

CORPORATE GOVERNANCE REPORT

This report describes Nobina's 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 2016/2017 fiscal year includes the Board's report on internal controls for financial reporting and operational governance.

Corporate governance at Nobina

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. It 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.

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. The Code is based on the principle of comply or explain and is available on the website for the Swedish Corporate Governance Board:

www.corporategovernanceboard.se. Nobina has no irregularities to report from the Code.

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 of Association are available in their entirety on Nobina's website; www.nobina.com.

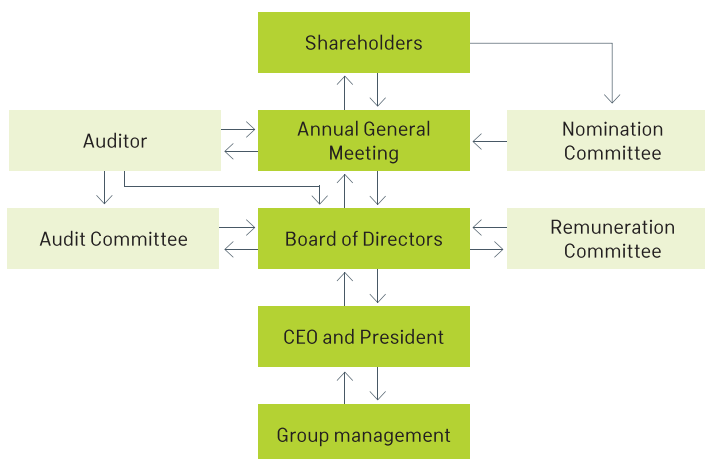
External regulations

- Swedish Companies Act
- Swedish Annual Accounts Act
- Regulations for issuers, Nasdaq Stockholm
- 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, instructions and guidelines

Organisation of Nobina's Corporate Governance



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.

No shareholder represents a shareholding larger than 10 per cent, in terms of votes, for all shares in the company and there are no limitations on how many votes each shareholder can give at the AGM.

Annual General Meeting 2016

At the AGM on 31 May 2016, 37.1 per cent of shares and 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, Ragnar

Norbäck and Jan Sjöqvist were re-elected as Board members, and the latter was re-elected as Chairman of the Board. Axel Hjärne was elected as a new Board member to replace Gunnar Reitan. All were elected for the period of time 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 shall be paid against invoices approved by the Board.

The income statement and balance sheet and the consolidated income statement and balance sheet were adopted for the 2015/2016 financial year and the Board members and CEO were discharged from liability.

In accordance with the Board's proposal, it was resolved that the SEK 598,753,557 loss for the year be transferred to retained earnings. In addition, disposable earnings from previous years totalled SEK 1,872,466,280 and the share premium reserve of SEK 1,335,198,568. The meeting resolved to pay a dividend to shareholders of SEK 229,724,773 (SEK 2.60 per share) for the preceding fiscal year. Consequently, SEK 2,379,186,518 is carried forward to the next 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.

Annual General Meeting 2017

The 2017 AGM will be held on 31 May 2017. See page 113.

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 2016 AGM resolved on the following principles for 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 2016. Provided the members of the Nomination Committee do not agree otherwise, the member representing the largest shareholder, in terms of votes, shall be appointed chairman of the Nomination 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 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 duties 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 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 shall be elected by the AGM. During the 2016/2017 financial year, the Board comprised six members. John Allkins, Birgitta Kantola, Graham Oldroyd, Axel Hjärne, Ragnar Norbäck and Jan Sjöqvist, and the latter was re-elected as Chairman of the Board at the AGM.

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 six times during the financial year. Board meetings are normally convened by notice being 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 Senior Legal Counsel, who is also Board secretary, and the CFO participate in all Board meetings. Other Nobina employees have some-

times held presentations during Board meetings. At meetings held during the fiscal year, the Board dealt with issues including the company's operations, risk analysis, strategy, financial reporting and business plan. The Board evaluates its work once each year by responding to an anonymous survey. The Chairman of the Board presents the survey results to the Board. In addition, the Board evaluates the company's CEO and his work during at least one meeting each year. No member of group management is present at this meeting.

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. Directives for the CEO and for financial reporting are described in appendices to the formal work procedures. The prevailing formal work procedures were adopted on 31 May 2016.

Remuneration Committee

The Rules of Procedure state that a Remuneration Committee is to be appointed 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.

Nobina's Nomination Committee ahead of the 2017 AGM

Member	Representing	Shareholding/votes
Jan Sjöqvist	Chairman of the Board	0.2%
Pehr-Olof Malmström	Danske Capital	4.7%
Nuno Caetano	Invesco Limited	7.2%
Peter Lundkvist	Third Swedish National Pension Fund (AP3)	3.1%

The members of the Committee were appointed based on the ownership structure as of 30 September 2016. The shareholdings are reported as of the same date. Chairman of the Nomination Committee is Nuno Caetano.

Board of Directors



	Jan Sjöqvist , Chairman	Ragnar Norbäck , CEO and President	John Allkins
Born	1948	1955	1949
Elected	2005	2014	2013
Other assignments:	Board of Aditro Logistics AB.	Board Member of N3 Group AB. Member of the K2 Research Institute.	Board member and Chairman of the Audit Committee of Punch Plc, Renold plc and Fairpoint plc.
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.	CEO of American Express Corporate Travel Nordic, Volvo Aero Engine Services, Linjebuss Trafik AB, GLAB (Adidas Sweden) and TNT Ipec Sweden.	Board member of Volex Plc, Linpac Senior Holdings Ltd, Albemarle & Bond Plc, Molins Plc and Intec Telecommunications Plc. Executive Roles; Group Finance Director MyTravel Plc and CFO of Equant NV.
Dependence status:	Independent in relation to Nobina, its management and major shareholders.	Dependent in relation to Nobina and its management. Independent in relation to its major shareholders.	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.	CMSc. Engineering from Chalmers in Gothenburg.	BA (Hons) Business Studies, FCMA.
Number of shares/votes	193,737	700,000	54,963
Total remuneration in 2016, SEK	900,000	—	450,000
Attendance at Board meetings	6 of 6	6 of 6	5 of 6
Attendance at remuneration committee meetings	4 of 4		
Attendance at audit committee meetings			4 of 4

**Axel Hjärne**

1964

2016¹⁾

Board member of PRIMA Barn- och vuxenpsykiatri Stockholm AB.

CEO of Eltel Group AB, CEO of Eltel Networks Sweden, Board member of Proffice, Executive Vice President of Bravida Group, CEO of ABB Contracting, various leading positions at ABB, various positions in sales and marketing for EUROCC.

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

Master's degree in industrial economy from Linköping University of Technology.

20,000

337,500

6 of 6

4 of 4

Birgitta Kantola

1948

2009

Board member of Skandinaviska Enskilda Banken AB (publ).

Executive Vice President and CFO, International Finance Corporation (the World Bank Group), Washington D.C. Executive Vice President of Nordic Investment Bank. Board member of several listed companies, including Fortum Abp, NASDAQ OMX New York and Stora Enso Oyj.

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

Master of Law from University of Helsinki, Econ.Dr.H.C.

14,578

450,000

6 of 6

4 of 4

Graham Oldroyd

1961

2014

Chairman of the Board of Ideal Standard International NV. Board member of Henderson Alternative Strategies Trust Plc (publ.) and of PHS Group Investments Ltd and member of the Church Commissioners For England.

Partner at Bridgepoint, responsible for Bridgepoint's investments in the Nordic region. Professional Qualifications: EurIng, CEng, FIMechE and MCSI, UK

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

MA Engineering, Cambridge University; MBA INSEAD Business School.

34,375

450,000

6 of 6

4 of 4

1) Axel Hjärne was elected by the 2016 AGM as a new Board member to replace Gunnar Reitan.

Board meetings during the financial year

Date	Type of meeting	Matters addressed
24 February	Scheduled	Operations, Budget, Multi-Year Plan, Board Evaluation
26 April	Scheduled	Operations, Interim Report, Annual Report, AGM
31 May	Scheduled	Election of Officers, Committees
29 June	Scheduled	Operations, Interim Report, Strategy
27 September	Scheduled	Operations, Interim Report, Strategy, Business Plan
19 December	Scheduled	Operations, Interim Report, Risk Analysis and Business Plan

Group management



	Ragnar Norbäck	Magnus Rosén	Per Skärgård	Jan Bosaeus	Annika Kolmert	Niels Peter Nielsen
Title	CEO and President of Nobina AB since 2004. Steps down as CEO and President on 31 May 2017	Incoming CEO and President of Nobina AB from 1 June 2017	CFO of Nobina AB since 2004, Vice President of Nobina AB since 2009	Managing Director of Nobina Sverige AB since 2002. Vice President of Nobina AB since 2009	Director Strategy & Sustainability ¹⁾ since 2013	Managing Director at Nobina Danmark A/S since 2011
Born	1955	1962	1957	1960	1973	1965
Other assignments:	Board Member of N3 Group AB. Member of K2 Research Institute.	Board member of Bonava and Llentab.		Chairman of the Board of the Swedish Bus and Coach Federation, Board member of the Swedish Confederation of Transport Enterprises, Alecta's National Board and Deputy Board member of The Confederation of Swedish Enterprise.		Board member of the Federation of Road Transport. Board member of DKT (Dansk Kollektiv Trafik).
Previous assignments	CEO of American Express Corporate Travel Nordic, Volvo Aero Engine Services, Linjebuss Trafik AB, GLAB (Adidas Sweden) and TNT Ipec Sweden.	Senior advisor at Nordstjernan. CEO and President of Ramirent Oyj. CEO of Cramo BE Group Sverige AB and Cramo Sverige AB. Service market manager BT Svenska AB and Managing Director of BT Hysystem AB.	CFO of DHL Nordic AB, Danzas-ASG AB, NETnet International, Helene Curtis Scandinavia, Warner Lambert Scandinavia. Group Controller AB Pripps Bryggerier. Economic Planner of Länsförsäkringsbolagen. Chairman of the Swedish Association for Graduated Business Administrators (Svenska Civilekonomföreningen).	Board member of the Swedish Bus and Coach Confederation, X2 AB and the Confederation of Swedish Enterprise. Working Committee member of the Confederation of Swedish Enterprise. Head of Service of Kalmar LMV Sverige AB.	Managerial positions, Nobina since 2005. Reporting Manager of Accounting and Controlling for DHL Express and Financial Controller of Skandia Liv.	Operations Manager Nobina Denmark and Arriva A/S. Head of operations (Rail-freight) DSB (Danish railways).
Education	CMSc. Engineering from Chalmers in Gothenburg.	Master of Business Administration from the Stockholm School of Economics.	Business administration at Stockholm University	Business Administration graduate, Arméns Tekniska Officershögskola	MSc. Economics	Business Economist
Number of shares/votes	700,000	—	217,878	210,913	60,191	79,005



Joakim Palmqvist	Annika Molander	Martin Pagrotsky	Jan Volsdal	Anna Jonasson	Tom Ward
Managing Director at Swebus Express AB since 2006	Communications Director since 2016	Senior Legal Counsel and Chief Compliance Officer ¹⁾ since 2006	Managing Director ²⁾ of Nobina Norge AS since March 2017	Director HR & Operational Resources ³⁾ since 2016	Managing Director of Nobina Finland since 2004
1963	1971	1974	1975	1970	1956
				Board member of Stockholm County's Bus and Coach Federation.	Board member of Arbetsgivareförbund (Employer Association) and Bussförbundet (Coach Federation).
CEO of Elgiganten AB, Ticket Resebyraer AB and Synoptik. Deputy Chairman of the Board of Samtrafiken i Sverige AB. Purchasing Manager for ONOFF AB.	Communications Director at Spendrups, Senior Consultant at Prime PR. Communications Director at Nasdaq OMX Nordic and Global Services, Ericsson.	Member of the Swedish Bar Association. Senior Associate at Vinge Law Firm. Law Clerk at Karlstad Administrative Court.	CEO of Bring Cargo AS, various managerial positions for Bring and Posten Norway. Factory Director Farris, Ringnes AS/Carlsberg. Planning Manager, Ringnes AS.	Project Manager for EY. Project Manager and Head of Operations of Nobina Sweden since 2005.	Employed at Huolintakeskus Oy, Scansped. Oy and MPS Management Consulting. Head of the Profit Center at Oy Scan-Auto AB.
Business Administration graduate	Business administration at Stockholm University	Master of Law degree	MSc. Engineering	Economics	Business and Finance diploma
115,613	—	66,844	—	—	112,066

1) Professional titles are being revised, but the areas of responsibility remain the same.

2) Philipp Engedal was Managing Director until December 2016. Until Jan Volsdal assumed his position, Jon Hovde was Acting Managing Director.

3) Adjusting title and appointed responsible for HR during the fiscal year.

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 held four meetings during the financial year.

Audit Committee

The Rules of Procedure state that an Audit Committee is to be appointed 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.

The Audit Committee currently has three members: John Allkins (Chairman), Birgitta Kantola and Axel Hjärne, which are all deemed independent in relation to the company, Group management and the company's main 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 held four meetings 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, Managing Directors for subsidiaries, CFO, Director for HR & Operational Resources, Communications Director, Senior Legal Counsel & Chief Compliance Officer and Director for Strategy & Sustainability. 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 thereafter reverts 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. Authorized public accountants or registered auditing firms shall be appointed as auditors or deputies as appropriate.

The 2016 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 must conduct 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 of auditors has been paid in accordance with Note 6.

Remuneration of management and Board of Directors

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 remuneration, 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 CEO. Shorter termination periods than six months may be permitted for other executives. An additional six months' remuneration is payable for CEOs 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 retire-

ment 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 days of holiday 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.

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 fiscal year, remuneration of 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
- 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 controls are based on a common and 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 signifi-

cant 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. This is based on COSO, which is an internationally accepted framework for internal control for financial reporting. This takes place in three stages and is initiated by the management's review. The basis for the assessment is a status analysis of Nobina's current situation 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. Refer to the Administration Report for more information.

Control activities

Risk assessment provides an opportunity to take preventative measures. High risks are prioritised, resulting in measures to eliminate or reduce them. Controls, instructions and governance 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.

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. It shows how the company acts and how deviations are reported and monitored. The process owner for each main process is to ensure that information about Group-wide methods reaches the entire organisation.

Nobina has a line organisation that regularly holds management meetings. These management meetings also include special KAMS councils, where new policies and instructions are presented. The KAMS method within Nobina focuses on how the organisation can work in a structured way with Quality, Work Environment, Environment and Safety. For more information, see pages 36–37. Following the presentation, a decision is taken on implementation within each of the concerned operations. Written communication is primarily made available via the intranets that reaches the relevant target groups. This is where news is regularly updated, and where information about the components of the management system, Group policy documents and instructions is accessible and searchable.

Follow-up and monitoring

The control of financial risks that are deemed to be high is primarily followed up within each process.

The purpose of following up and monitoring is to ensure a stable control environment at Nobina 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 audits and internal control reviews are a supplementary instrument for ensuring that operations are conducted in line with approved decisions.

Nobina uses external resources in its internal audit function. In addition regular internal control reviews are conducted by skilled Group personnel. The results of internal audits and internal control reviews are reported to the AC and Board as well as Group Management. Changes in the organisation that may affect the internal controls are assessed each year and reported to the Board.

Auditor's report on the Corporate Governance Statement

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

Assignment of responsibilities

It is the Board of Directors who is responsible for the Corporate Governance Statement for the year 2016-03-01–2017-02-28 on pages 43–52 and that it has been prepared in accordance with the Annual Accounts Act.

The focus and scope

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 16 *The*

auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinion

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

Stockholm, 28 April 2017
PricewaterhouseCoopers AB

Michael Bengtsson
Authorized Public Accountant



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