Aero Engine Services, Linjebuss Trafik AB, GLAB (Adidas Sweden) and TNT Ipec Sweden.

Education: MSc. Engineering.

Shareholding: 722,444 shares

PER SKÄRGÅRD

CFO of Nobina AB since 2004, Vice President of Nobina AB since 2009.

Year of birth: 1957

Previous assignments: CFO of DHL Nordic AB, Danzas-ASG AB, NETnet International, Helene Curtis Scandinavia, Warner Lambert Scandinavia, Group Controller at AB Pripps Bryggerier and Economic Planner at Länsförsäkringsbolagen. Chairman of the Swedish Association for Graduated Business Administrators (Svenska Civilekonomföreningen).

Education: Business administration at Stockholm University.

Shareholding: 217,878 shares

JAN BOSAEUS

MD at Nobina Sverige AB since 2002.

Vice President of Nobina AB since 2009.

Year of birth: 1960

Other assignments: Chairman of the Board of Sveriges Bussföretag, Board member of The Swedish Confederation of Transport Enterprises, Alecta's National Board and Deputy Board member of The Confederation of Swedish Enterprise.

Previous assignments: Board Member of The Swedish Bus and Coach Confederation, X2 AB and the Confederation of Swed-

ish Enterprise. Working Committee member of The Confederation of Swedish Enterprise. Head of Service at Kalmar LMV Sverige AB.

Education: MBA, Arméns Tekniska Officershögskola.

Shareholding: 210,913 shares

ANNIKA KOLMERT

Head of Business Development since 2013.

Year of birth: 1973

Previous assignments: Managerial positions, Nobina Sverige since 2005. Reporting Manager of Accounting and Controlling at DHL Express and Financial Controller at Skandia Liv.

Education: MSc. Economics.

Shareholding: 60,191 shares

NIELS PETER NIELSEN

Managing Director at Nobina Danmark A/S since 2011.

Year of birth: 1965

Other assignments: Board Member of the Federation of Road Transport.

Previous assignments: Operations Manager at Nobina Danmark A/S and Arriva A/S, Duty manager Arriva A/S and Head of Operations (Railfreight) DSB (Danish railways)

Education: Business Economist.

Shareholding: 79,005 shares

JOAKIM PALMKVIST

Managing Director at Swebus Express AB since 2006.

Year of birth: 1963

Previous assignments: CEO of Elgiganten AB, Ticket Resebyråer AB and Synoptik. Deputy Chairman of the Board of Samtrafiken I Sverige AB. Purchasing Manager at ONOFF AB.

Education: Business Administration graduate.

Shareholding: 115,613 shares



Annika Molander

Martin Pagrotsky

Philipp Engedal

Anna Jonasson

Tom Ward

ANNIKA MOLANDER

Communications Director since 2016.

Year of birth: 1971

Previous assignments: Communications Director at Spendrups, Senior Consultant at Prime PR, Communications Director at Nasdaq OMX Nordic and Communications Director at Global Services, Ericsson.

Education: Business administration at Stockholm University.

Shareholding: –

MARTIN PAGROTSKY

Senior Legal Counsel since 2006.

Year of birth: 1974

Previous assignments: Member of The Swedish Bar Association, Senior Associate at Vinge Law Firm and Law Clerk at Karlstad Administrative Court.

Education: Master of Laws degree.

Shareholding: 66,844 shares

PHILIPP ENGEDAL

Managing Director at Nobina Norge AS since 2012.

Year of birth: 1972

Other assignments: Board Member at NHO Transport.

Previous assignments: Chief Supply Chain Officer at Dooria AS, Adm. Dir./CEO of Transportsentralen Oslo AS and Supply Chain Director at ICA AB.

Education: MBA (Germany).

Shareholding: 108,882 shares

ANNA JONASSON

Head of Central Operational Resources since 2016.

Year of birth: 1970

Other assignments: Board member of Stockholm County's Bus and Coach Federation.

Previous assignments: Project Manager at EY. Project Manager and Head of Operations at Nobina Sverige since 2005.

Education: Economics.

Shareholding: –

TOM WARD

Managing Director at Nobina Finland since 2004.

Year of birth: 1956

Other assignments: Board Member of Arbetsgivareförbundet (Employer Association) and Bussförbundet (Coach Federation).

Previous assignments: Employed at Huolintakeskus Oy, Scansped Oy and MPS Management Consulting. Head of the Profit Center at Oy Scan-Auto AB.

Education: Business and Finance diploma.

Shareholding: 112,066 shares

NOBINA AS AN INVESTMENT

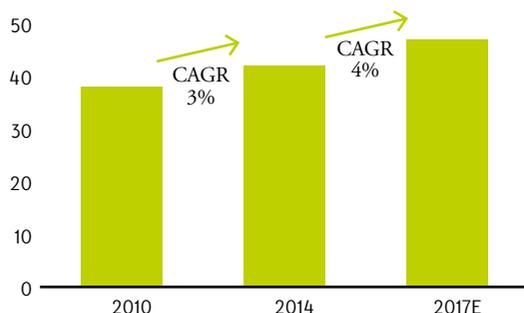
Nobina is the Nordic region's largest and most experienced public transport company. Our expertise in prospecting, the tender process and active management of traffic contracts in combination with long-term delivery quality make us the industry leader.

STRATEGY FOR CONTINUED GROWTH

Nobina has a target of increasing net sales at a faster pace than market growth. Nobina operates in stable, growing markets in the Nordic countries that have similar conditions in terms of public transport services. A large influx into metropolitan regions, a high degree of environmental awareness and public initiatives to increase public transport are examples of common denominators. Our focus is therefore to win the right contracts in the right traffic areas in these markets and thereby continue our trend of profitable growth.

Market with stable growth

Nordic public bus transport market (SEK bn)



Low depending on individual contracts



SELECTIVE TENDER PROCESS FOR GREATER PROFITABILITY

Nobina will increase profit before tax and achieve an EBT margin in excess of 4.5 per cent in the medium term. For Nobina, a natural part of the process involves analysing the prerequisites for healthy profitability in each individual assignment. Therefore, we study the characteristics of the traffic area and how the contract matches in relation to our depots and traffic control centres. For us, it is also important that the right bus is in the right place, particularly from a cost perspective, which is why we also review the possibility of reallocating buses between different traffic areas. Analysis and improvement measures in existing contracts focusing on both revenue and expenses are carried out continuously in combination with ongoing operational improvements. Together, this contributes to making the conditions for healthy profitability in each individual contract as favourable as possible.

We also operate in an industry that is not particularly affected by economic fluctuations and there is political consensus about the tendering methods. Combined with long contract periods, this generates long-term, favourable conditions for analysis.

NET INDEBTEDNESS

Nobina strives to maintain a net debt/equity ratio of between 3.0 and 4.0 in relation to EBITDA. A higher net debt is often a result of the start of new contracts and the procurement of new buses. As far as possible, Nobina's buses are financed via finance leases and loans, and are therefore recognised as assets and liabilities in the balance sheet. Because no buses are purchased unless new contracts are planned for start-up, the higher indebtedness is a result of Nobina growing via new contracts which, given Nobina's endeavours to only win profitable contracts, will eventually lead to improved profitability. Nobina finances buses over ten years. However, our buses have a useful life of 14 years, which further strengthens our results moving forward.

DIVIDEND

Nobina's dividend policy stipulates that Nobina, under normal circumstances with consideration to Nobina's cash flow, investment need and general operating conditions, annually will distribute more than 75 per cent of its profit before tax (EBT). For the 2015/2016 financial year, the Board has proposed a dividend of SEK 2.60, corresponding to a dividend yield of 7.3 per cent.

THE SHARE

Nobina's share was listed on Nasdaq Stockholm's Mid Cap list on 18 June 2015 under the category Industrial goods and services. As per 29 February 2016, the market capitalisation was SEK 3,136 million, compared with SEK 3,004 million at the time of the share's listing on 18 June. A new share issue was carried out in conjunction with the IPO that raised net capital for the company of approximately SEK 801 million. Through the new share issue, the number of shares increased by 25,000,000 to over 88,355,682 shares.

IPO

On 25 May 2015, the owners announced their intention to list Nobina on Nasdaq Stockholm's main list. The listing was preceded by an initial public offering to subscribe for shares in Nobina. The offering comprised 62 per cent of the shares in Nobina. Interest in the offering among investors was substantial, both in Sweden and abroad, and the offering was fully subscribed. 18 June 2015 was the first trading day.

SHARE PRICE TREND

Nobina's shares trended favourably during the year. The subscription price was set at SEK 34 per share and the price paid on Nobina's balance-sheet date was SEK 35.50, corresponding to an upturn of 4.4 per cent. Over the same period, the Nasdaq Stockholm declined 6.5 per cent (Stockholm all-share index). The lowest price for the year was noted on 24 September 2015 and was SEK 29.50. The highest price for the year was noted on 5 January 2016 and was SEK 39.10.

TURNOVER

Total turnover of Nobina's shares on Nasdaq Stockholm from the listing date to the close of the financial year (including those shares sold in conjunction with the listing) was 55 million. This corresponds to a turnover rate of 0.35 per cent compared with 0.24 per cent for Nasdaq Stockholm Mid Cap. On average, 310,777 Nobina shares were traded per day.

SHAREHOLDERS

As of 29 February 2016, Nobina had 7,008 registered shareholders. The ten largest shareholders control 59 per cent of the capital and votes at year end. The largest shareholder is Sothic Capital, whose holding declined to 11.8 per cent (29.9 per cent when listed) during the year. The proportion of foreign shareholders amounted to 66 per cent of equity and votes and 3 per cent of the shareholders, and the proportion of Swedish shareholders to 34 per cent of equity and votes and 97 per cent of the shareholders on Nobina's balance-sheet date.

ANALYSTS WHO MONITOR NOBINA

Carnegie, Danske Bank and Pareto.

SHARE CAPITAL

A new share issue was carried out in conjunction with the listing that raised net capital for the company of approximately SEK 801 million after capital acquisition costs. Through the new share issue, Nobina's share capital increased SEK 800 million from SEK 310 million to SEK 1,110 million and the total number of shares rose 25,000,000 to 88,355,682.

DIVIDEND POLICY

Under normal circumstances with consideration to Nobina's cash flow, investment need and general operating conditions, Nobina expects to annually distribute more than 75 per cent of its profit before tax (EBT).

PROPOSED DIVIDEND

The Board proposes a dividend of SEK 2.60 per share for the 2015/2016 financial year, corresponding to a total maximum distribution of SEK 230 million, which is equivalent to a dividend yield of 7.3 per cent based on the share price at the balance-sheet date.

SHAREHOLDER INFORMATION

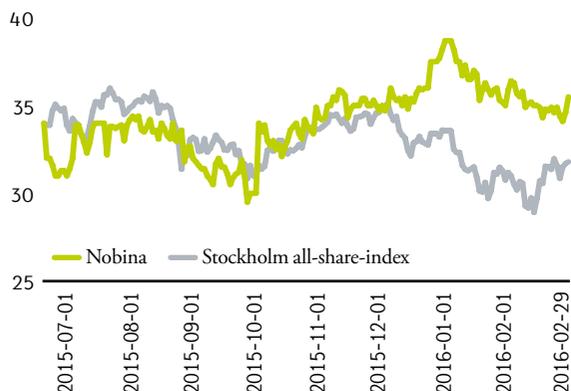
Financial information about Nobina is published on the company's website. Questions can also be sent directly to Nobina. Annual reports, interim reports and other information can be ordered from Nobina's head office, the website, via email or phone.

Website: www.nobina.com

E-mail: ir@nobina.com

Telephone: +46 8 410 65 000

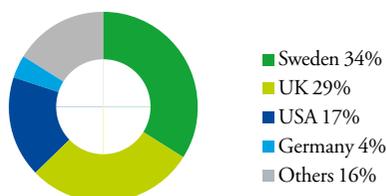
Share price trend



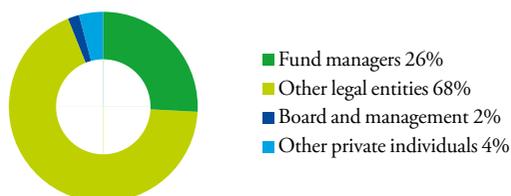
Total shareholders in Nobina

7,008

Holdings by country



Holdings by category



Dividend yield

7.3%

Major shareholders	No. of shares	Share of capital and votes, %
Sothic Capital Management LLP	10,426,520	11.8
Invesco Limited	8,522,015	9.6
BlueMountain Capital	8,475,266	9.6
Copper Rock Capital Partners	4,975,504	5.6
Fjärde AP-Fonden	4,688,599	5.3
Tredje AP-Fonden	3,724,151	4.2
Evermore Global Advisors Fonder	3,251,710	3.7
Handelsbanken Fonder	3,004,597	3.4
Danske Invest & Danica Pension	2,545,155	2.9
Länsförsäkringar Fonder	2,276,225	2.6
Others	36,512,810	41.4
Total	88,355,682	

FACTS ABOUT THE SHARE

Market: Nasdaq Stockholm
Ticker: Nobina
ISIN Code: SE0007185418
ICB Code: 2700
Highest price in 2015/2016: 39.10
Lowest price in 2015/2016: 29.50
Closing price 2015/2016: 35.50
Market capitalisation at 29 February 2016:
 SEK 3,136 million
Turnover rate 2015/2016: 0.35 per cent
Number of shares: 88,355,682

AUDITOR'S STATEMENT ON THE CORPORATE GOVERNANCE REPORT

To the annual meeting of the shareholders of Nobina AB (publ), corporate identity number 556576-4569

It is the Board of Directors who is responsible for the Corporate Governance Statement for the financial year 1 March 2015 – 29 February 2016 on pages 32–44 and that it has been prepared in accordance with the Annual Accounts Act.

We have read the Corporate Governance Report and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the Corporate Governance Report 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.

In our opinion, the Corporate Governance Report has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Stockholm, 26 April 2016

PricewaterhouseCoopers AB

Michael Bengtsson
Authorised Public Accountant