

## Corporate Governance

### Corporate governance in Opus Group AB 2013

Corporate governance in Opus Group is based on Swedish legislation, particularly the Swedish Companies Act, the Swedish Code of Corporate Governance (the "Code"), NASDAQ OMX Stockholm's listing requirements, as specified in the "Rules for Issuers" and the internal instructions and policies established and adopted by the company.

The Company's shares were admitted to trading on NASDAQ OMX Stockholm on July 2, 2013. The Company is required to apply the Code beginning on this date. The company intends to apply the Code from the date the company's shares were admitted to trading on NASDAQ OMX Stockholm. Under the "comply or explain" principle, it is possible for companies to deviate from the Code and select other solutions that are judged more responsive to the circumstances of the individual case, provided that the company openly declares any such deviation, describe the chosen solution and states the reasons.

### Annual General Meeting

Shareholders' right to make decisions on the company's affairs is exercised at the Annual General Meeting (or, where applicable, at the Extraordinary General Meeting), which is Opus Group's highest decision-making body. The AGM is usually held in April or May in Gothenburg. The AGM appoints the members and chairman of the Board, appoints the auditor, adopts the parent company and the consolidated income statements and balance sheets, decides on the allocation of the company's profit, decides on the issue of liability of the Board members and the CEO, makes decisions regarding Board and auditor remuneration, etc.

Notice of an annual general meeting or extraordinary general meeting in which amendment of the Articles of Association is on the agenda must be issued no earlier than six weeks but no later than four weeks before the meeting. For a company whose shares are admitted for trading on a regulated market, notice of an extraordinary general meeting must be issued no earlier than six weeks but no later than three weeks before the meeting. Notice of a general meeting must be posted in Post- och Inrikes Tidningar and on the company's website. An announcement that notice of a general meeting has been given must be published in Dagens Industri.

Presented at the AGM on May 23, 2013 were proposals for decision on normal duties, such as disposition of the company's loss, adoption of Board and auditor remuneration, number of Board members, the election of Board members and Board chair and the adoption of a procedure for appointing the nomination committee. In addition, the Board proposed guidelines for remuneration to executive officers and proposed authorization of the Board to decide on the new issue of shares. Refer to the section "The share, share capital and ownership structure" for more information on the authorization.

### Nomination committee

Opus Group's nomination committee is tasked with submitting proposals to the AGM regarding the number of Board members to be elected by the meeting, Board and auditor remuneration, any remuneration for committee work, the composition of the Board, Board chair, chairman of the AGM, decisions on election nominations and, where applicable, selection of auditors.

The nomination committee shall consist of at least five members. The nomination committee is formed after the Chairman of the Board has identified the four largest shareholders in Opus Group AB, as determined by number of

votes. The identification shall be based on the share register and nominee list administrated by Euroclear Sweden AB (formerly VPC AB) and shall include those who are registered under their own name or as part of an owner group as per September 30. The Chairman of the Board will then, as soon as reasonably possible, contact the four identified shareholders in a suitable manner and request that they submit in writing the name of the person that shareholder wishes to appoint as a member of the nomination committee within a reasonable time, which must not exceed 30 days.

The Code (*2.3 Nomination committee composition*) stipulates that the majority of the nomination committee members must be independent in relation to the Company and its management and that the CEO or another member of company management must not be a member of the nomination committee. Opus Group deviates from the Code in this respect as Lothar Geilen and Jorgen Hentschel are dependent in relation to company management. The reason for the deviation is that both persons are primary shareholders in the Company and are thus included in the nomination committee in their capacity as primary shareholders.

Board members can be part of the committee, but shall not constitute a majority of the committee members. The nomination committee shall appoint a chairman. However, neither the Chairman of the Board nor any other Board member may serve as the chairman of the nomination committee. If more than one Board member is included in the nomination committee, no more than one of them may be dependent in relation to the company's major shareholders as specified by the Code.

Instead of appointing a member to the nomination committee, a shareholder may commission a nomination committee member appointed by another shareholder to represent the shareholder in the committee. In such cases, the member undertaking such a task in the application of these provisions is counted as a member representing several shareholders.

If a shareholder exercises his/her right to commission a nomination committee member appointed by another shareholder to represent the shareholder as specified in the preceding paragraph, if the shareholder waives his/her right to appoint a member or the shareholder does not appoint a member within the specified time, then the right to appoint a member of the nomination committee shall transfer to the next larger shareholder (as determined by number of votes) who has not already appointed a member of the nomination committee. The Chairman of the Board shall as soon as possible convene the first meeting and shall serve as the fifth member of the nomination committee. The composition of the nomination committee shall be published on the company's website as soon as the members have been appointed but no later than six months before the Annual General Meeting.

If a member leaves the nomination committee before its work is complete, if deemed necessary a substitute shall be appointed by the shareholder represented by the resigning member or, if this shareholder is no longer among the largest shareholders (as determined by number of votes), by the new shareholder that is part of this group. If during the mandate period of the nomination committee one or more shareholders represented by members of the nomination committee are no longer part of the group of owners with the largest shareholding, then the members representing such shareholders shall vacate their position and the shareholders who are now among the owners with the largest shareholding shall appoint their own representatives. Unless there are special circumstances, there shall be no change to the composition of the nomination committee as the result of

only marginal changes in shareholdings or if the change occurs less than two months prior to an Annual General Meeting at which a proposal from the nomination committee will be discussed.

The nomination committee for the 2014 AGM consists of Martin Jonasson, representing Andra AP-fonden, Jörgen Hentschel, representing AB Kommandoran, Lothar Geilen, representing himself, Bengt Belfrage, representing Nordea Fonder and Göran Nordlund, in his capacity as Chairman of the Board.

#### *The Board and its work*

In accordance with the Articles of Association, the Opus Group Board shall consist of no less than four but no more than six members, with no more than five deputy members. Board members are appointed for a term of no more than one year at a time. The CEO of the company is not a member of the Board. The Opus Group Board consists of five members. Board member Lothar Geilen is Division Manager of the Vehicle Inspection division and is therefore, in accordance with the Code, not to be considered independent in relation to the company and its management. Other Board members are independent in relation to the company, its management and the company's major shareholders. The CFO, Annica Lindström, has been appointed Board secretary.

Board responsibilities include being responsible for the company's organization and management of the company's affairs, ensuring that the company's organization is structured so that the accounting, cash management and the company's financial condition in general can be controlled in a satisfactory manner and that it is continuously possible to assess the financial situation of the company and the Group. The Board is accountable to shareholders for the organization and management of the company.

The Board shall establish a formal work plan for the Board and instructions for the CEO. The Board is also responsible for making decisions on modifications to an approved formal work plan for the Board and instructions for the CEO.

In 2012 and 2013, the Board discussed matters related to various investments, operations, financing and other current accounting and corporate matters. Particular focus has been placed on issues of investment for the acquisition of ESP, Besiktningsskuster 1 AB (renamed Opus Bilprovning AB) and Envirotest Corp. and on issues based on Opus Group's decision to initiate a process for listing the company's shares on NASDAQ OMX Stockholm.

Under the current formal work plan, after the post-election Board meeting following the AGM, the Board shall meet on at least five scheduled occasions during the financial year. In 2013, the Board met 17 times, including the post-election Board meeting. Attendance at these Board meetings was extremely high.

#### **Board meeting attendance 2013**

<b>Board member</b>	<b>Number of meetings</b>
Göran Nordlund	17
Lothar Geilen	14
Eva-Lotta Kraft	17
Jan Åke Jonsson	17
Anders Lönnqvist	16

The Board has established two committees – the remuneration committee and the audit committee.

#### *Remuneration committee*

The remuneration committee shall prepare matters regarding remuneration and other terms of employment for the company's CEO and executive officers. It consists of Göran Nordlund and Anders Lönnqvist.

The remuneration committee's tasks include, in particular, addressing issues concerning remuneration principles, remuneration and other terms of employment for company management prior to Board decision and monitoring and evaluating programs for variable remuneration to company management that are ongoing or have been concluded during the year. The committee shall also monitor and evaluate the implementation of guidelines for remuneration to executive officers that the AGM, by law, shall decide on as well as remuneration structures and remuneration levels in the company. The rules of procedure for the remuneration committee are available in their entirety on the company's website.

#### *Audit committee*

The audit committee is responsible for preparing the Board's work to ensure the quality of the company's financial reporting, internal control and risk management. In addition, the audit committee shall keep informed about the audit of the annual accounts and consolidated accounts, meet regularly with the company auditor, review the impartiality of the auditor, evaluate the audit work and assist the nomination committee in preparing recommendations of auditor and remuneration to the auditor. Opus Group's audit committee consists of Eva-Lotta Kraft and Jan Åke Jonsson.

#### **President/CEO**

The CEO is accountable to the Board and shall manage and develop the company. The CEO is responsible for the daily management of the company's affairs. Within the framework of the Companies Act and the Board's established business plan, budget and instructions for the CEO and other guidelines and instructions issued by the Board, he shall make the decisions necessary for the development of operations. The CEO shall take the measures necessary to ensure that the company's accounts are kept in compliance with the law and that financial management is handled in a satisfactory manner. The CEO and the Board of Opus Group have prepared instructions relating to the CEO's duties and reporting obligation. The instructions for the CEO are adopted annually at the Board meeting immediately following each Annual General Meeting.

#### **Vice President**

The Vice President is Jörgen Hentschel, who also serves as Head of the Equipment Division and President of Opus Equipment AB. The instructions for the CEO also apply to the Vice President when he performs duties normally handled by the President/CEO.

#### **Policies**

In order to clarify and codify the company's internal policies and guidelines in relation to shareholders and other external stakeholders, a number of policies have been drafted on a range of important areas. Some of the key policies are specified below. All policies have been adopted by the Board, which is also responsible for ensuring that the content of the policies is updated as necessary.

#### *Information policy*

Opus Group has adopted an information policy containing rules for meeting disclosure requirements imposed by NASDAQ OMX Stockholm for issuers. The information policy, which is intended to support Opus Group management, corporate communication managers and other employees in their communication work, provides procedures for how and when information shall be submitted to the share market and by which spokespersons. Requirements regarding the

company's disclosures is mostly governed by NASDAQ OMX Stockholm's rules and the information must always be accurate, relevant and clear. The information policy also contains procedures for e.g. handling of insider information, logbook, insider trading and reporting obligation.

#### *Environmental policy*

Opus Group has adopted a policy for the company's environmental work, which aims to limit its impact to the greatest extent possible. Opus Group is committed to preventing pollution and to limiting the burden that the Group's daily operations place on nature and the environment as far as possible. The company complies with applicable environmental legislation. Opus Group's fundamental requirements are that applicable legal requirements are fulfilled and that the company works with a focus on prevention. The company shall also focus on its actual environmental impact. Opus Group shall play a prominent part in working to minimize the impact that vehicle traffic has on the environment and climate by increasing society's awareness of greenhouse gas emissions and the environmental impact of vehicle traffic. Opus Group shall also strive to improve emission and emission testing of vehicles. Opus Group's own environmental work and the company's environmental management system serve to develop the company through continuous improvements and through continuous follow-up. Opus Group's goal is to raise awareness of environmental issues among all employees and to encourage them to think about our environment when performing their daily work.

#### *Other policies*

Opus Group has also adopted a financial handbook, an IT policy and a manual of ethical guidelines. The financial handbook consists of rules and procedures established by executive management or the Board. The rules shall, among other things, support management in its work to perform accurate financial reporting based on accurate accounting and scrutinized procedures, provide information on financial rules, provide support in daily work, describe measures for financial control, clarify the division of responsibilities within the company and describe the systems and procedures employed by the company.

The IT policy shall provide guidelines for making decisions on IT issues in Opus Group and ensure that the systems work satisfactorily in terms of operational reliability, functionality, risk management and security procedures. The IT policy affects the choice of systems, data protection, purchasing procedures and user service. The policy establishes requirements within these areas and provides guidelines and instructions for how operations are to be run to meet the requirements.

The manual of ethical guidelines describes how Opus Group works with equal opportunity issues, human rights and sustainability.

#### **Internal control**

The Board's responsibility for internal control is regulated in the Swedish Companies Act and in the Code, which requires annual external disclosure about how internal control over financial reporting is organized. Opus Group's internal control is designed to provide reasonable assurance that the company's assets are protected and that the financial reporting is reliable and in accordance with generally accepted accounting principles, laws and regulations.

The Board and CEO have overarching responsibility for the internal control over financial reporting. The Board has adopted a written work plan that, among other things, establishes procedures for the Board's work and its control of the management of the company's affairs and also serves to map out the division of labor and responsibility between both the Board and CEO and the Board and its committees.

The Board has also appointed an audit committee, whose responsibilities include overseeing the financial reporting, the internal control and the work with external auditors.

Opus Group has adopted guidelines and procedures for financial reporting and a financial handbook, which includes accounting principles, the financial policy and reporting procedures. Levels and rules for approving transactions within the company and with external parties are set via an authorization arrangement.

The audit committee and the Board also engage in discussions with the external auditor for purposes such as uncovering deficiencies in the financial reporting and/or the internal control.

#### **Financial reporting and follow-up**

In accordance with applicable law and stock exchange rules and other applicable regulations at the relevant point in time, the Company strives to regularly provide accurate, reliable and timely financial information. The financial information is published regularly in the form of quarterly reports, annual reports and press releases containing news and significant events that may affect the share price.

Trading of the Opus Group share was stopped during the morning of December 16, 2013 in connection with the acquisition of Envirotec Corp.

Each month, the various segments of the company present to executive management a package regarding development in the company. The package includes a financial statement, balance sheet, cash flow statement, comments on the monthly results and the aggregated results and a comparison of the budget with the same period the preceding year. A monthly report to the Board is prepared by the company CFO, who is also responsible for consolidating the monthly reports.

#### **Remuneration**

##### *Principles*

The Annual General Meeting decides on remuneration to Board members. No board fees are paid for Board assignments in subsidiaries. Board members who are employees of Opus Group do not receive special remuneration for Board work. The salaries of the CEO and executive officers are adopted by the Board based on the recommendations of the remuneration committee. Prior to the 2014 Annual General Meeting, the Board presented a proposal for guidelines for remuneration to executive officers. Remuneration to Board members and executive officers in 2013 is reported below.

##### *Board of Directors*

Remuneration to the Board in 2013, including remuneration for committee work, amounted to SEK 840,000, divided among Board members as specified below.

Ahead of the 2014 Annual General Meeting, it has been proposed that remuneration should be paid to the Chairman of the Board at SEK 400,000 per year (previously SEK 350,000) and to other Board members who are not employees of the company at SEK 175,000 per Board member and year (previously SEK 140,000). For Board member work in the audit committee established by the Board, remuneration should be paid at a total of SEK 100,000, of which SEK 60,000 shall be paid to the audit committee chairman and SEK 40,000 shall be paid to the other members of the audit committee.

##### *Executive officers*

Total remuneration to the executive officers Magnus Greko, Annica Lindström, Peter Stenström, Lothar Geilen, Jörgen Hentschel, Henrik Wagner Jørgensen, Per Rosén and Jeff Bagley in 2013 amounted to SEK 10,312,000 (6,769,000), of which SEK 1,984,000 (1,003,000) related to remuneration to CEO Magnus Greko. All figures regarding remuneration to executive officers exclude social security contributions. Magnus Greko, Annica Lindström and Peter Stenström are employees of the parent company Opus Group AB.

As a general rule, the variable component will be capped and will not exceed 50 percent of the fixed component. However, the division manager for Bilprovning has a bonus agreement

that is not limited to 50 percent of base salary. The bonus agreement provides the division manager a percentage of the annual profit (EBIT) for new contracts won or contract extensions obtained.

In the event of termination, the notice period is six months for the CEO and twelve months for the Company. Other executive officers have a notice period of no more than 12 months, except for Lothar Geilen, who is employed on a three-year contract. This contract expires on December 31, 2014 and will be renewed when it expires.

#### *Pensions*

Pension expenses for executive officers amounted to SEK 1,545,000 (864,000) in 2013. Pension terms and conditions for executive officers are in line with those for other employees within the Group. The company pays premiums for occupational pension insurance for other executive officers at the agreed amount or in accordance with local arrangements in Sweden.

#### *Auditors*

One or two auditors, with or without deputy auditors, are appointed at the Annual General Meeting for the examination of the company's annual accounts and financial statements as well as the Board's and CEO's management performance. At the 2013 AGM, Deloitte AB was elected to serve as the company's external auditor up until the 2014 AGM. Harald Jagner was named principal auditor. At least once a year, the auditor meets with the company Board without the CEO or other members of management being present. Auditor fees are paid regularly during the mandate term according to approved invoicing. For more information on remuneration to the auditor, see Note 7.

#### **Incentive program**

As of April 2014, Opus Group has three option programs for executive officers and other employees in the Company (see below for information on each option program). Upon full exercise of Opus Group's option programs, the dilution effect is maximum 9,555,142 shares or 3.66 percent of the share capital and number of votes. Under the terms of option programs 2011:1, 2012:1 and 2013:1, the number of shares that each subscription option entitles the holder to and the issue price will be adjusted to reflect Opus Group's rights issue in October 2012 and December 2013.

#### *Option program 2011:1*

At the Annual General Meeting on May 25, 2011, the company decided to issue 1,750,000 subscription options (Option program 2011:1), which entitle the bearers to subscribe for a total of 1,750,000 shares at a price of SEK 1.28 per share. The subscription options were taken out by Opus Bima, a wholly owned subsidiary of the Group, with the right and obligation to offer the subscription options to key individuals and other employees of the Group. Subscription for new shares may take place between July 1, 2014 and August 15, 2014. The Board retains the right to extend the subscription period by a maximum of six months. Of the 1,750,000 subscription options, all subscription options have been made available to employees. Upon full exercise of the proposed option program, the company's share capital will be increased by SEK 35,000. The terms and conditions of option program 2011:1 were recalculated based on the rights issues implemented by Opus Group in October 2012 and December 2013. The adjusted subscription price amounts to SEK 1.1467 per share. Each subscription option entitles the bearer to subscribe for 1.1163 shares.

#### *Option program 2012:1*

At the Annual General Meeting on May 24, 2012, the company decided to issue 1,750,000 subscription options (Option program 2012:1), which entitle the bearers to subscribe for a total of 1,750,000 shares at a price of SEK 2.42 per share. The subscription options were taken out by Opus Bima, a wholly owned subsidiary of the Group, with the right and obligation to offer the subscription options to key individuals and other employees of the Group. Each subscription option entitles the bearer to subscribe for one new share in the Company. Subscription for new shares may take place between July 1, 2015 and August 15, 2015. The Board retains the right to extend the subscription period by a maximum of six months. Of the 1,750,000 subscription options, all subscription options have been made available to employees. Upon full exercise of the subscription options, the Company's share capital will be increased by SEK 35,000. The terms and conditions of option program 2012:1 were recalculated based on the rights issues implemented by Opus Group in October 2012 and December 2013. The adjusted subscription price amounts to SEK 2.1679 per share. Each subscription option entitles the bearer to subscribe for 1.1163 shares.

#### *Option program 2013:1*

At the Annual General Meeting on May 23, 2013, the company decided to issue 5,500,000 subscription options (Option program 2013:1), which entitle the bearers to subscribe for a total of 5,500,000 shares at a price of SEK 6.047 per share. The subscription options were taken out by Opus Bima, a wholly owned subsidiary of the Group, with the right and obligation to offer the subscription options to key individuals and other employees of the Group. Each subscription option entitles the bearer to subscribe for one new share in the Company. Subscription for new shares may take place between July 1, 2016 and August 15, 2016. The Board retains the right to extend the subscription period by a maximum of six months. Of the 5,500,000 subscription options, all subscription options have been made available to employees. Upon full exercise of the subscription options, the Company's share capital will be increased by SEK 110,000. The terms and conditions of option program 2013:1 were recalculated based on the rights issues implemented by Opus Group in December 2013. The adjusted subscription price amounts to SEK 5.8883 per share. Each subscription option entitles the bearer to subscribe for 1.0269 shares.

#### **Guidelines for remuneration to executive officers**

The 2013 Annual General Meeting adopted the following guidelines for remuneration to executive officers. Remuneration to executive officers shall be at an acceptable rate for the market. The remuneration shall be in the form of a fixed and a variable component. The fixed component will be made up of salary, pension allocations and other benefits (e.g. car benefit). The variable component relates to bonuses. In other words, the variable component will be based on profit development or other established measurable targets.

As a general rule, the variable component will be capped and will not exceed 50 percent of the fixed component. Pension terms and conditions shall be generally acceptable for the market and, as a general rule, shall be premium based. Executive officers are not eligible for severance pay. Matters related to remuneration to executive officers will be handled by the remuneration committee and reported and decided on by the Board. The Board retains the right to deviate from the guidelines should special conditions so require.