

# 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 2014/2015 fiscal year includes the Board's report on internal controls for financial reporting.

## Corporate governance at Nobina

Nobina's corporate governance is focused on how to govern, lead and control operations aimed at creating value for the company's shareholders and other stakeholders. Corporate governance strives to create the conditions for active, responsible corporate bodies, clarify allocation of roles and responsibilities and ensure fair reporting and information. Both external and internal regulations provide the foundation for Nobina's corporate governance.

### External regulations:

- Swedish Companies Act
- Swedish Annual Accounts Act
- Other relevant laws

### Internal regulations:

- Articles of Association
- The Board's formal procedures
- 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 capitalization. Nobina is thus not currently required to comply with the Code, but has decided to follow the code in most respects. Nobina is essentially in compliance with the code, with the exception that neither the names of the members of the Nomination Committee nor how a shareholder may submit proposals to the Nomination Committee have been published on the company's website within the time prescribed.

### Articles of association

The Articles of Association are available in their entirety on the Nobina's website at [www.nobina.com](http://www.nobina.com).

### Annual General Meeting and shareholders

The Annual General Meeting is the company's highest governing body. Shareholders exercise their decision rights at the Annual General Meeting in such matters as the composition of the Board of Directors and election of auditors. The Nomi-

nation Committee proposes candidates for Board members, Chairman of the Board and auditors. Supplementary voting regulations may be found in shareholder agreements between certain shareholders. Resolutions at the Annual General Meeting are normally taken by 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. At the Annual General Meeting, shareholders are able to pose questions about the company and its results for the preceding year. Representatives of the Board of Directors, executive management and the auditors are normally present to answer these questions.

### Annual General Meeting 2014

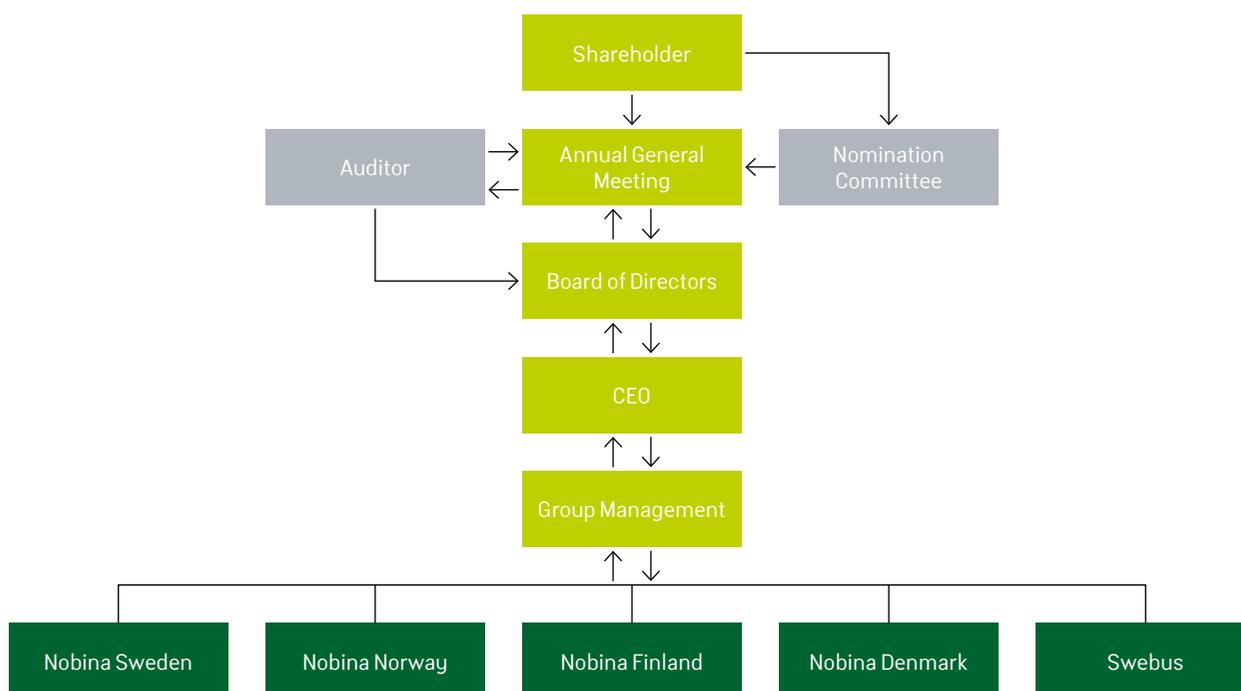
At the Annual General Meeting on 28 May 2014, 68.7 percent of the shares and the voting rights were represented. Representatives of Nobina's Board of Directors and Group Management were present.

### The following resolutions were passed:

Birgitta Kantola, John Allkins, Gunnar Reitan, Graham Oldroyd and Jan Sjöqvist, were reelected as Board members, and Jan Sjöqvist was also reelected as Chairman of the Board. All were elected for the period of time until the next AGM. PricewaterhouseCoopers i Sverige AB was elected as the company's auditors. Board fees of SEK 2,700,000 were approved for distribution in accordance with the proposal presented to the meeting. Fees to the auditors shall be paid against agreement approved by the Board.

The Parent Company income statement and balance sheet and the consolidated income statement and balance sheet were adopted for the 2013/2014 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 in the amount of SEK 51,592,971, disposable earnings from previous years totaling SEK 1,712,675,801 and the share premium reserve of SEK 611,623,153 would be disposed of such that SEK 2,375,891,925 is carried forward. The meeting resolved that no dividend would be paid for the preceding fiscal year.



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

Lastly, it was decided to have a new issue of 622,840 shares in accordance with the proposal that was submitted to the company’s CEO. The deadline for subscription and cash payment for the new shares was set as 30 June 2014. The shares were issued at SEK 1.62 per share, which corresponds to their estimated market value. The reason for deviating from the shareholders’ preferential rights was because the Company had committed to issuing the new shares for the specific purpose of an incentive program.

**2014 Extraordinary General Meeting**

An extraordinary general meeting was held on 26 November 2014 and 70.4 percent of the shares and the voting rights were represented. Representatives of Nobina’s Board of Directors were present. The EGM decided, in accordance with the Nomination Committee’s proposal, that the number of Board members would be increased to six. Ragnar Norbäck, CEO of the Company, was elected as Board member for the period until the next AGM. Ragnar Norbäck is not entitled to any remuneration for his duties as Board member.

Lastly, it was decided that a cash-based incentive program would be offered to Board members of Nobina who are not employees of the company. The program will consist of fixed remuneration and variable remuneration for the participants.

**Annual General Meeting 2015**

The date of the 2015 AGM is 27 May 2015. See page 92.

**Nomination Committee**

The AGM 2014 resolved on the following principles for the Nomination Committee until the end of next AGM. The Nomination Committee shall prepare and submit proposals to the general meeting on: the chairman of the meeting, members of the board of directors, chairman of the board of directors, board fees to the chairman and each of the members of the board of directors as well as, if any, remuneration for Committee work, fees to the Company’s auditor and, when applicable, proposal regarding election of new auditor. Furthermore, the Nomination Committee shall prepare and submit proposals to the general meeting on principles for the composition of the Nomination Committee.

**Principles for appointment of the Nomination Committee**

Nobina shall have a Nomination Committee consisting of a representative of each of the two largest shareholders, based on the number of votes held, together with the chairman of the board of directors. The names of the members of the Nomination Committee and of the shareholders they represent shall be made public no later than six months before the annual general meeting and be based on shareholding statistics provided by Euroclear Sweden AB per the last banking day in November 2014. 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 a shareholder who has appointed a member is no longer one of the two largest shareholders, in terms of votes, the appointed member shall resign and be replaced by a new member in accordance with the above procedure.

#### NOBINA'S NOMINATION COMMITTEE PRIOR TO 2015 AGM

Member	Representing	Shareholding/votes
Jan Sjöqvist	Chairman of the Board	0.3%
Ralph Herrgott	Sothic Capital	29.9%
Nuno Caetano	Invesco	14.3%

#### Nobina's Board

##### *The Board's responsibility*

Nobina's Board is responsible for the organization and administration of the company's affairs. The Board of Directors, in its entirety, is also assigned to act as an Audit Committee and a Remuneration Committee. Neither during his time in the Board, nor previously, has the CEO participated in Board meetings where remuneration was discussed. One of the Board's most important assignments is to ensure a long-term strategy, management, follow-up and control of Nobina's daily operations with the objective of creating value for shareholders, customers, employees and other stakeholders. The Board appoints the Chief Executive Officer (CEO).

##### *Composition of the Board of Directors*

The Board shall consist of at least three and at most ten Board members. The Board shall have an appointed Chairman, who according to Swedish law may not, at the same time, serve as the company's CEO. According to the Code, the Chairman shall be elected by the Annual General Meeting. During the 2014/2015 financial year, the Board was comprised of six members. Birgitta Kantola, John Allkins, Gunnar Reitan, Graham Oldroyd and Jan Sjöqvist were re-elected at the AGM and Jan Sjöqvist was re-elected as Chairman. The Board consisted of five members up until 26 November 2014, when Ragnar Norbäck was elected to the Board at an extraordinary general meeting of shareholders. Ragnar Norbäck, born 1955, has been CEO of Nobina AB since 2004. He holds 3,190,098 shares in the company.

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 eight 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 however permitted if there are special reasons. If the material to be discussed at the Board meeting is available, it is also attached to the notice. At Board meetings, other Nobina employees have sometimes held presentations. At the meeting on the financial years, the Board dealt with issues including the Company's business plan, financial reporting, refinancing, risk analysis and capital structure. The Board evaluates their work once per year.

Board meetings during the financial year:

Date	Type	Matters considered
4 March	Ordinary	Operations, Budget, Refinancing of Nobina Europe's bond loan
7 April	Extra by telephone	Refinancing of Nobina Europe's bond loan
24 April	Ordinary	Operations, Annual Report, Refinancing of Nobina Europe's bond loan, Multi-year Plan
5 June	Extra by telephone	Multi-year plan, Acquisitions
25 June	Ordinary	Operations, Denmark, Multi-year plan, Capital structure, Election of officers, Formal work procedures
30 September	Ordinary	Operations, Refinancing, Capital structure, Business plan
28 October	Extra by telephone	Capital structure
22 December	Ordinary	Operations, Business plan, Capital structure, Risk analysis, Multi-year plan

Member elected by AGM	Year elected	Born	Remuneration, SEK	Number of shares/votes	Independent <sup>1</sup>	Attendance at Board meetings
Jan Sjöqvist	2005	1948	900,000	1,659,583	Yes	8 of 8
Graham Oldroyd	2014	1961	450,000	–	Yes	6 of 8
Birgitta Kantola	2009	1948	450,000	–	Yes	8 of 8
Ragnar Norbäck	2014	1955	–	3,190,098	No	1 of 1
Gunnar Reitan	2012	1954	450,000	–	Yes	8 of 8
John Allkins	2013	1949	450,000	–	Yes	8 of 8
<b>Total</b>			<b>2,700,000</b>			

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 percent).

### *Board work*

The Board has adopted formal procedures for its work that describe how work shall be divided between the Board and its Committees and the CEO. The formal work procedures are established each year by the Board and they 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 25 June 2014.

### *Remuneration Committee*

Nobina has not had a separate Remuneration Committee since the entire Board considers matters related to remuneration in conjunction with an annual evaluation of Board work. Ragnar Norbäck, who is also the CEO of Nobina, has not participated in the considerations regarding remuneration to the CEO. The Remuneration to the Board, including the Chairman, is resolved by the Annual General Meeting. Remuneration of the CEO and other senior executives shall be on market terms and consist of fixed and variable compensation plus other benefits and pension. Read more about the principles for the remuneration of the Board and senior executives in the sections "Board of Directors" and "CEO and Group management".

### *Audit Committee*

Currently, the entire Board comprises the Group's Audit Committee. The Board's task is to quality-assure financial reporting in collaboration with company management. The Board shall ensure that company management identifies the risks in operations. Furthermore, the Board of Directors shall remain informed of the structure and prioritization of the external and internal auditing work in the Group to ensure that it maintains a high professional standard and is characterized by impartiality and integrity. The Board monitors issues that emerge from auditing work, including individual cases where auditing measures are considered warranted. The Board meets with the external auditors at least once a 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 directives. Nobina's Group management team consists of the CEO, CFO, Director of Human Resources, Senior Legal Counsel, Head of Business Development and the Managing Director of each subsidiary. Group management meets once per 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 made by the CEO following consultation with Group management. The Managing Director of each operating subsidiary is responsible to collect information on the development of the business and how the financial and qualitative targets are met. The Managing Director of each subsidiary is further responsible to compile the information and report to the relevant members of the Management and the CEO.

Nobina's chief controller also receives these reports. The CEO thereafter reverts to each of the Managing Director who in turn is responsible for compliance with directives given.

### *Auditors*

The shareholders at the Annual General Meeting elect an external independent auditor for a period until the end of the next Annual General Meeting. The auditor reports to the shareholders at the company's general meetings. The company shall have at least one (1) and at most 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 2014 AGM elected PricewaterhouseCoopers i Sverige AB as Nobina's auditors for the coming period. Authorized Public Accountant, Michael Bengtsson, is in charge of the audit. Michael Bengtsson is a member of FAR.

The external auditors' are responsible for auditing the company's annual report, which consists of consolidated accounts and financial records, as well as the administration of the Board and CEO. Additionally, the Company's quarterly reports must be limited reviewed by the auditor twice per year and one of those reviews must be directed at the fourth quarter. For the 2014/2015 financial year, only the fourth quarter interim report was limited reviewed, including last year's report. The auditor regularly reports to the Audit Committee, Group management and the local company management teams. 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 planning, its scope and contents, and presents the conclusions. Also, the Audit Committee is informed regarding assignments that were performed in addition to auditing services, compensation for such assignments and other circumstances of importance for assessing the auditors' independence.

### **Remuneration to management and Board of Directors** *Guidelines for remuneration of senior executives*

The Company endeavours to offer remuneration and other terms of employment that are market based and competitive in order to ensure that the company can attract and retain competent personnel. Remuneration to the CEO and other senior executives shall consist of fixed salary, variable compensation, pension and other customary benefits.

The fixed salary is reassessed as a general rule once a year and shall take into consideration the individual's responsibilities and performance. The fixed salary must be competitive. Variable remuneration shall be based on the individual's performance and the company's performance in relation to predetermined and established goals. Evaluation of these goals will take place annually. The variable remuneration will consist of a cash bonus that is decided by the Board.

In the event of termination of employment, senior executives in the Nobina are entitled to not more than 12 months' compensation (including salaries 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 of remuneration is payable should employment be terminated by the Company. Senior executives comprise the Parent Company's CEO, CFO, Director of Human Resources, positions that report directly to the CEO and the Managing Directors of the subsidiaries.

#### *Pension and terms for the CEO*

The retirement age for the CEO is 62 years in the Parent Company. Pension payments for the Company are reduced to 90 percent of salary when retirement takes place at the age of 62–63, 80 percent of salary when retirement takes place at the age of 63–64 and 70 percent 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 percent of pensionable salary. Pensionable salary refers to basic salary as long as the CEO remains employed by the Company. Termination salary is pensionable. The CEO has the right to 30 vacation days each year. The CEO is insured for 90 percent of salary 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 bonus is compensated through allotment of shares.

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

#### *Incentive programs*

The Board of Directors for Nobina AB, except for the Company's CEO, have been offered a cash-based incentive program consisting of fixed and variable remuneration. This was based on a decision taken at an extraordinary general meeting on 26 November 2014. The Board also decided to set up a similar incentive program for its Group management team, including the CEO, consisting of fixed and variable remuneration. The aim of both incentive programs is to help create a more diversified ownership in the Company before the end of 2017. The amount of both programs will be limited to a maximum amount of SEK 172 million, including social security costs and taxes. No costs under the program have been absorbed in the annual accounts for 2014/15. Both of the incentive programs were implemented following proposals from certain of Nobina's larger shareholders. The allocation per participant is calculated as multiples of the members' annual salary. Certain Board members, senior executives and employees own shares in the Company.

#### *Remuneration of the Board of Directors*

Fees are paid to the Board Chairman and Board according to resolutions passed by the Annual General Meeting and Extraordinary General Meetings. No remuneration is paid to the Board beyond that approved by the Annual General Meeting. The CEO receives no Board fees.

Board fees paid during the year totalled SEK 2.7 (1.2) million.

#### *Remuneration of auditors*

For the financial year, remuneration to auditors has been made in accordance with Note 5.

#### **Internal controls for financial reporting**

The CEO and senior management shall manage work 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)
- Performance reporting is informative and sufficiently detailed
- It reflects underlying transactions and events in a correct manner 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 objective is to ensure a company culture that is characterized by integrity and that ethical values are not compromised. The management system includes the employees' experience, expertise, attitudes, ethical values and perception of how responsibility and authority are distributed within the organization. It is the management system that illustrates how Nobina works in important areas. The control environment is characterized by the main business processes and the associated group policies and instructions, as well as local instructions. For each main process in Nobina, a person responsible for such process has been appointed and is responsible to propose preventative measures, as well as suggestions on how to develop and improve the process. Business leaders are responsible for introduction, follow-up and correction of deficiencies.

#### *Risk assessment*

The risks that arise in conjunction with financial reporting are primarily fraud, loss or embezzlement of assets, unauthorized favoring 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, revenues and costs or deviations from disclosure requirements are some examples.

Nobina applies the same type of risk assessment for all processes. This takes place in three steps and is initiated through management's review. The basis for the assessment is a SWOT analysis of Nobina's present situation and management's previous experience. The risks that are deemed to significantly affect financial reporting are classified as high risks. The risks that receive the opposite assessment are classed as low risks. At the second stage, high risks in operations are evaluated in conjunction with a survey of sub-processes. Process experts are engaged to conduct a careful evaluation of all risks in the particular process.

The work procedure starts by identifying risks by working through the following steps:

1. Describing current preventative measures
2. Evaluating the probability/ impact/likelihood of discovery
3. Calculating risk values
4. Proposing improvement measures in cases of high-risk values

This means that management's assessment of a risk may receive a lower value in operations, just as a risk that was not assessed by management may receive a high value in operations.

Afterwards, all risk values that were identified during the survey are compiled and present at a Group management meeting. Based on this information, management prioritizes 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 next year's risk assessment.

### *Control activities*

Risk assessment provides an opportunity to take proactive measures. High risks are prioritized, resulting in measures to reduce or eliminate 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 authorizing business transactions. In daily work and when preparing the closing accounts and financial reports, significant accounting principles are applied in all group companies. Established routines govern review and analysis of the financial reports at all levels of the group, which is important in order to ensure the accuracy of the reports. Governance occurs through established policies and instructions, all of which have been implemented via group-wide process teams. The teams also decide on important control points to ensure correctness in financial reporting.

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

### *Information and communication*

The communication plan ensures that communication reaches the appropriate target group. Information 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 organization. The line organization holds regular meetings on a function or area basis. New policies and directives are always presented at these meetings as part of their introduction. Written communication is primarily made available via intranet. This is where all news updates are published, along with information about the management system, Nobina policy documents and instructions.

### *Follow-up and monitoring*

The financial risks deemed high are followed up, primarily within each process. A control function is built into the risk management, which means that the actual operation ensures that functions are handled as planned.

The purpose of monitoring and supervision is to secure a stable control environment in the company and to check that application and follow-up are performed in key areas of the operations. The principle applied in the company is that every process must have control functions that support follow-up activities. The internal operational reviews are a supplementary instrument for ensuring that operations are conducted in line with approved decisions.

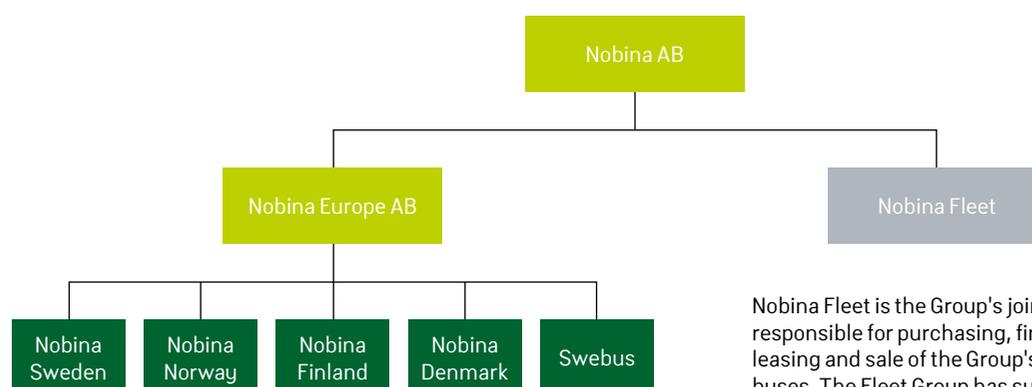
At present, Nobina has an outsourced audit function. Regular internal operational reviews are conducted by internally trained personnel to ensure that control points are functional and efficient. The results of the internal reviews are reported to both the Board and the company management. Changes in the organization that may affect the internal control are assessed each year and reported to the Board.

# THE NOBINA GROUP'S STRUCTURE

This is an overview of the most important companies belonging to the Nobina Group in order to clarify the structure for both financial instruments and reporting purposes. Nobina has two holding companies, Nobina AB for the entire Group and Nobina Europe AB, for the operating subsidiaries. This annual report contains information on the financial results and performance of Nobina AB.

Nobina Europe AB is a holding company that was formed earlier to make possible the issuance of a bond under U.S. regulations. Nobina Europe is the issuer of the bond that is listed and traded via NASDAQ Stockholm. The financial statements of Nobina Europe AB are presented separately.

Nobina AB is the Group's Parent Company and its shares are registered via Euroclear Sweden. The share is not listed and it is only traded via brokers, primarily in London. This annual report presents Nobina AB's financial statements and key figures.



Nobina Fleet is the Group's joint company that is responsible for purchasing, financing, intra-group leasing and sale of the Group's approximately 3,400 buses. The Fleet Group has subsidiaries or branch offices in all four countries. Fleet companies lease buses from external finance companies and then lease the buses to Nobina's operating subsidiaries.

Nobina's operational activities are conducted in the Group's operating subsidiaries. The earnings trend and financial key figures are presented for the Group and for each segment in the annual report for Nobina AB.

More information is available at [www.nobina.com](http://www.nobina.com)

## BOARD OF DIRECTORS



### JAN SJÖQVIST

Board Chairman 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.

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

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

**Shareholding:** 1,659,583 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 International Finance Corporation (World Bank Group), Washington D.C. 1995–2000, Executive Vice President of Nordic Investmentbank 1991–1995. Member of a number of Boards of listed companies, among them Fortum Oyj, Espoo, Finland and NASDAQ OMX Group, New York, Member of the Board of Stora Enso Oyj.

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

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

**Shareholding:** –



### 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 Vice President of SAS between 1993 and 2007.

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

**Education:** MSc. Economics, Trondheim Business School.

**Shareholding:** –



### 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 at RALT AB.

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

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

**Education:** MSc. Engineering.

**Shareholding:** 3,190,098



### JOHN ALLKINS

Board member since May 2013.

**Year of birth:** 1949

**Current assignments:** Non Executive Director (NED) and Chair of Audit Committee (C of AC) Punch Taverns Plc, NED, C of AC and Senior Independent Director (SID) Renold Plc, NED, C of AC and SID 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 Equant NV 1995–2003.

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

**Education:** BA (Hons) Business Studies, FCMA.

**Shareholding:** –



### GRAHAM OLDROYD

Board member since 2014.

**Year of birth:** 1961

**Other assignments:** Non Executive Director, Chairman of the Audit Committee, Henderson Value Trust Plc (publ.) Non Executive Director, PHS Plc, Commissioner, Governor, Church Commissioners For England; Senior Adviser, MCF Corporate Finance, Senior Advisor, 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:** Eurlng, CEng, FIMechE and MCSI, UK.

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

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

**Shareholding:** –



**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 at RALT AB.  
**Previous assignments:** Examples include: CEO at American Express Corporate Travel Nordic, Volvo Aero Engine Services, Linjebuss Trafik AB, GLAB (Adidas Sweden) and TNT Ipec Sweden.  
**Education:** MSc. Engineering.  
**Shareholding:** 3,190,098



**JAN BOSAEUS**  
MD at Nobina Sverige AB since 2002, VP of Nobina AB since 2009.  
**Year of birth:** 1960  
**Other assignments:** Chairman of the Board at Sveriges Bussföretag, Board Member of The Transport Group, X2 AB, Alecta's National Board, Deputy Board Member of The Confederation of Swedish Enterprise.  
**Previous assignments:** Board Member of The Swedish Bus and Coach. Board member and working Committee member of The Confederation of Swedish Enterprise. Head of Service at Kalmar LMV Sverige AB.  
**Education:** MBA, Arméns Tekniska Officershögskola.  
**Shareholding:** 660,146



**PETER HAGERT**  
Director of Human Resources at Nobina AB since 2011.  
**Year of birth:** 1960  
**Previous assignments:** Director of Human Resources at Amex Bank of Canada, Director of Human Resources at American Express Nordic, Russia and CEE and VP Sheraton Hotel & Towers Stockholm.  
**Education:** MBA  
**Shareholding:** –



**JOAKIM PALMKVIST**  
Managing Director at Swebus Express AB since 2006.  
**Year of birth:** 1963  
**Other assignments:** Board member of Samtrafiken i Sverige AB.  
**Previous assignments:** CEO Elgiganten AB, CEO at Ticket Resebyråer AB, CEO at Synoptik and Head of Purchasing at ONOFF AB.  
**Education:** Business Administration graduate.  
**Shareholding:** 211,602



**PER SKÄRGÅRD**  
CFO at Nobina AB since 2004, Vice President of Nobina AB since 2009.  
**Year of birth:** 1957  
**Previous assignments:** CFO at DHL Nordic AB, Danzas-ASG AB, NETnet International, Helene Curtis Scandinavia, Warner Lambert Scandinavia. Group Controller AB Pripps Bryggerier. Economic Planner at Länsförsäkringsbolagen. Chairman of Svenska Civilekonomföreningen.  
**Education:** Business administration at University of Stockholm.  
**Shareholding:** 907,574



**ANNIKA KOLMERT**  
Head of Business Development since 2013.  
**Year of birth:** 1973  
**Previous assignments:** Head of management systems, Process manager, Reporting manager accounting and controlling DHL Express, Financial Controller Skandia Liv.  
**Education:** MSc. Economics.  
**Shareholding:** 1,667



**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, Law Clerk at Karlstad Administrative Court.  
**Education:** Master of Laws degree.  
**Shareholding:** 42,326



**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 Dooria AS, Adm. Dir./CEO Transportsentralen Oslo AS and Supply Chain Director ICA AB.  
**Education:** MBA  
**Shareholding:** –



**TOM WARD**  
Managing Director at Nobina Finland since 2004.  
**Year of birth:** 1956  
**Other assignments:** Board Member at Nobina Finland. Board Member of Arbetsgivareförbundet (employer association) and Bussförbundet (coach federation).  
**Previous assignments:** Employed at Huolintakeskus Oy, Scansped Oy, MPS Management Consulting, and head of the profit center for Oy Scan-Auto Ab.  
**Education:** Business and Finance diploma  
**Shareholding:** 209,470



**NIELS PETER NIELSEN**  
Managing Director at Nobina Danmark A/S since 2011.  
**Year of birth:** 1965  
**Other assignments:** Board Member at Nobina Danmark A/S and Federation of Road Transport.  
**Previous assignments:** Operations Manager Nobina Danmark A/S and Arriva A/S, Duty manager Arriva A/S, Head of operations (Railfreight) DSB (Danish railways)  
**Education:** Business Economist.  
**Shareholding:** –

## THE NOBINA SHARE AND BOND

Nobina is a public company that is owned by several investment funds, mainly located in London. With an approximate 30 percent shareholding, Sothic Capital has been the company's largest owner. Funds managed by Anchorage Capital, Invesco and Bluemountain Capital combined have an approximate 40 percent ownership share. During the financial year, there has been extensive trading in both shares and bonds. As a result, the prior high level of co-ownership of shares and bonds has fallen to less than 20 percent.

In Nobina AB there are a total of 633,234,125 ordinary shares each with a quotient value of SEK 0.36. Share capital thus amounts to SEK 227,964,285. Share capital must equal at least SEK 100,000,000 and at most 400,000,000. The number of shares in the company must be at least 250,000,000 and at most 1,000,000,000. The company's shares must be registered in a CSD register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479). Share capital is described in Notes 7, 20 and 21. Nobina's shares are registered with Euroclear and most of the approximately 50 shareholders hold their shares through the trust departments of various banks. Nobina AB's shares are not listed, but trading anyway occurs in London via various brokers.

International investment funds are the primary shareholders in Nobina AB with a combined holding of about 98 percent. With an approximate 30 percent shareholding, Sothic Capital has been the company's largest owner during the financial year. Funds managed by Anchorage Capital, Invesco and Bluemountain Capital combined have an approximate 40 percent ownership share.

In May 2014, Nobina Europe AB refinanced a bond loan. After that, the nominal value of the bond was SEK 550 million with a maturity date of 13 May 2019. Bond loans have a coupon rate of 8 percent and are listed on Nasdaq Stockholm. The bond has been frequently traded during the financial year and the price has risen to a premium of around 101 percent of the nominal amount.

During the time since Nobina refinanced in 2005, the bonds and shares have primarily been owned by the same investors, which are mainly international funds. During this financial year and the previous one, joint ownership between bonds and stocks has decreased substantially due to trading of Nobina Europe AB's issued corporate bond and trading of Nobina AB shares via brokers, primarily in London. Because of this, co-ownership of shares and bonds fell to less than 20 percent.

Shareholder	Shareholding 2015-02-28
Sothic Capital	30%
Bluemountain Capital	17%
Anchorage Capital	14%
Invesco	14%
Board of Directors and Management	1%
Other	24%

Shareholding is based on registered shares as of the last general meeting in November 2014, along with information from shareholders on their holdings.

All share have the same voting rights.

# AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

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

It is the Board of Directors who is responsible for the Corporate Governance Statement for the financial year 2014-03-01–2015-02-28 on pages 35–44 and that it has been prepared in accordance with the Annual Accounts Act. As stated in the corporate governance report, the report has been prepared voluntarily.

We have read the corporate governance statement 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 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.

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

Stockholm, 5 May 2015

PricewaterhouseCoopers AB

Michael Bengtsson  
*Authorized Public Accountant*