

CORPORATE GOVERNANCE REPORT

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

The governance of the Group is based on 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. Deviations from the Code are explained in detail below. For more information about the Code, see www.bolagssystem.se. There were no violations of applicable stock exchange rules.

The share and shareholders

At the end of the year, Ework had 17,239,675 outstanding shares divided between 5,833 shareholders (5.204). 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 companies (Salénia AB) with 4,916,975 shares (28.5%), Försäkringsaktiebolaget Avanza Pension with 3,167,446 shares (18.4%) and investment AB Öresund with 1,726,988 (10.0%).

Annual General Meeting (AGM)

The AGM is the chief decision-making body within 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 a 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 the Swedish daily newspaper Svenska Dagbladet, the Swedish Official Gazette and on the Company's website, www.eworkgroup.com. The AGM passes resolutions on matters including the 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. 24 shareholders representing 45% of the votes in the Company participated at the AGM 2019. All Board members attended, including the Chairman of the Board, auditors, CEO and CFO.

The AGM 2019 passed the following resolutions:

- The dividend was approved in accordance with the Board's proposal of SEK 4.50 per share, with the record date for dividends of 6 May 2019. The dividend was disbursed through Euroclear Sweden AB on 9 May 2019.
- The AGM resolved that Ework's Board of Directors shall consist of Staffan Salén, Magnus Berglind, Dan Berlin, Johan Qviberg, Mernosh Saatchi, Anna Storåker-

ers and Erik Åfors. Staffan Salén was re-elected as Chairman of the Board. 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 158,000 for each Board Member and SEK 316,000 for the Chairman.
- The AGM approved the Nomination Committee's proposal of an unchanged fee policy, namely that the auditors shall be paid as invoiced and as per quotation received.
- The AGM approved the principles for the appointment of the Nomination Committee for the AGM 2020, meaning that the Nomination Committee shall consist of representatives of the three largest shareholders.
- The AGM approved the Board's proposal concerning guidelines for remunerating senior managers.

Nomination Committee

The main duty of the Nomination Committee is to propose Board Members, the Chairman of the Board and auditors, as well as their fees, so that the AGM can 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 2.3, two Nomina-

tion 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)
- Tim Floderus (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 AGM 2019 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

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 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 2019 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 the CEO make sure that the agenda and decision support data are prepared and sent to members one week prior to each meeting. The Chairman is also responsible for ensuring 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 2019, the Board held 12 meetings where minutes were taken, one of which was the Board meeting following election coincident with the AGM. 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 2019 and reported at Board meetings, but is not a Board member. The Board has 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 in writing about business operations and external matters that are of importance to the Company.

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	4,916,975	0
Magnus Berglind	Member	1970	2000	yes	no	12/12	10,000	0
Dan Berlin	Member	1955	2004	yes	yes	12/12	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	100,000	0

1) Staffan Salén's holdings with family and through companies (Salénia AB).

2) Mernosh Saatchi's holdings through companies.

3) Erik Åfors' holdings through companies.

In 2019, the Board paid particular attention to the following questions: • sales work, growth, profitability and new markets • new client offerings • the cost trend in the Company.	competence development and fundamental values, as well as questions regarding strategy, following up on results and business development. Management's duties also include investments, general projects, financial statements, strategic communication as well as security and quality. No member of management has significant shareholdings or partnerships in companies with which the Company has material business relationships.	• consulting on and evaluating the objectives and principles governing variable remuneration; • consulting on and evaluating Ework's incentive programmes.
Audit Committee The Audit Committee members are Staffan Salén, Magnus Berglind, Anna Storåkers and Erik Åfors, and it held two 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.	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 to one share in the Company. These share warrants were 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 dilution of a maximum of 1.46% based on the number of shares at the end of 2019. The total number of share warrants issued and outstanding in 2017 was 120,000, and each share warrant confers entitlement to subscribe to one share at a price of SEK 124.66 in the period 1 November–30 November 2020. The total number of share warrants issued and outstanding in 2019 was 47,600, and each share warrant confers entitlement to subscribe to one share at a price of SEK 86.84 in the period 1 November–30 November 2022. The remuneration principles for senior managers are described on pages 8–9 in the Management Report, and in Note 5 on page 33.	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; • assessing the objectivity and independence of the external auditors.
Fees to the Board The Annual General Meeting 2019 resolved that the Chairman of the Board should receive SEK 316,000 and that Board members should each receive fees of SEK 158,000. The total for directors' fees at Ework for 2019 was SEK 1,258,000 (1,236,000).	Auditor The AGM 2019 elected the accounting firm KPMG AB, with Authorised Public Accountant Mattias Johansson as Auditor in Charge, for the period until the AGM 2020, 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, as well as the framework of the CEO's authority to represent the Company. The CEO has no significant shareholdings or partnerships in companies with which the Company has material business relationships with. Ework's CEO has appointed a management team which consists of the EVP/COO, CFO, Sales and Marketing Director, HR Director, and Director of Operations. The work of the management team focuses on addressing the market, sales,
Remuneration Committee The Remuneration Committee members are Staffan Salén, Magnus Berglind and Dan Berlin, and it 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 executive management;	Internal controls and risk management 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 has in turn allocated responsibility to the rest of the management team and to managers in subsidiaries. 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.
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.	Control environment The basis for internal controls within Ework are the Board's decisions on its organisation, authorisations and guidelines. The Board's decisions have been translated into effective management and control systems by executive management. Organisation, decision paths, authorisations 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 authorisations 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	Follow-up Ework continuously monitors compliance with the Company's rules and guidelines and keeps the Board informed about this. This is coincident with the accounting reports that 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 at which 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.
information ensures a sound business platform for external financial reporting. In addition to information on results, reporting also includes regular 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 takes place 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. There are policies and guidelines for the preparation of its financial statements, as well as automated controls in the system, and a manual reasonability assessment of flows and amounts. Management regularly assesses which new financial risks and risks of misstatement have arisen in the preparation of financial statements. This assessment is performed 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. The Board's opinion is that Ework's operations and 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 matter each year.	Stockholm, 29 April 2020 Board of Directors	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 events that are significant or impact the share price • 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 about this. This is coincident with the accounting reports that 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 at which 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.