

Corporate Governance Report

Projektengagemang Sweden AB (Publ) (PE), is a Swedish public limited company with registered offices in Stockholm, Sweden, whose B shares are listed in the Small Cap segment on the Nasdaq Stockholm stock exchange. Corporate governance as exercised by PE is based on the Swedish Companies Act, the Swedish Annual Accounts Act, stock market regulations and the Swedish Corporate Governance Code (the Code). This Corporate Governance Report relates to both the Parent Company Projektengagemang Sweden AB and the Group.

Corporate governance principles

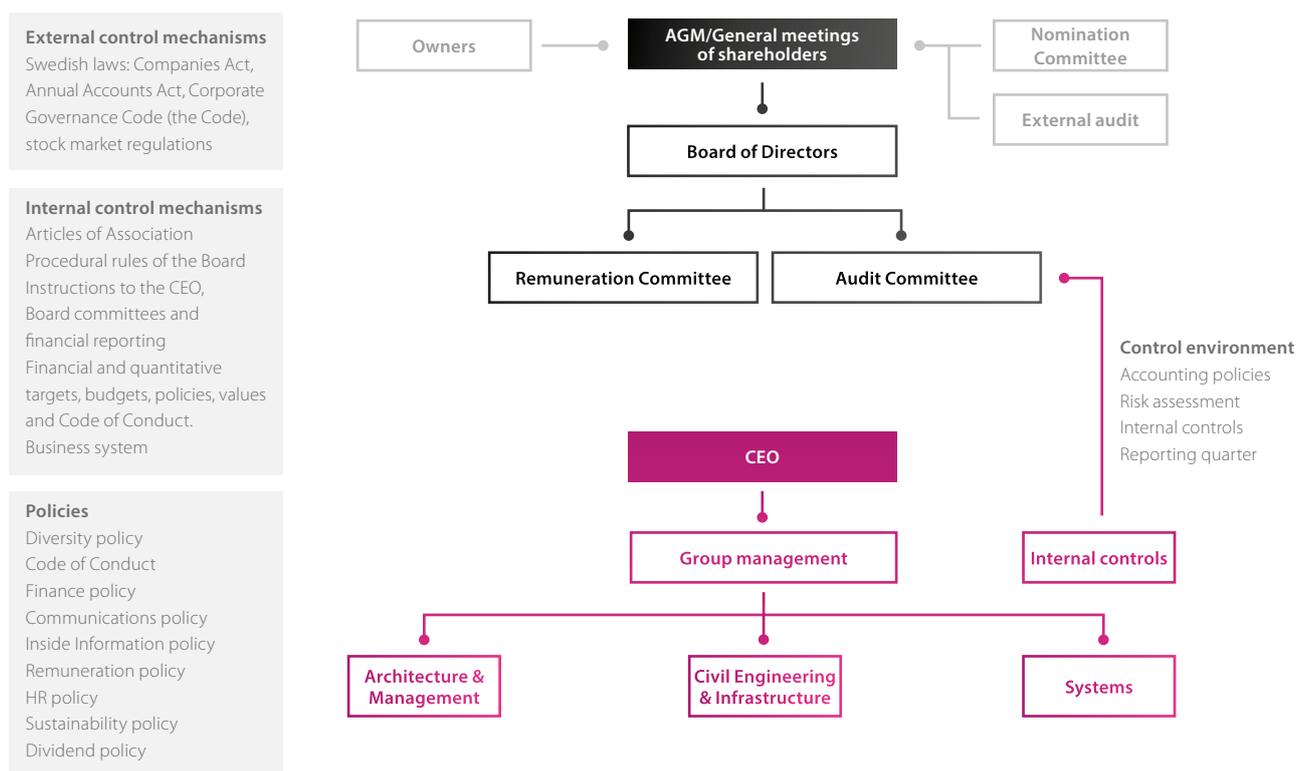
PE applies the regulations pursuant to legislation or other statutes, and the Code.

In 2020, PE applied the Code without deviations, with the exception of details relating to the composition of the Nomination Committee (see under Nomination Committee, page 42). There have been no breaches of the stock market's rules for issuers, or of good practice on the equity market.

Business model and management of assignments

PE's vision is to renew our society through innovative and sustainable solutions. This is to be achieved by generating added value for clients by supplying advanced consulting services and solutions in architecture, building, infrastructure, industry and project management through collaboration between the Company's different disciplines. The work is performed with a whole

PE's corporate governance structure



picture approach and in close cooperation with clients. The Group's decentralised organisation is underpinned by our individual employees, requiring a strong Company-wide culture. PE's core values of Commitment, Entrepreneurship and Responsibility reflect our corporate culture and aim to promote good conduct and the motivation to guide the entire organisation towards a shared goal.

PE's work is largely carried out in the form of assignments. Each assignment is managed by a responsible project manager, who has the support of the Group-wide management system for the day-to-day work of the project.

PE is certified in accordance with SS-EN ISO 9001:2015 and SS-EN ISO 14001:2015. These management standards help the Group to comply with legislation, improve environmental aspects in assignments and identify potential risks. The management system and how it is used are examined annually by independent quality auditors. The system is also subject to regular internal monitoring with reporting back to the Audit Committee.

The Group's management system incorporates guidelines, policies and procedures that focus on assignment outcomes, and the system is always available to the consultants. PE works with continual measures to improve the Group's working methods, promote sustainability and support its employees. Our employees' professional development requirements are satisfied via continual training. The know-how and experience that employees gain via assignments is harnessed and developed.

Control mechanisms

The external control mechanisms that represent the framework of corporate governance within the Group include Sweden's Companies Act, Annual Accounts Act, stock market regulations, the Code and other relevant laws. Foreign subsidiaries apply the laws and regulations of the country in question, but also ensure compliance with the Group's governance and control guidelines.

The Board of Directors is ultimately responsible for the organisation and management of the Group's affairs. Supervision is exercised by public authorities and organisations appointed by such authorities where appropriate for the Group's operations. Internal control mechanisms include the Articles of Association, which are adopted by the AGM, the Board's procedural rules and Instructions to the CEO, the Board's committees and financial reporting. In addition there are financial and quantitative targets, budgets, business plans, reports, policies, valuations and the Code of Conduct.

The Group's policies, such as the Code of Conduct, finance policy, communication policy, inside information policy, remuneration policy, sustainability and environmental policy, HR policy, whistle-blower policy and dividend policy, shall be submitted to the Board annually for approval. The CEO makes decisions regarding the customer credit policy, health and safety policy, security policy and quality policy. In addition there are several other significant policy documents that are decided on by the CEO or person designated by the CEO.

Corporate governance structure

PE's shareholders are ultimately responsible for resolving on the Group's corporate governance by, at the AGM, appointing the Company's Board, which in turn is responsible for ensuring that ongoing corporate governance throughout the year complies with legislation and other external and internal control mechanisms.

Annual General Meeting

PE's shareholders exercise their right to resolve on the Group's affairs at the Annual General Meeting, or where applicable at extraordinary general meetings, and constitute PE's highest decision-making body. The AGM resolves on the Articles of Association, elects the members of the Board and the Chairman, appoints auditors, adopts the income statement and balance sheet and resolves on the appropriation of profits, discharge from liability and principles for appointing the Nomination Committee, etc.

At the AGM, every shareholder who is registered in the shareholder register at the record date and who has registered their right of participation is entitled to participate, either personally or via a representative with power of attorney, and to vote according to their holding without restriction in the right to vote.

Shareholders are entitled to have a matter addressed at the AGM, having submitted a written request to the Board well in advance of the notice convening the AGM being issued.

All AGM documents, convening notices and other information ahead of the AGM, together with minutes of the meeting are published in Swedish and English on PE's website, www.pe.se.

Shareholders

According to the shareholder register maintained by Euroclear Sweden, PE had 1,907 shareholders at 31 December 2020. The share capital amounted to SEK 2,728,408, with a total of 24,555,677 shares represented by 5,392,224 A shares, corresponding to 21.96 percent of the shares and 73.78 percent of the votes, and 19,163,453 B shares, corresponding to 78.04 percent of the shares and 26.22 percent of the votes. A shares carry ten votes each and B shares one vote each. All shares represent the same proportion of the Group's profit and capital. Only B shares are listed on the stock market.

At 31 December 2020, Projektengagemang Holding AB had an ownership interest amounting to 21.48 percent of the total number of shares and 61.30 percent of the votes. Otherwise, no shareholder has a direct or indirect shareholding that represents at least one tenth of the number of votes for all shares in PE.

Pages 89–90 provide further details about the Company's shares and shareholders. The information is also available on the Company's website, www.pe.se.

2020 Annual General Meeting

PE's 2020 AGM took place on 19 May 2020 at Helio Kungsholmen (Guldspaden meeting room), Rålambsvägen 17, Stockholm.

The meeting was held under arrangements appropriate to the situation with regard to Covid-19. Facilities for postal voting were provided. Shareholders representing approximately 74 percent of the votes and approximately 43 percent of the capital took part in the AGM (in person and via postal voting). The meeting was attended by the Chairman, some Board members and the principal auditor. The minutes from and information about the 2020 AGM are available on PE's website in Swedish and English.

The AGM resolved on the following matters:

- Discharged the Board members and the CEO from liability for the 2020 financial year.
- The AGM resolved that no dividend be paid and that funds at the disposal of the meeting be carried forward.
- Re-election of Board members Lars Erik Blom, Per Göransson, Carina Malmgren Heander and Per-Arne Gustavsson. Election of Christina Ragsten and Jon Risfelt. Per Göransson was elected Chairman, and the Board of Directors was empowered to appoint another Board member as Chairman after a new CEO had been appointed following the ongoing CEO recruitment process.
- Fees of SEK 350,000 be paid to the Chairman of the Board, and SEK 175,000 to each Board member, as well as fees for committee work and remuneration of the auditor.
- Re-appointment of auditing firm PricewaterhouseCoopers AB, with Camilla Samuelsson as principal auditor.
- Adoption of guidelines for remuneration of senior executives in accordance with Board's proposal.
- Offer to CEO and other key personnel at PE to participate in 2020 Share Purchase Programme.
- The Board was authorised to resolve on the acquisition of a maximum of 856,880 B shares to make provision for the Company's obligations in the 2019 and 2020 Share Purchase Programmes, and to transfer a maximum of 204,880 B shares to enable costs to be hedged.
- Transfer of a maximum of 400,000 B shares to participants in the 2020 Share Purchase Programme.
- The Board was authorised to resolve on the issue of new B shares corresponding to no more than 10 percent of the total number of B shares in connection with company acquisitions.

Nomination Committee

The 2020 AGM of PE resolved on instructions for the composition of the Nomination Committee and its duties, to apply until further notice and until decided otherwise by the AGM. The Nomination Committee's instructions are available on PE's website (www.pe.se).

The Nomination Committee shall consist of four members. The members of the Nomination Committee must include one representative of each of the three largest shareholders in terms

of votes who wish to appoint such representative. One of the members shall act as the Chairman of the Board, who will also convene the first meeting. If any of the three largest shareholders in terms of votes refrain from their right to appoint a member of the Nomination Committee, the next largest shareholder will be given the opportunity to appoint a member. The mandate period of the Nomination Committee extends up until such time as a new Nomination Committee is appointed. Unless the members agree otherwise, the Chair of the Nomination Committee must be the member that has been appointed by the largest shareholder in terms of votes. If a member of the Nomination Committee leaves the committee before their work has been completed, the shareholder that appointed such member is entitled to appoint a new member of the committee. If the member leaving the Nomination Committee is the Chairman of the Board, a new member will not be appointed.

The Nomination Committee will be constituted on the basis of shareholder statistics from Euroclear Sweden AB at 30 June every year. The names of the appointed members of the Nomination Committee and the shareholders they represent will be published on the Group's website as soon as they have been appointed, however no later than six months before the AGM.

If, during the mandate period of the Nomination Committee, one or more of the shareholders who appointed members of the Nomination Committee are no longer among the three largest shareholders in terms of votes, members appointed by such shareholders must make their positions on the committee available and the shareholder(s) who has/have joined the three largest shareholders in terms of votes will be entitled to appoint their representatives. Unless there are specific reasons to the contrary exist, no changes should be made to the composition of the Nomination Committee if only marginal changes have occurred to the number of votes, or if the change occurs less than three months prior to the AGM. However, shareholders who have joined the three largest shareholders as a result of more significant changes to the number of votes less than three months prior to the AGM will be entitled to appoint a representative, who will be co-opted to the Nomination Committee. Shareholders who have elected a member of the Nomination Committee are entitled to dismiss said member and elect a new member to the Nomination Committee. Changes to the composition of the Nomination Committee shall be disclosed as soon as such changes have been made.

Ahead of the AGM, the Nomination Committee is tasked with presenting proposals regarding the AGM Chairman, the number of Board members, election of Board members, election of a Chairman of the Board, Board fees including allocation between the Chairman and other members of the Board, and remuneration for committee work, audit fees, election of auditors and criteria for how a new Nomination Committee is to be appointed. The Nomination Committee shall observe the requirements imposed on the Nomination Committee and appointments to the Board as detailed in the Code.

The Nomination Committee is entitled to receive reasonable remuneration for expenses incurred regarding evaluation and recruitment. Other than that, the members of the Nomination Committee do not receive any remuneration from PE for their work.

Composition of the Nomination Committee

The members of the Nomination Committee prior to the AGM in May 2021 were announced on PE's website and published in a press release dated 3 November 2020, and are: Per Göransson, Board member Projektengagemang Holding AB (Chairman of the Nomination Committee), Tim Floderus, Investment AB Öresund, and Dag Marius Nereng, Protector Forsikring. Together, the Nomination Committee represents approximately 68 percent of the votes for all shares in PE.

Deviation from the Code

The composition of the Nomination Committee deviates from rule 2.4, paragraph 1, second sentence of the Code in that Per Göransson, who chairs the Nomination Committee, is also a Board member and at the time of constituting the Nomination Committee Chairman of the Board. The reason for the deviation is that it is logical against the background of the ownership structure of Projektengagemang, in which Per Göransson is partner of the largest shareholder in terms of votes, and that according to the adopted Nomination Committee instructions the chair of the committee shall be the person who is appointed by the largest shareholder.

Nomination Committee's remit and work prior to the 2021 AGM

Prior to the 2021 AGM, the Nomination Committee is tasked with presenting proposals regarding the AGM Chairman, the number of Board members, election of Board members, election of a Chairman of the Board, Board fees including allocation between the Chairman and other members of the Board, and remuneration for committee work, audit fees, election of auditors and where applicable changes to the criteria for how a new Nomination Committee is to be appointed.

The Nomination Committee has held two minuted meetings prior to the 2021 AGM and in addition has maintained regular contact. The Nomination Committee's proposal is presented with the convening notice for the AGM and on PE's website (www.pe.se). To coincide with this, the Nomination Committee also publishes a report on its work and a supporting statement regarding its proposal to the Board, along with details of the Board members being proposed for re-election and as new members.

Diversity policy

The Nomination Committee applies rule 4.1 of the Code as its diversity policy when assessing the appropriate composition of the Board, taking account of the Group's operations, stage of development and conditions in general. This means that the assessment must be characterised by diversity and breadth with regard to skills, experience and background, with an ambition to achieve an even gender balance.

The Nomination Committee has discussed the requirements under rule 4.1 of the Code, and considers that, with respect to PE's current circumstances, the Board will have an appropriate composition as a result of the Nomination Committee's proposal

prior to the 2021 AGM, and has endeavoured to achieve both a diverse composition and an even gender balance.

Auditors

PE's auditors are elected at the AGM. The 2020 AGM elected PricewaterhouseCoopers AB, with authorised public accountant Camilla Samuelsson as principal auditor for the period up until the 2021 AGM.

Audit work

The auditors examine the annual financial statements and accounting records of the Parent Company and Group, as well as the management by the Board and CEO.

In order to assure the Board's information requirements, in addition to reporting to the Audit Committee, the Group's auditors also report observations from their auditing of the consolidated financial statements to the Board every year, as well as their observations from examining the Group's internal controls. At least once a year, the auditor engages in a dialogue with the Board of Directors without the presence of the CEO or other representative of Group management.

PE's auditors examine the financial information for at least one interim report and the year-end report. In addition, every year the auditors examine a selection of controls and processes and report to Group management and the Audit Committee any areas requiring improvement. In 2020, the auditors conducted a limited assurance review of the Group's interim report for the third quarter.

In connection with the review of the Q3 report, the Company's internal controls were also reviewed.

The auditors attended four of the Audit Committee's six meetings and the 2020 AGM. The auditor takes part in the AGM in order to present the auditor's report. Audit fees for 2020 (including the fee for consulting services) are detailed in Note 6.

Board of Directors

Composition of the Board and fees

PE's Board comprises six members elected by the AGM, and no deputies. The Chief Executive Officer is not usually a member of the Board, but is co-opted to all Board meetings. Until 1 December, Board member Per-Arne Gustavsson served as Chief Executive Officer pending the appointment of a new President and CEO. On 1 December, at which time Helena Hed took over as President and CEO, the Board resolved to appoint Per-Arne Gustavsson as Chairman. The appointment was in line with the resolution at the 2020 AGM that the Board is entitled to appoint a Chairman from within its members. Other employees of the Group participate as required to report on particular issues. The Group's Chief Financial Officer is secretary to the Board. Details of the composition of the Board in 2020, and of remuneration of Board members for the full years 2020 and 2019 are provided in Note 7. Further information regarding the Board members is provided on page 84.

Evaluation of the work of the Board of Directors

Once a year, the Board of Directors carries out an evaluation in which members are given the opportunity to offer their views on working methods, Board material and their own and other members' contributions to the work of the Board. The aim is to develop the work of the Board and provide the Nomination Committee with a relevant basis for decisions ahead of the AGM. An internal evaluation was conducted in 2020 through an anonymous questionnaire to Board members. The results of the evaluation were reported by the Chairman of the Board and were subsequently discussed within the Board. The result of the evaluation was reported to the Nomination Committee.

Independence

According to the Code, a majority of the Board members elected by the AGM must be independent in relation to the Company and Company management, and no less than two of these members must also be independent in relation to the Company's major shareholders.

PE's Board is deemed to satisfy the Code's requirements as regards independence, as four of the Board members elected by the AGM are deemed to be independent in relation to both Company and Company management, as well as in relation to the Company's major shareholders. All members elected by the AGM, apart from Per Göransson and Per-Arne Gustavsson, have been independent in relation to both Company and Company management, as well as in relation to the Company's major shareholders in 2020.

Work and responsibilities of the Board of Directors

The Board of Directors monitors the work of the CEO and is responsible for ensuring that organisation, management and guidelines for the Group's funds are fit for purpose. The Board is also responsible for ensuring that the Group is organised in a way that allows for appropriate internal control, and that suitable systems are in place for following up operations and associated risks, as well as for compliance with laws, rules and internal guidelines. Furthermore, the Board is responsible for developing and following up the Group's strategies, plans and targets, decisions about acquisitions and disposals of businesses, major

investments, additions to and replacement of members of the management team and ongoing monitoring of performance throughout the year. The Board adopts the budget and end-of-year accounts.

The work of the Board follows the specific procedural rules that have been established relating to the division of tasks between the Board and CEO, between the Board's various committees and within the Board, and instructions regarding financial reporting. These procedures include a separate set of Instructions to the CEO. The Board's procedural rules also stipulate that the Company's auditor shall take part in one Board meeting.

The constitutive Board meeting is held immediately following the AGM, or immediately following an extraordinary general meeting at which a new Board is elected. PE held its constitutive Board meeting on 19 May 2020, at which members of the Board committees were elected and the above-mentioned procedural rules were adopted.

In addition to the constitutive Board meeting, the Board meets on four ordinary occasions a year and whenever the Chairman deems appropriate, or after one of the Board members or CEO has made a request for such. In 2020, 15 Board meetings were held. The work of the Board follows a pre-determined plan featuring certain regular decision points during the financial year.

Every month, the Board receives a report on the Group's earnings and liquidity performance. Treatment of other matters is determined by the nature of the particular issue. During the year, the Board's work has mainly comprised management and operations in the Group, together with decisions relating to acquisitions and financing.

Finance policy issues

The Board has ultimate responsibility for the Group's financial activities. The Board is responsible for approving the Group's finance policy, which is updated annually. The Board resolves on overall mandates and limits for restricting the Group's financial risk assumption, in accordance with the finance policy, and on all long-term financing. The Board has delegated operational responsibility in line with the division of responsibilities stated in the finance policy adopted.

Composition of the Board of Directors

Elected by the AGM ¹	Elected, year	Born	Independence of shareholders	Independent in relation to the Company and management	Attendance at Board meetings	Attendance Audit Committee	Attendance Remuneration Committee
Chairman							
Per-Arne Gustavsson Dec.	2018	1952	No	No	15/15	5/5	3/3
Per Göransson, Jan.–Nov.	2006	1953	No	No	15/15	5/5	3/3
Members of the Board							
Carina Malmgren Heander	2018	1959	Yes	Yes	15/15		3/3
Lars Erik Blom	2016	1960	Yes	Yes	15/15	5/5	
Christina Ragsten	2020	1958	Yes	Yes	9/9		
Jon Risfelt	2020	1961	Yes	Yes	9/9		
Britta Dalunde	2016	1958	Yes	Yes	9/9	3/3	
Øystein Engeretsen	2016	1980	No	Yes	9/9		2/2

¹ Details of the education, other roles and shareholdings in the Company etc. of current Board members are provided on page 84 of the Annual Report. Remuneration of Board members is specified in Note 7.

Board's checks on financial reporting

The Board of Directors monitors the quality of financial reporting via monitoring instructions and via the Instructions to the CEO. Together with the CFO, the CEO is tasked with examining and quality assuring all external financial reporting, including year-end reports, interim reports, annual reports, press releases with financial content and presentation material for interaction with the media, shareholders and financial institutions.

The Board's Audit Committee assists in ensuring that financial reporting is of high quality, is approved by the Board and is communicated. The Board receives monthly financial reports and the Company's and Group's financial situation is addressed at each Board meeting. The Board also discusses interim reports and the annual report.

In order to provide for the Board's information requirements, in addition to reporting to the Audit Committee, the Group's auditors also report observations from their audit and their assessment of the Group's internal controls to the Board every year.

The Board's committees

The Board has full insight into, and responsibility for, all issues on which the Board is tasked with making decisions. However, work has been conducted during the year via two of the Board's appointed committees: the Audit Committee and the Remuneration Committee.

Audit Committee

The committee is made up of three or four representatives of the Board, and is tasked with:

- prior to Board decisions, preparing the Board's work by quality assuring the consolidated financial statements
- monitoring and submitting recommendations and proposals to ensure the reliability of reporting with regard to effectiveness of the Group's internal controls and risk management
- assessing the independence of the auditor
- checking other assignments for the audit firm (NAS, Non Audit Services)
- assisting the Nomination Committee during the procurement process for the audit and preparing for election of, and fees for auditors
- keeping informed about the extent and focus of the audit assignment
- preparing questions about the audit
- evaluating the audit process
- establishing guidelines for the procurement of permitted services to be carried out by the Group's auditors in addition to the audit
- if appropriate, approving such services according to the guidelines
- monitoring and evaluating the application of current accounting policies and the adoption of new accounting policies and of other legal accounting requirements, generally accepted accounting principles or otherwise.

The Group's principal auditor and representatives of the audit firm are co-opted to the majority of the meetings. Where appropriate, senior executives are co-opted. Since the 2020 AGM, the committee has consisted of members Lars Erik Blom, Christina Ragsten, Jon Risfelt and Per Göransson up to 1 December and Per-Arne Gustavsson from 1 December. The committee is chaired by Lars Erik Blom. The majority of the committee's members are independent in relation to both Company, Company management and the Company's major shareholders. Only Per-Arne Gustavsson and Per Göransson are not independent in relation to the Company, Company management and major shareholders. The Audit Committee held six meetings in 2020 and the Board of Directors regularly receives copies of the minutes the meetings. During the year, the committee's work mainly covered valuation issues, risk management, impairment testing requirements, scenario planning based on the pandemic and its effects, internal follow-up of earnings and key performance indicators and follow-up and checks on the Group's financial reporting. An account of the various matters dealt with by the committee will be presented at a future Board meeting. The auditors have attended four of the Audit Committee's five meetings.

Remuneration Committee

The committee consists of three representatives from the Board of Directors. The committee is primarily tasked with preparing the Board's decisions on matters such as remuneration principles, remuneration and other employment terms and conditions for Company management and other senior executives. Furthermore, the Remuneration Committee shall monitor and evaluate variable remuneration programmes for Company management that are ongoing or that have been concluded during the year; monitor and evaluate application of the guidelines for remuneration of senior executives that the AGM is required to resolve on by law and regarding structures and levels of remuneration in the Group. Remuneration of the CEO and remuneration principles for Company management are decided on by the Board of Directors. Remuneration of other senior executives is resolved on by the Remuneration Committee within the framework established by the Board and AGM.

Since the 2020 AGM, the Remuneration Committee has consisted of Carina Malmgren Heander (Chair), Per Göransson until 30/11/2020 and Per-Arne Gustavsson from 01/12/2020, and Jon Risfelt. The committee held three meetings in 2020.

Chief Executive Officer

According to the rules stated in the Swedish Companies Act and other legislation, the CEO is responsible for day-to-day management in compliance with the Board's guidelines and instructions, and for taking the necessary action to ensure the Group's accounting is managed in a satisfactory manner. Furthermore, the CEO must ensure that the Board of Directors regularly receives the information required in order to adequately monitor the Group's financial situation, position and performance and in general fulfil its reporting obligation with respect to economic conditions. The Group's CEO leads operations within the framework established by the Board in the separate Instructions to the CEO. The instruction covers matters such as the CEO's responsibility for day-to-day

operations and issues that always require a decision by the Board or that require the Board to be informed, as well as the CEO's responsibility for financial reporting to the Board. In consultation with the Chairman, the CEO prepares the requisite information and decision-making documentation prior to Board meetings, reports on matters and explains proposals for decisions. The Board regularly evaluates the work of the CEO. On 1 December 2020, Helena Hed took up her position as the Group's new President and CEO.

Group management

The CEO directs the work of Group management and reaches decisions in consultation with the other members of management. In 2020, Group management comprised the CEO and six other individuals: Deputy CEO/CFO, three heads of division, the HR Director (up to and including Q2) and the Business Area Director for Infrastructure. As of 1 January 2021, Group management consists of Helena HED, President and Chief Executive Officer, Peter Sandberg, Deputy CEO and CFO, Mathias Thorsson, Head of Development and Nicke Rydgren, Head of Business Support. Information about the CEO and Group management is provided on page 85 of the 2020 Annual Report. Group management conducts regular operational reviews, led by the CEO.

Remuneration of senior executives

At the AGM held on 19 May 2020, the Board of Directors resolved to adopt the Board's proposed guidelines regarding remuneration to senior executives, which guidelines are to apply until the 2024 AGM, unless circumstances arise requiring the guidelines to be reviewed earlier. The guidelines apply to the CEO, Deputy CEO and Company management. The guidelines shall promote the Company's business strategy, long-term interests and sustainability.

Internal controls, risk management, internal audit and follow-up

According to the Companies Act and the Code, the Board is responsible for internal controls. The Swedish Annual Accounts Act states that a company's corporate governance report must contain details of the most important elements of the company's internal control and risk management systems relating to its financial reporting. The Board has designed clear decision and procedural rules and instructions for its own, the Remuneration Committee, Audit Committee and the CEO's work, in order to achieve effective management of operating risks and internal controls. Responsibility for maintaining an effective control environment and ongoing work on internal controls and risk management rests with the CEO and Group management, who report to the Board according to established procedures. Managers at various levels of the Company also have this responsibility within their respective business areas, and report in turn to Group management.

Risk assessment

The aim of PE's risk management is to safeguard the Group's long-term earnings performance and ensure that the Group achieves its targets. Ultimately, responsibility for risk management rests with the Company's Board and senior management. PE continually updates the risk analysis regarding assessment of risks that may lead to errors in financial reporting. During risk

reviews, PE identifies areas where there is an heightened risk of error. The results of the general risk analysis have been compiled in a risk summary, which details the Group's exposure to risks. A review of risk management and internal controls within the Group is addressed on a quarterly basis by the Audit Committee.

Control activities

Monthly reports for all business units within the Group are prepared, along with consolidated monthly reports. Based on these reports, the CEO, CFO and financial controllers hold monthly follow-up meetings with operational managers and key individuals in the operational organisation. Separate analysis is performed regarding order levels, utilisation rates, cost monitoring, risk lists and cash flow. The Board also monitors, via the Audit Committee, the reliability of financial reporting, evaluates recommendations for improvements and addresses issues regarding the risks identified. The Audit Committee submits regular oral reports to the Board, as well as proposals on issues requiring decision by the Board. The control environment is created through shared values, corporate culture, rules and policies, communication and follow-up, as well as by the way in which the business is organised. The main task of staff functions and their employees is to implement, improve and maintain the Group's control procedures and to carry out internal checks focusing on business critical issues.

The Group's business system forms the foundation for everything that the Company does. The aim of the business system is to streamline and systematise daily operations in order to carry out assignments in the most efficient way possible. Each process has a process owner who is responsible for managing the process, based on the policies that have been created and approved according to the hierarchy adopted by the Board of Directors. Ongoing follow-up of risks and compliance with internal procedures is carried out on a monthly and quarterly basis. Observations are reported back to the Audit Committee every quarter. In 2020, all process owners in the organisation conducted a structured review of processes and risk mapping. To ensure effective internal control, follow-up of risks identified and compliance with internal procedures, regular monthly and quarterly follow-up is carried out and reported back to Group management. A quarterly report is also submitted to the Audit Committee.

Internal audit

PE has not yet found it necessary to arrange an internal audit. The Board is of the opinion that owing to the size of the Group and the fact that the Company has a simple, standard operational structure, there is no need for such a function in the organisation. Financial controllers at Group and business area level regularly follow up compliance with the governance and internal control systems created by the Company.

Additional information at www.pe.se

- Articles of Association
- Information from previous AGMs (convening notices, minutes and resolutions)
- Information about the Nomination Committee
- Corporate governance reports for the 2015–2020 period

Board of Directors



Per-Arne Gustavsson, born 1952

Chairman of the Board

Board member since 2018

Chairman of the Board and CEO of Projektengagemang from 2006 until 2015. Board Chairman from May 2019 to September 2019. CEO from September 2019 to December 2020. Employed at the Company from January 2006 to September 2017 and from September 2019 to December 2020.

Not independent in relation to the Company's major shareholders

Education: M.Sc. Degree in Engineering from KTH Royal Institute of Technology

Other roles: Chairman of Projektengagemang Holding i Stockholm AB, Projektengagemang Förvaltning i Stockholm AB, Pagator AB, Fotbollsjiten Scandinavia AB

Shareholding: 2,216,048 A shares and 445,274 B shares indirectly owned via Projektengagemang Holding i Stockholm AB and 100,000 B shares owned privately

Per Göransson, born 1953

Board member

Board member since 2006

Not independent in relation to the Company and management, and not independent in relation to the Company's major shareholders

Education: M.Sc. Degree in Engineering from KTH Royal Institute of Technology

Other roles: Board member of G-Trading AB, Projektengagemang Holding AB and Projektengagemang Förvaltning AB

Shareholding: 2,175,628 A shares and 437,152 B shares indirectly owned via Projektengagemang Holding i Stockholm AB and G-Trading AB

Lars Erik Blom, born 1960

Board member

Board member since 2016

Independent of the Company and Company management and in relation to the Company's major shareholders

Education: M.Sc. Degree in Economics and Business from Stockholm University

Other roles: CEO of LK Finans AB and several Board positions within LK Finans AB's investment operations, Board member of FM Mattsson Mora Group, Its Nordic AB, TSS Holding AB, Uniwater AB, Delgivningsbyrån DeltraKravek AB, JEFF fastigheter AB, Tryggkredit Stockholm AB, Nextory AB, Visera AB, Novovent Modul AB and member of FM Mattsson Mora Group's Audit Committee and Chairman of LK-gruppen

Shareholding: 161,963 B shares indirectly via LK Finans AB

Carina Malmgren Heander, born 1959

Board member

Board member since 2017

Independent of the Company and Company management and in relation to the Company's major shareholders

Education: M.Sc. Degree in Economics and Business from Linköping University

Other roles: Group Director and Chief of Staff at SAS Group. Chair of the Board of Svenska Flygbranschen AB, Board member of the Confederation of Swedish Enterprise (Svenskt Näringsliv), Board member of Transportföretagen AB and Board member of Timezynk AB

Shareholding: 0

Christina Ragsten, born 1958

Board member

Board member since 2020

Independent of the Company and Company management and in relation to the Company's major shareholders

Education: M.Sc. Degree in Economics and Business from Stockholm University

Other roles: Board member of Forex Bank AB, Board member of Moment Management AB, Chairman of the Board of Naventi Fonder AB

Shareholding: 4,500 B shares

Jon Risfelt, born 1961

Board member

Board member since 2020

Independent of the Company and Company management and in relation to the Company's major shareholders

Education: M.Sc. Degree in Engineering from KTH Royal Institute of Technology

Other roles: Board member of Axentia Group Holding AB, CAB Group AB and Knowit AB (publ) Board member of Bilvia AB (publ), Boule Diagnostics AB (publ), Elos Medtech AB (publ)

Shareholding: 7,924 B shares

Management



The work of Group management is under the supervision of the CEO. In 2020, Group management consisted of the CEO and six other individuals: Peter Sandberg, Deputy CEO/CFO; three heads of division Nicke Rydgren, Mathias Thorsson and Kjell-Åke Johansson; Åsa Holmgren Chief HR Officer (until end of Quarter 2); and Head of Infrastructure Business Area Linda Lönneberg.

As of 1 January 2021, Group management consists of Helena Hed, President and Chief Executive Officer, Peter Sandberg, Deputy CEO and CFO, Mathias Thorsson, Head of Development and Nicke Rydgren, Head of Business Support. Group management conducts regular operational reviews, led by the CEO.

Helena Hed, born 1975

President and CEO

Employee since 2020

Shareholding: 18,500 B shares

Peter Sandberg, born 1970

CFO and Deputy CEO

Employee since 2007

Shareholding: 309,000 A shares and 48,250 B shares, privately and via companies

Nicke Rydgren, born 1976

Head of Business Support

Employee since 2017

Shareholding: 100,000 B shares, privately and via companies

Mathias Thorsson, born 1971

Head of Development

Employee since 2016

Shareholding: 13,604 B shares