Corporate Governance Report

Ework Group AB (publ) is a Swedish-registered public limited company based in Stockholm. The Company delivers consulting services in IT, telecom, technology, and business development. The Company has been listed on Nasdaq Stockholm since February 2010.

The governance of the Group includes the Articles of Association, the Swedish Companies Act, Nasdaq's rules for issuers, including the Swedish Code of Corporate Governance (the Code) and other applicable laws and regulations. Ework complies with the Code apart from stipulations governing the Nomination Committee. Departures from the Code are explained in detail below. For more information about the Code, see www.bolagsstyrning.se.

No breaches of applicable stock exchange rules occurred.

The share and shareholders

At the end of the year, there were 17,239,675 outstanding shares divided between 5,628 (3,635) shareholders. All shares carry one vote and represent equal participation in the Company's assets and earnings. Three shareholders hold over 10% of the Company's shares each: Staffan Salén and family through a company (Saléna AB) with 4,587,945 shares (26.6%), Försäkringsaktiebolaget Avanza Pension with 3,099,769 shares (18.0%) and Investment AB Öresund with 1,820,436 shares (10.6%).

Annual General Meeting (AGM)

The Company's AGM is the chief decision making body of Ework, where the shareholders exercise their influence through discussions and resolutions. All shareholders who are listed in the share register five days prior to the Annual General Meeting are entitled to participate either personally or via proxy. Notification must be made to the Company as set out in the convening notice.

Ework's Annual General Meeting of shareholders, its AGM, is held in Stockholm within six months of the end of the financial year. The convening notice is published in Swedish daily newspaper Svenska Dagbladet, the Swedish Official Gazette and on the Company's website–www.eworkgroup.com.

The AGM resolves on matters including adoption of Income Statements and Balance Sheets, dividend, discharging the Board of Directors and CEO from liability, election of Board members, Chairman of the Board, and where applicable, auditors, as well as remuneration for the Board and auditors, the principles for remunerating senior managers and other key issues.

31 shareholders representing 53.06% of the votes in the Company participated at the AGM 2017. All Board members, including the Chairman of the Board, auditors, CEO and CFO were present.

The AGM 2017 passed the following resolutions:

- The dividend was approved in accordance with the Board's proposal of SEK 4.00 per share, with the record date for dividends of April 26, 2017. The dividend was disbursed through Euro-clear Sweden AB on May 2, 2017.
- The AGM resolved that Ework's Board of Directors should have the following members: Staffan Salén, Magnus Berglind, Dan Berlin, Johan Qviberg, Mernosh Saatchi, Anna Storåkers and Erik Åfors. Staffan Salén was re-elected Chairman. Audit firm KPMG AB was elected as auditor, with Authorised Public Accountant Mattias Johansson as Auditor in Charge. All in compliance with the Nomination Committee's proposal.
- The AGM approved the Nomination Committee's proposed fees for Board Members not employed by the Company, of SEK 153,000 for each Board Member and SEK 306,000 for the Chairman.
- The AGM approved the Nomination Committee's proposal of an unchanged fee policy, namely that the auditors would be paid as invoiced and as per received quotation.
- The AGM approved the principles for the appointment of the Nomination Committee for the AGM 2018, meaning that the Nomination Committee would consist of representatives of the three largest shareholders.
- The AGM approved the Board's proposal concerning guidelines for remunerating senior managers.
- The AGM approved the Board's proposal concerning an incentive programme.

Nomination Committee

The main duty of the Nomination Committee is to propose Board Members, Chairman of the Board and auditors and their fees in a way that enables the AGM to make informed decisions.

Ework's Nomination Committee is appointed by its three largest shareholders. In a departure from the Swedish Code of Corporate Governance's rule 4.2, two Nomination Committee members, i.e. a majority, are Board members, and one Board member has also served as Chairman of the Nomination Committee, while both these members are non-independent of the Company's major shareholders. The justification for this is that Ework is a high-growth Company whose success is based on a strong entrepreneurial commitment from its founders and principal owners.

A Nomination Committee has been appointed in accordance with this, with the following members:

- Magnus Berglind, Chairman
- Staffan Salén (representing Salénia AB)
- Öystein Engebretsen (representing Investment AB Öresund)

The Nomination Committee has access to the appraisal of its work conducted by the Board and ensures that the Board has an expedient composition in terms of competence and experience. A special emphasis is placed on the avoidance of any discriminatory selection of members on basis of age, sexual orientation, gender or religious belief, for example. In this respect, the Nomination Committee has decided to adopt the Swedish Code of Corporate Governance 4.1 as its diversity policy. The Nomination Committee's proposals are published coincident with the notice convening the AGM and are also available on the Company's website. The Nomination Committee's term of office extends until the appointment of a new Nomination Committee. Fees have not been paid for work in the Nomination Committee.

Board of Directors

Ework's Board of Directors is elected annually by shareholders at the AGM. The Board is the link between the shareholders and the Company's management, and is of great importance in the process of developing Ework's strategy and business operations. The Board's duty is to manage the Company's affairs optimally on behalf of the owners and to protect the interests of shareholders.

The Board's responsibilities are prescribed in the Swedish Companies Act and the Swedish Code of Corporate Governance. The Board's rules of procedure, which are adopted annually, set a framework for its work. Ework's Articles of Association are available on the Company's website. In compliance with the Articles of Association, the Company's Board is to consist of not less than three (3) and not more than eight (8) ordinary members, with no deputy members. Members and deputies are elected annually at the AGM for the period until the end of the next AGM. Ework's Board consists of seven ordinary members representing a broad range of commercial, technical and communication skills. The AGM 2017 elected the Board as indicated in the table below. The Chairman leads the work of the Board and has special responsibility for monitoring the Company's progress between Board meetings and ensuring that Board Members regularly receive the necessary information to work satisfactorily.

The Chairman maintains contact with the CEO. Prior to Board meetings, the Chairman and CEO ensure that the agenda and decision support data are prepared and sent to members one week prior to each meeting. The Chairman also ensures that the Board's work is appraised and that the Nomination Committee receives the results of this appraisal.

The work of the Board During the financial year 2017, the Board held 12 meetings where minutes were taken, one of which was the Board meeting following election coincident with the Annual General Meeting. The work of the Board follows rules of procedure, adopted annually at the Board meeting following election. The rules of procedure determine the division of responsibilities between the Board and executive management, the responsibilities of the Chairman and the CEO, as well as the presentation of financial statements.

Zoran Covic served as CEO in 2017 and reported at Board meetings, but is not a Board member. The Board has

Name	Position	Born in	Elected	Independent of Company	Independent of major shareholders	Attendance, of 12	Shares	Warrants
Staffan Salén [1]	Chairman	1967	2003	Yes	No	12/12	4,587,945	0
Magnus Berglind	Member	1970	2000	Yes	No	12/12	10,000	0
Dan Berlin	Member	1955	2004	Yes	Yes	11/12	134,859	0
Anna Storåkers	Member	1974	2012	Yes	Yes	11/12	4,000	0
Mernosh Saatchi [2]	Member	1979	2016	Yes	Yes	12/12	2,000	0
Erik Åfors [3]	Member	1960	2014	Yes	Yes	12/12	277,291	0
Johan Qviberg	Member	1981	2014	Yes	Yes	12/12	90,850	0

1 Staffan Salén's holdings with family, and through the company Salénia AB.
2 Mernosh Saatchi's holdings through company.
3 Erik Åfors's holdings through company.

appointed the Group's Chief Financial Officer as Secretary. The Board is quorate when at least four members are present. Minutes of the previous meeting are discussed at each scheduled Board meeting, as well as operations since the previous meeting and the Company's financial position and earnings trend. The Board is kept continuously informed of business operations and external matters that are of importance to the Company in writing.

In 2017, the Board paid particular attention to the following questions:

- sales work, growth and new markets;
- new client offerings;
- progress of the Company's costs.

The Board also held an all-day meeting focusing solely on the Group's position and strategy. Management also attended this meeting. In order to ensure insight and control, each year, the Board is granted an opportunity to state its views on the auditor's planning of the scope and focus of the audit. The auditors report their observations at the Board meeting in February after completing their audit of the internal control and accounting records in the third quarter, and the annual financial statements. Neither the CEO nor any other member of executive management attend this meeting. In addition, the auditors are given access to Board meetings whenever the Board or auditors consider this is required. The work of the Board is appraised annually. The Board discussed its appraisal at a meeting in January 2018.

Fees to the Board
The Annual General Meeting 2017 resolved that the Chairman of the Board should receive SEK 306,000 and that Board members should each receive fees of SEK 153,000. The total Directors' fees of Ework for 2017 amounted to SEK 1,215,000 (1,180,000).

Remuneration Committee
The Remuneration Committee consists of Staffan Salén, Magnus Berglind and Dan Berlin and is responsible for consulting on the Board's proposal to the AGM on guidelines for remunerating the CEO and other senior managers. The CEO reports to the Committee, but does not participate on matters relating to himself.

The Remuneration Committee's duties include:

- consulting on and evaluating guidelines for remunerating Group management;
- consulting on and evaluating the objectives and principles governing performance-related pay;
- consulting on and evaluating Ework's incentive programmes.

The Committee held one meeting in the year.

Audit Committee
The Audit Committee consists of Staffan Salén, Magnus Berglind, Anna Storåkers and Erik Åfors and held four meetings in the year. The main duty of the Audit Committee is to monitor the processes for preparing Ework's financial statements and internal controls to ensure the quality of external reporting.

The Audit Committee's duties include:

- reviewing the financial statements;
- monitoring the effectiveness of internal controls, including risk management in respect of financial reporting;
- monitoring the external audit and appraising the work of the external auditors;
- appraising the objectivity and independence of the external auditors.

Auditor
The AGM 2017 elected public accounting firm KPMG AB, with Mattias Johansson as Auditor in Charge, for the period until the AGM 2018, to audit the annual accounts and consolidated accounts and the administration of the Board of Directors and Chief Executive Officer.

CEO and executive management
CEO and President Zoran Covic is responsible for operating activities. The Board has prepared instructions for the CEO that clarify duties and responsibilities and the framework of the CEO's authority to represent the Company. The CEO has no significant shareholdings or partnerships in companies that the Company has material business relationships with.

Ework's CEO has appointed a management team which consists of the Deputy CEO/CFO, the Sales Director, HR Director, Chief Digital Officer and the Operational Business Managers. The work of the management team focuses on addressing the market, sales, competence development and fundamental values, as well as questions regarding strategy, following up on results and business development. Management's duties also include investments, overall projects, financial statements, strategic communication as well as security and quality. No member of management has significant shareholdings or partnerships in companies that the Company has material business relationships with.

Incentive programme
At the AGM 2017, the Board of Directors and shareholders decided to introduce an incentive programme for senior managers and other key personnel. The aim is to enable the retention and hiring of competent and committed senior managers and other key personnel. The Meeting resolved on the issue of a total maximum of 360,000 share warrants, each of which conferring entitlement to subscribe for one share of the Company. These share warrants are being issued in three tranches (2017, 2018 and 2019) and are part of one and the same incentive programme. The share warrants are subscribed on an arm's length basis. The incentive programme corresponds to some 2.1% (0.7% per tranche). The total number of share warrants issued and outstanding in 2017 was 120,000. Each share warrant confers entitlement to subscribe for one share at a price of SEK 124.66 in the period November 1-November 30, 2020. The remuneration principles for senior managers are reviewed from page 40 onwards of the Administration Report.

Internal controls and risk management
Internal controls should ensure that the Company's strategies and targets are monitored, and that shareholders' investments are protected. Internal controls are also designed to ensure that information presented to the stock market is reliable, relevant and consistent with generally accepted accounting practice, and that laws, ordinances and other requirements of listed companies are observed Group wide. The Board of Ework has delegated practical responsibility to the CEO, who in turn, has allocated responsibility to the rest of the management team and to subsidiary managers.

Control activities are conducted at all levels of the organisation. Monitoring is an integrated component of ongoing management work. The cornerstones of Ework's system of internal controls are its control environment, risk assessment, control activities, information and communication and monitoring.

Control environment
The basis for internal controls within Ework are the Board's decisions on its organisation, authorisation and guidelines. The Board's decisions have been translated into effective management and control systems by executive management. Organisation, decision paths, authorization and responsibilities are documented and communicated in governing documents such as internal policies, manuals and codes. The basis for the internal controls is also included in the corporate accounting and reporting instructions, instructions for authorisation and approval lists and manuals. The Group reporting system for integrated financial and operational information is also a central part of the control environment and internal control. The integrated reporting of financial and operational information ensures a sound business platform for external financial reporting. In addition to information on results, reporting also includes rolling forecasts.

Risk assessment and control activities
The financial position and progress of the results of operations in Ework's business model are based on client orders being matched against production expenses. Matching is conducted in Ework's proprietary order and project management system Pointbreak, where all assignments are recorded. Each individual revenue and expense item is reconciled against contracts registered in Pointbreak. Accrued revenues are verified by the client before consulting expenses are accepted. Finally, transactions from Pointbreak are transferred to business accounting. Ework has policies and guidelines for the preparation of its financial statements, as well as automated controls in its system, and a manual reasonability assessment of flows and amounts. Management regularly assesses which new financial risks and risks of misstatement have arisen in financial reporting. The assessment is made with reference to transaction flows, staffing and control mechanisms. The focus lies on misstatements in financial reporting in respect of significant income statement and balance sheet items of high amounts as well as areas where there is a risk of significant consequences in the event of possible misstatements. It is the Board's assessment that brokerage of Ework's scope within the framework of a qualified system and in a well-known geographical market does not require an internal audit function. The Board conducts a fresh appraisal of this question each year.

Information and communication
Ework's overall financial organisation is centralised in Stockholm, which allows for the effective management of financial reporting. To ensure the quality of financial reporting, frequent discussions are held between Corporate Finance and the various operational units. The Board has adopted a communication policy in order to ensure good communication with the capital markets. This policy stipulates the information to be communicated, by whom and how.

The basic principle is that regular financial information is provided through:

- Press releases on significant or share price-sensitive events;
- Interim and Year-end Reports;
- Annual Reports.

Ework's Board and management work to provide the Company's owners and the stock market with relevant and accurate information through openness and clarity.

Follow-up
Ework continuously monitors compliance with the Company's rules and guidelines and keeps the Board informed. This is coincident with the accounting reports the Board of Directors receives monthly. The content of this financial information is expanded for Interim Reports, which are always preceded by a Board meeting where the Board approves the Report. With the organisation and working methods reviewed above, the Company believes the internal control over financial reporting is appropriate in terms of the Company's operations. On this basis, the Board of Directors has also taken the decision not to establish an internal audit function.

Stockholm, Sweden, March 22, 2018

The Board of Directors