

# Corporate governance report

## Introduction

Pricer AB (publ) (henceforth “Pricer” or “the company”), corporate ID number 556427-7993, is a Swedish public company headquartered in Stockholm. Pricer is listed on the Small Cap list of Nasdaq Stockholm.

This corporate governance report has been prepared in accordance with the rules in the Swedish Corporate Governance Code (“the Code”). The Code is available on the Swedish Corporate Governance Code’s website ([www.bolagsstyrning.se](http://www.bolagsstyrning.se)).

Pricer hereby submits its corporate governance report for the 2016 financial year. The report is not part of the formal financial statements, but has been reviewed by the company’s auditor, who has issued a separate opinion that the statutory information in the corporate governance report is consistent with that in the annual report and the consolidated accounts.

## External control instruments

The external control instruments that influence governance of Pricer consist mainly of the Swedish Companies Act, the Swedish Annual Accounts Act, other applicable laws, Nasdaq Stockholm’s Rules for Issuers and the Code.

## Internal control instruments

The internal control instruments that influence governance of Pricer consist mainly of the Articles of Association, which are adopted by the AGM, and the policy documents adopted by the Board. These include rules of procedure for the Board, instructions for the CEO, the finance policy and the certification and authorization rules.

## General meeting of shareholders

Pricer’s shareholders exercise their influence at the Annual General Meeting (AGM or, where appropriate, EGM), which is the company’s highest governing body. Among other things, the AGM appoints the Board members and the Board Chairman, elects the auditors, and decides on amendments to the Articles of Association. In addition, the AGM adopts the income statements and balance sheets and approves the appropriation of the company’s profit or loss, decides on discharge of liability for the Board members and the CEO, decides on remuneration for the Board and auditors and establishes the principles for remuneration to the CEO and senior management. The AGM of Pricer is normally held in April or May in Stockholm. Pricer announces the date and location of the AGM as soon as it has made its decision, at the latest in connection with the third quarter report. Information about the date and location of the AGM can be found on the company’s website [www.pricer.com](http://www.pricer.com).

Notice of the AGM is published in the official gazette, Post- och Inrikes Tidningar, and on the company’s website. Furthermore, the company publishes an announcement in the Swedish newspaper Svenska Dagbladet that notice has been given. Shareholders who are registered in their own name in the share register maintained by Euroclear Sweden AB on the record date and who have notified the company by the specified date are entitled to attend the AGM and

vote for their shares. Shareholders who are unable to attend may be represented by a proxy. All information about the company’s general meetings, such as notification, the right to have matters included in the notice, minutes, etc., is available on the company’s website.

The company’s Articles of Association contain no restrictions on the number of votes each shareholder may cast at a general meeting, nor is the issue of amending the Articles of Association regulated. Due to the composition of the company’s ownership, it is not financially justifiable to offer simultaneous interpretation into another language, or translation of all or parts of the AGM material, including the minutes.

The 2016 AGM was held on 28 April 2016 and was attended by 47 shareholders representing 29.8 per cent of the votes in the company. The minutes of the AGM are available on the company’s website.

The AGM of Pricer AB (publ) on 28 April 2016 resolved among other things to authorize the Board of Directors, on one or several occasions during the period until the next AGM, with deviation from the shareholders’ preferential rights, to decide on the issue of new shares of class B in a total number that does not exceed 10 per cent of the total number of class B shares outstanding in the company on the date of notice of the Annual General Meeting. The shares may be issued only with the provision that payment shall be made through contribution in kind or set-off. The Board was furthermore authorized to decide on the repurchase of the company’s own shares, on one or several occasions during the period until the 2017 AGM. The number of shares acquired shall be such that that the holding of treasury shares at any given time does not exceed 10 percent of all class B shares in the company. A more detailed description of these two authorizations can be found in the Notice of the Annual General Meeting from 29 March 2016.

The 2017 AGM, as stated in the press release regarding the interim report for January-September 2016 published on 28 October 2016, will take place on 27 April 2017. This information is also available on the company’s website. Pricer’s website provides information about how and at what time a shareholder must submit a request to have a matter dealt with at a general meeting.

## Ownership structure

The number of shareholders at 31 December 2016 was 17,020. The ten largest shareholders accounted for 36.6 percent of the shares and 37.0 percent of the votes. Pohjola Bank (Göran Sundholm) was the largest shareholder, with 10.1 percent of the votes. For additional ownership information, see pages 8-9.

## Nomination Committee

The tasks of the Nomination Committee are to evaluate the composition and performance of the Board and to prepare proposals for approval by the AGM regarding election of the Chairman of the AGM, election of Board members and the Board Chairman and, when appropriate, election of auditors. The Nomination Committee shall also prepare proposals for the

AGM regarding remuneration to the Board and auditors. Finally, the Nomination Committee proposes principles for the appointment of a new Nomination Committee.

According to the Code, the Nomination Committee shall consist of at least three members, one of whom shall be appointed chairman. The general meeting of shareholders shall appoint the members of the Nomination Committee or state how they are to be appointed.

The 2016 AGM resolved that the Chairman of the 2017 AGM would be authorized to contact the company's three largest shareholders (based on the known number of votes immediately prior to publication) and ask them to each appoint one representative, together with the Board Chairman, for the period until a new Nomination Committee is appointed by the 2017 AGM. In addition, it was decided that the Nomination Committee should include a representative for the minority shareholders who is independent in relation to the company and its major shareholders. If any shareholder waives its right to appoint a representative, the shareholder next in order of voting power shall be invited to appoint a representative. The members of the Nomination Committee shall be made public no later than six months prior to the AGM.

The Nomination Committee of Pricer ahead of the 2017 AGM was announced on 13 October 2016 through a press release and on the company's website, and, in addition to Board Chairman Bo Kastensson, consisted of Theodor Jeansson, Göran Sundholm, Stefan Roos and Gunnar Ek. Gunnar Ek has served as Chairman of the Nomination Committee.

The members of the Nomination Committee are independent in relation to the company and its management. Apart from Göran Sundholm, all members of the Nomination Committee are independent in relation to the company's largest shareholder or group of shareholders in terms of voting power that collaborate in the company's management. The company has only one shareholder, Pohjola Bank (Göran Sundholm), representing at least one-tenth of the number of votes.

Since the 2016 AGM, the Nomination Committee has held several meetings and has also been in contact by telephone. The work of the Nomination Committee will be presented ahead of the 2017 AGM. No special remuneration was paid to the Nomination Committee members.

## Board of Directors

### Size and composition of the Board

Board members are appointed by the shareholders at the AGM to serve for the period until the end of the next AGM. In accordance with the Code, the Chairman of the AGM is also appointed.

In accordance with the Articles of Association, the Board of Pricer shall consist of a minimum of three and a maximum of seven members and the AGM shall decide on the exact number of Board members. The Articles of Association contain no specific provisions regarding the appointment and dismissal of Board members.

The AGM on 28 April 2016 resolved to re-elect sitting Board members Bo Kastensson, Hans Granberg, Bernt Ingman, Olof Sand and Christina Åqvist. In addition, Jenni Virnes till was elected as a new Board member. Bo Kastensson was elected as Chairman of the Board. No deputies have been appointed for Board members elected by the AGM. All members are considered independent in relation to the company, its management and the major shareholders.

The attendance of the Board of Directors at Board meetings is shown in the table below. Additional information about the Board of Directors, such as their experience, current assignments and shareholdings in the company, is provided on page 57.

### Board attendance

Board member	Present at no. of meetings	Of total no. of meetings
Bo Kastensson	18	18
Hans Granberg	18	18
Jan Rynning	4	5
Bernt Ingman	18	18
Olof Sand	18	18
Christina Åqvist	16	18
Jenni Virnes	13	13

With respect to the company's operations, phase of development and circumstances in general, the Board believes that it has an appropriate composition that is characterized by diversity and a breadth of qualifications, experience and backgrounds.

### Work of the Board at Pricer

The Board Chairman is responsible for organizing and overseeing the work of the Board and ensuring that it is performed in accordance with the applicable rules. The Board Chairman continuously monitors operations in dialogue with the CEO and ensures that the Board is provided with the information and documentation necessary for it to discharge its duties.

The Board is responsible for the company's strategy and organization and the management of the company's affairs. The Board ensures that the company's organization is designed to ensure that accounting, cash management and other financial matters are controlled in a satisfactory manner. The Board continuously monitors the financial situation of the company and the Group, which is reported monthly, to ensure that the Board can meet its obligation to evaluate as required by law, the listing rules and good Board practice. The work of the Board is governed by special rules for working procedures. Generally, the Board must handle matters of material significance for the Group such as strategic plans, budgets and forecasts, product planning, working capital, financing and the acquisition of operations, businesses or significant assets.

The Board held 18 meetings during the 2016 financial year. The attendance of the Board members at meetings is shown in the above table. The Board's work follows a yearly agenda. The CEO prepares the agenda in consultation with the Chairman ahead of each meeting, and determines the required supporting data and

documentation necessary to deal with the matters at hand. Other members may request that certain matters be added to the agenda. Prior to each scheduled meeting, the CEO provides the Board with a status report containing at least the following points: market, sales, production, research and development, finance, staff issues and, where appropriate, legal disputes.

The CEO and CFO attend all Board meetings, except in cases where issues involve barriers due to conflicts of interest, such as when remuneration for the CEO is determined or when the performance of the CEO is evaluated. Normally, the company's auditors attend two Board meetings during the year, and did so in 2016.

The meetings have been held at the company's headquarters in Stockholm or by telephone.

### **Evaluation of the Board**

The Board Chairman is responsible for evaluation of the Board of Directors' performance, including the contributions of the individual members. This is done through a structured yearly self-assessment that is followed by discussions in the Board where the compiled results of the survey, including any comments made, are presented by reviewing the individual answers as well as the average and standard deviation for each question. For 2016, the self-assessment was carried out through a questionnaire that was answered by all Board members. In the questionnaire, the Board members have ranked statements about the Board as a whole, the Board Chairman, the CEO's work on the Board and their own performance. Furthermore, the Board members have made personal comments. In addition, the representatives on the Nomination Committee have called and interviewed the Board members.

### **Remuneration to the Board**

At the 2016 AGM it was resolved, in accordance with the Nomination Committee's proposal, that fees to the Board would be paid in a total amount of SEK 1,450,000, of which SEK 450,000 to the Board Chairman and SEK 200,000 to each of the other five members.

In addition to the fees above, Bernt Ingman has received remuneration of SEK 100,000 for time worked in addition to his customary Board duties. In brief, this work has pertained to matters related to new rules for listed companies and other accounting-related issues throughout the year.

In addition to the above fees, no other remuneration or financial instruments have been paid or been made available other than pure costs for outlays.

### **Board committees**

The Board has appointed a Remuneration Committee. The Remuneration Committee deals with issues related to remuneration and terms of employment for senior executives and the preparation of draft guidelines for remuneration to the CEO and senior executives, which the Board submits for resolution by the AGM.

The Remuneration Committee for 2016 consisted of Board members Bernt Ingman and Olof Sand, both of whom are independent in relation to the company and its management, as well as the company's major

shareholders.

The Remuneration Committee has held a number of telephone consultations and met with the management on two occasions. A report has been prepared and submitted to the Board which includes a proposal for resolution.

An Audit Committee consisting of Bo Kastensson and Bernt Ingman has been appointed by the Board and has been active since the 2016 AGM. In addition to the matters incumbent upon an audit committee, they have also continuously supported the CEO with major financing and structural issues and with preparation of these matters for the Board.

## **CEO and Executive Management**

### **CEO**

The CEO is appointed and dismissed by the Board and his/her performance is evaluated regularly by the Board, which occurs without the presence of company's management. Pricer's CEO supervises the ongoing operational activities. Written instructions define the division of responsibilities between the Board of Directors and the CEO. The CEO reports to the Board and presents a special CEO report at each Board meeting, which among other things contains information about how the business is performing based on the decisions taken by the Board. In 2016 the former CEO Jonas Vestin left the company. In January 2017 he was replaced by Andreas Renulf. During the transitional period, Charles Jackson, the company's Executive Vice President, was appointed Interim CEO by the Board. Additional information about the CEO Andreas Renulf, his experience and current assignments, shareholdings in the company, etc., is provided on page 57.

Apart from his assignments for the company's subsidiaries, Andreas Renulf has a board assignments in Cale Access AB. Neither Andreas Renulf, nor any closely related physical or legal person, has any material shareholdings or ownership interests in companies with which Pricer has significant business relations.

### **Executive Management**

Pricer's Executive Management consists of five members in addition to the CEO. Each of the members has operating responsibility for part of the organization. For a presentation of the member of the Executive Management, see page 57.

### **Remuneration to the CEO and senior executives**

The company has established a Remuneration Committee about which information is presented above in the "Board Committees" section. At the 2016 AGM, the Board adopted the proposed guidelines for remuneration to senior executives. The CEO's remuneration is determined by the Board. Remuneration to other senior executives is determined after consultation with the Remuneration Committee and the Chairman.

### **Compliance with Swedish stock exchange rules, etc., during the financial year**

For the 2016 financial year, Pricer has not been subject to any decision by Nasdaq Stockholm's disciplinary committee or the Swedish Securities Council regarding violations of Nasdaq Stockholm's regulatory framework or stock market good practices.

### **Information about the Auditor**

The Auditor is appointed by the AGM following a proposal by the Nomination Committee. Ernst & Young AB is the elected auditor with the Authorized Public Accountant Rickard Andersson as Auditor in Charge. The AGM also resolved that the auditor shall be paid according to an approved invoice. See also Note 5 for information about remuneration to auditors.

### **Internal control over financial reporting**

The Board is responsible for internal control, pursuant to the Swedish Companies Act and the Code.

Pricer's internal control process shall provide reasonable assurance regarding the quality and reliability of its financial reporting. It shall also ensure that reports are prepared in accordance with the applicable laws and regulations, and the requirements that apply to publicly listed companies in Sweden.

### **Control environment**

The foundation for internal control over financial reporting is based on the organizational and system structures, decision-making paths and separation of duties that are documented and communicated in control documents, policies and manuals. The Board has adopted rules of procedure that regulate the Board's responsibilities and work on the Board's committees. To uphold an effective control environment and good internal control, the Board has delegated practical responsibility to the CEO and drafted instructions for the CEO. To safeguard the quality of the financial reporting, the company has a number of internal control instruments such as certification and authorization routines and a standard model for ongoing monthly reporting that has been designed together with the Board. Pricer uses an integrated ERP system, Jeeves, that handles all financial flows in combination with order management, invoicing, logistics, etc.

### **Risk assessment**

The Board is responsible for ensuring that significant financial risks and risks for misstatements in the financial statements are identified and dealt with.

### **Control activities**

Control activities are designed to ensure the accuracy and completeness of the financial statements. Procedures and actions have been designed to manage significant risks related to the financial statements, which have been identified in the risk assessment. Control activities are available at both a general and detailed level. By way of example, complete monthly financial statements are prepared that are monitored by the unit and functional managers and controllers. Senior management meets at least once a month for

a review of the business situation. In addition, representatives from the finance function visit group companies several times a year to discuss current issues and review the results and financial status, and verify that processes are being observed and developed. The Board monitors the activities through monthly reports in which the CEO comments on business performance, results and financial position. Measures and activities aimed at strengthening and optimizing internal controls are implemented on a regular basis.

### **Information and communication**

The Board has adopted an information policy that states what is to be communicated, by whom, and in what manner, in order to safeguard the accuracy and completeness of the external information. To ensure effective and correct dissemination of information, there are guidelines and routines that regulate how financial information is communicated both internally and externally. For external communication Pricer collaborates with Cision, which publishes the financial reports and other press releases on behalf of the company. All financial reports and press releases that are issued by the company can be found on the company's website. In addition, the press releases are distributed internally via email in connection with their publication. The CEO is responsible for ensuring that the financial reports are distributed internally in connection with external publication of the quarterly and interim reports.

The company's financial position is discussed at each Board meeting, where the Board receives detailed monthly reports on the financial position and development of operations. Furthermore, the Board is provided with a financial report every month for ongoing monitoring. The company's ERP system Jeeves provides the basis for the financial information.

### **Monitoring**

Internal control is monitored continuously. This is done primarily in the form of deviation reporting against budget/forecast and the previous year's outcome. The Board reviews each interim report and discusses the contents with the CFO and, when appropriate, with the company's auditor. The company monitors the areas for improvement in internal control that are reported by the external auditor. Furthermore, the CEO and the CFO hold regular meetings with the Board's Audit Committee to discuss financial matters on an ongoing basis. The accounting/finance staff that are employed in the subsidiaries have explicit responsibility for reporting deviations to the central finance and controller organization. In accordance with the rules in the Swedish Corporate Governance Code, the Board has assessed the need for a special internal audit function. Against this background, the Board of Directors is of the opinion that there is no need in the company at present.

## **Auditors' report on the Corporate Governance Statement**

### **To the annual meeting of the shareholders in Pricer AB, corporate ID number 556427-7993**

The Board of Directors is responsible for the Corporate Governance Statement for the year 2016 on pages 52 - 55 and for ensuring that it has been prepared in accordance with the Annual Accounts Act.

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 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 audit 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, 4 april 2017  
Ernst & Young AB

Rickard Andersson  
*Authorized Public Accountant*  
*Auditor in charge*

## Board of Directors



**BO KASTENSSON**  
 Born: 1951  
 Education: B.A.  
 Chairman of the Board since: 2014  
 CEO of Kastensson Holding AB  
 Other assignments: Chairman of Coromatic Group Holding AB and Axema Access Control AB, Industrial Advisor in EQT.  
 Shareholding: 600,000 B shares



**HANS GRANBERG**  
 Born: 1953  
 Education: High school diploma  
 Member of the board since: 2014  
 Other assignments: Chairman of Investment AB Karlsvik  
 Shareholding: 1,764 A shares, 2,392,300 B shares



**BERNT INGMAN**  
 Born: 1954  
 Education: Business degree  
 Member of the board since: 2014  
 Other assignments: Chairman of Beijer Ref AB, Handelsbanken's local office in Kista and Sveriges Bostadsrättscentrum AB.  
 Shareholding: 60,000 B shares



**OLOF SAND**  
 Born: 1963  
 Education: MBA and Advanced Management Program  
 CEO of Quant AB  
 Member of the board since: 2015  
 Other assignments: Member of the board of Affecto Oy  
 Shareholding: 100,000 B shares



**CHRISTINA ÅQVIST**  
 Born: 1978  
 Education: Law degree  
 CEO of Elfa Distrelec  
 Member of the board since: 2015  
 Other assignments: Member of the boards of Elfa Distrelec AB and Swedol AB  
 Shareholding: 12 000 B shares



**JENNI VIRNES**  
 Born: 1974  
 Education: MSc. Industrial engineering and Management.  
 CEO of Sensisto Oy  
 Member of the board since: 2016  
 Other assignments: Member of the board of MariElla Labels Oy  
 Shareholding: 0 B shares

## Executive Management



**ANDREAS RENULF**  
**CEO**  
 Born: 1974  
 Education: MBA  
 Employed since: 2017  
 Other assignments: Member of the board of Cale Access AB  
 Shareholding: 0 B shares



**HELENA HOLMGREN**  
**CFO**  
 Born: 1976  
 Education: MBA  
 Employed since: 2015  
 Shareholding: 16,540 B shares, 190,000 options \*



**CHARLES JACKSSON**  
**EVP Global Sales, Marketing and Strategy**  
 Born: 1963  
 Education: Bachelor of Business Administration  
 Employed since: 2014  
 Shareholding: 380,000 optioner \*



**NILS HULTH**  
**VP Business Development**  
 Born: 1971  
 Education: M.Sc. in Computer Science and M.Sc. in Evolutionary and Adaptive Systems  
 Employed since: 2006  
 Shareholding: 45,366 B shares, 190,000 options \*



**FRANCOIS AUSTRUY**  
**VP Industrialization and Group Development Projects**  
 Born: 1965  
 Education: Graduate Engineer  
 Employed since: 2005  
 Shareholding: 27,692 B shares, 190,000 options \*



**TORBJÖRN MÖLLER**  
**Chief Operating Officer**  
 Born: 1965  
 Education: M.Sc. Electrical Engineering  
 Employed since: 2015  
 Shareholding: 14,000 B shares, 190,000 options \*

\* Each option grants the right to one share