

# Corporate Governance Report

This Corporate Governance Report has been prepared by the Company's Board and presents the corporate governance for the financial year 2023. The Corporate Governance Report is presented in accordance with the Annual Accounts Act and the Swedish Corporate Governance Code. The Corporate Governance Report has been reviewed by the Company's Auditor KPMG, and the Auditor's Statement can be found on page 114 in the Annual Report 2023.

## Corporate Governance at Net Insight

Net Insight AB is a Swedish public limited company with its registered office in Solna, Sweden. The Company's Class B shares are listed on Nasdaq Stockholm. Corporate governance, management and control are divided between the shareholders, the Board of Directors, the CEO and management in accordance with applicable legislation, regulations and recommendations, Nasdaq Nordic's Rules for Issuers, the Swedish Corporate Governance Code, and internal control documents such as the Articles of Association, policies and guidelines.

The Annual General Meeting is the Company's highest decision-making body and the forum where shareholders exercise their voting rights. The Board and Chair are elected by the Annual General Meeting based on a proposal by the Nomination Committee. The Board appoints the CEO. The Board's and CEO's management and the Company's financial reporting are reviewed by the external Auditor appointed by the Annual General Meeting. In order to streamline and broaden the work relating to certain matters, the

Board has established an Audit Committee and a Remuneration Committee.

Net Insight applies the Swedish Corporate Governance Code ("the Code", available at [www.bolagsstyrning.se](http://www.bolagsstyrning.se)), and there was one departure from the Code in the year: This relates to a departure from point 4.2 of the Code, as a personal deputy was appointed for Board member Jan Barchan (Briban Invest) for continuity reasons.

The Articles of Association are the Company's overarching internal control document. The Annual General Meeting makes decisions relating to changes to the Articles of Association. The applicable Articles of Association were adopted by the Annual General Meeting on May 13, 2022 and can be found on the Company's website: [netinsight.net/investors/corporate-governance/](http://netinsight.net/investors/corporate-governance/).

The Company did not contravene Nasdaq Stockholm's Rules for Issuers in 2023.

## Shareholders

Net Insight has issued two share classes: Class A and Class B shares. Each Class A share confers the right to 10 votes and each Class B share to 1 vote. All shares have equal right to participation in the Company's profit and assets.

### Distribution of shares as of Dec 31, 2023

Number of shareholders:	10,018
Number of Class A shares:	1,000,000
Number of Class B shares:	358,038,009
of which Class B shares held in Treasury:	9,370,000
Total number of shares:	359,038,009
Total number of votes:	368,038,009

The three largest shareholders at the end of 2023 were Briban Invest with 14.4 percent of the votes, Avanza Pension with 5.2 percent of the votes and Nordnet Pension with 4.4 percent of the votes.

## Annual General Meeting

The Annual General Meeting is the Company's highest decision-making body and the forum where shareholders are entitled to decide on matters relating to the Company. Net Insight's Annual General Meeting is held once a year at the beginning of May. The Notice convening the Annual General Meeting is published in a press release and in the Official Swedish Gazette (Post- och Inrikes Tidningar) and on [netinsight.net](https://investors.netinsight.net/corporate-governance/). An announcement stating that the AGM has been convened is published in Swedish broadsheet Svenska Dagbladet.

Net Insight's Annual General Meeting 2023 was held on May 12, 2023. The following main decisions were reached:

- Board Chair Gunilla Fransson was elected Chair of the AGM.
- The Parent Company and Consolidated Balance Sheet and Income Statement were adopted.
- It was decided that the Company's earnings would be carried forward and that no dividends would be paid.
- The Board members and CEO were discharged from liability for the financial year 2022.
- The number of Board members shall be five with one deputy.
- Gunilla Fransson, Jan Barchan, Cecilia de Leeuw and Torbjörn Wingårdh were re-elected as Board members. Karl Thedéen was elected new Board member. Axel Barchan was re-elected as new

personal deputy for Jan Barchan. Gunilla Fransson was re-elected Chair of the Board.

- It was decided that SEK 750,000 would be paid to the Chair of the Board, SEK 275,000 to Board members, SEK 135,000 to Board deputies, an additional SEK 100,000 to the Chair of the Audit Committee, an additional SEK 50,000 to members of the Audit Committee, an additional SEK 50,000 to the Chair of the Remuneration Committee, and an additional SEK 40,000 to members of the Remuneration Committee.
- KPMG AB was re-elected as the Company's audit firm. Remuneration to the auditor, to be on approved account.
- Updated instructions for the Nomination Committee were adopted.
- The Remuneration Report for 2022 proposed by the Board was adopted.
- Updated guidelines for remuneration and other terms of employment for senior executives were adopted.
- The Board was authorized to repurchase shares totaling up to 10 percent of the shares in the Company in the period until the next AGM is held.
- The AGM resolved to reduce the Company's share capital by SEK 511,000 for allocation to non-restricted equity through the cancellation of 12,775,000 Class B shares held in treasury.

The complete minutes of the AGM, as well as the supporting documentation, are available at the

Company's website: <https://investors.netinsight.net/corporate-governance/>.

## Nomination Committee

In accordance with the instructions for the Nomination Committee adopted at the AGM, Net Insight's Nomination Committee is composed of the Chair of the Board and three of the Company's shareholders with the largest number of votes.

The composition of the Nomination Committee ahead of the AGM 2024 was announced in press releases on September 25, 2023 and October 18, 2023, and comprises Stina Barchan (appointed by Briban Invest AB), Jesper Bergström (appointed by Handelsbanken fonder), Peter Sjögren (appointed by Edgar Sesemann) and Chair Gunilla Fransson. The Nomination Committee appointed Stina Barchan as Chair.

The Nomination Committee held six meetings where minutes were kept in preparation for the AGM 2024, prior to the signing of the Annual Report. In order to assess the degree to which the current Board satisfies the requirements made on the Board as a result of the Company's position and future focus, the Nomination Committee has discussed the size and composition of the Board, e.g. in terms of industry experience, competencies and diversity. The Board applies the Swedish Corporate Governance Code 4.1 as its Diversity Policy, which means that the Board shall have an expedient composition in relation to the Company's operations, stage of development and other aspects, characterized by versatility and breadth

relating to the Board members' competencies, experience and background. An even distribution between the sexes shall be sought.

### **Auditor**

According to the Articles of Association, Net Insight shall appoint one to two Auditors with or without Deputy Auditors. The stipulated term of office for Auditors is one year.

Until the close of the Annual General Meeting 2023, KPMG AB was the Company's auditor, with authorized public accountant Henrik Lind as Auditor in Charge. At the Annual General Meeting 2023, KPMG AB was re-elected as the Company's auditor until the close of the Annual General Meeting 2024, and authorized public accountant Henrik Lind was Auditor in Charge.

### **The Board of Directors**

The Board of Directors administers the Company's affairs in the interests of the Company and all of its shareholders. The size and composition of the Board ensures its ability to administer the Company's affairs effectively and with integrity.

The Board's duties include establishing business goals and strategies, deciding on acquisitions and divestitures, capitalization of the Company, appointing, appraising, and determining remuneration to the CEO, ensuring that there are effective systems to monitor and control the Company's business, ensuring that the necessary ethical guidelines for the Company's conduct are established, and appraising the Board's work. The Board's rules of procedure are established annually at the Board Meeting following

election, or as required. In addition to the above duties, the rules of procedure stipulate items including Board meeting procedures, instructions for the Company's CEO, decision making procedures within the Company, division of responsibilities, and the disclosure of information between the Company and the Board. The Board monitors and appraises the CEO's performance annually, including implementation of the Board's decisions and guidelines.

### **Work of the Board**

The Board held 11 meetings during 2023 when minutes were kept. At these meetings, the Board considered standing agenda items for each Board meeting such as the state of the business, year-end and interim reports, budgets, business goals, risks, compensation issue to management with principles for variable salary portions, as well as monitoring these issues and audit matters. The Board meeting following election addressed and adopted the Board of Directors' Agenda and the instructions for the CEO.

Each year, the Chairman initiates an evaluation of the Board's work. The evaluation for 2023 has taken place through a written survey that has been compiled and presented to the Nomination Committee and by the Committee meeting with a number of Board members to interview them about the Board's work. The Nomination Committee carried out its own evaluation based on this.

The Board of Directors continuously appraises the CEO on the basis of specific targets. A formal appraisal is carried out once a year.

### **Independence of the Board**

Net Insight's Board of Directors is considered to satisfy the Code's standard of independence: All Board members are independent of the Company and management. All Board members, apart from Jan Barchan and deputy Axel Barchan, are independent of the Company's largest owners.

For more information on Board members and the CEO, see pages 38-40 in the Annual Report 2023.

### **Remuneration Committee**

The Board has instituted a Remuneration Committee charged with consulting on matters concerning salaries, remuneration and other employment terms of the CEO, as well as remuneration programs of a broader nature, such as option programs, for final decision by the Board. The Remuneration Committee decides on matters regarding salaries and remuneration and other employment terms for all staff that report directly to the CEO, and monitors compliance with guidelines on remuneration to senior executives. The Committee reports to the Board on a continuous basis.

The Remuneration Committee members in 2023 were Chair Gunilla Fransson and Jan Barchan. During the year, the Committee held four meetings where minutes were kept.



### Audit Committee

Net Insight's Board of Directors has an Audit Committee, charged with obtaining greater depth and efficiency of the Board's overseeing responsibility for internal control, audit, internal audit, risk management, accounting and financial reporting. The Audit Committee shall also prepare matters relating to tendering for auditing and for other audit-related services. In addition, the Committee is responsible for preparing accounting and audit questions that need the attention of the Board. In 2023, the Audit Committee comprised Charlotta Falvin (part of the year), Torbjörn Wingårdh and Karl Thedéen (part of the year). Charlotta Falvin served as Chair of the Committee for the period until the AGM 2023, at which time Charlotta Falvin resigned, Torbjörn Wingårdh was appointed Chair and Karl Thedéen was appointed new member of the Audit Committee. Net Insight's CFO and, in some instances, the auditors are co-opted to the Committee's meetings. The Board has adopted the rules of procedure that formalize the work of the Audit Committee. The Audit Committee held seven meetings in 2023. The auditors participated at three meetings. Oral and written reports are continuously handed over from the Committee to the Board, as well as suggestions regarding matters that require the Board's attention.

### Attendance 2023

Attendance by each Board member at meetings where minutes were kept is presented below.

Name	Attendance at Board meetings	Remuneration Committee	Audit Committee
Gunilla Fransson	11/11	4/4	
Jan Barchan	11/11	4/4	
Charlotta Falvin*	4/4		2/2
Cecilia de Leeuw	11/11		
Karl Thedéen**	7/7		5/5
Torbjörn Wingårdh	11/11		7/7
Axel Barchan**	7/7		
Stina Barchan*	4/4		

\* resigned at the annual general meeting 2023

\*\* assumed the position at the annual general meeting 2023

### CEO and Management

The CEO leads the company according to the terms of the instructions to the CEO, reports to the Board of Directors on financial and operational progress against financial and operational objectives set by the Board of Directors on a monthly and quarterly basis. The CEO attends Board meetings and provides the

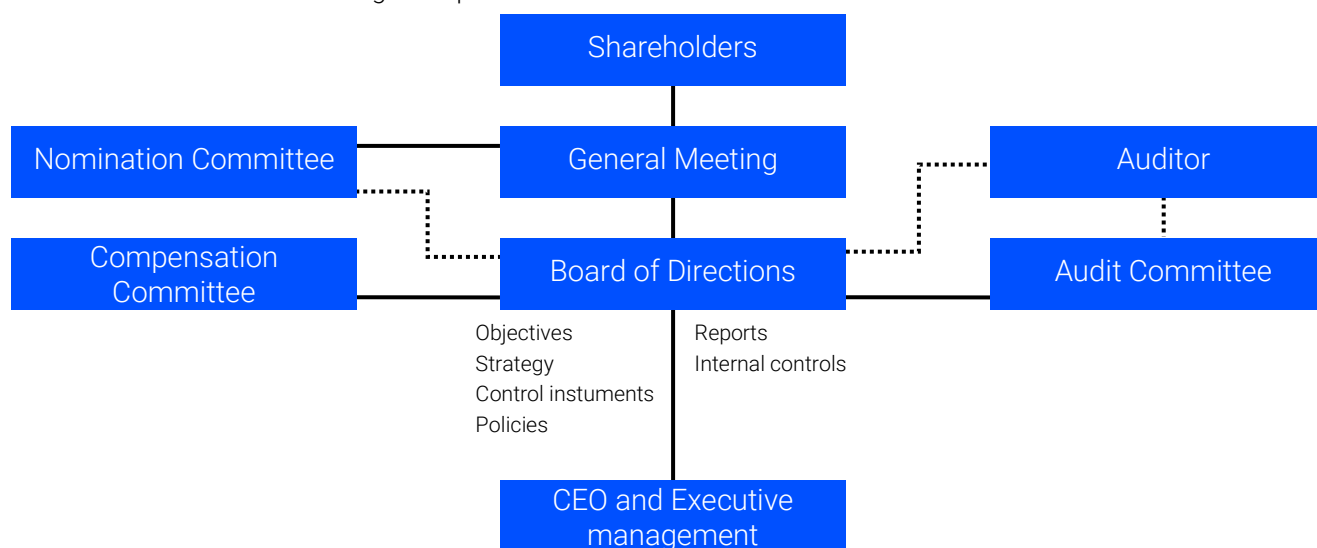
Board of Directors with the necessary information and decision-support data. The Company is organized into functions, with each Head of Function included in management. Management holds regular meetings with a standing agenda, and weekly reviews, as well as additional meetings when required. For more information on the CEO and members of management, see pages 40-41 in the Annual report 2023.

### The Board's report on internal controls

#### Purpose of internal controls

The purpose of Net Insight's work with internal control is to:

- Ensure satisfactory compliance with applicable laws, rules and ordinances.
- Ensure that financial reporting gives a fair and accurate representation of the Company's financial situation and provides shareholders, the Board and





management with an accurate basis for decision-making.

- Ensure the Company's operations are organized and conducted so that financial and operational objectives are realized and significant risks are dealt with in a timely and appropriate manner.

### **Responsibilities**

Net Insight's Board is responsible for ensuring that the Company has good internal control and that it meet the standards of the Swedish Companies Act and Swedish Code of Corporate Governance. Internal control of financial reporting is an integral part of Net Insight's corporate governance. This control includes processes and methods to safeguard the Group's assets and the accuracy of its financial reporting, in order to protect owners' investments in the Company.

The Board annually adopts rules of procedure that formalize the work of the Board and the processing of matters. The Board issues instructions to the CEO, which stipulate the matters in which the CEO may exercise authority to act on behalf of the Company, subject to the Board's authorization or approval. These instructions are reviewed annually. The Board also issues instructions to the CEO regarding financial reporting. According to these instructions, the CEO is responsible for reviewing and ensuring the quality of all financial reporting, as well as ensuring that the Board receives other reports and information it needs to be able to continually assess the Group's financial position and risks. The Board of Directors determines important policies, such as the Company's Finance

Policy, guidelines for business ethics and Whistleblower Policy.

### **Risk identification and follow-up**

Net Insight's overarching risk assessment, i.e. identifying and evaluating the risk of not achieving business targets, is carried out as part of the Company's strategy process where probabilities and measures are discussed with the Board of Directors. This process is repeated in connection with the budget process. These risks are also evaluated and managed in the Company's line organization on an ongoing basis. In its reporting to the Board of Directors, management regularly presents significant risk areas that have been identified, such as the company's competitive situation, credit risk and technology trends. For an overview of the Company's risks and risk management, see pages 54-56 in the Administration Report and the Sustainability Notes on pages 58-60 in the Annual report 2023.

The Board, Audit Committee, CEO, Group management and finance department are responsible for follow-up to ensure the effectiveness of internal control of financial reporting. The follow-up includes continuous quality checks of monthly financial reporting, continuous follow-up of central financial processes, and a review of Net Insight's external Audit reports.

### **External reporting**

The Board monitors and evaluates the quality of financial reporting through quarterly reports on the Company's business and earnings trends, and by

addressing the Group's financial situation at each scheduled Board meeting.

Risks are assessed continuously as part of Net Insight's daily processes. The finance department evaluates the risk of material error in the financial reporting annually, and determines planned measures to reduce identified risks. The assessment focuses on material Income Statement and Balance Sheet items that are associated with relatively higher risk depending on complexity, or where the effects of potential errors are at risk of becoming extensive because the value of transactions is significant. The results of the analysis of the risk of errors in financial reporting for 2023 have been presented to and discussed with the Audit Committee. The risk assessment forms the basis for the process of ensuring the reliability of financial reporting. This is an important part of the Audit Committee's decisions as to which of the identified risks should be prioritized. Proposed improvements are identified and implemented continuously.

To facilitate correct and accurate external reporting and risk management, the internal reporting and control system is based on annual financial planning, monthly reports and daily monitoring of key financial ratios. The Group's finance department inspects and monitors reporting as well as compliance with internal and external regulations. Besides laws and ordinances, internal rules and guidelines include finance policies, an approvals list, a financial handbook, credit and accounting principles and documented procedures. These rules and

guidelines are updated regularly. Identified risks concerning financial reporting are managed through the Company's control activities. For example, the ERP system has automated control procedures that manage access rights and signatory authority, as well as manual control procedures such as duality, both in regular bookkeeping and closing entries. The business-specific control is complemented by detailed financial analysis of the Company's results and follow-ups against budget and forecasts, which provides overall confirmation of the quality of reporting.

On one occasion each year, the Company's auditor attends a Board meeting to present the outcome of the full-year audit review. On this occasion, the Auditor also presents any changes to accounting policies that affect the Company. Coincident with the presentation of the full-year audit, the auditor also states his view, on the adequacy of the organization and competence of the finance function, without management's attendance.

See also the Audit Committee paragraph above.

#### **Internal audit**

Each year, the Board evaluates whether there is a need to create a dedicated internal audit function. The Board judged that there was no such need in 2023. In its reasoning, the Board stated that internal control is primarily exercised through:

- The central accounting function
- Management's supervisory controls
- The Audit Committee

Due to these factors, combined with the Company's size and limited complexity, the Board considers that such a further function would not be financially justifiable at prese