

GROWTH SUPPORTED BY AN ENGAGED BOARD

Competence succession in a competitive industry, growth and a dynamic, decisive board are key issues for Sigrun Hjelmquist, Chairman of the Board of Addnode Group.



“Continued growth and internationalisation will be at the top of the agenda.”

SIGRUN HJELMQUIST, CHAIRMAN OF THE BOARD,
ADDNODE GROUP

WHAT ISSUES WERE AT THE TOP OF THE BOARD’S AGENDA IN 2015?

“Just as in previous years, we have given priority to strategic growth issues – both organic and through acquisitions. When I first joined the Board, we were a Nordic group. After the acquisition of the British company Symetri in 2014 and the German company Transcat PLM in 2015, we are now a European company with operations in a large number of countries. Our geographical expansion has put greater demands on the Board to ensure that we have a company management and organisation that can handle an international operation, which I feel we have.

“Another priority issue is the Group’s competence succession. Addnode Group is a knowledge company, and our success depends on our ability to attract and retain the best talent. This competence issue itself is not unique for Addnode Group alone, but rather underscores the importance that we maintain a prominent position as an attractive employer.”

WHAT IS YOUR VIEW OF THE BOARD’S WORK?

“What is fundamental for a good board is that it is composed of people who have the time, enthusiasm and ability to contribute to the company’s development. While individual board members may have diverging opinions, there must be an understanding that the board makes decisions as a whole. I feel that we have a good mix of competencies and experience, which results in dynamic discussions before we make a decision. Together we have a broad base of expertise and experience from such areas as growth companies, IT and international business.”

WHAT WILL BE THE MOST IMPORTANT ISSUES FOR THE BOARD IN 2016?

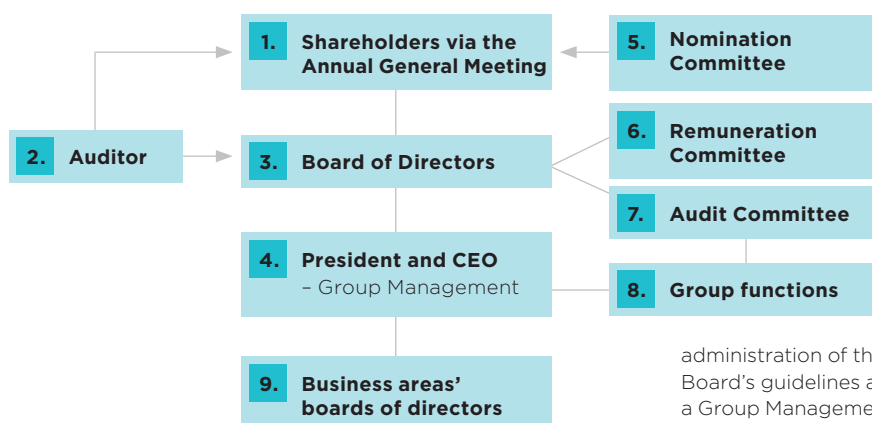
“Continued growth and managing the challenges that come with increasingly international business will be at the top of the agenda. A fundamental feature of Addnode Group’s management culture is that a lot of the decision-making is done close to customers, and we will work further with the positive aspects of this. We could see in 2015 that in certain parts of the business, the business models will be changing, and we will be working proactively on monitoring the effects of these changes.”

CORPORATE GOVERNANCE REPORT 2015

The Parent Company of the Group is the Swedish limited liability company Addnode Group AB, whose shares are listed on Nasdaq Stockholm. The Board's responsibility for internal governance and control is regulated by the Swedish Companies Act, the Swedish Annual Accounts Act, Nasdaq Stockholm's Rule Book for Issuers and the Swedish Corporate Governance Code (the Code), as well as other applicable Swedish and international laws and regulations.

This corporate governance report has been prepared as part of the Addnode Group's application of the Swedish Corporate Governance Code. The Code is based on the "comply or explain" principle, which means that a company that applies the Code may depart from individual rules, but must in such case provide an explanation for the departure. Addnode Group's auditors have reviewed the statutory information of the corporate governance report to ensure that it is consistent with the other parts of the annual report and consolidated accounts.

- 1. The Annual General Meeting (AGM)** is Addnode Group's highest decision-making body and passes resolutions on principles for appointing the Nomination Committee, election of board members, election of auditors, directors' and auditors' fees, guidelines for remuneration of Group Management and other senior executives, adoption of the annual report, dividends and other important matters.
- 2. The auditor** reports yearly to the owners by issuing an audit report for Addnode Group AB, for the consolidated financial statements and for the Board of Directors' and President's administration of Addnode Group AB. The auditor also reviews the nine-month interim report.



3. The Board's main duty is to administrate the Group's operations in a long-term and value-creating way and thereby promote the shareholders' interests in the best possible way. This work includes adopting guidelines for the company's conduct in society, overarching goals and strategies, and conducting a yearly evaluation of the President's performance.

4. President and CEO. The President is responsible for the day-to-day

administration of the Group's operations in accordance with the Board's guidelines and instructions. The President has appointed a Group Management team to assist him in this work.

5. The Nomination Committee is tasked with safeguarding the shareholders' interests by submitting recommendations to the Annual General Meeting on the following matters: appointment of a chairman to preside over the Annual General Meeting, board members, the Chairman of the Board, the auditor, directors' fees, fees for board members' work on committees, and auditors' fees.

6. The Remuneration Committee is tasked primarily with representing the Board on matters pertaining to remuneration and terms of employment for the President and other senior executives.

7. The Audit Committee is tasked primarily with monitoring the processes for Addnode Group's financial reporting and internal control in order to ensure the quality of external reporting.

8. Group functions. Addnode Group AB has Group functions for accounting, communication and business development.

9. Business area boards. The business area presidents are responsible for the operations of their respective business area and report to Addnode Group's President and CEO. Overall governance of the business areas is conducted by the business area boards of directors.

IMPORTANT EVENTS 2015

> Andreas Wikholm appointed as President of Process Management business area.

FOR MORE INFORMATION

> Nasdaq Stockholm, www.nasdaqomxnordic.com

> Swedish Corporate Governance Code, www.bolagsstyrning.se

> Addnode Group's website, www.addnodegroup.com

OWNERSHIP STRUCTURE AND VOTING RIGHTS

Addnode Group's shares are serviced by Euroclear Sweden AB. This means that no share certificates are issued and that Euroclear Sweden maintains a shareholder register of owners and administrators in the company. Addnode Group's share capital is made up of Class A, Class B and Class C shares. Each A share carries entitlement to ten votes, and each B and C share carries entitlement to one vote. Class A and B shares carry entitlement to dividends. Class C shares do not carry entitlement to dividends.

All shares carry equal entitlement to the Company's assets. However, Class C shares are limited and are not entitled to a larger share of the company's assets than what corresponds to the share quota value calculated as at the date of distribution, with an interest-rate factor of one month STIBOR plus 4 percentage points calculated from the date of payment of subscription settlement. Class C shares are redeemable at the company's request. At the request of a shareholder, Class A shares can be converted to Class B shares, and Class C shares can be converted to Class B shares by the Board of Directors.

On 30 December 2015, the number of shareholders was 4,432, and the proportion of foreign-owned shares was 12 per cent. The proportion of institutional owners including mutual funds was 30 per cent. Vidinova AB is the largest shareholder, with 24.4 per cent of the share capital and 26.8 per cent of the votes. Aretro Capital Group AB is the second-largest shareholder, with 12.4 per cent of the share capital and 23.6 per cent of the votes. Vidinova AB is controlled by Dick Hasselström, and Aretro Capital Group AB is controlled by Staffan Hanstorp and Jonas Gejer.

NOMINATION COMMITTEE

The 2015 Annual General Meeting resolved to task the Chairman of the Board to contact the three largest owner-registered shareholders (in terms of votes) in Euroclear Sweden's shareholder register as at 31 August 2015, to each appoint a representative who is not a member of the company's board, to form the Nomination Committee along with the Chairman of the Board ahead of the 2016 Annual General Meeting. In addition, the Chairman of the Board was tasked to appoint a representative on the Nomination Committee for the smaller shareholders and a representative for the institutional owners. The representative of the largest shareholder in terms of votes is to serve as chair of the Nomination Committee. The Nomination Committee is tasked with submitting recommendations to the next year's Annual General Meeting on the following:

- > A chairman to preside over the Annual General Meeting
- > Board members
- > The Chairman of the Board
- > Fees for each of the board members
- > Fees for committee work
- > Nomination Committee for the following year
- > Auditors and auditors' fees

The Board's audit committee assists the Nomination Committee in the work on submitting recommendations for the election of auditors and the auditors' fees. The Audit Committee evaluates the work of the auditors and informs the Nomination Committee about the results of its evaluation.

Nomination Committee ahead of the 2016 AGM

The composition of the Nomination Committee was announced on Addnode Group's website and via a press release published on 5 November 2015.

The Nomination Committee was composed of the following members:

- > Wilhelm Arnör, representing Vidinova AB (committee chair)
- > Jonas Gejer, representing Aretro Capital Group AB
- > Håkan Berg, representing Swedbank Robur Fonder
- > Charlotta Karlander, representing the smaller shareholders
- > Richard Hellekant, representing PSG Capital and the institutional owners
- > Sigrun Hjelmquist, Chairman of the Board

The Nomination Committee held three meetings prior to the 2016 AGM.

The Nomination Committee represented approximately 58 per cent of the shareholders' votes as at 30 December 2015. As the basis for the Nomination Committee's work, company management shared information about the company's operations and strategic focus. In addition, the Chairman of the Board presented the annual evaluation of the board members' performance. The Chairman of the Board also provided information about the Board's work during the year. All board members, in addition to Jonas Gejer and Wilhelm Arnör, are independent in relation to the company, company management and the company's largest shareholders. Wilhelm Arnör is a major shareholder indirectly through his ownership in Vidinova AB. Jonas Gejer is CEO of TechniaTranscat AB and President of Product Lifecycle Management business area, and a major shareholder through his part-ownership in Aretro Capital Group AB.

ANNUAL GENERAL MEETING

The shareholders' right to make decisions on Addnode Group's affairs is exercised at Annual General Meetings or, where applicable, at extraordinary general meetings, which are Addnode Group's highest decision-making body. The AGM is normally held in April or May. The AGM passes resolutions regarding the following:

- > Adoption of the annual report
- > The dividend
- > Election of board members and auditors
- > Directors' and auditors' fees
- > Guidelines for remuneration of Group Management
- > The Nomination Committee
- > Other important matters

An extraordinary general meeting may be held if the Board deems it necessary or if requested by Addnode Group's auditors or owners with at least 10 per cent of the shares.

Annual General Meeting 2015

The 2015 AGM was held on 6 May 2015. The Chairman of the Board, Sigrun Hjelmquist, was elected as Chairman of the Annual General Meeting, in accordance with the Nomination Committee's recommendation.

The minutes from the AGM are available on Addnode Group's website. The Annual General Meeting resolved in favour of the Board's proposal to pay a dividend of SEK 2.25 per share for the 2014 financial year. Sigrun Hjelmquist was re-elected as Chairman of the Board, and Jan Andersson, Kristofer Arwin, Dick Hasselström, Annika Viklund and Thord Wilkne were re-elected as board members in accordance with the Nomination Committee's proposal. The AGM approved the Nomination Committee's proposal for directors' fees, as well as the Board's proposed guidelines for remuneration and terms of employment for the President and other senior executives.

Authorisations granted by the AGM

The 2015 AGM authorised the Board, on one or more occasions during the period until the next AGM, to decide on acquisitions of a maximum number of Class B treasury shares so that the company's holding

following such acquisition does not exceed 10 per cent of all the shares in the company at any given time. Furthermore, the 2015 AGM also authorised the Board, on one or more occasions prior to the next AGM, to decide on the transfer of Class B shares in the company to a third party. The number of shares transferred may not exceed the total number of treasury shares held by the company at any given time. The reason for permitting the Board to deviate from shareholders' preferential rights is to enable financing of potential company acquisitions and other types of strategic investments in a cost-efficient manner. Up until the date of publication of this annual report, 477,497 Class B treasury shares were transferred with the support of this authorisation. To finance potential company acquisitions using treasury shares, the Board received a mandate at the AGM in May 2015 for the period until the next AGM to make decisions about new share issues. Through decisions supported by this authorisation, the share capital may increase by a maximum of SEK 36 m through the issuance of a maximum of 3,000,000 shares upon full subscription. Up until the date of publication of this annual report, 338,739 new Class B shares were issued with the support of this authorisation.

BOARD OF DIRECTORS

The Board of Directors has overarching responsibility for Addnode Group's organisation and administration.

Composition of the Board

According to the Articles of Association, Addnode Group AB's board of directors shall consist of three to eight members elected by the AGM for a term through the end of the next AGM. The Articles of Association allow the election of deputy board members; however, there are currently no deputy members elected by the AGM. The Articles of Association contain no general stipulations about the appointment or dismissal of board members. The Board of Directors consists of six members. For further information about the board members, see page 80.

Directors' independence

The Board's assessment of the directors' independence in relation to the company and the shareholders, which is shared by the Nomination Committee, is shown in the table "Board composition and attendance 2015" on page 77. As shown in the table, Addnode Group fulfils the requirements of the listing agreement and the Swedish Corporate Governance Code that a majority of the AGM-elected board members are to be independent in relation to the company and company management, and that at least two of the independent members are also to be independent in relation to major shareholders of the company.

The Board's duties

The Board of Directors' main task is to administrate the Group's operations on behalf of the owners in a way that safeguards the owners' interests in obtaining a favourable long-term return on capital. The Board's work is regulated by – among other things – the Swedish Companies Act, other laws and ordinances, applicable rules for listed companies, including the Swedish Corporate Governance Code, the Articles of Association, and the Board's and its committees' internal rules of procedure.

The Board handles and decides on Group-wide matters, including:

- > Short- and long-term targets
- > Strategic direction
- > Significant matters such as funding, investments, acquisitions and divestments
- > Follow-up and control of information and organisational matters, including evaluation of the Group's organisation and operational management
- > Appointment and, where necessary, dismissal of the company's president

- > Overarching responsibility for establishment of effective systems for internal control and risk management
- > Important policies.

The Board's rules of procedure and board meetings

Each year the Board adopts written rules of procedure that lay out the Board's responsibilities and regulate the Board's and its committees' internal delegation of duties, including the Chairman's role, the Board's decision-making processes, summonses to board meetings, agendas and minutes, and the Board's work with accounting and audit issues and the financial reporting. Decisions on changes to the instructions may be made at board meetings during the course of the financial year if the Board deems it necessary.

According to the rules of procedure, that Chairman shall:

- > Consult with the President on strategic issues and, through regular and frequent contacts with the President, closely monitor Addnode Group's performance
- > Lead the Board's work and ensure that board members continuously receive the information required to monitor the business performance
- > Consult with the President regarding the agenda for board meetings
- > Ensure that matters are dealt with in a manner that is not in conflict with the Companies Act, other laws and ordinances or the Articles of Association
- > Serve as chair of the Remuneration Committee

The rules of procedure also include detailed instructions for the President and other company functions concerning issues that require the Board's approval. The instructions stipulate the maximum amount that the various decision-making bodies in the Group are authorised to approve in terms of agreements, credits, investments and other expenditures. According to the rules of procedure, a statutory board meeting is to be held immediately after the AGM. At this meeting, decisions are made about who is authorised to sign for Addnode Group and which board members are to serve on the remuneration and audit committees. According to the rules of procedure, the Board shall meet at least four times per year and when necessary.

The Board's work in 2015

During the year, the Board held 12 meetings, including two by circulation. All board meetings during the year followed an approved agenda, which together with documentation for each item on the agenda, was provided to the board members prior to the respective meetings. Meetings normally take half a day, while the Board's annual strategic meeting is held over a full day to allow time for longer discussions. The President participates at board meetings in a reporting role. The CFO serves as company secretary. Other Group employees attend board meetings to present reports on specific issues when the Board deems it necessary.

At regular board meetings, the President gives an account of the Group's earnings and financial position, as well as an outlook for the coming quarter. In addition, risks in ongoing projects, investments, employee development, establishment of new operations, and acquisitions and divestments are also addressed. The business area presidents are invited to board meetings on a regular basis to make presentations on their respective operations.

Ensuring the quality of financial reporting

The rules of procedure adopted each year by the Board include detailed instructions about which financial reports and financial information are to be provided to the Board. In addition to the year-end report, interim reports and the annual report, the Board reviews and evaluates extensive financial information pertaining to the Group as a whole and the various units included in the Group. The Board also addresses information about risk assessments, disputes and any improprieties that

may impact the Addnode Group's financial position. The Board also reviews, primarily through the Audit Committee, the most significant accounting policies applied in the Group pertaining to the financial reporting, as well as significant changes in the policies. The task of the Audit Committee includes reviewing reports about internal control and the processes for financial reporting.

The Group's auditors report to the Board when necessary, and at least twice per year. At least one of these reports is presented without the presence of the President or any other member of Group Management. The Group's auditors also participate in Audit Committee meetings when necessary. The Audit Committee reports to the Board after each meeting. All Audit Committee meetings are documented by minutes, which are available for all board members and the auditors.

Evaluation of the Board of Directors

The Board performs an annual evaluation of its own work. The evaluation pertains to work methods and work climate, the focus of the Board's work, as well as access to and the need for specific expertise on the Board, in accordance with the requirements for diversity and breadth laid out by the Swedish Corporate Governance Code. The evaluation is used as a tool to develop the Board's work and is also used as documentation for nomination work by the Nomination Committee.

Directors' fees

Fees paid to the AGM-elected board members are set by the AGM based on the recommendation of the Nomination Committee. For the period between the 2015 and 2016 Annual General Meetings, a set fee of SEK 350 thousand (340 thousand) is payable to the Chairman of the Board, and SEK 175 thousand (170 thousand) is payable to each of the other board members. In addition, a fee may be payable on account for special initiatives (consulting services, etc.) by board members within their respective competency areas, provided that such initiatives are approved in advance by the Chairman of the Board or by two board members. A fee of SEK 35 thousand (30 thousand) is payable to each of the two regular members of the Board's Audit Committee, and a fee of SEK 55 thousand (50 thousand) is payable to the Audit Committee chair. A fee of SEK 15 thousand (15 thousand) is payable to the members of the Remuneration Committee. A board member may be given the opportunity to invoice the director's fee provided that it is cost-neutral for the company and in accordance with applicable legal rules and recommendations. No other fees for work other than board assignments were paid in 2015. There are no agreements concerning pensions, severance pay or other benefits for board members.

COMMITTEES

The Board has established a Remuneration Committee and an Audit Committee. The work of the committees is mainly of a preparatory and advisory nature, but the Board may delegate decision-making authority to the committees in special cases. Committee members and the committee chairs are appointed at each year's statutory board meeting.

Audit Committee

The Audit Committee's main task is to monitor the processes for Addnode Group's financial reporting and internal control in order to ensure the quality of external reporting. The Audit Committee's members are Jan Andersson (committee chair), Sigrun Hjelmquist and Kristofer Arwin.

The Committee's work includes:

- > Reviewing the financial statements and addressing accounting issues that impact the quality of the company's financial reporting
- > Monitoring the efficiency of internal control, including risk management, over financial reporting
- > Monitoring the audit and evaluating the work of the auditors
- > Evaluating the auditors' objectivity and independence
- > Assisting the Nomination Committee in making recommendations for auditors and auditors' fees.

Remuneration Committee

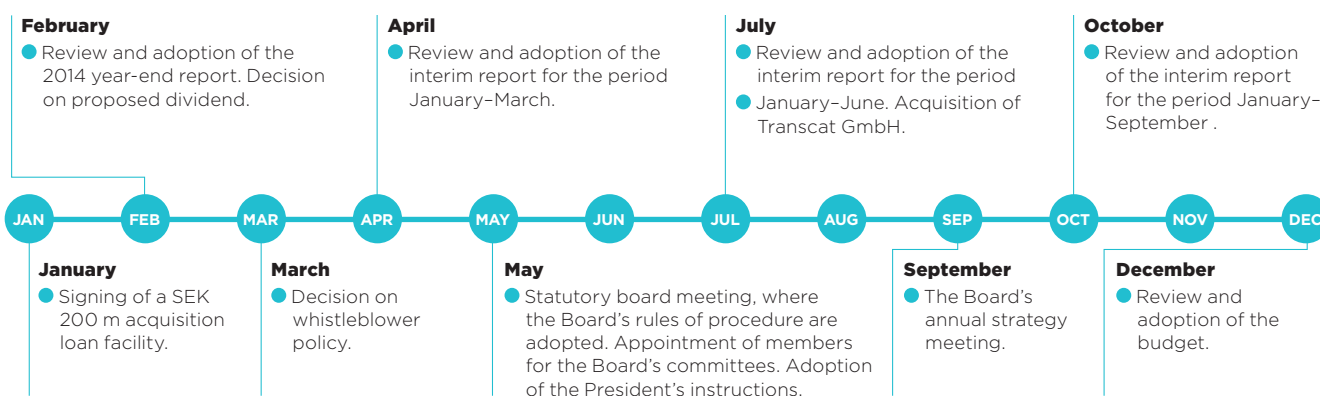
The Remuneration Committee's main task is to represent the Board on matters pertaining to remuneration and terms of employment for the President and other senior executives based on the guidelines for remuneration and terms of employment for the President and other senior executives adopted by the AGM. The Committee reports on its work to the Board on a regular basis.

The Remuneration Committee's members are Sigrun Hjelmquist, Chairman of the Board (committee chair), and board member Dick Hasselström.

AUDITORS

At the 2015 Annual General Meeting, the chartered auditing firm PricewaterhouseCoopers AB (PwC) was re-elected, with Authorised Public Accountant Magnus Brändström as auditor-in-charge. Magnus Brändström has been an Authorised Public Accountant since 1995. To ensure fulfilment of the information and control requirements placed on the Board, the auditors report to the Audit Committee on a regular basis about all material accounting issues, as well as about any errors

MAIN ITEMS OF BUSINESS FOR THE BOARD IN 2015:



BOARD COMPOSITION AND MEETING ATTENDANCE 2015

| Director | Function | Independent in relation to the company and company management/owners | Class A shares | Class B shares | Year elected to the Board | Attendance at board meetings |
|--------------------------------|----------|--|----------------|------------------|---------------------------|------------------------------|
| Sigrun Hjelmquist ¹ | Chairman | No/No | — | 2,000 | 2009 | 12/12 |
| Jan Andersson | Member | No/No | — | 15,000 | 2012 | 12/12 |
| Kristofer Arwin | Member | No/No | — | 2,180 | 2012 | 12/12 |
| Dick Hasselström ² | Member | No/Yes | 361,667 | 7,695,164 | 2010 | 12/12 |
| Annika Viklund | Member | No/No | — | 1,000 | 2014 | 12/12 |
| Thord Wilkne ³ | Member | No/No | — | 435,000 | 2008 | 12/12 |
| Total | | | 361,667 | 8,150,344 | | |

1) Including spouse's holding of 1,000 shares.

2) Via the company Vidinova AB and a privately owned endowment insurance policy.

3) Including spouse's holding of 35,000 shares.

All board members' holdings are reported as at 31 December 2015.

or irregularities. In addition, the auditors are invited at least twice per year, and when necessary, to participate in and report at board meetings. PwC submits an audit report for Addnode Group AB, for the consolidated financial statements and for the Board of Directors' and President's administration of Addnode Group AB. The auditors also review Addnode Group's nine-month interim report.

The fees paid by Addnode Group to the auditors, for both audit-related and other non-audit-related assignments, are specified in the annual report, Note 6, Auditors' fees.

GROUP MANAGEMENT

President

The President is responsible for the day-to-day administration of the Group's operations in accordance with the Board's guidelines and instructions.

Group Management

The President has appointed a Group Management team as assistance, which in addition to the President comprises the CFO and head of the Design Management business area. The members of Group Management are responsible for implementing the Group's strategy in their respective areas and also have overarching responsibility for Addnode Group with respect to long-term and strategic matters, such as the Group's organisation, acquisitions, trademarks, investments and financing.

Every month a full-day meeting is held in which the agenda consists of discussions and decisions about the month's results, Group-wide projects and updates of forecasts and the business situation, development projects, acquisition candidates and other Group-wide strategic matters. In addition to these regular meetings, Group Management also regularly reviews matters as necessary. The President and other members of Group Management are presented on page 81.

Presidents

The four business areas Design Management, Product Lifecycle Management, Process Management and Content Management make up Addnode Group's operational structure. In accordance with adopted strategies, the presidents are responsible for the operations of their respective business areas and report to Addnode Group's President and CEO. The overarching management of the Design Management, Product Lifecycle Management and Process Management business areas is conducted by the respective boards of the business areas, which meet each quarter. The respective

business areas' boards include the President and CEO (Chairman), the CFO and the business area head. The business area's controller is permanently co-opted to the business area's board meetings, and other members of the business area's management participate when necessary. Management of the Content Management business areas is conducted via company boards, where either the President and CEO or the CFO serve as chairman.

Remuneration of Group Management and other senior executives

Guidelines for remuneration of Group Management and other senior executives are decided by the AGM based on a recommendation by the Board of Directors. Remuneration of the President of the Parent Company is addressed and set by the Board's Remuneration Committee. Remuneration of other senior executives in the Group is addressed and set by the President of the Parent Company after consultation with the Board's Remuneration Committee. Share-based incentive programmes are decided on by the Annual General Meeting. The 2011 Annual General Meeting resolved to implement a share-savings programme for the Group's employees, which is presented below. Remuneration of the President and other senior executives is detailed in Note 5 of the 2015 Annual Report.

SHARE-SAVINGS PROGRAMME

The Annual General Meeting on 4 May 2011 resolved to implement a share-savings programme for all employees of Addnode Group.

In brief, the programme entailed that in August 2014, participating employees, on condition that they had made their own personal investments in Addnode Group shares, could be granted Class B Addnode shares free of charge, consisting partly of matching shares and partly of performance shares. A requirement for participants to be entitled to receive matching shares was continued employment in the Group and that their investment in Addnode Group shares had remained intact up to the date of grant of the shares. In addition, grants of performance shares were conditional upon the Group achieving certain financial targets for the years 2011, 2012 and 2013. The financial targets for maximum grant of performance shares for 2011 and 2012 were achieved, but not for 2013. At the end of the enrolment period, a total of 303 employees had enrolled in the share-savings programme. During 2014, a total of 194,340 Class B shares were granted to employees in accordance with the share-savings programme. In January 2015 an additional 2,387 Class B shares were granted to participants in the share-savings programme, after which all obligations under this programme have been settled.

Internal control over financial reporting

The Board of Directors has overarching responsibility for internal control over financial reporting. The Board has established an audit committee tasked with preparing the Board's work with control over the company's financial reporting. The following description has been prepared in accordance with the Swedish Corporate Governance Code and constitutes the Board's description of the company's system for internal control and risk management with respect to financial reporting.

ADDNODE GROUP'S CONTROL ENVIRONMENT

Addnode Group's control environment includes the values and ethics that the Board, the President and Group Management communicate and work according to, as well as the Group's organisational structure, leadership, decision-making channels, authorisations and responsibilities, and the employees' expertise. The Board works continuously with risk assessment and risk management. Addnode Group's board has chosen to not establish a designated audit function for internal control. The Board is of the opinion that the existing organisation and existing control structures in Addnode Group enable effective operations, identify risks in the financial reporting and ensure compliance with applicable laws and regulations. The presidents and controllers regularly monitor compliance with the governance and control systems established by the company.

Responsibilities and authorisations are defined in instructions for authorisation rights, manuals, policies, routines and codes. A few examples include the Articles of Association, the Board's rules of procedure, the instructions for the division of duties between the President and the Board, the instructions for financial reporting, the finance policy, the information policy and the financial manual including its accompanying accounting manual.

These guidelines, together with laws and external rules and regulations, make up the control environment. All employees are required to follow these guidelines. The Board tests the relevance and pertinence of these instructions on a regular basis. Responsibility for continuously maintaining an effective control environment and the day-to-day work with internal control over financial reporting is delegated to the President. The Group's corporate governance is described on pages 73–77. Group Management and other senior executives have responsibility for internal control within their respective areas of responsibility.

RISK ASSESSMENT

The Audit Committee continuously assesses the Group's risks and reports to the Board when necessary. The aim is to identify events in the market or in the Group's operations that could result in changes in the value of assets and liabilities. Another important part of risk assessment

involves staying abreast of changes in accounting rules and ensuring that any changes are correctly reflected in the financial reporting. The CFO is responsible for the preparatory work behind the Audit Committee's assessments and for operational monitoring of identified risks. A key aspect of risk assessment is the company's monthly financial reporting and the management reports that are submitted monthly by each business area president and their directly subordinate managers.

CONTROL STRUCTURES

The company's control structures have been designed to manage the risks that the Board and management deem as being the most significant for the operations and the financial reporting. Addnode Group's control structures consist in part of an organisation with clear roles that facilitate an effective and suitable division of duties and responsibilities, and in part of instructions and specific control activities aimed at detecting or preventing risks for errors in the reporting in a timely fashion.

Examples of control activities include:

- > Clear decision-making processes and authorisation instructions for important decisions (e.g., purchases, investments, agreements, and acquisitions and divestments)
- > Monthly performance analyses with deviation monitoring against budgets and forecasts
- > Monthly risk assessments of all fixed-price assignments in excess of SEK 100,000
- > Monthly risk assessments of past due accounts receivable
- > Automatic controls in IT systems that are essential for the financial reporting and other analytical follow-ups and reconciliations

MONITORING

Monitoring and testing of control activities are performed on a continuous basis to ensure that risks have been identified and addressed in a satisfactory manner. Monitoring is conducted both informally and formally, and involves reconciliation of monthly financial reports against budgets, forecasts and other set targets. Monitoring to ensure the effectiveness of internal control over financial reporting is conducted by the Board, the President, Group Management, the CFO and individuals in the Group's business areas and companies who are responsible for operations. The Audit Committee reviews reports on internal control as well as the financial reporting processes and analyses by the CFO. The auditors report to the Audit Committee in connection with their review of the nine-month interim report, the year-end report and the annual report. In addition, the Audit Committee and the auditors maintain regular contact.

INFORMATION AND COMMUNICATION

Guidelines for the financial reporting are communicated to employees through targeted communication initiatives, regular information meetings with the Group's controllers and financial managers, and manuals, Group-wide policies and codes that are published on the Group's intranet. Such information includes methodologies, instructions and practical checklists, descriptions of roles and responsibilities, and overarching timetables for, e.g., budgets, forecasts, monthly reports, quarterly book-closings and work with the annual report. The CFO is responsible for ensuring that information and training activities are conducted on an ongoing basis with the heads of finance/accounting and administration in the various business areas. The effectiveness of this communication is followed up on a regular basis to ensure receipt of information. In addition, formal and informal channels are in place for employees to communicate important information with relevant recipients – ultimately the Board of Directors where necessary. For communication with external parties, an information policy lays out guidelines for how this communication may take place. The aim of the policy is to ensure correct and thorough compliance with all information obligations.

FINANCIAL REPORTING AND INFORMATION

Addnode Group's routines and systems for the issuance of information aim to provide the market with relevant, reliable, correct and current information about the Group's performance and financial position.

Financial information is provided on a regular basis in the following ways:

- > Year-end and interim reports, which are published via press releases
- > Annual reports
- > Press releases on important news that could have a significant impact on the company's share price
- > Presentations for financial analysts, investors and the media on the same day that year-end and interim reports are published as well as in connection with the publication of other important information
- > Meetings with financial analysts and investors.

The Board monitors and ensures the quality of the financial reporting through instructions governing the division of duties between the President and the Board, instructions for financial reporting to the Board, and through the information policy. The Audit Committee is responsible for conducting preparatory work for the Board's work with control over the company's financial reporting. In addition, the Board ensures the quality of the financial reporting by thoroughly reviewing interim reports, the year-end report and the annual report at board meetings. The Board also reviews information about risk assessment, disputes and any irregularities. The Board has delegated responsibility to the executive management for ensuring the quality of press releases with financial content as well as presentation material in connection with meetings the media, owners and financial institutions.

Stockholm, 22 March 2016

Sigrun Hjelmquist
Chairman of the Board

Jan Andersson
Director

Kristofer Arwin
Director

Dick Hasselström
Director

Annika Viklund
Director

Thord Wilkne
Director

BOARD OF DIRECTORS



SIGRUN HJELMQUIST

Täby, born 1956. Chairman of the Board, Remuneration Committee chair, member of Audit Committee.

Education and experience: Civil engineer, M. Sc. Engineering Physics from KTH Royal Institute of Technology. Active within the Ericsson Group 1979–2000, most recently as President of Ericsson Components AB. Investment manager at BrainHeart Capital 2000–2005. Currently executive partner at Facesso AB.

Current assignments: Chairman of Almi Invest Östra Mellansverige AB, Almi Invest Stockholm AB and Fouriertransform AB; Director of Eolus Vind AB, Ragnsellsföretagen AB, Technical University of Denmark and Nordic Iron Ore AB.

Shareholding in Addnode Group:

1,000 B shares, plus 1,000 B shares owned by spouse.



JAN ANDERSSON

Viken, born 1959. Director, Audit Committee chair.

Education and experience: Civil engineer with specialisation in computer technology. Co-founder of Readsoft and President 1991–2011.

Current assignments: Chairman of MilDef AB and Fast2 AB, director of Olivetree AB, TimeZynk AB and Bioactive Polymers AB, among other companies.

Shareholding in Addnode Group: 15,000 B shares.



KRISTOFER ARWIN

Sollentuna, born 1970. Director, member of Audit Committee.

Education and experience:

B. Sc. Business Administration, Finance, Stockholm University. Co-founder of TestFreaks, a company that provides product ratings and review solutions to e-commerce customers in 10 international markets. CEO of TestFreaks 2006–2013, Chairman of TestFreaks since 2013. Founded the price comparison company Pricerunner in 1999 and served as the company's CEO until 2005, when the company was sold to the Nasdaq-listed company ValueClick.

Current assignments: Director of the listed company Unibet Group plc since 2008 and of Alertsec AB since 2007.

Previous assignments: Director of the listed company Tradedoubler AB 2007–2013.

Shareholding in Addnode Group: 2,180 B shares.



DICK HASSELSTRÖM

Stockholm, born 1949. Director and member of Remuneration Committee.

Education and experience: Civil engineer and D. Econ. Co-founder of Decerno and President 1984–2003. CEO of Decerno 2004–2010.

Current assignments: Director and Chairman of Z-City AB, directors of Vidinova AB and Verg AB.

Shareholding in Addnode Group: Via Vidinova AB 361,667 A shares and 7,059,783 B shares. Personal holding of 635,381 B shares.



ANNIKA VIKLUND

Stockholm, born 1967. Director.

Education and experience: MBA, Henley Business School; previously employed by IBM for 20 years in various positions.

Current assignments: Senior Vice President, Vattenfall, Distribution Business Area; Chairman and director of several Vattenfall subsidiaries.

Shareholding in Addnode Group: 1,000 B shares.



THORD WILKNE

Stockholm, born 1943. Director.

Education and experience: Secondary school economics degree. Co-founder of WM-data and CEO 1970–1997, Chairman 1998–2004.

Current assignments: Director of Rejlers AB and Temagruppen Sverige AB, among other companies.

Shareholding in Addnode Group: 400,000 B shares, plus 35,000 B shares owned by spouse.

AUDITORS At the 2015 Annual General Meeting, the chartered auditing firm PricewaterhouseCoopers AB (PwC) was re-elected, with Authorised Public Accountant Magnus Brändström as Auditor-in-Charge.

GROUP MANAGEMENT AND OTHER SENIOR EXECUTIVES



GROUP MANAGEMENT

JOHAN ANDERSSON

Born 1974. CFO, head of business development and investor relations.

Education and experience: M.Sc. Econ., Uppsala University. Executive Management Programme, IFL/Stockholm School of Economics. Active in the Group since 2006, 15 years of experience in the IT industry, including financing and accounting, company transactions, capital markets and communication.

Current assignments outside the Group: Chairman of Teknik i Media Datacenter Stockholm AB.

Shareholding in Addnode Group: 55,973 B shares.

STAFFAN HANSTORP

Born 1957. President and CEO of Addnode Group AB.

Education and experience: Civil engineer, KTH Royal Institute of Technology. Active in the Group since 2004, more than 30 years of experience as sales manager, marketing manager and CEO in IT sector. Founded Technia in 1994, which was acquired by Addnode Group in 2004.

Current assignments outside the Group: Chairman of Byggnadsfirman Viktor Hansson AB and of IT & telecom companies in Almega; director of the Confederation of Swedish Enterprise.

Shareholding in Addnode Group: Staffan Hanstorp owns 50 per cent of Aretro Capital Group AB, which owns 625,332 A shares and 3,154,624 B shares. Personal holding of 3,973 B shares.

ROLF KJÆRNSLI

Born 1958. Head of Design Management business area.

Education and experience: M. Sc., civil engineer, Norwegian Institute of Technology. Active in the Group since 2005, more than 25 years of experience as head of R&D and as CEO in the IT industry.

Current assignments outside the Group: Chairman of WK Entreprenør AS.

Shareholding in Addnode Group: 79,498 B shares via companies.

OTHER SENIOR EXECUTIVES

JONAS GEJER

Born 1963, CEO of TechniaTranscat AB, President of Product Lifecycle Management business area.

Shareholding in Addnode Group: Jonas Gejer owns 50 per cent of Aretro Capital Group AB, which owns 625,332 A shares and 3,154,624 B shares. Personal holding of 3,973 B shares.

ANDREAS WIKHOLM

Born 1974, President of Process Management business area.

Shareholding in Addnode Group: 13,459 B shares.

RONNY GUSTAVSSON

Born 1960, Senior Group Controller.

Shareholding in Addnode Group: 5,973 B shares.

AUDITORS' REPORT

To the Annual General Meeting of Addnode Group AB (publ),
corporate identity number 556291-3185

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

We have audited the annual accounts and consolidated accounts of Addnode Group AB (publ) for the year 2015, except for the corporate governance statement on pages 73–81. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 33–71.

Responsibilities of the Board of Directors and the President for the annual accounts and consolidated accounts

The Board of Directors and the President are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the President determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the President, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2015, and of its financial performance and cash flows for the year then ended, in accordance with the Annual Accounts Act, and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2015, and of its financial performance and cash flows for the year then ended, in accordance with IFRS, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 73–81. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statements and balance sheet for the parent company and the group.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the President of Addnode Group AB (publ) for the year 2015. We have also conducted a statutory examination of the corporate governance statement.

Responsibilities of the Board of Directors and the President

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the President are responsible for administration under the Companies Act and for ensuring that the corporate governance statement on pages 73–81 has been prepared in accordance with the Annual Accounts Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the President is liable to the company. We also examined whether any member of the Board of Directors or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Furthermore, we have read the corporate governance statement and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the President be discharged from liability for the financial year.

A corporate governance statement has been prepared, and its statutory content is consistent with the other parts of the annual accounts and consolidated accounts.

Stockholm, 5 April 2016
PricewaterhouseCoopers AB

Magnus Brändström
Authorised Public Accountant
Auditor-in-Charge