



Corporate Governance Report



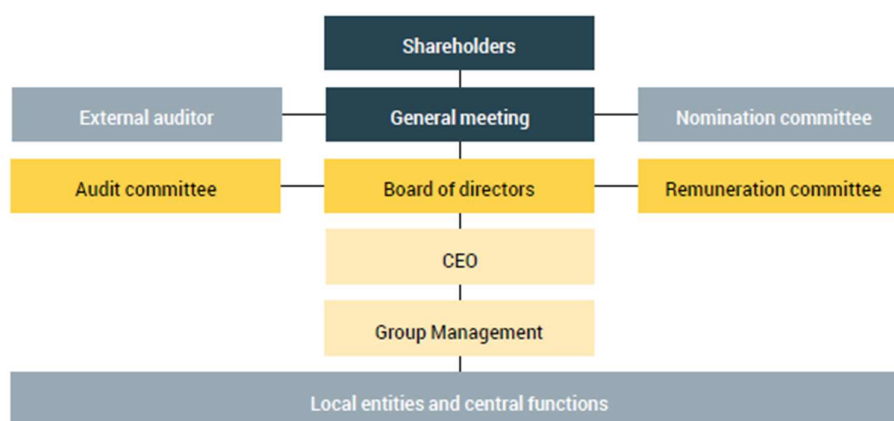
Corporate Governance Report

Karnov Group AB (publ) is a Swedish limited liability company domiciled in Stockholm, Sweden. Karnov Group AB (publ) was listed at Nasdaq OMX Stockholm in April 2019 and has since applied The Swedish Corporate Governance Code ("the **Code**"). For 2019, the Company reports no deviations from the Code.

Corporate Governance within Karnov Group

The Corporate Governance within Karnov Group is mainly based upon Swedish legislation, e.g. the Swedish Companies Act, as well as the articles of association and internal rules, including policies and instructions. Companies whose shares are listed on a regulated market in Sweden shall also be compliant with the Code. The Code sets a higher standard for good corporate governance than the minimum standard of the Swedish

Companies Act and other rules. Companies are not required to comply with all rules in the Code. Alternative solutions which are deemed more suitable for the relevant company's specific circumstances can be chosen, provided that any such deviations and the chosen alternative solutions are described, and the reasons therefore are explained.



General meetings

General

According to the Swedish Companies Act, the general meeting is the ultimate decision-making body of the Company. At the general meeting, the shareholders exercise their voting rights on key issues, such as the adoption of income statements and statements of financial position, appropriation of the Company's results, discharge from liability of members of the Board of Directors and the CEO, election of members of the Board of Directors and auditors and remuneration to the Board of Directors and the auditors.

The annual general meeting must be held within six (6) months from the end of the financial year. In addition to the annual general meeting, extraordinary general meetings may be convened. According to the articles of association, general meetings are convened by publication of the notice convening the meeting in the Official Swedish Gazette (Sw. *Post- och Inrikes Tidningar*) and on the Company's website. The Company shall also advertise in Dagens Industri that notice has been made.

Right to attend general meetings

Those who wish to participate in a general meeting must be listed as a shareholder in a printout or other presentation of the share register relating to the circumstances on five (5) weekdays (Saturdays included) prior to the meeting, and notify the Company of their participation no later than on the date set out in the notice to attend the meeting. In addition to notifying the Company, shareholders whose shares are nominee registered through a bank or other nominee must request that their shares be temporarily registered in their own names in the share register five weekdays prior to the general meeting in order to be entitled to participate in the general meeting. Shareholders should inform their nominees well in advance of the record date. Shareholders may attend general meetings in person or by proxy and may be accompanied by not more than two (2) advisors.

Shareholder initiatives

Shareholders who wish to have a matter brought before the general meeting must submit a written request to the Board of Directors. The matter shall be addressed at the general meeting, provided that the request was received by the Board of Directors no later than one (1) week prior to the earliest date pursuant to

the Swedish Companies Act on which notice to attend the general meeting may be issued or after that date, but in due time for the matter to be included in the notice to attend the general meeting.

Nomination committee

Pursuant to the Code, Swedish companies whose shares are admitted to trading on a regulated market in Sweden are to have a nomination committee. The Annual General Meeting on February 22, 2019 resolved to adopt the below instruction for the nomination committee, which shall apply until further notice.

Instruction for the nomination committee of Karnov

The nomination committee shall be composed of the representatives of the three largest shareholders (or group of shareholders) in terms of voting rights listed in the shareholder register maintained by Euroclear Sweden AB as of the last business day of August, and the chairman of the Board of Directors, who will also convene the first meeting of the nomination committee.

Board members may be members of the nomination committee but may not constitute a majority thereof. If more than one board member is a member of the nomination committee, no more than one of those members may be dependent of a major shareholder of Karnov.

The member representing the largest shareholder in terms of voting rights shall be appointed chairman of the nomination committee. Members of the Board of Directors may not be the chairman of the nomination committee. If the member representing the largest shareholder in terms of voting rights is a board member, the nomination committee shall appoint another member as chairman.

In the event that a member leaves the nomination committee prior to the work of the committee having been completed, a representative from the same shareholder (or group of shareholders) may replace the leaving member, if deemed necessary by the nomination committee. In the event that a shareholder (or group of shareholders) represented in the nomination committee has reduced its holding of shares in Karnov, the representative from such shareholder (or group of shareholders) may resign and, if deemed appropriate by the nomination committee, a representative from the shareholder next in line in terms of size may be provided an opportunity to enter. If the shareholding in Karnov is otherwise significantly changed before the nomination committee's work has been completed, a change in the composition of the nomination committee may take place, in such way that the nomination committee deems appropriate. Changes in the composition of the nomination committee shall be made public as soon as possible.

The composition of the nomination committee is to be announced no later than six months before the annual general meeting.

Remuneration shall not be paid to the members of the nomination committee. Karnov is to pay any necessary expenses that the nomination committee may incur in its work.

The term of office for the nomination committee ends when the composition of the following nomination committee has been announced.

Nomination committee for the Annual General Meeting in 2020

- Sacha Oshry, Director, Rothschild & Co, Five Arrows Principal Investments, U.K.;
- Christian Petersen, Operating Executive, Vind LV AS, Norway;
- Thomas Ehlin, Corporate Governance, Fourth National Pension Fund, Sweden; and
- Magnus Mandersson, Chairman of the Board of Directors, Karnov Group AB.

The Board of Directors

Composition and independence

Members of the Board of Directors are normally appointed by the annual general meeting for the period until the end of the next annual general meeting. According to the Company's articles of association, the general meeting shall appoint no less than three (3) and no more than ten (10) board members. Pursuant to the Code, the Chairman of the Board shall be appointed at the general meeting. No more than one board member elected by the general meeting may be a member of the executive management of the Company or a subsidiary of the Company. The majority of the board members elected by the general meeting are to be independent of the Company and its executive management. At least two (2) of the board members who are independent of the Company and its executive management shall also be independent in relation to the Company's major shareholders. See "Board of Directors, Senior Executives and Auditor" on page 31 for an account of the board members' independence in relation to the Company, its executive management and its major shareholders.

Responsibilities of the Board

The Board of Directors is the Company's second-highest decision-making body after the general meeting. The duties of the Board of Directors are primarily set forth in the Swedish Companies Act, the Company's articles of association and the Code. In addition, the work of the Board of Directors is guided by the instructions from the general meeting as well as the rules of procedure of the Board of Directors. The rules of procedure of the Board of Directors govern the division of work within the Board of Directors. The Board of Directors also adopts instructions for the committees of the Board of Directors, an instruction for the CEO and an instruction for the financial reporting to the Board. The Board of Directors is responsible for the organisation and the management of the Company's matters, which, among other things, entails a responsibility for outlining overall, long-term strategies and objectives, budgets and business plans, establishing guidelines to ensure that the operations create value in the long term, reviewing and establishing the accounts, making decisions on issues regarding investments and sales, capital structure and distribution policy, developing and adopting material policies, ensuring that control systems exist for

monitoring that policies and guidelines are followed, ensuring that there are systems for monitoring and controlling the operations and risks, significant changes in the organisation and operations, appointing the CEO and, in accordance with the guidelines adopted by the general meeting, setting remuneration and other terms of employment benefits for the CEO and other senior executives.

Work of the Board

The chairman of the Board of Directors is responsible for ensuring that the Board of Directors' work is carried out efficiently and that the Board of Directors fulfils its obligations. The Board of Directors meet according to an annual predetermined schedule. In addition to ordinary board meetings, board meetings may be convened where the chairman considers it to be necessary or a board member or the CEO so requests. During 2019, the Board held 17 board meetings, excluding meetings by correspondence (per capsulam). Prior to each ordinary Board meeting, Board members receive a written agenda, based on the Board's established rules of procedure, and a complete set of documents for information and decision-making. Recurring items include the Company's financial results, the market situation, investments and adoption of the financial statements. Reports from the audit and remuneration committees are also regularly addressed. CEO Flemming Breinholt presents items for discussion at the meetings and attends all board meetings together with CFO Dora Brink Clausen, except during the annual performance review of their work. Lotte Gramkow serves as Board secretary. Other senior executives participate as presenters on specific issues. The company's external auditor meets the Board at least once per year without management participation.

Evaluation of the Board

On an annual basis, the Board shall evaluate its formalities and way of working to ensure that the Board work is well functioning. The evaluation includes strategy and where the Board shall focus and identification of areas where the Board needs additional competence. The evaluation also includes whether the Board composition is appropriate. The Nomination Committee is using the evaluation in its work.

The Chairman of the Board initiates and leads the evaluation of the Board. Evaluation tools include detailed questionnaires and discussions. In 2019, the Board members responded to a written questionnaire covering the Board work in general as well as the work of the respective committees. The results from the evaluations were presented to the Board and were thoroughly discussed. The Nomination Committee was informed of the results of the Board work evaluation.

Audit Committee

The Board of Directors has established an audit committee. Pursuant to the Swedish Companies Act, the members of the audit committee may not be employees of the Company and at least one (1) member must have accounting or auditing

qualification. The audit committee currently consists of four members: Lone Møller Olsen (Chairman of the Audit Committee), Ulf Bonnevier, Magnus Mandersson and Samuel Offer. The audit committee's main tasks are to:

- a) monitor the Company's financial reporting and provide recommendations and proposals to ensure the reliability of the reporting;
- b) in respect of the financial reporting, monitor the effectiveness of the Company's internal control, internal audit, and risk management;
- c) keep itself informed about the external audit of the annual report for the Company and the Group as well as regarding the conclusions of the Swedish Inspectorate of Auditors' quality controls;
- d) inform the Board of the result of the external audit and the way in which the external audit contributed to the reliability of the financial reporting, as well as the function filled by the audit committee;
- e) review and monitor the impartiality and independence of the external auditor and, in conjunction therewith, pay special attention to whether the external auditor provides the Company with services other than auditing services; and
- f) assist the nomination committee in conjunction with its preparation of proposals to the general meeting's resolution regarding election of external auditor.

During 2019, the Audit Committee held five (5) meetings at which minutes were taken. Discussions and decisions at all meetings of the Audit Committee have been reported to the Board of Directors.

Remuneration committee

The Board of Directors has established a remuneration committee. Pursuant to the Code, the Chairman of the Board may be the chairman of the remuneration committee, but the other members of the remuneration committee are to be independent of the Company and its executive management. The remuneration committee currently consists of three members: Magnus Mandersson (Chairman of the Remuneration Committee), Ulf Bonnevier and Vivek Kumar. All members of the remuneration committee are independent in relation to the Company and its executive management. The remuneration committee's main tasks are to:

- a) prepare the Board's decisions on issues concerning principles for remuneration, remunerations and other terms of employment for the executive management;
- b) monitor and evaluate programmes for variable remuneration, both ongoing and those that have ended during the year, for the executive management;
- c) monitor and evaluate the application of the guidelines for remuneration of the executive management that the annual general meeting is legally obliged to establish, as well as the current remuneration structures and levels in the Company;
- d) prepare and submit to the Board a report on the monitoring and evaluation to be carried out under the items (b) to (c) above; and

e) if the Company implements an incentive program for the employees of the Company, ensure that the incentive program is annually evaluated.

During 2019, the Remunerations Committee held two (2) meetings at which minutes were taken. Discussions and decisions at all meetings of the Remunerations Committee have been reported to the Board of Directors.

Attendance in Board or Committee meetings

The following table presents each member of the Board of Directors' attendance in meetings in 2019.

| | Board Meetings | Audit Committee | Remuneration Committee |
|-------------------|----------------|-----------------|------------------------|
| Magnus Mandersson | 17/17 | 4/5 | 2/2 |
| Ulf Bonnevier | 17/17 | 5/5 | 2/2 |
| Vivek Kumar | 16/17 | - | 2/2 |
| Lone Møller Olsen | 17/17 | 5/5 | - |
| Samuel Offer | 17/17 | 5/5 | - |
| Mark Redwood | 17/17 | - | - |

Remuneration to the Board of Directors

The following table presents expenses for fees to the members of the Board of Directors in 2019.

| (TSEK) | Board fee | Audit Committee fee | Remuneration Committee fee | Total 2019 |
|-------------------|--------------|---------------------|----------------------------|--------------|
| Magnus Mandersson | 500 | 50 | 100 | 650 |
| Ulf Bonnevier | 300 | 50 | 35 | 385 |
| Vivek Kumar | ..1) | - | ..1) | ..1) |
| Lone Møller Olsen | 300 | 150 | - | 450 |
| Samuel Offer | ..1) | ..1) | - | ..1) |
| Mark Redwood | 300 | - | - | 300 |
| Total | 1,400 | 250 | 135 | 1,785 |

¹⁾ Represented former major owner FAPI and did hence not receive any remuneration.

The CEO and other senior executives

Responsibilities and work of the senior executives

The CEO is subordinated to the Board of Directors and is responsible for the day-to-day management and operations of the Company in accordance with the instructions from the Board of Directors. The division of work between the Board of Directors and the CEO is set out in the rules of procedure for the Board of Directors and the instructions for the CEO. The CEO is responsible for providing the Board of Directors with information and the necessary documentation for decision making. The CEO leads the work of the senior executives and makes decisions after consulting its members. Further, the CEO reports at meetings of

the Board of Directors and assures that members of the Board of Directors regularly receive the information required to follow the Company's and the Group's financial position, results, liquidity and development. The CEO and the other senior executives are presented in "Board of Directors, Senior Executives and Auditor" on page 33 in this Annual Report.

Evaluation of the CEO

On an annual basis, the Board shall evaluate the CEO to ensure that the Company is being operated in the best way possible. The evaluation focuses on whether the CEO has accomplished the stated objectives, how the co-operation with the Board of Directors has worked and the general development of the

Company. No Senior Executive is present when the Board is evaluating the leadership of the Company.

The Board has conducted an evaluation in 2019. The results from the evaluations were presented to the CEO and were thoroughly discussed. Further, Karnov also conducts internal engagement reports on half-year basis, where the employees have the possibility to evaluate both the CEO as well as the Senior Executives in elected areas.

Current employment terms for the CEO and the other senior executives

The CEO is entitled to an annual fixed salary of SEK 2,918,261 and pension benefits in accordance with Karnov's prevailing pension policy. Provided that certain financial targets set by the Board of Directors are met, the CEO may also receive a bonus. The target bonus is an amount corresponding to 50 percent of the annual fixed salary. Pursuant to the current guidelines for remuneration to the senior executives, the bonus shall not exceed 100 percent of the fixed annual salary. For the CEO, a notice period of 12 months applies in case of termination by Karnov and 6 months in case of termination by the CEO. For the other senior executives (except for the Head of Investor Relations), the notice period is up to eight (8) months in case of termination by Karnov and up to four (4) months in case of termination by the senior executive.

Guidelines for remuneration to the senior executives

Pursuant to the Swedish Companies Act, the annual general meeting of the Company shall adopt guidelines for remuneration to the senior executives. The annual general meeting on February 22, 2019 resolved to adopt the below guidelines for remuneration to the senior executives for the period until the close of the annual general meeting 2020.

General principles for remuneration and other terms and conditions

Remuneration and other terms and conditions of employment shall be adequate to enable Karnov to retain and recruit skilled senior executives at a reasonable cost. The remuneration to senior executives shall consist of fixed remuneration, variable remuneration, pension and other benefits, and it shall be based on principles of performance, competitiveness and fairness.

Principles for fixed remuneration

Each senior executive shall be offered a fixed remuneration in line with market conditions and based on the manager's responsibility, expertise and performance.

Principles for variable remuneration

Variable remuneration may comprise annual variable cash salary and long-term variable pay in the form of cash, shares and share-price related instruments in the Company. Variable remuneration shall be subject to the fulfilment of defined and measurable targets aimed at promoting the Company's long-term value

creation. Variable remuneration paid in cash shall be set at a maximum percentage of the annual fixed salary. For the CEO, the target amount of any variable remuneration paid in cash shall be set to not more than 50 percent of the annual fixed salary and the maximum amount shall be capped to a 100 percent of the annual fixed salary. For the other senior executives, the target amount of any variable remuneration paid in cash shall be set to not more than 40 percent of the annual fixed salary and the maximum amount shall be capped to 75 percent of the annual fixed salary. In special cases, agreements may be reached on remuneration of a non-recurring nature, provided such remuneration does not exceed an amount corresponding to the individual's annual fixed salary and maximum variable cash salary, and is not paid more than once per year and per individual.

Principles for share and share-price related incentive programs

Long-term variable remuneration in the form of shares and share-price related instruments may only be paid by means of participation in long-term incentive programs adopted by a general meeting. Share and share-price related incentive programs are to be designed with the aim of achieving increased alignment between the interests of the participating individual and the inter interests Company's shareholders. The vesting period or the period from the commencement of an agreement to the date for acquisition of shares is to be no less than three years. Programs that involve acquisition of shares are to be designed so that a personal holding of shares in the Company is promoted.

Principles for pensions, remuneration during periods of notice and severance pay

Agreements regarding pensions shall, where applicable, be premium based and designed in accordance with the level and practice applicable in the country in which the senior executive is employed. Fixed remuneration during notice periods and severance payment, including payments for any restrictions on competition, shall in aggregate not exceed an amount equivalent to the fixed remuneration for 12 months for the CEO and/or other senior executives. No severance pay shall be paid in the case of termination by the employee. Other benefits, such as a company car, preventive care, health care and health insurance, shall comprise a small portion of total compensation and comply with customary market-based terms.

Principles for deviations from the guidelines

The Board of Directors may resolve to deviate from the guidelines if the Board of Directors, in an individual case, is of the opinion that there are special circumstances justifying a deviation.

Remuneration to senior executives

The following table presents the remuneration paid to the senior executives in 2019.

| (TSEK) | Ordinary compensation | Other benefits | Pension benefits | Total |
|-------------------------|-----------------------|----------------|------------------|---------------|
| CEO | 2,918 | 1,636 | 292 | 4,846 |
| Other senior executives | 12,765 | 4,723 | 1,800 | 19,288 |
| Total | 15,683 | 6,359 | 2,092 | 24,134 |

Long-term incentive programs to senior executives and other employees

The Extraordinary General Meeting on April 10, 2019 decided to resolve to implement a long-term incentive program in the form of a share saving program. The purpose of the incentive program is to encourage a broad ownership amongst the Company's employees, facilitate recruitment, maintain competent employees, increase the alignment of interest between the employees and the Company's shareholders and increase motivation to reach or exceed the Company's financial targets. A total of 151 permanent employees in Karnov are participating in the share saving program. The participants are divided into five different categories depending on position. Participants who retain the Savings Shares during the program's vesting period of at least three years and also remain employed by Karnov throughout the whole vesting period will at the end of the period be eligible for free additional ordinary shares ("Performance Shares"). For participants in category 1–4, the allotment of Performance Shares is subject to the satisfaction of certain performance criteria related to the total shareholder return, organic growth and organic adjusted EBITA growth, as defined in the extraordinary general meeting's resolution, during 2019–2021. Full allotment of Performance Shares would mean that the total number of shares under the program amount to no more than 378,837 ordinary shares, corresponding to approximately 0.4 percent of the total number of shares outstanding in the Company.

Internal control

General

Karnov has established an internal control system aimed at achieving an efficient organisation that achieves the targets set by the Board of Directors. This system includes work to ensure that Karnov's operations are conducted correctly and efficiently, that laws and regulations are complied with and that financial reporting is accurate and reliable and in accordance with applicable laws and regulations. Karnov has chosen to structure internal control work in accordance with the so-called COSO framework, which includes the following elements: control

environment, risk assessment, control activities, information and communication as well as monitoring and follow-up.

Control environment

Karnov's control environment is based on the distribution of work among the Board of Directors, the committees, the CEO and the CFO and the corporate values on which the Board of Directors and the Group management communicate and base their work. In order to maintain and develop a well-functioning control environment, to comply with applicable laws and regulations, and to ensure compliance within the entire Group with Karnov's desired business practices, the Board of Directors, as the ultimately responsible body, has established a number of basic documents relevant to risk management and the internal control which consists of operational control documents, policies, procedures and instructions. Among these documents are the rules of procedure for the Board of Directors, the instructions for the committees of the Board of Directors, the instructions for the CEO, the instructions for financial reporting, the code of conduct, the communication policy and the insider policy.

Policies, routine descriptions and instructions are distributed to all relevant employees of Karnov through Karnov's intranet. Karnov's employees are obliged to comply with the code of conduct, the communication policy and insider policy, and employees regularly perform relevant tests to ensure they are aware of the content of relevant policies, routine descriptions and instructions.

Risk assessment

Karnov has established a risk assessment procedure, meaning Karnov conducts annual risk analysis and risk assessments, which are followed-up and reported quarterly. Based on this procedure, risks are identified and categorised according to the following four areas:

- Strategic risks
- Operational risks
- Compliance risks
- Financial risks

Karnov's objective with the risk analysis is to identify the most significant risks that may prevent Karnov from achieving its targets or realising its strategy. The objective is further to

evaluate these risks based on the probability that they will arise in the future and to what extent the risks may affect Karnov's targets if they were to occur. Individual risks are assigned a so-called risk owner. The risk owner has a mandate and responsibility to ensure actions and controls are established and implemented. The risk owner is also responsible for monitoring, follow-up and reporting of changes in Karnov's risk exposure to identified risks. Identified risks are reported quarterly by the CFO to the audit committee and the Board of Directors. The Board of Directors evaluates Karnov's risk management system, including risk assessments, and shall annually submit a description in which the most important elements of Karnov's internal control and risk management are examined in detail. The purpose of this procedure is to ensure that significant risks are managed and that controls that counteract identified risks are implemented.

Control activities

Karnov has established a risk management process that includes a number of key controls of matters that must be in place and function in the risk management processes. The control requirement is an important tool that enables the Board of Directors to lead and to evaluate information from Group management and to take responsibility for identified risks. Karnov focuses on documenting and evaluating the major risks related to financial reporting to ensure that Karnov's reporting is accurate and reliable.

Information and communication

The Board of Directors of Karnov has adopted an insider policy and a communication policy governing Karnov's management and communication of inside information and other information. The insider policy is intended to reduce the risks of insider dealing and other unlawful behaviour and to facilitate Karnov's compliance with applicable rules regarding the handling of inside information. In addition, Karnov has established procedures for the handling of information and restriction of the dissemination of information. The communication policy describes Karnov's overall focus on communication matters. Karnov's communication shall be characterised by long-term perspective and trust, reliability as well as proactivity, speed and transparency. The communication shall be accurate, relevant and comprehensive in accordance with Nasdaq Stockholm's rule book for issuers.

Investor Relations function

The purpose of Karnov's investor relations function is to build a long-term knowledge of and trust in Karnov's operations and value creation, whilst ensuring that Karnov complies with applicable regulations. Karnov's investor relations function handles regular contacts with shareholders, analysts, investors, financial journalists, Nasdaq Stockholm, the Swedish Financial Supervisory Authority and other capital market participants and coordinates general meetings, analyst meetings and capital market presentations. The Head of Investor Relations is responsible for this function, reporting to the CFO.

Monitoring and follow-up

A self-assessment of internal control requirement effectiveness shall annually be performed and followed-up quarterly and facilitated by the employee appointed for the task by the CFO. The CFO must quarterly present the self-assessment report for the Group Information Security Board, before presenting it to the audit committee. The CFO is responsible for presenting the result to the audit committee and the Board of Directors. Karnov has a group-wide monitoring process by which the entities and functions shall follow up the effectiveness of controls and report back to the employee appointed by the CFO.

External audit

The auditor shall review Karnov's financial report and accounting, as well as the management of the Board of Directors and the CEO. Since the Company is a parent company, the auditor shall also review the consolidated accounts and the Group companies' relations to each other. The audit of Karnov's financial reports and accounts as well as the management by the Board of Directors and the CEO is conducted in accordance with generally accepted auditing standards in Sweden. Following each financial year, the auditor shall submit an auditor report and a consolidated auditor report to the annual general meeting. Karnov's auditor is PwC. Aleksander Lyckow is the auditor in charge. For more information about the auditor, see "Board of Directors, senior executives and auditor—Auditor". In 2019, the total remuneration to Karnov's auditor was TSEK 3,450, of which TSEK 2,689 related to the Company. Of the total audit remuneration, TSEK 995 is related to other audit services.

Board of Directors, Senior Executives and auditor

Board of Directors

According to Karnov's articles of association, the Board of Directors shall consist of three to ten members. The Board of Directors currently consists of six members, appointed for the period until the close of the annual general meeting 2020. The section below presents the members of the Board of Directors, their position, the year of their initial election, whether or not they are considered to be independent in relation to the Company, its executive management and its major shareholders as well as their shareholding in Karnov.



Magnus Mandersson

Chairman of the Board since March 2018. Chairman of the Remuneration Committee and member of the Audit Committee.

Born: 1959

Principal education: Bachelor of Science in Business Administration, Lund University.

Other current positions: Chairman of Next Biometrics Group ASA. Board member of Albert Immo Holding Sàrl., PMM Advisors S.A. and Interogo Foundation (supervisory council, Beirat).

Previous positions: Chairman of Doro AB and Red Bee Media Sweden AB. Board member of Lund University. Executive vice president of Telefonaktiebolaget LM Ericsson.

Own and closely associated holdings: 100,000 shares.

Independence pursuant to the Code: Independent in relation to Karnov and its executive management as well as Karnov's major shareholders.



Ulf Bonnevier

Board member since February 2018. Member of the Audit Committee and the Remuneration Committee.

Born: 1964

Principal education: Bachelor of Science in Business and Accounting, Uppsala University. Leadership training (IFL), Stockholm School of Economics.

Other current positions: CFO and VP of Humana AB and board member of several companies within the Humana AB group.

Previous positions: Country Manager of Ipsos Sweden, CFO Western Europe in Synovate and CEO of Wolters Kluwer in Scandinavia.

Own and closely associated holdings: 12,000 shares.

Independence pursuant to the Code: Independent in relation to Karnov and its executive management as well as Karnov's major shareholders.



Vivek Kumar¹⁾

Board Member since July 2015. Member of the Remuneration Committee.

Born: 1975

Principal education: Bachelor of Science in Computer Science and Economics, University of Rochester. MBA, Harvard Business School.

Other current positions: Board member of Datix Holdco Limited, Heilbron Groep Holding B.V., White Clarke Group and Voogd & Vooud Verzekeringen.

Previous positions: Board member of Kisimul Group Limited, Pirum Systems Limited and Autodata Group.

Own and closely associated holdings: -

Independence pursuant to the Code: Independent in relation to Karnov and its executive management as well as Karnov's major shareholders.

¹⁾ Vivek Kumar represents Karnov's former major shareholder FAPI in the Board of Directors.



Lone Møller Olsen

*Board member since February 2018.
Chairman of the Audit Committee.*

Born: 1958

Principal education: Master of Science in Economics and Business Administration, Copenhagen Business School. State authorized public accountant/Chartered accountant, Danish Ministry of Business Affairs.

Other current positions: Board member of Jetpak AB, KNI A/S, Investeringsforeningen Bankinvest, Kapitalforeningen Bankinvest Vælger, Kapitalforeningen Pensiondanmark EMD, Kapitalforeningen BI Private Equity, Kapitalforeningen Bankinvest Select, Investeringsforeningen Bankinvest Engros and Investeringsforeningen BI. Executive officer of LMO 5265 ApS.

Previous positions: Partner at Deloitte Denmark.

Own and closely associated holdings:
6,976 shares.

Independence pursuant to the Code:
Independent in relation to Karnov and its executive management as well as Karnov's major shareholders.



Samuel Offer¹⁾

*Board member since February 2018.
Member of the Audit Committee.*

Born: 1983

Principal education: Bachelor of Arts in Economics and Management, University of Oxford.

Other current positions: Board member of Prime Bidco Ltd and Heilbron Groep Holding B.V. Investment professional at Rothschild & Co.

Previous positions: Partner at the general partner of Change Capital Partners LLP.

Own and closely associated holdings:
-

Independence pursuant to the Code:
Independent in relation to Karnov and its executive management as well as Karnov's major shareholders.



Mark Redwood

Board member since June 2011.

Born: 1960

Principal education: Bachelor of Arts (Econ) Hons First class degree in Economics and Accounting, University of Manchester.

Other current positions: Board member of CR7 Services Ltd and Barracuda FX Ltd.

Previous positions: Chairman of Achilles Holdco Ltd, SSP Topco Ltd and BGPH Holdings Ltd. Board member of CashFlows Europe Ltd, Reuters Ltd, Reuters Transaction Services Ltd and Tradeweb Markets LLC.

Own and closely associated holdings:
2,086,186 shares.

Independence pursuant to the Code:
Independent in relation to Karnov and its executive management as well as Karnov's major shareholders.

1) Samuel Offer represents Karnov's former major shareholder FAPI in the Board of Directors.

Senior Executives

The group management currently consists of eight persons. The section below presents the senior executives, their position, the year each person became a senior executive and their shareholdings in Karnov.



Flemming Breinholt

CEO and Head of Denmark since September 2014.

Own and closely associated holdings:
2,368,049 shares.



Dora Brink Clausen

Group CFO since 2014.

Own and closely associated holdings:
1,184,078 shares.



Olov Sundström

CEO of Norstedts Juridik since 2004 and Head of Sweden since September 2018.¹⁾

Own and closely associated holdings:
4,651 shares.



Charlotte Arup

Group CHRO since December 2017.

Own and closely associated holdings:
4,651 shares.



Jesper Kingo Christensen

Group Chief Technology Officer since September 2018.

Own and closely associated holdings:
23,259 shares.



Anne Nørvang Hansen

Group Content Strategy since October 2012.

Own and closely associated holdings:
576,396 shares.



Magnus Svernlöv

Executive Manager for the Stand-alone companies since May 2019.

Own and closely associated holdings:
120,821 shares.



Mats Ödman

Head of Investor Relations since March 2019.²⁾

Own and closely associated holdings:
23,000 shares.

¹⁾ Olov Sundström resigns on April 16, 2020.

²⁾ Mats Ödman works as external consultant and resigns on April 30, 2020.

Additional information regarding the Board members and Senior Executives

All Board members and senior executives can be reached at Karnov's address: Warfvinges väg 39, SE 112 51 Stockholm, Sweden. There are no family ties between any of the Board members or the senior executives. There are no conflicts of interest or potential conflicts of interest between the Board members' and Senior Executives' duties to Karnov and their private interests or other duties. However, some Board members and senior executives hold shares in Karnov. There are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any Board member or Senior Executive was elected or appointed to his or her current position. During the past five years, none of the Board members or Senior Executives have

- (i) been convicted for fraudulent offences,
- (ii) been involved in or represented a company which has been declared bankrupt or filed for compulsory liquidation or been subject to receivership,

- (iii) been the subject of official public incrimination or sanctions (or accused of such actions) by statutory regulatory authorities (including designated professional bodies) or
- (iv) been disqualified by a court from acting as a member of the administrative, management or supervisory body of a company or from acting in the management or conduct the affairs of a company.

Auditor

The annual general meeting on February 22, 2019 re-elected PricewaterhouseCoopers AB, corporate registration number 556067-4276, as auditor for the period until the close of the annual general meeting 2020. Aleksander Lyckow has been the auditor in charge since 2015. Aleksander Lyckow is an authorised public accountant and member of FAR (the Institute for the Accountancy Profession in Sweden). PwC's address is c/o PricewaterhouseCoopers AB, SE-113 97 Stockholm, Sweden.

Auditor's Report on the Corporate Governance Statement

This is a literal translation of the Swedish original report

To the annual meeting of the shareholders in Karnov Group AB (publ.), corp. id. No. 559016-9016.

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the financial year 2019-01-01 - 2019-12-31 on pages 23-34 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, March 30, 2020

PricewaterhouseCoopers AB
Aleksander Lyckow
Authorized Public Accountant