

CORPORATE GOVERNANCE

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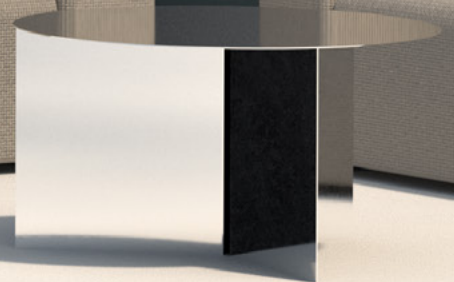
The Board of Directors of Assemblin Financing AB (publ), corporate ID number 559077-5952, hereby submits its corporate governance report for the Assemblin Group for the period from 1 January to 31 December 2019. This Corporate Governance Report complies in all essentials with the requirements under the Swedish Corporate Governance Code.

This corporate governance report is a part of Assemblin's 2019 Annual Report and Sustainability Report, which is available in its entirety on the company's website. This explains why the pagination begins on page 90. This report can be read separately, but occasionally contains references to other parts of the 2019 Annual Report and Sustainability Report.





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Strengthened corporate governance

Well structured operations, active control mechanisms and a sound corporate culture ensure sustainable value creation with limited risk. In 2019, corporate governance at Assemblin was reviewed and updated.

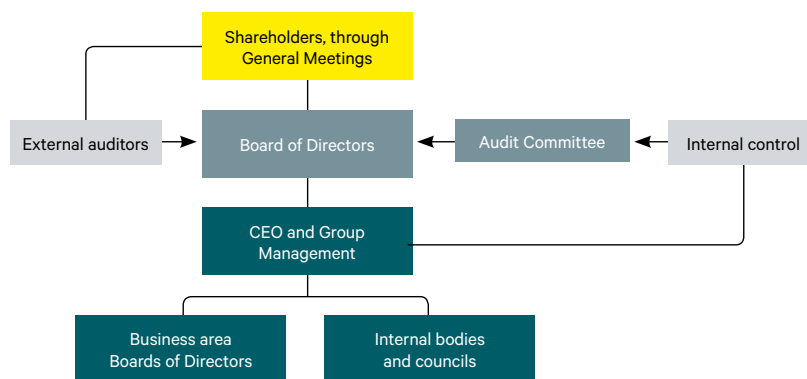
Assemblin strives for efficient corporate governance procedures aimed at utilising future opportunities with controlled risks. This implies a clear allocation of responsibilities among different corporate bodies, an efficient and well structured operating organisation, effective systems for risk management and internal control, and transparent internal and external reporting.

Starting point for Assemblin's corporate governance

Assemblin comprises nearly 30 legal companies in five operating business areas in the Swedish, Norwegian and Finnish installation markets. Since 4 November 2019, the Parent Company has been the Swedish company Assemblin Financing AB (publ), corporate ID number 559077-5952, domiciled in Stockholm, Sweden (address Västberga Allé 1, SE-126 30 Stockholm). Prior to that, the Parent Company of the Group was Assemblin Holding AB, corporate ID number 559025-2952 (domicile and address as above).

Assemblin Financing AB (publ) is a subsidiary of Ignition MidCo S.a.r.l, and the ultimate principal owner is Triton Fund IV. A portion of the company's shares are also owned by senior executives in Assemblin. On 6 December 2019, Assemblin Financing AB issued a Eurobond that was later listed on the International Stock Exchange (Channel Islands) securities market.

CORPORATE GOVERNANCE STRUCTURE AND KEY CORPORATE BODIES



The starting point for corporate governance at Assemblin is the Swedish Companies Act, Swedish reporting legislation, regulations for issuers on TISE (CI) and other applicable laws and regulations in the countries where operations are conducted. In addition, Assemblin applies the Swedish Corporate Governance Code (the "Code") and the principles of the UN Global Compact. In addition to these external regulations, Assemblin has well developed internal regulations. Assemblin's Articles of Association are available on the company website.

KEY CORPORATE BODIES

An important starting point for corporate governance is a clear allocation of responsibilities among Assemblin's corporate bodies.

Shareholders, through the General Meeting

Assemblin Financing AB (publ) has 500 shares. The company's shareholders can exercise their influence at the General Meeting, which is the highest decision-making body. Each share carries the right to one vote. There are no limits regarding the number of shares a share-

Key external regulations:

- The Swedish Companies Act
- Other laws, regulations and ordinances in Sweden, Norway and Finland
- TISE (CI) Rules for Issuers
- The Swedish Corporate Governance Code (the "Code")
- The UN Global Compact

Key internal regulations:

- Articles of Association
- Rules of procedure for the Board of Directors
- Communication Policy, Financial Policy, the Financial Handbook
- Risk management and internal control procedures
- Code of Conduct, Anti-corruption and bribery Policy
- Shared values

Deviations from the Code

Since Assemblin's ownership sphere is limited, the following deviations from the Code apply: (i) no Nomination Committee has been established; (ii) remuneration to senior executives is not reported in detail; and (iii) notice to attend the Annual General Meeting and minutes from the Meeting are not published on Assemblin's website.

BOARD MEMBER ATTENDANCE, INDEPENDENCE AND REMUNERATION

	Meeting attendance		Dependence	
	Board of Directors	Audit Committee	Independent of the company	Independent of major shareholders
Total number of scheduled meetings	5	5		
Board members				
Mats Wäppling, Chairman	5		YES	NO
Susanne Ekblom ¹⁾	4	4	YES	YES
Leif Gustafsson	5		YES	YES
Mats Jönsson	5	5	NO	NO
Young Kim	5	5	YES	NO
Anders Thulin	5		YES	NO

¹⁾ Susanne Ekblom took up her post as Board member on 29 April 2019.

holder can represent. Under the Swedish Companies Act, the Annual General Meeting (AGM) must be held within six months of the end of the financial year. The Companies Act and the Articles of Association regulate what decisions can be made at the AGM. The most recent AGM for Assemblin Financing AB (publ) was held on 5 June 2019 in Stockholm, Sweden.

Extraordinary General Meetings are held if the Board of Directors considers it necessary, if any owner of at least 10 per cent of all shares requests one, or if Assemblin's auditors request one.

Board of Directors

Composition of the Board of Directors

Under the Articles of Association, the Board of Directors must comprise at least three and at most ten members, with at most five deputies. The representatives of the Board are nominated by the principal owner and elected by the General Meeting. The Board of Directors was expanded in 2019 by one member, which means at the end of the year the Board consisted of six ordinary members, two of whom (33 per cent) are women. More information on the members of the Board is presented in more detail at the end of this Corporate Governance Report. In addition to the members of the Board, the company's CEO and CFO – and other persons from the Company as needed – attend Board meetings.

The composition of the Board is considered to be appropriate in terms of Assemblin's operations, stage of development and ownership. It is characterised by diversity and breadth as regards the skills, experience and background of its members.

Tasks and responsibilities of the Board

The Board of Directors is responsible to the General Meeting, and is tasked with safeguarding the interests of the owners as regards external and internal governing documents. This includes the Board's overall responsibility for Assemblin's organisation and administration.

Some of the Board's most important tasks are establishing Assemblin's long-term strategy, governance and monitoring, routinely assessing the Group's financial situation and ensuring the company has a high level of internal control. The Board is also tasked with appointing and routinely evaluating operational management and the activities of the CEO.

The Board annually establishes rules of procedures for its activities, which also regulate the areas of responsibility of the Audit Committee and the CEO. In December 2019, the rules of procedure were revised to further strengthen risk management and internal control activities in the Group.

Under the rules of procedure, a statutory Board meeting must be held immediately after the AGM. Members of the Audit Committee, signatories for the company, and other roles are appointed at this meeting. In addition to the statutory meeting, the Board going forward will normally hold six scheduled meetings per year. Four of these meetings are held quarterly in conjunction with the company's financial reports. One meeting is set aside for strategic discussions, at which risks are also evaluated.

The role and tasks of the Chairman of the Board are described in the rules of procedure for the Board. These tasks include monitoring the Board's fulfilment of its work tasks in accordance with applicable laws and regulations, ensuring that committee meetings are held when needed, receiving viewpoints from the owners and conveying them to the Board, checking that Board decisions are efficiently implemented and annually evaluating the Board's activities.

Board activities in 2019

In 2019, the Board of Directors had five scheduled and a number of extraordinary Board meetings in Assemblin Holding AB/Assemblin Financing AB (publ). At these meetings, the Board addressed such matters as strategic issues, financial performance, financial reports and issues

related to customers, personnel, sustainability and risk management. A decision on issuing and listing a bond on TISE (CI) was also taken in 2019. Attendance at Board meetings for the year was acceptable, and is presented in the table above.

An evaluation of Board activities was also conducted in 2019, under the management of the Chairman of the Board. This evaluation is being used as a tool for developing the activities of the Board.

Additionally, an in-depth review of Assemblin's corporate governance and internal control was conducted in 2019. This work resulted in the Board taking a decision at the end of the year on revising the rules of procedure and updating the procedures for risk management and internal control.

Audit Committee

In accordance with its rules of procedure, the Board of Directors must have an Audit Committee. The activities of this committee include:

- monitoring the company's financial reporting, as well as internal control and risk management;
- monitoring the impartiality of the auditor and staying informed about the audit of the Annual Report; and
- monitoring the Group's short- and long-term cash flow trends and financing opportunities.

The Audit Committee includes three ordinary Board members and is led by Susanne Ekblom. The rapporteur for the Committee is the CFO of Assemblin.

The Committee held five meetings in 2019. The auditors took part on three occasions, which included discussion of the company's financial reports, the year-end report, the scope of the audit and Assemblin's risks and internal control.

CEO and Group management

The Board appoints Assemblin's CEO (who is also the President), who is responsible for administration of the company in accordance with the guidelines and instructions of the Board. Furthermore, the CEO is responsible for planning the company's operations so that the established goals are reached, that the control environment is adequate and that the risks the Group takes are compatible with the guidelines of the Board. Any deviations must be reported to the Board. The Board also routinely receives information from the CEO via monthly reports.

Mats Johansson has been President and CEO of Assemblin since 2018, and he has the mandate of the Board to lead the company's operational activities alongside the company's Group Management. Group Management consists of five Heads of Business Area, the CFO and the Head of Communications and Sustainability, and is presented at the end of this Corporate Governance Report.

As a rule, Group Management meets every other month. Matters addressed at these meetings are earnings trends and forecasts, the market situation, Group-wide initiatives, important recruitments, ongoing business and acquisition opportunities, as well as other urgent and current issues.

Nine Group Management meetings were held in 2019. Issues of particular importance addressed were profitability improvement measures, work environment and safety, decisions on new policies, decisions on a new leadership model, conducting a Group-wide employee survey, acquisition opportunities and monitoring ongoing major projects.

External auditors

In accordance with the Articles of Association, the meeting must appoint at least one and at most two external, independent authorised public accountants, with or

without deputies. Since 2015, KPMG has been Assemblin's external auditor, with Helena Arvidsson Älgne as auditor in charge. In addition to this audit engagement, Helena Arvidsson Älgne is also involved in several other companies including ICA Gruppen AB, LKAB, Knowit AB (publ), HiQ International AB, AQ Group, FM Mattsson Mora Group AB and Beijer Alma AB.

The task of the external auditor is to review Assemblin's annual financial statements, annual report and consolidated financial statement as well as administration by the Board of Directors and Group Management. The auditors also conduct a review of the September interim report and an examination of the company's internal control. The external audit of the Group's accounts is conducted in accordance with the Companies Act, the International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden.

The auditor reports to the Audit Committee and the CEO, as well as to management of the local companies. In conjunction with the annual financial statements, the auditor also presents her conclusions from the audit to the Board.

The auditors must also keep the Audit Committee updated on the planning, scope

and content of the annual audit, and inform them of services performed in addition to audit services, remuneration for such services and other circumstances that could be of significance for the auditor's independence.

The auditor takes part in several Audit Committee meetings, and attends at least one Board meeting per year. Audit fees received for 2019 are reported in Note 6, in the separate section on *Financial reporting*.

In addition to this, parts of Assemblin's operations are also reviewed from the perspective of the environment, quality and work environment by independent certification companies. The result of these audits is reported to the management groups of each business area. More information can be found in Assemblin's *Sustainability Report*.

OPERATIONAL GOVERNANCE

Assemblin's operations are firmly decentralised and governed through a shared framework, clear allocation of roles and responsibilities and structured monitoring. Assemblin's operating organisation is described in the section on *Operations/Organisation and governance*.

Remuneration to the Board of Directors and senior executives

Assemblin's Board of Directors has chosen not to establish a Remuneration Committee, but instead to address issues of remuneration in the Board, including policies for bonus systems and incentive programmes for senior executives.

Remuneration and conditions of employment to senior executives are to be reasonable, and at market rates to attract highly skilled leaders. Remuneration consists of fixed salaries, variable remuneration and other benefits. Variable remuneration totals a maximum of 75 per cent of the fixed annual salary and is pensionable. Remuneration to senior executives is approved in accordance with the grandfather principle, which means that remuneration to Group Management must be approved by the Board of Directors.

Remuneration to Group Management and the Board of Directors is reported in Note 7, in the separate section on *Financial statements*.

ANNUAL CALENDAR 2020

Owners and Board
Audit Committee



Q4 reporting

Including reports on the preceding year's external audit, evaluation of CEO activities and decisions on the annual plan for self-evaluation and internal control.

Statutory Board meeting

Including election of Chairman of the Board and establishment of the Board of Directors and its rules of procedure.

The Annual Accounts Act

Adoption of the annual report, including sustainability report and interim report (Q1)

Risk and Internal Control

Reports regarding company-wide risk management, including addressing the company's top risk report and the Audit Committee's report on the results of self-evaluation.

INTERNAL CONTROL REGARDING FINANCIAL REPORTING

The Board has overall responsibility for the company's internal control system. Assemblin's work on internal control is grounded in the framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Control environment

The starting point for internal control is Assemblin's control environment, with a clear organisation, clear decision-making paths and a clear allocation of responsibilities based on properly communicated and suitable governing documents. The control environment also encompasses the culture and values that both the Board of Directors and Group Management communicate and work from, which are described in Assemblin's Code of Conduct.

Assemblin's Board of Directors has overall responsibility for establishing an efficient system for internal control. Assemblin's Board of Directors has established rules of procedure, with clear instructions as to its work. This also includes the Audit Committee, the allocation of responsibilities between the CEO and the Board, and financial reporting requirements. Furthermore, the Board of Directors has adopted a number of Group-wide policies and created an organisational structure with clear roles and responsibilities. Within the Group, there is a delegation policy with levels of decision-making and authorisation that follow the organisational structure.

Group Management, which is responsible for implementing internal control in accordance with the Board's guidelines, reports regularly to the Audit Committee and the Board in accordance with established procedures.

Risk assessment

The Board of Directors and management of the Group are ultimately responsible for

Assemblin's risk management, and as of 2019 there is a Group-wide risk management policy and risk management procedure. In accordance with the risk management procedure, a joint risk catalogue and risk assessment based on probability and impact will be conducted once a year. The risk catalogue will be summarised into a top risk report that will be presented to the Audit Committee and the Board. Assemblin's top risks for 2019 are described in the company's *Board of Directors' Report*.

Assemblin's risks linked to financial reporting are surveyed based on the consolidated balance sheet and income statement, as well as on key procedures identified.

Control activities

For the purpose of limiting identified risks and ensuring correct and reliable financial reporting, various control activities linked to the Group's key procedures are conducted. The controls are routinely assessed as to whether they are sufficient. If needed, additional compensatory controls can be introduced to reduce the risk to an acceptable level. A specific procedure owner will be appointed for each key activity and a manager for each control activity. The responsibility for the control activities in financial reporting lies with the Group's accounting function, and these activities take place through both automatic controls and manual analysis. Examples of controls to be carried out are project and agreement approvals in accordance with the decision-making matrix established by the Group's Board of Directors.

The procedure for financial reporting is continually subject to evaluation, and the need for control activities is routinely reviewed. The procedure is documented in Assemblin's Financial Handbook.

Information and communication

Guidelines for financial reporting are communicated to employees through policies,

instructions, manuals and other governing documents published on the Group-wide intranet. To ensure both internal and external reporting are correct and released correctly, a communication and insider policy has been adopted. The authority to act as spokesperson for the Group's financial information and consolidated earnings is limited to the CFO, the CEO and the Head of Investor Relations. Assemblin publishes interim financial reports for the company's owners and bond holders, after approval by the Board.

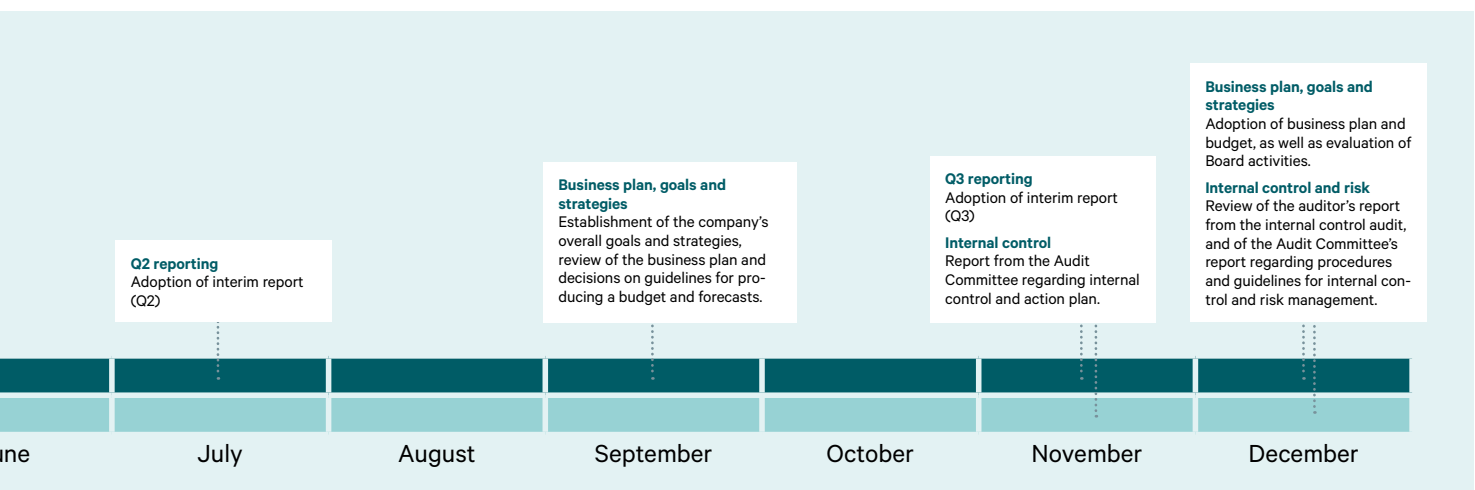
Monitoring and routine improvements

The Audit Committee routinely follows up on the internal controls for the purpose of ensuring the quality of the procedures. The Group's CFO is responsible for monitoring internal control of financial reporting, and must report any deviations. An annual self-evaluation procedure has been implemented with the results reported to the Board of Directors, the Audit Committee and Group Management.

Assemblin's external auditors also regularly report the results of their audit to the CFO and the Audit Committee. Both internal reporting and the auditor's report form the basis for improvements to procedures, increased compliance and adaptation of the Group's control environment to a changing reality.

Assemblin also has a whistle-blower function that the company's employees can use if they suspect any impropriety or crime. Assemblin's chief legal officer is tasked with addressing issues of impropriety and insufficient regulatory compliance in the company. Reports are submitted annually to the Board.

In 2019, the Board of Directors evaluated the need for a separate internal audit function, but concluded that the procedure described above is sufficient based on the company's current financial position and needs.



Board of Directors



Mats Wäppling (Matts Väppling)¹

BORN: 1956

ROLE: Chairman of the Board since 2017

EDUCATION: M.Sc. in Engineering, KTH Royal Institute of Technology.

PROFESSIONAL EXPERIENCE: From 2007 to 2012, Mats was President and CEO of Sweco. Prior to that, he worked as Vice President at NCC after many years at Skanska, where he finished his career as Vice President.

OTHER CURRENT APPOINTMENTS: Chairman of the Board of PKM Invest, Ramudden and Vectura. Board member of Chevron, Campus X and Vesper.



Susanne Ekblom

BORN: 1966

ROLE: Board member since 2019

EDUCATION: B.Sc. in Finance, Stockholm University

PROFESSIONAL EXPERIENCE: Consultant through own company since 2020. Previously worked as the President and CEO of Vectura Fastigheter AB, CFO of Investor AB, CFO at Sveriges Television, and various roles in the Scania Group.

OTHER CURRENT APPOINTMENTS: -



Leif Gustafsson

BORN: 1967

ROLE: Board member since 2017

EDUCATION: Construction engineer, marketing economist, IHM Business School.

PROFESSIONAL EXPERIENCE: CEO of Cramo Group, 2016–2020. CEO of Stena Recycling International, 2012–2016; President of Stena Recycling AB, 2008–2012. President of YIT Sverige, 2003–2008. Division Manager at ABB, 1999–2003.

OTHER CURRENT APPOINTMENTS: CEO of Cramo Group. Board member of European Rental Association (ERA).



Mats Jönsson

BORN: 1957

ROLE: Board member since 2017

EDUCATION: M.Sc. in Engineering, KTH Royal Institute of Technology.

PROFESSIONAL EXPERIENCE: President and CEO of Coor Service Management. Various positions at Skanska, including President of Skanska Services.

OTHER CURRENT APPOINTMENTS: Chairman of the Board of Tengbom and Lekolar. Board member of Coor Service Management and NCC.



Young Kim

BORN: 1985

ROLE: Board member since 2015

EDUCATION: M.Sc. in Engineering, KTH Royal Institute of Technology.

PROFESSIONAL EXPERIENCE: Young Kim is currently an Investment Professional at Triton. Prior experience includes positions at Credit Suisse and Stella Capital Advisors.

OTHER CURRENT APPOINTMENTS: Board member of Aleris.



Anders Thulin

BORN: 1963

ROLE: Board member since 2017

EDUCATION: Master in Economics and Business Administration from Stockholm School of Economics, including MBA studies at the Western University, Ivey Business School, Canada.

PROFESSIONAL EXPERIENCE: Anders is currently Head of Triton Digital Practice. His previous experience includes the role of Senior Vice President and CIO at Ericsson, and Senior Partner at McKinsey.

OTHER CURRENT APPOINTMENTS: Board member of Ramudden AB, Chevron Traffic Management, Proact AB and Sunweb Group.

¹ Mats Wäppling is registered in Sweden as Matts Väppling.

Group Management



Mats Johansson

BORN: 1967
ROLE: CEO of Assemblin AB sedan 2018
EDUCATION: M.Sc. in Engineering, KTH Royal Institute of Technology; SEP Stanford (US).
PROFESSIONAL EXPERIENCE: Various senior positions at Skanska, 1994–2018; latest as COO, Skanska USA Building.
OTHER CURRENT APPOINTMENTS: –



Fredrik Allthin

BORN: 1970
ROLE: President of Assemblin EI since 2016
EDUCATION: B.Sc. in Engineering and Economics, with graduate education in management and contract law.
PROFESSIONAL EXPERIENCE: Regional Manager, deputy President and President of Imtech Elteknik AB, 2013–2015. NEA, 1998–2013.
OTHER CURRENT APPOINTMENTS: Deputy Board member at the Swedish Installation Federation.



Andreas Aristiadis

BORN: 1978
ROLE: President of Assemblin VS since 2017
EDUCATION: HVAC engineer
PROFESSIONAL EXPERIENCE: Regional Manager, deputy President of Assemblin VS AB, 2015–2017. Various executive roles at NVS, 2001–2013, and at Imtech VS-teknik AB, 2013–2015.
OTHER CURRENT APPOINTMENTS: Board member of Säker Vatten.



Åsavor Brynnel

BORN: 1966
ROLE: Head of Communications and Sustainability since 2017
EDUCATION: Business Administration and Economics, Mid Sweden University
PROFESSIONAL EXPERIENCE: Communications and Sustainability Director at Coor Service Management, 2005–2017. Head of Communications at Drott/Fabege, 2001–2005. Senior Consultant Strategic Communications at Askus, 1997–2001.
OTHER CURRENT APPOINTMENTS: –



Philip Carlsson

BORN: 1978
ROLE: CFO since 2017
EDUCATION: M.Sc. in Business Administration and Economics, Uppsala University; Finance, Emlyon Business School.
PROFESSIONAL EXPERIENCE: CFO at Coromatic, Director of EY Transaction Services (Stockholm and London). Auditor at Previsor Revisionsbyrå.
OTHER CURRENT APPOINTMENTS: –



Håkan Ekvall

BORN: 1966
ROLE: President of Assemblin Ventilation since 2013
EDUCATION: HVAC engineer with training in control and regulator technology, fire prevention and contract law.
PROFESSIONAL EXPERIENCE: President of Imtech Ventilation AB, 2013–2015. Co-founder of Sydtotal AB, 2000; Head of Business Development, 2011–2013.
OTHER CURRENT APPOINTMENTS: –



Magnus Eriksson

BORN: 1971
ROLE: President of Assemblin Finland since 2017
EDUCATION: B.A. in Economics
PROFESSIONAL EXPERIENCE: Financial Manager at Consti Talotekniikka Oy, 2011–2017. CFO at Datacenter Finland Oy, 2010–2011. Accounting Manager at ELFA Elektronik Oy, 2005–2010.
OTHER CURRENT APPOINTMENTS: –



Torkil Skancke-Hansen

BORN: 1969
ROLE: President of Assemblin Norway since 2009
EDUCATION: Ingenjörshögskola, Machinery/HVAC. Ekonomisk Högskola, bachelor's degree. Trained plumber (trade certificate).
PROFESSIONAL EXPERIENCE: Various positions at Assemblin since 1996 (formerly Drammens rør, NVS and Imtech).
OTHER CURRENT APPOINTMENTS: –

Auditor's report on the corporate governance statement



To the general meeting of the shareholders in Assemblin Financing AB (publ), corporate identity number 559077-5952

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2019 on pages 90–97 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevU 16 *The auditor's examination of the corporate governance statement*. This means that our 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. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm 12 May 2020

KPMG AB

Helena Arvidsson Älgne
Authorized Public Accountant

