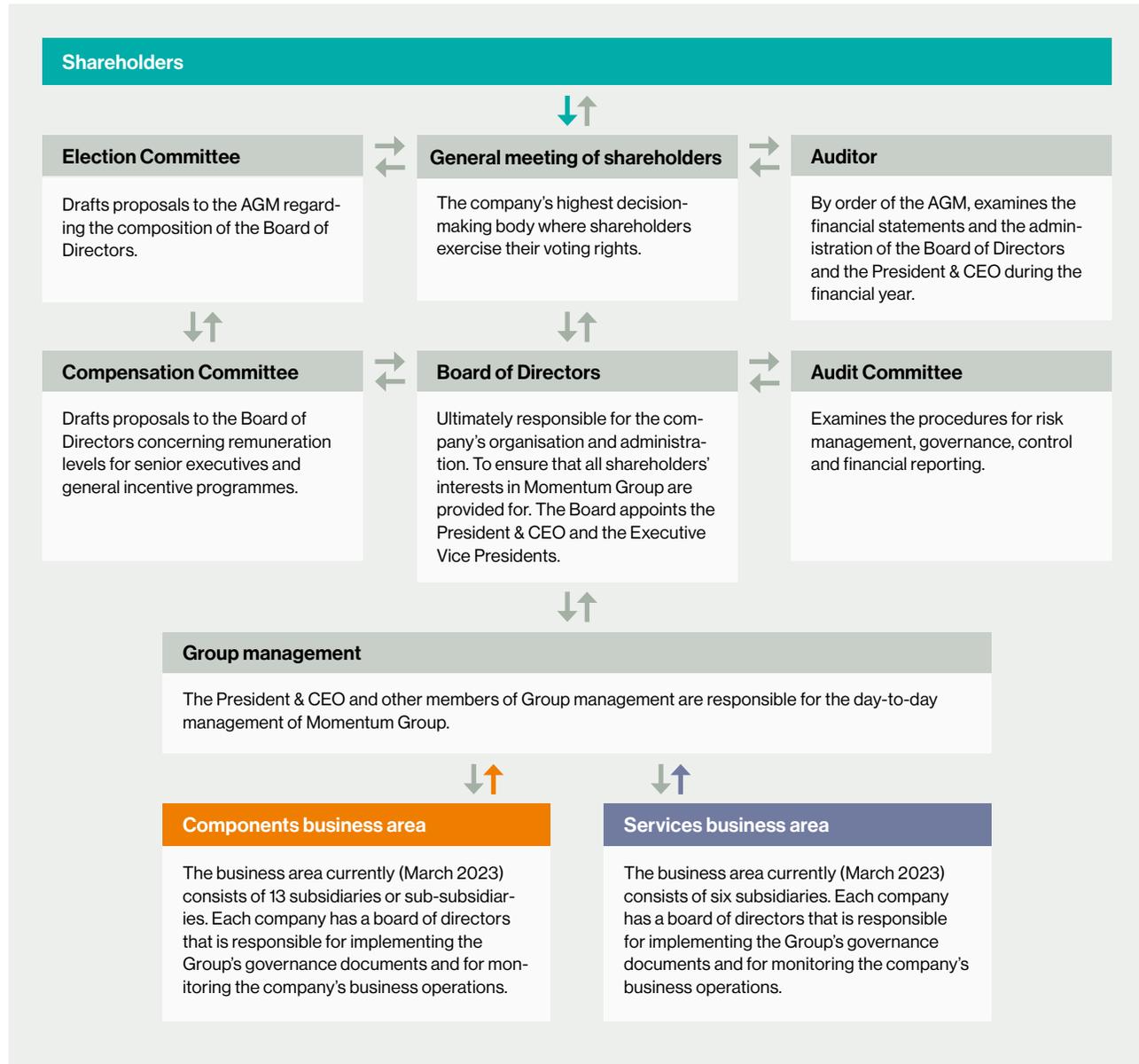


Corporate governance



Compliance with the Code

On 31 March 2022, Momentum Group's shares were listed on Nasdaq Stockholm and the company thereafter applies the Swedish Corporate Governance Code ("the Code"). Potential deviations from the Code and reasons for these deviations are to be reported continuously in the text. Momentum Group deviates in one respect concerning the section "Audit".

The Corporate Governance Report has been examined by the company's auditors.

Principles for corporate governance

Momentum Group endeavours to apply stringent standards and effective corporate governance processes in order to ensure that the business generates long-term value for the shareholders. The purpose of the company's corporate governance structure is to establish a clear distribution of roles and responsibilities between the owners, Board of Directors, Board committees and executive management. The company's corporate governance is based on external and internal control instruments, with the external instruments primarily comprising the Swedish Companies Act, regulations pursuant to the listing on Nasdaq Stockholm and generally acceptable practices on the stock market.

Shareholders

Momentum Group's shareholders' register is maintained by Euroclear AB. At 31 December 2022, Momentum Group AB had 4,364 shareholders.

Read more in "Share and ownership" [→](#)

Election Committee

Members of the Election Committee are nominated by the major shareholders in the company, whereby the four largest shareholders in the company on the final banking day in February are entitled to nominate one member each. The shareholder controlling most votes in the company is entitled to nominate the Chairman of the Election Committee. The Chairman of the Board is co-opted to the Election Committee

(without voting rights) and coordinates the nomination procedure. Since the company was listed on 31 March 2022, the 2022 AGM, which was held on 11 February 2022, resolved that the Election Committee ahead of the 2023 AGM would be nominated based on the shareholders' register effective on the final banking day in June 2022.

In accordance with the AGM resolution, the shareholders Nordstjernan, Tom Hedelius, Handelsbanken Fonder and Carnegie Fonder each appointed one member to the Election Committee ahead of the 2023 AGM, see below. The largest shareholder in terms of voting rights, Nordstjernan, appointed the Chairman of the Election Committee. The composition of the Election Committee was announced on 16 August 2022.

The Election Committee ahead of the 2023 AGM

Name	Representing	% of votes as of 30 June 2022
Pontus Boman <i>Chairman of Committee</i>	Nordstjernan	50.0
Stefan Hedelius	Tom Hedelius	9.2
Lilian Fossum Biner	Handelsbanken Fonder	4.9
Mattias Montgomery	Carnegie Fonder	2.7
Total		66.8

The role of the Election Committee is to draft proposals concerning election of the Chairman of the AGM, election of Chairman of the Board and other directors, resolutions concerning director fees, election of auditors and fees to be paid to auditors and, insofar as is deemed necessary, resolutions concerning amendments to the Election Committee's instructions. Shareholders are entitled to submit nomination proposals to the Election Committee.

Diversity policy

In drafting its proposal, the Election Committee has applied rule 4.1 of the Code as its diversity policy. This entails that the Election Committee based its proposal on the requirement that the composition of the Board is to be suitable taking Momentum Group's operations, stage of development and other circumstances into account. The Election Committee also took into account that the composition of the directors elected by the AGM was to be characterised by diversity and a breadth of qualifications, experience and background.

General meeting of shareholders

The general meeting is the company's highest decision-making body, where the shareholders exercise their voting rights on key issues, such as the adoption of income statements and balance sheets, appropriation of profit, discharge of the directors and President & CEO from liability, election of directors and auditors, and remuneration of the Board and auditors. The AGM is to be held within six months from the close of the financial year. In addition to the AGM, Extraordinary General Meetings may be convened. According to the Articles of Association, notice to attend a general shareholder meeting shall be issued by publishing a notice in Post- och Inrikes Tidningar and shall be made available on the company's website. An announcement that notice to attend has been issued shall simultaneously be published in Svenska Dagbladet.

2022 AGM

Momentum Group's AGM was held on 11 February 2022 in Stockholm. Johan Sjö was elected Chairman of the AGM. At the AGM, representatives of the only owner at the time, Alligo AB, attended through Johan Sjö and Stefan Hedelius.

Resolutions passed at the AGM included:

- re-election of Johan Sjö, Anders Claeson, Ylva Ersvik, Stefan Hedelius and Gunilla Spongh as regular directors for the period up to the close of the next AGM,
- that director fees be paid in an amount of SEK 625,000 to the Chairman of the Board and SEK 250,000 to each other regular member as well as a special fee of SEK 150,000 to the Chairman of the Audit Committee,
- the re-election of KPMG as auditor for the period until end of the next AGM,
- that auditor fees shall be payable on an on-account basis,
- authorisation of the Board to decide on new issues of shares and the acquisition and conveyance of treasury shares,
- resolution concerning guidelines for executive remuneration,
- resolution concerning instructions for the Election Committee.

As part of the preparations ahead of the listing as a separate company, it was also decided that:

- the corporate category to be changed from private to public,
- the Articles of Association would be amended.

2023 AGM

Momentum Group's AGM will be held at 4:00 p.m. on 9 May 2023 in Stockholm. The Board of Directors' complete proposal to the AGM will be published in accordance with the Articles of Association. Proposal concerning the Election Committee to be appointed at the 2023 AGM will be presented based on the share register concerning the last banking day in February 2023.

[Read more about the AGM](#)

Board of Directors

Duties of the Board

The Board is the second highest decision-making body after the general meeting of shareholders. The Board of Directors is ultimately responsible for the company's organisation and administration of the company's affairs in the interests of the company and of all shareholders in accordance with the laws, regulations and agreements that the company is obligated to follow. Based on its analysis of the operating environment, the Board is also responsible for deciding on strategic matters.

Each year, the Board adopts written rules of procedure that regulate the work of the Board and its internal distribution of responsibility, including its committees and the distribution of responsibilities with internal business area boards, the procedure for resolutions within the Board, the agendas of Board meetings and the duties of the Chairman as well as instructions for financial reporting.

The Board has also issued instructions to the President & CEO, which grant the authority to make decisions regarding investments. The Board has also adopted a number of policies for the Group's operations, including policies in the areas of finance, related parties, internal control, risk, IT and information security, environment and quality as well as a Code of Conduct.

The Board of Directors oversees the work of the President & CEO through continuous monitoring of the operations during the year and is responsible for ensuring that the organisation and management as well as the guidelines for administration of the company are appropriate and that the company has adequate internal control and effective systems in place for monitoring and controlling the company's operations and compliance with legislation and regulations applicable to the company's operations. This issue is also specifically addressed

each year at a Board meeting, without the presence of any member of executive management. The Board is also responsible for decisions regarding acquisitions and divestments of businesses, major investments, repurchases of own shares, and appointment of executive management. The Board and the President & CEO present the annual accounts to the AGM.

Chairman of the Board

The Chairman of the Board is responsible for ensuring that the work of the Board is well organised and conducted efficiently and that the Board performs its duties.

In particular, the Chairman is responsible for organising and leading the work of the Board in a manner that creates the best possible conditions for the Board to conduct its work. It is the Chairman's task to ensure that the Board continuously updates its knowledge about the company, to ensure that the Board holds meetings as required and receives sufficient information and supporting data for its work, to propose an agenda for Board meetings in consultation with the President & CEO, to ensure that the decisions of the Board are carried out, and to ensure that the work of the Board is evaluated annually. The Chairman is responsible for all contact with the owners regarding ownership matters and for conveying feedback from the owners to the Board.

Composition and independence of the Board

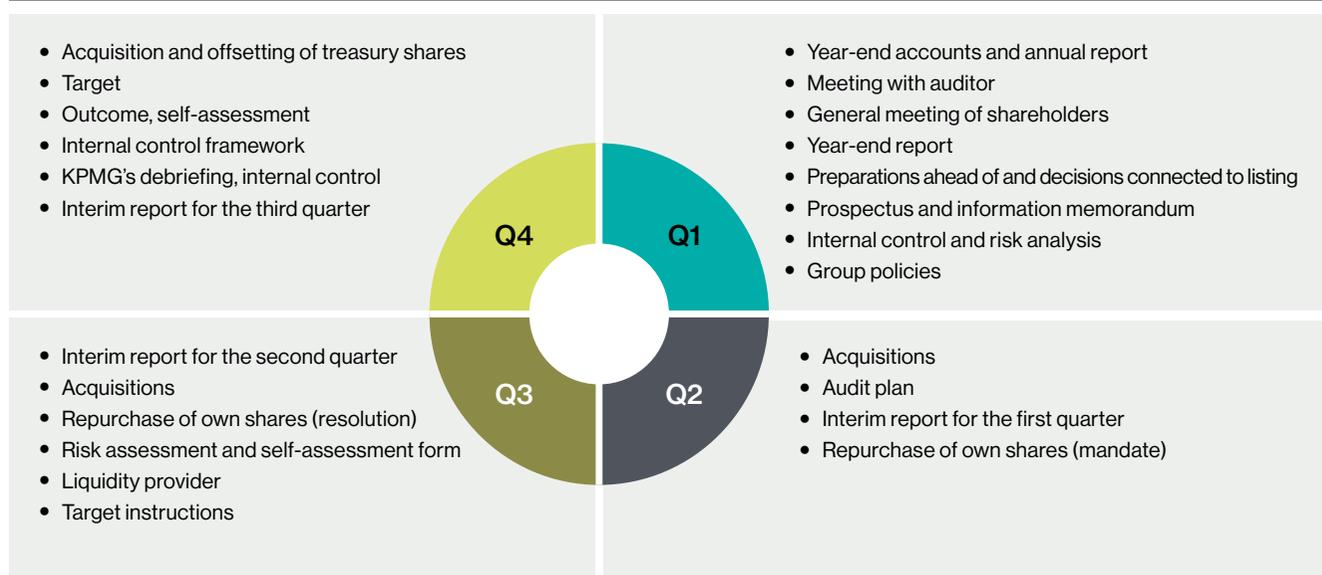
According to Momentum Group's Articles of Association, the Board of Directors shall consist of at least three and not more than seven regular members who are elected annually at the AGM for the period until the close of the next AGM. The 2022 AGM re-elected Johan Sjö, Anders Claeson, Ylva Ersvik, Stefan Hedelius and Gunilla Spongh. Johan Sjö was elected Chairman of the Board. A presentation of the Board of Directors is available in the section "Board and management".

All directors are independent in relation to the company and its senior executives and three of the directors are also independent in relation to the major shareholders. The composition of the Board of Directors meets the independence requirements of the Code.

Work of the Board

The work of the Board of Directors follows an annual plan. In addition to the statutory meeting, which is held in conjunction with the AGM, the Board of Directors normally convenes on

Board of Directors' work during the 2022 calendar year



Board of Directors 2022

Name	Position	Year of election	Independent in relation to			Meeting attendance			Fee, SEK
			Board and management	Major shareholders	Shares owned (Class B shares)	Board of Directors	Audit Committee	Compensation Committee	
Johan Sjö	Chairman	2021	Yes	No	27,400	15 of 15	7 of 7	1 of 1	625,000
Anders Claeson	Director	2021	Yes	Yes	4,980	14 of 15	6 of 7	–	250,000
Ylva Ersvik	Director	2021	Yes	No	7,000	15 of 15	7 of 7	–	250,000
Stefan Hedelius	Director	2021	Yes	Yes	1,500	15 of 15	7 of 7	1 of 1	250,000
Gunilla Spongh	Director	2021	Yes	Yes	1,500	15 of 15	7 of 7	–	400,000

five occasions each year (scheduled meetings) in connection with the publication of the Interim Reports and holds an annual strategy meeting. Extraordinary meetings are convened when necessary. Each meeting follows an agenda, which is distributed to the directors prior to each Board meeting along with supporting documentation. The decisions of the Board are made after discussions led by the Chairman of the Board. The task of the committees appointed by the Board is to draft proposals for resolutions by the Board (see below).

In 2022, the Board of Directors held eight meetings including a statutory Board meeting as well as seven meetings held by correspondence. In addition, one special strategy meeting was held.

The President & CEO presents reports at the Board meetings. The Group's CFO, Business Area Managers and other employees in the Group participate in Board meetings to report on specific issues. Refer to the table above for information regarding attendance at Board and committee meetings.

Evaluation of Board work

The Board conducts an evaluation of its work annually under the supervision of the Chairman of the Board. The purpose of the evaluation is to further develop the Board's work formats, dynamics, efficiency and working climate as well as the main focus for the Board's work. This evaluation also focuses on access to and the need for special competencies on the Board. The evaluation includes interviews, joint discussions and individual discussions between the Chairman of the Board and individual directors. The Election Committee is informed of the results of this evaluation.

Compensation Committee

Momentum Group has a Compensation Committee consisting of Johan Sjö (Chairman) and Stefan Hedelius. Both Johan Sjö and Stefan Hedelius are independent in relation to the company and company management. The company thereby fulfils the requirements stipulated in the Code. Information on the Compensation Committee is presented in the rules of procedure for the Board, which are adopted annually. The Compensation Committee is to prepare proposals concerning remuneration principles and other terms of employment for senior

executives, and to consult with the President & CEO concerning the remuneration of senior executives. The Compensation Committee is also tasked with monitoring and evaluating programmes for variable remuneration for senior executives and the application of the guidelines for the remuneration of senior executives, as adopted by the AGM. The Compensation Committee met once in 2022.

Audit Committee

The Audit Committee consists of the entire Board, and the work of the committee is to be conducted as part of the Board's work at scheduled Board meetings. Director Gunilla Spongh has accountancy and audit expertise and has been appointed Chairman of the Audit Committee.

The Audit Committee is to monitor the company's financial reporting, monitor the efficiency of the company's internal control and risk management with respect to its financial reporting, keep itself informed about the audit of the annual report and consolidated financial statements, review and monitor the impartiality and independence of the auditors and, in particular, whether the auditors have provided the company with services other than auditing services, and assist in the preparation of

proposals regarding the election of auditors for resolution by the general meeting of shareholders. The Audit Committee shall consider possible recommendations for improving the internal control of financial reporting, including annually considering the need for an internal audit function in accordance with the Code.

In conjunction with the adoption of the annual accounts for 2022, the Audit Committee held a review and received a report from the company's external auditors. On this occasion, the Board of Directors also met with the auditors without the presence of the President & CEO or other senior executives.

The Audit Committee met seven times in 2022.

Ethical guidelines

Momentum Group strives to conduct its business with high requirements imposed on integrity and ethics. The Board of Directors adopts a Code of Conduct for the Group's operations on an annual basis, which also includes ethical guidelines.

[See Momentum Group's Code of Conduct](#)

Audit

According to Momentum Group's Articles of Association, a registered accounting firm (or, alternatively, one or two authorised public accountants) is to be elected as auditor. At the 2022 AGM, KPMG was appointed as the company's auditor, with Helena Arvidsson Älgne as auditor-in-charge, for the period until the 2023 AGM. KPMG performs the audit of Momentum Group AB and most of its subsidiaries.

The company's auditors follow an audit plan, which includes feedback from the Board and the Audit Committee, and reports its findings to the company management teams, company management and the Group's Board and Audit Committee during the course of the audit and in conjunction with the adoption of the annual accounts. The company's auditor also participates in the AGM, presenting and commenting on the audit work.

The independence of the external auditors is regulated through special instructions established by the Board, which state the areas which may be addressed by the external audi-

tors in addition to the normal audit work. KPMG continuously assesses its independence in relation to the company and provides the Board with written assurance of the auditing firm's independence in relation to Momentum Group each year.

Momentum Group deviates from Point 7.6 of the Code, which stipulates that the company's six-month report or nine-month report must be reviewed by the company's auditors. The rationale underlying the deviation is that the company has determined that the additional expense that would be incurred by the company for an expanded review of the six-month report or nine-month report by the company's auditors is not warranted.

According to a resolution adopted by the 2022 AGM, director fees are payable according to approved invoices. During the 2022 financial year, the total remuneration to the company's auditors amounted to SEK 2 million, of which SEK 2 million was attributable to the audit of the annual financial statements.



Elected auditor KPMG

Helena Arvidsson Älgne

Auditor in Charge since 2020.

Born: 1962.

Authorised Public Accountant, Stockholm. Member of FAR

Helena Arvidsson Älgne is also auditor-in-charge of companies such as Alligo, Assemblin, Beijer Alma, ICA Gruppen, Knowit, LKAB and Studsvik.

CEO and Group management

President & CEO Ulf Lilius is responsible for leading the business in accordance with the Board's guidelines and instructions and ensuring that the Board receives information and necessary decision-making documentation. The President & CEO leads the work of company management, is a reporter at Board meetings and is to ensure that the directors are continuously provided with the information needed to monitor the company's and the Group's financial position, earnings, liquidity and development.

Group management, which comprises President & CEO Ulf Lilius and CFO Niklas Enmark, is presented in greater detail in the section "Board and management".

Operational organisation and governance

Momentum Group is organised in two business areas: Components and Services. The division into business areas reflects Momentum Group's internal organisation and reporting system.

At 31 December 2022, Momentum Group consisted of 17 companies, in addition to the Parent Company. The Group applies a decentralised model, whereby business decisions are made in close proximity to customers and suppliers. The operating activities are conducted independently within the subsidiaries, which assume responsibility for their own earnings and profitability, but within the framework of the Group's vision, business concept, strategic goals and governance documents. From a governance perspective, it is important to integrate the acquired companies into issues that are important to the Group, such as financial reporting, administrative procedures and shared core values. Each subsidiary has a board of directors in which the company's President & CEO and CFO are usually represented as reporters.

Read more in "Focus areas" 

Remuneration of directors and senior executives

Remuneration to Board of Directors

The remuneration payable to the Board of Directors is determined by the AGM. The AGM on 11 February 2022 resolved that director fees up to the next AGM shall amount to SEK 250,000 for every AGM-elected director and SEK 625,000 for the Chairman of the Board. An extra fee of SEK 150,000 is to be payable to the Chairman of the Audit Committee, who is also a director. Otherwise, no remuneration is payable for committee work. Director fees paid in 2022 are presented in Note 4.

Remuneration of senior executives

It is the AGM that resolves on guidelines for executive remuneration. At the AGM on 11 February 2022, the Board of Directors' proposal concerning guidelines for the remuneration of the President & CEO and other senior executives was adopted. The guidelines are designed so as to promote Momentum Group's business strategy, long-term interests and sustainability. Remuneration is to be in line with market conditions and comprise the following components: fixed salary, possible variable salary according to a separate agreement, pension and other benefits. A General Meeting of Shareholders may in addition – and independent of these guidelines – resolve on, for example, share and share price-based remuneration. The Board may resolve to derogate from the guidelines, either in full or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability.

Complete guidelines for determining remuneration and other terms of employment for senior executives as well as remuneration of senior management in the 2022 financial year are presented in Note 4.

Share-based incentive programmes

Each year, the Board of Directors shall assess the need for a share-based incentive programme and, when necessary, present proposals for resolution to the AGM. Resolutions on any share-based incentive programmes for senior executives shall be made by the general meeting of shareholders and contribute to long-term value growth.

Momentum Group currently has no share-based incentive programmes.

Systems for internal control and risk management in financial reporting

Internal control

The Board's responsibility for internal control is governed by the Swedish Companies Act, the Swedish Annual Accounts Act and the Code.

The Board is responsible for ensuring that the company has reliable internal control and formalised procedures to ensure compliance with established reporting and internal control principles, and that there are appropriate systems for follow-up and control of the company's operations and the risks associated with the company and its operations. The procedures for internal control of financial reporting have been designed to ensure reliable overall financial reporting and external financial reporting in accordance with IFRS, applicable laws and regulations as well as other requirements for listed companies. Within the Group, the entire operation is subject to internal control, with internal control of financial reporting playing a key role.

Internal governance and control regarding financial reporting within the Group builds on a structure of steering documents, risk analyses, processes and defined roles and areas of responsibility as well as related controls in various forms. This structure is based on the internationally accepted framework COSO (the Committee of Sponsoring Organizations of the Treadway Commission). COSO is built on five interrelated components, which combine to form the basis of good internal governance and control. The starting point for the framework is that the Group has a structured method for identifying and analysing significant risks, which in turn, has an impact on the design of the components included.

A review and assessment of each component is to be made annually. Based on this review, certain development areas are identified, which are prioritised in the ongoing work on internal control, and when action plans are prepared.

Risk analysis

Risk assessment serves as the foundation for internal governance and control as well as the starting point for the controls that are designed, documented and continuously evaluated. The Group has established an annual process for business-wide risk assessment aimed at giving the Board of Directors and Group management greater insight into the risks to which the organisation is exposed.

For risks related to financial reporting, the risk analysis is carried out on the basis of a Group perspective and involves the Audit Committee, which provides input. The most significant risks as well as their assessed likelihood and consequences on the financial outcome are identified. Risk assessment is also carried out based on the key processes established by the Group. In conjunction with the annual analysis, a review is also to be carried out of whether the key processes reliably identify and manage the significant risks.

The process for risk assessment of significant risks, risk assessment connected with key processes, and measures (see below) is in place to ensure that the risks to which the operations are exposed are managed as part of the Group's internal governance and control.

Control environment

Based on the risk analysis, the control environment serves as the basis for the Group's internal control and comprises the way in which the Board of Directors and management act and establish "the tone at the top", distribute responsibility and authority within the organisation, provide information on the operations' goals, and convey the overall values related to internal control.

The control environment entails creating a healthy risk culture and is made tangible through factors such as the corporate culture, integrity, ethics, competence, management philosophy, organisational structure, authority and responsibility as well as related steering documents and instructions. A significant part of the control environment involves identifying processes for managing the identified risks.

Control activities

All operations within the Group must ensure that there are relevant controls to reduce the identified risks to an acceptable level. Controls can be of a preventive or investigative character, automated or manual. The aim is to have a cost-effective composition and controls that are adapted to the operations' conditions and risk tolerance. Controls are to be identified for each identified significant risk or risk related to the Group's key processes.

As part of the annual evaluation, an evaluation should also be carried out to determine whether the controls or other mitigating measures are deemed to be adequately and correctly designed and that the controls themselves function and are carried out as designed.

Communication and information

There is to be a well-functioning two-way communication and information flow between the Board of Directors and management as well as with the Group's employees. This communication must function between all levels of the organisation.

A key part of the internal control work is to ensure effective dissemination of relevant information to internal and (relevant) external stakeholders. Group management is to ensure that all applicable policies and guidelines are made available to the relevant parties. Additionally, information is exchanged continuously between Group management and all of the subsidiaries within the framework of ordinary monitoring activities and internal Board meetings. A key part of this involves communicating with the subsidiaries with respect to the controls for which they are responsible.

Follow-up

Through follow-up activities, an evaluation is carried out to determine whether each of the five components of internal control exists and functions. The Group uses self-assessments to evaluate the relevance and effectiveness of the internal control as well as establishing whether control activities exist and are effective. Self-assessments are conducted at least once annually and their results are reported to Group management and the Board of Directors' Audit Committee.

Internal audit

The Board has decided not to establish a special internal audit function. This decision was made based on the size and operations of the Group as well as the existing internal control processes as described above. When necessary, the Audit Committee commissions external advisors to assist on projects relating to internal control.

Non-compliance

There were no infringements of applicable stock-exchange rules during 2022 and Momentum Group's operations were conducted in accordance with generally acceptable practices in the stock market.

Board of Directors



Johan Sjö

Chairman of the Board since 2021

Born: 1967

Education: M.Sc. Econ.

Other current assignments: Senior Advisor at Nordstjernan. Chairman of the Board of AddLife and Dacke Industri. Director of Alligo, Camfil and M2 Asset Management.

Previous assignments: President & CEO of the Addtech Group and senior positions in the Bergman & Beving Group. Senior positions at Alfred Berg (currently ABN Amro).

Independent in relation to the company and management: Yes.

Independent in relation to major shareholders: No.

Shares owned: 27,400 Class B shares (own holding).



Anders Claeson

Director since 2021

Born: 1956

Education: M.Sc. Eng. and Industrial Economics.

Other current assignments: Director of Lagercrantz Group AB and A Claeson Consulting Company AB.

Previous assignments: Executive Vice President of Addtech AB and President & CEO of Addtech Nordic. Chairman of the Board or director of a number of subsidiaries within the Addtech Group.

Independent in relation to the company and management: Yes.

Independent in relation to major shareholders: Yes.

Shares owned: 4,980 Class B shares (own holding).



Ylva Ersvik

Director since 2021

Born: 1988

Education: Bachelor of Science in Business and Economics. M.Sc. in Technical Physics

Other current assignments: Investment Manager at Nordstjernan.

Previous assignments: Deputy Director of Boyd Wardley AB.

Independent in relation to the company and management: Yes.

Independent in relation to major shareholders: No.

Shares owned: 7,000 Class B shares (own holding).



Stefan Hedelius

Director since 2021

Born: 1969

Education: University studies in economics, various international executive education programmes.

Other current assignments: Chairman of Alhanko & Johnson AB. Director and CEO of Human Care HC AB (publ). Director of AddLife AB, Alligo Holding AB, Alligo AB, Chatflights International AB, Stefan Hedelius AB, BJ by Hedelius AB and The Cloud Factory AB. Deputy director of Say hello to all of our friends AB, Illemann Konsult AB and BJ by Hedelius AB.

Previous assignments: CEO of NOTE AB, Vice President Brand and Marketing at Scandinavian Airlines (SAS) and senior positions in the Ericsson Group, including Vice President Marketing and Communications, Head of Strategy and Marketing, and Vice President of Ericsson Austria.

Independent in relation to the company and management: Yes.

Independent in relation to major shareholders: Yes.

Shares owned: 1,500 Class B shares (own holding).



Gunilla Spongh

Director since 2021

Born: 1966

Education: M.Sc. Eng. and Industrial Economics.

Other current assignments: Chairman of the Board of Bluefish Pharmaceuticals AB (publ). Director of Systemair Aktiebolag, AQ Group AB, Lernia AB, Byggmax Group AB, Swedish Stirling AB, Optigroup AB, G Spongh Förvaltnings AB, Pierce Group AB (publ), Consivo Group AB (publ), Meds Apotek AB and ViaCon Group AB.

Previous assignments: Director of Alligo AB, Infranord AB, SunPine AB and B&B TOOLS Aktiebolag.

Independent in relation to the company and management: Yes.

Independent in relation to major shareholders: Yes.

Shares owned: 1,500 Class B shares (own holding).

Group management



Ulf Lilius

President & CEO since 2021

Born: 1972

Education: B.Sc. Econ.

Work experience: President & CEO of B&B TOOLS AB. President & CEO of Momentum Industrial. Senior positions at Momentum Industrial and SKF.

Shares owned: 2,688 Class A shares and 333,826 Class B shares (with family). Call options corresponding to 207,469 Class B shares.



Niklas Enmark

Executive Vice President and CFO since 2021

Born: 1972

Education: M.Sc. Econ.

Work experience: CFO of Axel Johnson International AB. Executive Vice President & CFO of Lagercrantz Group AB. Investment Manager at Investor Growth Capital.

Shares owned: 49,704 Class B shares (own holding). Call options corresponding to 103,734 Class B shares.