

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 2017/2018 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 deviations from the Code to report.

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.

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,

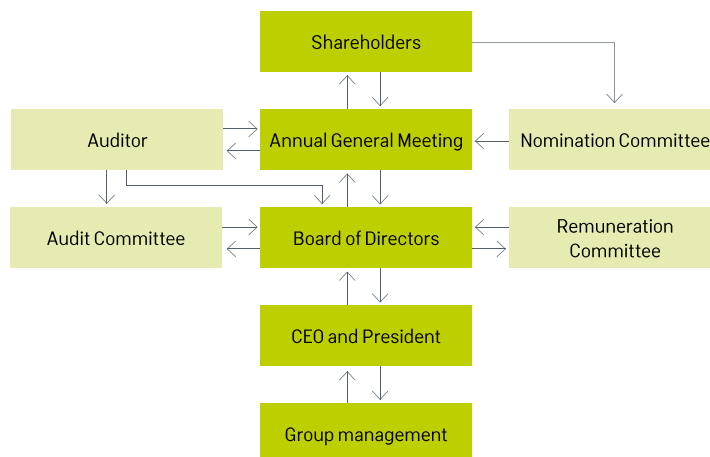
ORGANISATION OF NOBINA'S CORPORATE GOVERNANCE

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



for all shares in the company and there are no limitations on how many votes each shareholder can cast at the AGM.

Annual General Meeting 2017

At the AGM on 31 May 2017, 34.5 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, Graham Oldroyd, Ragnar Norbäck and Jan Sjöqvist were re-elected as Board members, and the latter was re-elected as Chairman of the Board. Monica Lingegård and Liselott Kilaas were elected as new Board members and thereby replaced Axel Hjärne and Birgitta Kantola. 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 2,500,000 in total. It was decided that CEO Ragnar Norbäck will receive directors' fees only after he ceases to be employed as CEO on 2 October 2017. 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 2016/2017 fiscal year and the Board members and CEO were discharged from liability.

In accordance with the Board's proposal, it was resolved that the SEK 191,136,602 in profit for the year be transferred to retained earnings. In addition, disposable earnings from the previous fiscal year totalled

SEK 1,043,987,950 and the share premium reserve of SEK 1,335,198,568. The meeting resolved to pay a dividend to shareholders of SEK 273,902,614 (SEK 3.10 per share) for the past fiscal year. Consequently, SEK 2,296,420,506 will be carried forward to the next fiscal year.

The principles for appointing a Nomination Committee and guidelines on remuneration to senior executives were adopted by the meeting in accordance with the submitted proposal. Furthermore, the meeting resolved in line with the Board proposal to introduce a performance-based share savings programme. As a consequence, the meeting also resolved in accordance with the Board's proposal to authorise the Board to acquire and transfer own shares within the scope of the share programme, to transfer own shares to participants in the programme and on a draft decision for share swap agreements with third parties. Finally, the meeting resolved in accordance with the Board proposal to authorise the Board to take decisions on new share issues, and so forth.

Annual General Meeting 2018

The 2018 AGM will be held on 31 May 2018. 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 2017 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 2017. 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.

At Nobina, diversity is viewed as a material and integral part of efforts to pursue responsible and continuously improving operations. Diversity is also viewed as a critical success factor in achieving strategic goals. Ahead of the 2018 Annual General Meeting, the Nomination Committee has applied section 4.1 of the Code as its diversity policy. The aim of the Nomination Committee has been to provide the Board of Directors with the expertise and experience required to lead the company's operations in an optimal manner. In addition, it has been the ambition of the Nomination Committee to promote a gender balance by ensuring the proportion of female Board members and strengthening the industrial and operational experience on the Board of

Directors. As a result of the Nomination Committee's work, the Nomination Committee's proposed Board composition will represent a variation in terms of gender, age and background and suitable breadth in terms of industrial, financial and marketing expertise.

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 President, who is also CEO.

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 shall be elected by the AGM. During the 2017/2018 fiscal year, the Board comprised six members. John Allkins, Graham Oldroyd, Ragnar Norbäck, Monica Lingegård, Liselott Kilaas 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 are independent in relation to the company and its management.

Work performed by the Board during the year

The Board met nine times during the fiscal 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 sometimes 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 the 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 2017.

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.

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 three times during the fiscal year.

NOBINA'S NOMINATION COMMITTEE AHEAD OF THE 2018 AGM

Member	Representing	Shareholding/votes
Jan Sjöqvist	Chairman of the Board	0.2%
Evert Carlsson	Swedbank Robur Fonder	5.3%
Nuno Caetano	Invesco Limited	6.5%
Mattias Cullin	Danske Capital	4.1%

The members of the Committee were appointed based on the ownership structure as of 30 September 2017. 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	JOHN ALLKINS
Born	1948	1955	1949
Elected	2005	2014	2013
Other assignments	Chairman of the Board of Aditro Logistics AB.	Chairman of the Board of K2 Nationellt Kunskapscentrum ¹⁾ . Board member of N3 Group AB.	Board member and Chairman of the Audit Committee of Renold 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 and President of Nobina AB ²⁾ . CEO of American Express Corporate Travel Nordic, Volvo Aero Engine Services, Linjebuss Trafik AB, GLAB (Adidas) and TNT Ipec Sweden. Board member of K2 Nationellt Kunskapscentrum ²⁾ .	Board member of Volex plc, Linpac Senior Holdings Ltd, Albemarle & Bond plc, Molins Plc and Intec Telecommunications plc. Board member and Chairman of the Audit Committee of Punch plc and Fairpoint plc ³⁾ . Executive Roles; Group Finance Director MyTravel plc and CFO of Equant NV.
Dependence status	Independent in relation to Nobina, its management and major shareholders.	Independent in relation to Nobina, its management and major shareholders ³⁾ .	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/votes⁷⁾	193,737	700,000	54,963
Total remuneration in 2017, SEK	900,000	4,800,000 ⁴⁾	450,000
Independent	Yes	Yes	Yes
Attendance at Board meetings	9 of 9	8 of 9	9 of 9
Attendance at remuneration committee meetings	3 of 3	–	–
Attendance at audit committee meetings	–	–	4 of 4

1) Chairman of the Board since 1 June 2017.

2) Board member until 1 June 2017, thereafter Chairman of the board.

3) Though dependent in relation to Nobina and its management until 2 October 2017 when his employment as CEO came to an end.

4) President and CEO until 1 June 2017.

5) Assignments ended in August 2017.

6) Assignments for Memira since June 2017.

7) All shareholder information is accurate as of 28 February 2018.

**LISELOTT KILAAS**

1959

2017

Board member of DNV-GL, Orkla, Norska pensionsfonden Nordic and TioHundra and Memira⁶⁾.

CEO of Aleris AB and Board member of Polaris Media ASA, Telenor, I.M. Skaugen, Norges Bank.

Independent in relation to Nobina, its management and major shareholders.
Master of Business Administration from the IMD Business School and a Master's degree in mathematics and statistics from Oslo University/Norwegian University of Science and Technology.

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337,500

Yes

4 of 6

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3 of 3

MONICA LINGEGÅRD

1962

2017

CEO of Samhall AB, Chairman of the Board of SSC and Board member of Orio, Almega and Humana.

CEO of G4S in Sweden and CEO of Prenax Global. Senior positions in IT consulting, including Spray and Cap Gemini.

Independent in relation to Nobina, its management and major shareholders.
MSc in Business and Economics at Stockholm University.

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337,500

Yes

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3 of 3

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 commissioner at the Church of Commissioners For England.

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

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

MA Engineering, Cambridge University; MBA INSEAD Business School.

34,375

450,000

Yes

9 of 9

3 of 3

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BOARD MEETINGS DURING THE FISCAL YEAR

Date	Type of meeting	Matters addressed
22 February	Scheduled	Operations, Budget, Multi-Year Plan, Board Evaluation
4 April	Scheduled	Operations, Interim Report
27 April	Scheduled	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
16 November	Extraordinary	Strategy and business development
29 December	Scheduled	Operations, Interim Report, Risk Analysis, Business Plan
23 January	Extraordinary	Strategy and business development

Group management



	MAGNUS ROSÉN	PER SKÄRGÅRD	JAN BOSAEUS	MARTIN PAGROTSKY
Title	President and CEO of Nobina AB from 1 June 2017 ¹⁾	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	Senior Legal Counsel and Chief Compliance Officer since 2006
Born	1962	1957	1960	1974
Other assignments	Board member of Bonava.		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 Board member of The Confederation of Swedish Enterprise.	
Previous assignments	Board member of Llentab ²⁾ , CEO of Ramirent plc, CEO of BE Group Sverige AB, CEO of Cramo-Sverige AB. Service market manager BT Svenska 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 Civilekonomforeningen).	Board member of the Swedish Bus and Coach Confederation, X2 AB. Working Committee member of the Confederation of Swedish Enterprise. Head of Service of Kalmar LMV Sverige AB.	Member of the Swedish Bar Association. Senior Associate at Vinge Law Firm. Law Clerk at Karlstad Administrative Court.
Education	Master of Business Administration from the Stockholm School of Economics.	Business administration at Stockholm University	Business Administration graduate, Arméns Tekniska Officershögskola	Master of Law degree, Stockholm University
Number of shares/votes⁶⁾	30,000	217,878	210,913	66,844

1) Ragnar Norbäck was President and CEO until 1 June 2017.

2) Assignment ended on 31 December 2017.

3) Assignment ended in April 2017.

4) Until Jan Volsdal assumed his position, Jon Hovde was Acting Managing Director.

5) Assignment ended on 31 December 2017.

6) All shareholder information is accurate as of 28 February 2018.



NIELS PETER NIELSEN	TOMAS HANSSON	JAN VOLSDAL	ANNA JONASSON	TOM WARD
Managing Director at Nobina Danmark A/S since 2011	Director of Business Development & Group functions since 1 Feb 2018	Managing Director of Nobina Norge AS since March 2017 ⁴⁾	Director of HR since 2016	Managing Director of Nobina Finland since 2004.
1965	1986	1975	1970	1956
Board member of DKT (Dansk Kollektiv Trafik).				Board member of Autoliikenteen Työnantajaliitto ry (ALT), Employers' Federation of Road Transport.
Operations Manager Nobina Denmark and Arriva A/S. Head of operations (Rail-freight) DSB (Danish railways). Board member of the Federation of Road Transport ⁵⁾ .	CFO of Nobina Sverige AB, Business area manager at Swebus, Management consultant with the Boston Consulting Group.	CEO of Bring Cargo AS, Director of Bring International, CFO of Logistik Posten Norge. Other managerial positions for Bring and Posten Norway. Factory Director Farris, Ringnes AS/ Carlsberg. Planning Manager, Ringnes AS, project manager Ringnes AS.	Project Manager at EY. Project Manager and Head of Operations of Nobina Sweden since 2005.	Board member of Bussförbundet ⁵⁾ . Employed at Huolintakeskus Oy, Scan-späed Oy and MPS Management Consulting. Director of the Profit Centre at Oy Scan-Auto AB.
Business Economist	CMSc. Engineering from KTH, MSc in Business and Economics at Stockholm University.	CMSc. Engineering from NTNU, industrial economy	Economics	Merkonom, Lahtis
79,005	19,000	4,000	5,900	112,066

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), Monica Lingegård and Liselott Kilaas, 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 fiscal 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 of HR, Senior Legal Counsel & Chief Compliance Officer and Director of Business Development & Group functions. Group management holds nine scheduled

meetings per year 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. Authorised public accountants or registered auditing firms shall be appointed as auditors or deputies as appropriate.

The 2017 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-monthly or 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 met the Board without the presence of company management. The auditor may only be engaged for consulting services that have been decided on 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 MANAGEMENT AND BOARD OF DIRECTORS

Guidelines for remuneration of senior executives

Senior executives at Nobina include the CEO, the managing directors of subsidiaries and functions that report directly to the CEO. Remuneration of senior executives includes fixed salaries, short and long-term variable remuneration, pensions and other benefits. Senior executives may also be offered to participate in various incentive programmes issued by Nobina AB on market conditions. The overall aim of such incentive programmes is to create shared

interest between Nobina's senior executives and shareholders.

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 is capped at 60 per cent of fixed annual salary for managing directors of subsidiaries and is capped at 30 per cent of fixed annual salary for senior executives.

Nobina's Board of Directors has resolved to introduce a long-term incentive programme in the form of a share savings programme to further motivate and retain Nobina's key personnel. Up to 22 senior executives and other key personnel of the Nobina Group are included in the programme, which must not exceed 17 per cent of each participant's annual fixed salary for 2017/2018.

The share savings programme has two different forms, matching and performance shares, where participants are required to acquire shares in Nobina AB or, alternatively, to use shares they already hold.

Costs for the share savings programme will be recognised over the savings period, which begins on 1 March 2018 and applies for a three-year period. The matching and performance shares will be transferred not later than 45 days after the publication of Nobina's year-end report for 2020/2021, if participants are still employed by the Nobina Group.

In the event of termination of employment, senior executives at Nobina are entitled to not more than 18 months' compensation including salary during the notice period. A six-month mutual termination period applies between the company and Nobina's CEO, while shorter termination periods than six months may be permitted for other senior executives. Up to 12 additional months' remuneration is payable for

the CEO should employment be terminated by the company, while shorter termination periods than 12 months may be permitted for other senior executives.

Pension and terms for the CEO

The retirement age for the company's CEO is 65. Pension expenses comprise defined-contribution pensions, for which the premium is equal to 35 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 not pensionable.

The CEO is entitled to 30 days of holiday and, in addition to the taxable benefits described above, also to health insurance and a company car. If the CEO chooses to refrain from a company car then monthly compensation is paid corresponding to the taxable benefit value.

See Note 7 concerning remuneration of the Board and senior executives.

Remuneration of the Board of Directors

Remuneration to the Chairman and other members of the Board is paid according to the decision of the AGM. No remuneration is paid to the Board beyond that approved by the AGM. Directors' fees paid during the fiscal year totalled SEK 2.5 million.

Remuneration of auditors

For the fiscal year, remuneration of auditors has been paid in accordance with Note 6.

INTERNAL CONTROLS FOR 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 (ARL),
- 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 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. This is based on COSO, which is an internationally accepted framework for internal control over financial reporting. This takes place in three stages and is initiated through management's review. The basis for the assessment is a SWOT analysis of Nobina's current status and 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 policies when preparing the year-end accounts and financial reports for all Group companies. Established routines govern the review and analysis of the financial statements at all levels in the Group, which is important in order to ensure the accuracy of the statements. Governance is carried out by way of established policies and instructions that have been drafted using Group-wide process teams.

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

Information and communication

The communication plan ensures that information, both written and oral, 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 48–49. Following the presentation, a decision is taken on implementation within each of the relevant operations. Written communication is primarily made available via the intranets that reach 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 ensure that application and follow-up are carried out in key areas of operations. The principle applied at the company is that every process should have control functions that support follow-up activities. Internal audits are a supplementary instrument for ensuring that operations are conducted in line with approved decisions.

Nobina engages both internal and external assistance for its 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 control are assessed each year and reported to the Board.

Auditor's report on the Corporate Governance Statement

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

ENGAGEMENT AND RESPONSIBILITY

It is the board of directors who is responsible for the corporate governance statement for the financial year 2017-03-01–2018-02-28 on pages 37–46 and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means

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

OPINIONS

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph

points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm April 26th, 2018
PricewaterhouseCoopers AB

Michael Bengtsson
Authorized Public Accountant