

# Corporate governance report

Catena Media plc (the “Company” or “Catena Media”) is a Maltese public limited liability company listed on Nasdaq Stockholm. The Company has its registered office and head office in Malta. Given this structure, governance, management and control is divided between the shareholders, the Board of Directors, the CEO and the rest of Group management, in accordance with applicable laws, rules and instructions.

## CORPORATE GOVERNANCE IN CATENA MEDIA

Good corporate governance is concerned with ensuring that the Company is managed as sustainably, responsibly and effectively as possible for all shareholders. The overall objective is to increase value for the shareholders and thereby meet the shareholders’ requirements on invested capital. Achieving this objective requires decision-making that is effective and creates value through a clear distribution of roles and areas of responsibility. Governance, management and control in Catena Media is divided between the shareholders, the Board of Directors, the CEO and the rest of Group management in accordance with applicable laws, rules and instructions.

The following statements on pages 90 to 98 have not been audited by the company’s auditor.

The foundation of the corporate governance structure of Catena Media comprises its Memorandum and Articles of Association, the Maltese Companies Act (Chapter 386 of the Laws of Malta), Nasdaq Stockholm’s Rulebook for Issuers, which includes the Swedish Corporate Governance Code (the “Code”), and other applicable rules and laws. Catena Media’s corporate governance structure is available on the Company’s website [www.catenamedia.com](http://www.catenamedia.com); Nasdaq Stockholm’s Rulebook for Issuers at [www.nasdaqomxnordic.com](http://www.nasdaqomxnordic.com); and the Code at [www.bolagsstyrning.se](http://www.bolagsstyrning.se).

In addition to external governance instruments and the Company’s Memorandum and Articles of Association, the Company also applies internal steering instruments for corporate governance, such as the CEO instructions, the Board’s formal work plan, instructions to the Board committees, an internal Code of Conduct and other policy documents, all of which have been prepared to improve and strengthen internal control in Catena Media. These documents are updated annually and approved by the Board of Directors of Catena Media.

## SWEDISH CODE OF CORPORATE GOVERNANCE

When Catena Media’s shares were listed on Nasdaq First North Premier, the Company already complied with the Code in certain respects, and since the listing on Nasdaq Stockholm’s main market on 4 September 2017, the Company applies the Code in full. Accordingly, the Company has chosen not to adopt the Maltese equivalent of the Code (the Code of Principles of Corporate Governance) set out in the Maltese Listing Rules, although it should be noted that the Maltese and Swedish codes of corporate governance share a number of similar or common principles.

The Code is based on the principle of “comply or explain”. This means that a company that applies the Code can deviate from individual rules, but must then explain the reasons for the deviation. For the 2018 financial year, Catena Media deviated from the Code in one aspect. On 25 September 2018, the

Board of Catena Media resolved to appoint Øystein Engebretsen as a new director of the Board of Directors to fill the vacant board seat after the director Anders Brandt had resigned voluntarily. This procedure, whereby the Board of Directors appoints a new director to fill a vacancy – as opposed to a new director being appointed by the general meeting – is permitted under Maltese corporate law and the Company’s Memorandum of Association, but it constitutes a deviation from the Code.

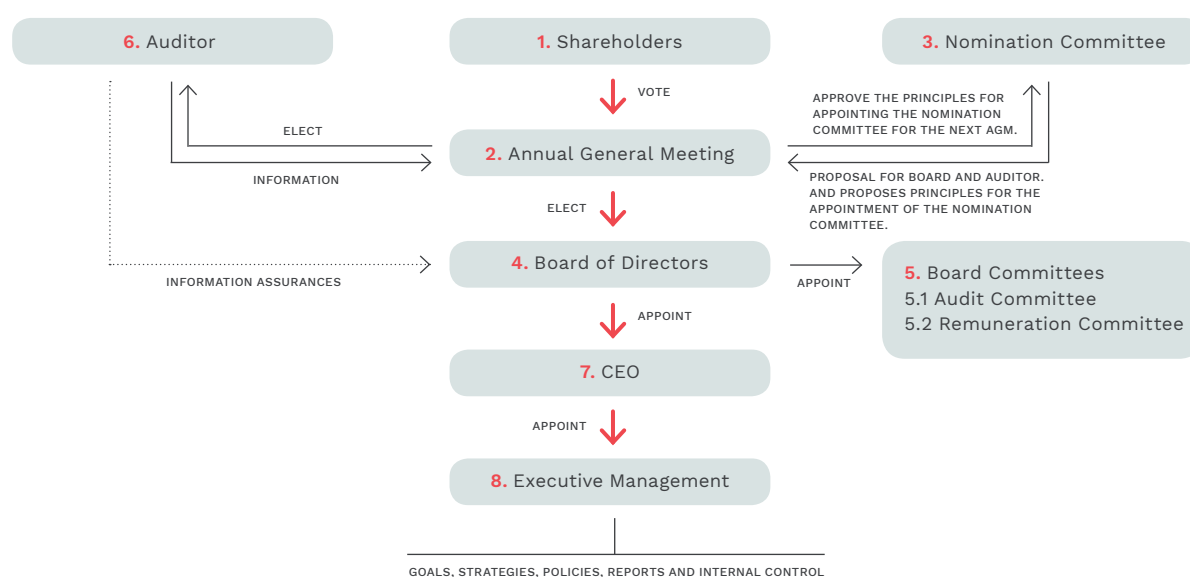
No separate auditor’s report on the corporate governance report is required under the Maltese regulations since the report is being prepared in line with the principles of the Swedish Code. With the exception of the matter noted above, the members of the Board of Directors confirm that the company follows the Swedish Code.

## MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION

The Company’s Memorandum of Association and Articles of Association are approved by the General Meeting of the Company’s shareholders and include provisions regarding what kind of business activities the Company is to conduct, limitations on the share capital and the number of shares, how a notice convening a General Meeting shall be made, handling of matters during the General Meetings and where General Meetings shall be held, as well as the highest permitted number of Board members. In accordance with the Company’s Articles of Association, a Board member appointment applies until the end of the first Annual General Meeting after the year the Board member was appointed, after which the respective Board member is available for re-election. Board members are appointed through a General Meeting resolution passed with a simple majority of votes represented at the General Meeting. In addition to this, Board members have a right to appoint new Board members in the Company under certain conditions in accordance with Article 58.1 of the Company’s Articles of Association. A Board member’s appointment can end early if the Board member notifies that he/she wishes to resign, if the shareholders resolve to dismiss the Board member, or if an obstacle arises for the Board member to serve in that capacity in accordance with Article 59.1 of the Company’s Articles of Association. Such a dismissal shall not affect the remuneration requirements the Board member may have due to the Company’s potential breach of contract. The shareholders may resolve to dismiss the Board member through a resolution at a General Meeting passed with a simple majority of votes represented at the General Meeting.

The Company may amend its Memorandum of Association and Articles of Association by an extraordinary resolution in terms of Article 79 (1) of the Maltese Companies Act (Chapter 386 of the Laws of Malta). The Articles of Association of the Company require an extraordinary resolution to be taken at a General Meeting passed by shareholders having the right to attend, and holding in aggregate not less than 75 percent in nominal value of the shares represented and entitled to vote at the General Meeting, and at least 51 percent in nominal value of all the shares entitled to vote at the General Meeting.

## CATENA MEDIA CORPORATE GOVERNANCE STRUCTURE



## 1. THE SHARE AND SHAREHOLDERS

Catena Media is listed on Nasdaq Stockholm in the Mid Cap segment since 4 September 2017, and prior to this was listed on Nasdaq First North Premier Stockholm since February 2016. As of 31 December 2018, the total number of shares and votes in the Company amounted to 56,286,872 with an aggregate nominal value of EUR 84,430m. The Company had a total of 10,301 shareholders at the end of 2018. According to the shareholder register kept by Euroclear Sweden AB (including changes subsequently known to the Company), the ten largest shareholders held a total of around 59.1 percent of the total number of shares and votes in the Company at the end of 2018, and the largest shareholder on the same date was Bodenholm Capital AB, with a participating interest of approximately 9.2 percent of the total number of shares and votes in the Company. In addition, there was no shareholder that directly or indirectly owned more than 10 percent of the number of shares or votes in the Company. In accordance with the provisions of the Maltese Companies Act (Chapter 386 of the Laws of Malta), the Board has been authorised in the Company's Articles of Association to issue shares, or allocate options in relation to such shares, up to the maximal authorised share capital in the Company (EUR 200,000) at such times and conditions that the Board finds appropriate. This authorisation applies for five years from 2 July 2015 and the Company can renew this authorisation with a simple majority vote for additional periods of no more than five years at a time. Read more about the Company's share and ownership structure on the Company's website, [www.catenamedia.com](http://www.catenamedia.com).

## 2. GENERAL MEETING

The General Meeting of shareholders is Catena Media's highest decision-making body, where the shareholders exercise their influence on the Company. Every year, the Company shall hold an Annual General Meeting in addition to any Extraordinary General Meetings that are held during the year. Article 16.1 of the Company's Articles of Association states that an Annual General Meeting shall be held once a year at the point in time (within a period of no more than 15 months after the most recent Annual General Meeting) that the Board sees fit. All General Meetings shall be held in Stockholm or in Malta, in accordance with the decisions of the Board of Directors.

An Extraordinary General Meeting may be convened by the Board of Directors in terms of Article 17.1 of the Articles of

Association. In addition, the Board of Directors are bound to convene an Extraordinary General Meeting at the request of one or more shareholders who, as of the date of the submission of the request, hold at least 10 percent of the share capital in the Company, in terms of Article 129 of the Maltese Companies Act (Chapter 386 of the Laws of Malta). This request must state the objectives of the meeting and must be signed by the shareholder(s) concerned and is to be submitted to the Company's registered address. If the Board does not convene an Extraordinary General Meeting within 21 days from the date of the submission of such a request, the shareholder(s) concerned may convene an Extraordinary General Meeting within three months of the date that the original request was submitted to the Company.

Article 18 in the Company's Articles of Association states that convening notices to Annual or Extraordinary General Meetings shall as a main rule be issued at least 21 days before the meeting is held. A Swedish and English version of the convening notice shall be published on the Company's website and information that a convening notice has been issued shall also be announced in Dagens Industri, a Swedish business newspaper. In the convening notice, the General Meeting's agenda shall also be presented. The convening notice shall also contain information on time, place and date of the meeting. According to Article 19.1 of the Articles of Association, in the convening notice for the General Meeting, the Company shall, among other things, state that only shareholders registered as shareholders in the shareholder register on a certain record date shall have the right to participate in and vote at the General Meeting. A shareholder who wants to be represented at the General Meeting by a proxy must issue a written signed authorisation in accordance with the authorisation form available in the Company's Articles of Association (Article 42.5) and published on the Company's website for each General Meeting. In a vote at the General Meeting in the Company, every share entitles the holder to one vote and each person entitled to vote can vote for the full number of shares represented. However, in voting, shareholders entitled to more than one vote do not need to use all of their votes or vote in the same way with all of their shares.

The Annual General Meeting passes resolutions on, among other things, the adoption of the previous year's balance sheet and income statement, dividends, the election of Board members and auditors, remuneration of Board members and

auditors, how the Nomination Committee is appointed, guidelines for remuneration of the CEO and the rest of the Group management.

One or more shareholders who together hold 5 percent or more of the share capital have a right to demand that a matter be taken up on the agenda for the General Meeting on condition that such a matter is justified or contains a proposed resolution, and present proposed resolutions for matters taken up on the agenda for the General Meeting. Any shareholder who wants to have a matter taken up on the agenda, or who submits a proposed resolution regarding matters included on the agenda, shall send a request to the Company no later than 46 days before the day of the General Meeting, following the terms of Article 19.5 of the Articles of Association of the Company.

Resolutions at a General Meeting are usually passed with a simple majority of votes represented at the Meeting. However, in accordance with the Maltese Companies Act (Chapter 386 of the Laws of Malta) and the Company's Articles of Association, certain resolutions require approval by a higher percentage of the votes represented at the General Meeting.

### **Extraordinary General Meeting**

No Extraordinary meetings were held during the year.

### **2018 Annual General Meeting**

The 2018 Annual General Meeting took place in Stockholm, Sweden on Thursday, 26 April 2018. Among other things, the Annual General Meeting passed resolutions (i) to adopt the Company's consolidated financial statements and the Administration Report and audit report, (ii) to re-elect André Lavold, Anders Brandt, Henrik Persson Ekdahl, Kathryn Moore Baker, Mathias Hermansson, Mats Alders and to elect Cecilia Qvist as Board members, (iii) that remuneration to the Board members shall be paid as follows: EUR 80,000 to the Chairwoman of the Board and EUR 35,000 to each of the other Board members, (iv) that the Company's committees should receive remuneration as follows: EUR 12,500 to the Chair and EUR 6,250 to the other members of the Audit Committee; EUR 6,250 to the Chair and EUR 3,125 to the other members of the Remuneration Committee, (v) to re-elect PricewaterhouseCoopers Malta as the Company's auditor, (vi) to approve the Nomination Committee's proposal on principles for the election of the Nomination Committee prior to the 2019 Annual General Meeting, (vii) to approve the Board's proposal on guidelines for remuneration of senior executives, (viii) to introduce a new incentive programme for key persons within the Catena Media group based on share options or warrants, and (ix) to change the Company's Articles of Association.

Minutes from the 2018 Annual General Meeting and documents associated therewith are available on Catena Media's website, [www.catenamedia.com](http://www.catenamedia.com).

### **2019 Annual General Meeting**

The 2019 Annual General Meeting will be held on 2 May at 3 p.m., at "Tändstickspalatset", Västra Trädgårdsgatan 15 in Stockholm, Sweden. A notice convening the Annual General Meeting was published through a press release, announced in Dagens Industri, and published on Catena Media's website, [www.catenamedia.com](http://www.catenamedia.com), together with associated documents.

### **3. NOMINATION COMMITTEE AND ITS WORK**

The 2018 Annual General Meeting passed a resolution on the principles for the appearance of Catena Media's Nomination Committee as follows: The Nomination Committee shall have four members. The three largest shareholders/shareholder groups by votes on 31 August the year before the Annual

General Meeting is held are entitled to appoint one member each. The largest shareholders in terms of votes shall be determined on the basis of a list of registered shareholders provided by Euroclear Sweden AB. In addition, the Chair of the Board shall be appointed to be a member of the Nomination Committee. The CEO or another person from company management shall not be a member of the nomination committee.

The Chair of the Board shall convene the largest shareholders in the Company no later than 15 October. If such a shareholder refrains from the right to appoint a member to the Nomination Committee, the next shareholder/owner group by size shall be provided the opportunity to appoint a member to the Nomination Committee. The composition of the Nomination Committee is to be announced at least six months before the Annual General Meeting. The Chair of the Board is the convener of the first meeting of the Nomination Committee. However, the Chair of the Board shall not be appointed the Chair of the committee.

If it becomes known that one of the shareholders who appointed a member to the Nomination Committee is no longer one of the largest owners, due to changes in the owner's shareholdings or changes in other owners' shareholdings, the member the shareholder appointed, if the Nomination Committee so decides, shall withdraw and be replaced by a new member appointed by the shareholder who at that time is the largest registered shareholder who has not yet appointed a member to the nomination committee. If the registered ownership structure otherwise materially changes before the Nomination Committee's assignment has been completed, a change in the composition of the Nomination Committee shall be made, if the Nomination Committee so decides, according to the principles stated above.

The Nomination Committee submits proposals regarding the number of Board members, remuneration of the Chair of the Board and other Board members, as well as the auditor, any remuneration for committee work, the Board's composition, the Chair of the Board, decisions regarding the appointment of the Nomination Committee, the Chair of the Annual General Meeting, and the election of auditors. The Nomination Committee's proposed resolutions are published in the notice convening the Annual General Meeting, on the Company's website and during the Annual General Meeting. Information on how to submit proposals to the Nomination Committee is available on the Company's website, [www.catenamedia.com](http://www.catenamedia.com).

The Nomination Committee's composition for the 2019 Annual General Meeting was published on 25 October 2018 and consists of the following members: Kathryn Moore Baker (Chairwoman of the Board of Catena Media), Lennart Francke (representing Swedbank Robur Fonder AB), Nicklas Paulsson (representing Investment AB Öresund) and Jake Hennemuth (representing Ruanne Cuniff & Goldfarb). Lennart Francke was announced as the Chairman of the Nomination Committee.

The Nomination Committee held four meetings for the 2019 Annual General Meeting. No remuneration has been paid for the work in the Nomination Committee.

### **4. BOARD OF DIRECTORS**

In accordance with the Company's Memorandum of Association, Catena Media's Board of Directors shall comprise at least three and at most seven members. The Board currently consists of seven members elected by the Annual General Meeting on 26 April 2018 for the time until the end of the 2019 Annual General Meeting. In accordance with the resolution by the 2018 Annual General Meeting, the Board consisted of Kathryn Moore Baker (Chair), Henrik Persson Ekdahl, André Lavold, Mats Alders, Cecilia Qvist, Mathias Hermansson and Anders Brandt. Cecilia Qvist was elected at the Annual General Meeting for the first

time, the remainder of the Board members were re-elected from the previous year. Anders Brandt voluntarily resigned from the Board of Directors on 25 September 2018. Øystein Engebretsen accepted to fill the vacant board seat on the same date. More information on the Board members, such as experience, education, other appointments and shareholdings, is available on pages 99-100 of the annual report. At the end of the year, the Board had two women and five men.

The Board of Directors is responsible for the Company's organisation and management of the Company's affairs, which includes responsibility for preparation of overall, long-term strategies and targets, budgets and business plans; adoption of guidelines that the Company's activities create long-term value; reviewing and approving accounts; making decisions on issues concerning investments and sales, capital structure and dividend policy; development of the Group's policies; ensuring that control systems exist for the follow-up of compliance to policies and guidelines; ensuring that systems exist for the follow-up and control of the Company's activities and risks; significant changes to the Company's organisation and operations; appointing the Company's CEO; and setting the salary and other remuneration of the CEO.

The Chair of the Board is responsible for ensuring that Board members, through the care of the CEO, continuously receive the information necessary to be able to monitor the Company's position, performance, liquidity, financial planning and development. It is incumbent on the Chair of the Board to complete assignments issued by the General Meeting regarding the establishment of the Nomination Committee and participating in its work. In close cooperation with the CEO, the Chair of the Board shall monitor the Company's performance and prepare and chair the Board meetings. The Chair of the Board is also responsible for ensuring that the Board of Directors annually evaluates its work and that the Board receives adequate information to do its work in an effective manner.

The Board's work is governed by, among other things, the Maltese Companies Act (Chapter 386 of the Laws of Malta), the Memorandum of Association, the Articles of Association, the Code and the Board's formal work plan. The Board meets according to an annually predetermined schedule. In addition to these meetings, additional Board meetings may be convened to address issues that cannot be postponed to the next ordinary Board meeting.

### **Independence of the Board**

Six out of seven Board members are independent in relation to the Company and the management. The Director Henrik Persson Ekdahl was the acting CEO of the company until 4 June 2018. Seven out of seven Board members are independent in relation to the Company's major shareholders. With this Board composition, the Board of Directors of Catena Media fulfils the Code's requirements on independent members, as the majority of the Board members are independent in relation to the Company

and company management, and at least two of them are also independent in relation to the Company's major shareholders. All Board members and members of the Group management have undergone Nasdaq Stockholm's training regarding stock exchange rules.

### **Board's work in 2018**

The Board's formal work plan states which points must always be on the agenda at Board meetings. During 2018, the Board held 38 minutes meetings, of which 21 were per capsulam meetings (resolutions in writing). All of the meetings held during the year followed an agenda that was provided to the Board members ahead of the respective meeting, together with relevant documentation for each point on the agenda. The CEO and the Company's Head of Legal, in her capacity as the Board's secretary, also participated in the Board meetings. The CEO reports on the operating profit at each ordinary Board meeting and the CFO reports on the financial performance. In addition to this, the CFO, senior executives and, when necessary, the Company's auditors hold presentations on special areas. In 2018, the Board devoted particular attention to the numerous acquisitions that were made during the year.

### **Assessment of the work of the Board**

The Board of Directors of Catena Media is evaluated every year with the aim of both developing the Board's work and creating a basis for the Nomination Committee's evaluation of the Board's composition. The evaluation of the Board in 2018 took place by the members completing a questionnaire drawn up by the Chairwoman of the Board. An anonymised compilation of the questionnaires was presented to the Nomination Committee in December 2018 and to the Board of Directors in connection with the ordinary Board meeting in December 2018.

### **Remuneration of the Board**

Remuneration and other benefits to the Board and the Chair of the Board, including Board committees, are decided by the Company's shareholders at the General Meeting. At the Annual General Meeting on 26 April 2018, in accordance with the proposal from the Nomination Committee, it was decided that the remuneration to the Board shall be paid in the amount of EUR 80,000 to the Chair of the Board and EUR 35,000 to each of the other Board members. The Annual General Meeting also resolved that remuneration of the Board's various committees, for the period until the next Annual General Meeting, shall be paid as follows:

- EUR 12,500 to the Chair of the Audit Committee and EUR 6,250 to its other members.
- EUR 6,250 to the Chair of the Remuneration Committee and EUR 3,125 to its other members.

### **BOARD MEMBER ATTENDANCE AT BOARD AND COMMITTEE MEETINGS 2018**

NAME	Board meetings	Remuneration Committee	Audit Committee
Kathryn Moore Baker (Chairwoman of the Board)	17/17	2/6	3/6
Henrik Persson Ekdahl	16/17	-	-
André Lavold	17/17	-	5/6
Cecilia Qvist	8/17	-	-
Øystein Engebretsen	3/17	2/6	-
Mats Alders	15/17	-	6/6
Mathias Hermansson	15/17	4/6	0/6
Anders Brandt	13/17	4/6	-



**Board Info**

- Cecilia Qvist was elected as a director 26 April 2018. The appointment was registered with the Maltese authorities on 16 May 2018.
- Anders Brandt resigned and was replaced by Øystein Engebretsen on 25 September 2018.

**Rem Com Composition**

- Between 01/01/18 and 26/04/18 : Kathryn (chair) and Anders.
- Between 26/04/18 and 25/09/18 : Mathias (chair) and Anders (after AGM 2018).
- Between 25/09/18 until present: Mathias (chair), Øystein (Anders Brandt resigns).

**Audit Com Composition**

- Between 01/01/18 until 26/04/18 : Mats (Chair), Mathias and Andre (after AGM 2018).
- Between 26/04/18 until present : Mats (Chair), Kathryn and Andre.

**REMUNERATION OF BOARD MEMBERS DURING THE 2018 FINANCIAL YEAR**

BOARD MEMBER	Director's fee (EUR)	Remuneration for Remuneration Committee (EUR)	Remuneration for Audit Committee (EUR)	Total Remuneration (EUR)
Kathryn Moore Baker (Chairwoman of the Board)	76,822	1,986	4,264	83,072 <sup>1)</sup>
Henrik Persson Ekdahl <sup>2)3)</sup>	33,411	–	–	33,411 <sup>4)</sup>
André Lavold <sup>2)</sup>	33,411	–	6,250	39,661 <sup>5)</sup>
Anders Brandt	24,109	2,295	–	26,404
Mats Alders	33,411	–	12,500	45,911
Mathias Hermansson	33,411	4,264	1,986	39,661
Cecilia Qvist	23,877	–	–	23,877
Øystein Engebretsen	9,301	830	–	10,131

1) In addition to this, Kathryn Moore Baker received remuneration of USD 10,000 for Board assignments in the Company's subsidiary Catena Media US Inc.

2) Henrik Persson Ekdahl and André Lavold were until 14 of September 2018 not independent in relation to the Company's major shareholders since they together, via Optimizer Invest Ltd, owned 7,274,412 shares in the Company, corresponding to approximately 13.47 percent of the total number of shares and votes in the Company at the time. Optimizer Invest Ltd is no longer a major shareholder.

3) Henrik Persson Ekdahl was the acting CEO of the Company from 4 October 2018 until 3 June 2018 and is subsequently not considered to be independent in relation to the Company and its management. Henrik Persson Ekdahl did not received any remuneration for his Directorship during the time he was the acting CEO of the Company.

4) Henrik Persson Ekdahl invoices his remuneration through Optimizer Invest Ltd, a shareholder of Catena Media.

5) André Lavold invoices his remuneration through Optimizer Invest Ltd, a shareholder of Catena Media.

**5. BOARD COMMITTEES**

The Board has established two committees: the Audit Committee and the Remuneration Committee, with the aim of structuring, streamlining and assuring the quality of work in these areas. Committee members are appointed annually by the Board at the first Board meeting after the Annual General Meeting.

**Audit Committee**

The Audit Committee shall consist of at least three members. The members of the Audit Committee may not be employees of the Company. The Audit Committee's members are Mats Alders (Chair), Kathryn Moore Baker and André Lavold.

Among other things, the Audit Committee shall fulfil the following tasks:

- Monitoring the Company's financial reporting and submitting recommendations and proposals to ensure the reliability of the reporting.
- Annually monitoring risks and risk management with regard to financial reporting, including monitoring the efficiency of the Company's internal controls and evaluating the routines for bookkeeping and reporting, to enable reliable financial reporting.
- Staying informed of the audit of the annual report and the consolidated financial statements and of the conclusions of the Supervisory Board of Public Accountants' quality control, and maintaining continuous contact with the Company's accounting department, with the aim of facilitating audits.
- Informing the Board of the results of the audit and of the manner in which the audit contributed to the reliability of financial reporting, and which function the committee had.
- Identifying and evaluating operational risks and reviewing how management handles them.

- Reviewing and monitoring the auditor's impartiality and independence, paying particular attention to whether the auditor provides services other than auditing to the Company.
- Assisting in the preparation of proposals for the General Meeting's resolutions regarding electing auditors.

The Company's employees and auditors can be summoned to the committee's meetings to provide detailed information on specific reports or questions. The committee's meeting minutes are archived and available to all Board members. The committee's Chair reports to the Board at the Board meetings regarding the issues discussed and presented at the committee's meetings. According to its established formal work plan, the Audit Committee shall meet at least five times a year. The Chair of the Audit Committee can convene additional meetings if required. The Audit Committee held five meetings in 2018.

**Remuneration Committee**

According to the Code, the members of the Remuneration Committee must be independent in relation to the Company and company management. The Board's Remuneration Committee continuously evaluates the senior executives' terms of remuneration in light of current market conditions. The committee prepares matters in these areas for decision by the Board.

The Remuneration Committee has at least two members who can be appointed by the Board annually. The Remuneration Committee consists of Mathias Hermansson (Chair) and Øystein Engebretsen. Anders Brandt was a member of the committee until 25 October 2018, when he was replaced by Øystein Engebretsen, as Anders Brandt resigned from the Board of Directors.

Among other things, the Remuneration Committee has the tasks of:

- Preparing the Board's decisions in matters concerning principles of remuneration, compensation and other terms of employment for Group management.
- Monitoring and evaluating on-going programmes and programmes concluded during the year for variable remuneration for company management.
- Monitoring and evaluating the application of the guidelines for remuneration of senior executives, as resolved by the Annual General Meeting, as well as by applicable remuneration structures and levels in the Company.

The committee's meeting minutes are archived and available to all Board members. The committee's Chair reports to the Board at the Board meetings regarding the issues discussed and presented at the committee's meetings. According to its established formal work plan, the committee shall meet at least twice a year. The Remuneration Committee held six meetings in 2018.

## 6. AUDITORS

The Annual General Meeting elects the Company's auditors. At the Annual General Meeting on 26 April 2018, PricewaterhouseCoopers Malta was elected as the Company's auditor for the time, until the 2019 Annual General Meeting. Romina Soler, Authorised Public Accountant and member of the Malta Institute of Accountants, is the engagement leader. The auditor has the task of auditing Catena Media's annual report on behalf of the shareholders, and making a statement on whether or not the annual report provides a true and fair view, according to IFRS as adopted by the EU, and requirements of the Maltese Companies Act (Chapter 386 of the Laws of Malta). In connection with the nine-month report, the auditor also conducts a review according to ISRE 2410. The 2018 Annual General Meeting passed a resolution that remuneration of the Company's auditor shall be payable in accordance with an approved invoice.

## 7. CEO AND GROUP MANAGEMENT

### CEO

The CEO is subordinate to the Board and is responsible for the Company's on-going management and the operation of the Company. The division of work between the Board and the CEO is set forth in the formal work plan for the Board and the CEO's instructions. The CEO is responsible for leading operations in accordance with the Board's guidelines and instructions and for the Board obtaining information and necessary decision input. The CEO appoints the members of Group management, leads its work and makes decisions after consulting with its members. The CEO is also a presenter at Board meetings and shall ensure that Board members are continuously sent the information needed to monitor the Company's and group's position, performance, liquidity and development. The CEO's work is continuously evaluated by the Board in accordance with the requirements of the Code.

As of 4 June 2018, Per Hellberg is the CEO of the company. Henrik Persson Ekdahl was the acting CEO of the Company from 3 October 2017 until 3 June 2018. For further information on the acting CEO's education, professional experience and holdings in the Company, please refer to page 99 in the annual report and the Company's website, [www.catenamedia.com](http://www.catenamedia.com).

### Group Management

At the beginning of 2018, Group management consisted of Henrik Persson Ekdahl (acting CEO), Johannes Bergh (Chief Operating Officer), Pia-Lena Olofsson (Chief Financial Officer), Åsa Hillsten (Head of IR and Communications), Louise Wendel (Head of Legal) and Andreas Ericsson (Head of M&A). In June 2018, Per Hellberg became the CEO of the Company.

Åsa Hillsten and Pia-Lena Olofsson started their employment on 8 January 2018.

For further information on Group management's education, professional experience and holdings in the Company, please refer to pages 101 in the annual report and the Company's website, [www.catenamedia.com](http://www.catenamedia.com).

### Guidelines for remuneration of the CEO and Group management

The Annual General Meeting on 26 April 2018 resolved to approve the guidelines below on remuneration of senior executives in the Company to apply until the 2019 Annual General Meeting.

Remuneration and terms of employment for the CEO and other senior executives currently five people shall be formulated with the aim of ensuring the Company's access to executives with the right expertise. Remuneration shall comprise fixed salary and possible variable remuneration. Remuneration shall be market-based and competitive and relate to the executive's responsibilities and authority. Possible variable remuneration shall be limited to a maximum amount and relate to predetermined and measurable criteria, formulated with the aim of promoting the Company's long-term value creation. If cash compensation is paid based on information that later proves to be clearly incorrect, the Company shall have the right to demand back such compensation. If the Company's profit before tax is negative, no variable remuneration shall be paid out. The CEO's variable remuneration shall be limited to 80 percent of the annual base salary. The variable remuneration shall be based on individual objectives that are to be established by the Board. Examples of such objectives are operational earnings and development, as well as quality targets. For senior executives other than the CEO, the variable remuneration shall be limited to 70 percent of annual base salary, and be based on results in the senior executive's area of responsibility, and fulfilment of individual objectives. At any time, the Board shall be able to offer long-term share-related incentive programmes, which shall be approved by a General Meeting. Senior executives may also receive other customary benefits such as occupational health care, housing allowances, etc. The CEO shall be entitled to a severance pay corresponding to six monthly salaries upon termination by the Company. In addition to their fixed monthly salary, other senior executives shall be able to receive a severance pay during the period of notice corresponding to a maximum of three months' base salary.

The Board has the possibility of deviating from the above guidelines if there are special reasons in the individual case that motivate it. If this happens, the reasons for the deviation shall be reported at the subsequent Annual General Meeting.

# System for internal control and risk management

## INTRODUCTION

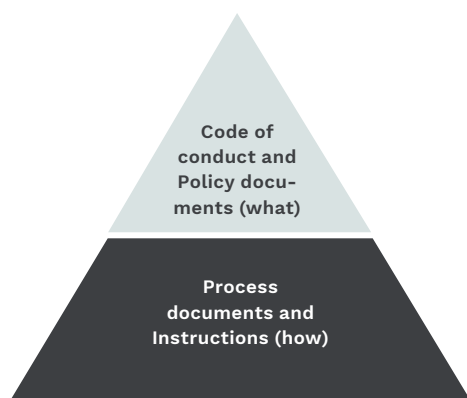
The objective of the internal control is to achieve an effective organisation that achieves the goals set by the Board of Catena Media. This means ensuring, with reasonable certainty, that the Company's business is carried out correctly and efficiently, and ensuring correct and reliable financial reporting in accordance with applicable rules and laws. Catena Media has chosen to structure internal control in accordance with the established COSO framework for internal control: control environment, risk assessment, control activities, information and communication, and monitoring and follow-up.

## CONTROL ENVIRONMENT

Catena Media's control environment is based on the division of work between the Board, Board committees and the CEO, as well as the values that the Board and Group management communicate and base the work on. To retain and develop a control environment, to comply with applicable laws and rules and so that the Group's desired way of running the business is implemented in the entire Group, the Board, as the topmost responsible body, has established a number of basic documents of significance to risk management and the internal control. These consist of steering documents, policies, procedures and instructions. These documents include the Board's formal work plan, instructions to the CEO, instructions for financial reporting, the Group's code of conduct and insider policy.

Policies, procedural descriptions and instructions are distributed to affected employees in the Group and signed by the staff through the Group's compliance platform. It is mandatory for all employees in the Group to read, understand and sign off on the company policies and comply with the Group's code of conduct. Employees also conduct regular tests to ensure that they are familiar with the content of relevant policies, procedural descriptions and instructions. In 2018 the company focused on education and training in GDPR, and how it works in a listed environment.

Steering documents are defined as follows:



## RISK ASSESSMENT

Catena Media has developed a process for risk assessment in which the Company performs an annual risk analysis and risk assessment. Risks are identified and categorised as follows

- Strategic risks
- Operational risks
- Financial risk
- Risks regarding rule compliance

The Company's goal for the risk analysis is to identify the greatest risks that can prevent the Company from achieving its objectives or fulfilling its strategy. The goal is also to evaluate these risks, based on the likelihood that they arise during upcoming periods and the degree to which risks could affect the Company's objectives, if they were to occur.

Each individual risk has a "risk owner" in the organisation with the responsibility of ensuring that measures and controls are in place and implemented. The risk owner is also responsible for monitoring, following up and reporting changes in the Group's risk exposure to identified risks.

Group management reports identified risks to the Audit Committee. Through the Audit Committee, the Board evaluates the Group's risk management system and related procedures, including risk assessments, in an annual risk report where the top-20 risks are reviewed in detail. This is to ensure that material risks are managed and that controls are implemented to counteract identified risks.

The Company's management deems that the greatest operational risk is related to changes in the regulatory and legislative environment and changing marketing activities of operators (Catena Media's customers), which in turn affect growth and put commercial pressure on the Company. Examples of changes occurring in 2018 are more stringent legislation in the UK and the advertising ban in Italy.

## CONTROL ACTIVITIES

The Company has established a risk management procedure that includes a number of key controls of those things that must be established and function in the risk management processes. The control requirements are an important instrument that enables the Company's Board to lead, to evaluate information from Group management, and to take responsibility for identified risks.

The Company focuses on mapping and evaluating the largest risks related to financial reporting, to ensure that the Group's reporting is correct and reliable. One example of such a control is that the Group regularly does an impairment test of the Group's intangible assets, with the aim of assessing return and possible impairment requirements.

## INFORMATION AND COMMUNICATION

Internal communication to the Group's employees takes place in several ways: through newsletters and formal policies; instructions are communicated to management and employees through a compliance platform, which makes it possible to check that all employees read, understand and sign off on the policies, procedures and instructions relevant to their work in the Group.

Such policies include the policies the Company has

## ROLE DISTRIBUTION IN CATENA MEDIA – INTERNAL CONTROL AND RISK MANAGEMENT

ROLE	Responsibility
Board of Directors	Utmost responsible for reviewing risks and controls in the Company.
Audit Committee	Reports results from the audit meetings with the Board and initiates audits when necessary.
Remuneration Committee	Prepares the Board's decisions in issues concerning remuneration principles, remuneration and terms of employment for the CEO and Group management. The committee also has the task of evaluating and preparing proposals on incentive programmes.
Group Management	Operationally responsible for controls being in place to reduce identified risks. Ensuring that there are relevant steering documents that are implemented and ensuring that employees have adequate knowledge of internal control.
CFO	Operationally responsible for financial reporting, including ensuring adequate internal control for the financial statements.

prepared with the aim of informing employees and others affected in the Group of the laws and rules that are applicable to the distribution of information, and the special requirements placed on people active in a listed company regarding, e.g. insider information. Due to this, the Company has also established procedures for suitable management and limitation of the spread of information that has not yet been made public. The Company's CEO has, on behalf of the Board, been given the overall responsibility for managing issues concerning insider information and the Board has appointed the Head of Legal as responsible for keeping the insider list.

The Company's IR function is led and monitored by the Company's CFO and Head of IR and Communications. The main tasks of the IR function are to support the CEO and senior executives in relation to capital markets. The IR function also works, together with the CEO, to prepare the Company's financial statements, General Meetings, capital market presentations and other regular reporting on IR activities.

### MONITORING/FOLLOW-UP

Every year, a self-evaluation is done of the effectiveness of the key roles and a risk report is prepared that summarises self-evaluations done, and presents any deviations that must be addressed. The risk report is presented to the Board annually. The Board also receives reports on the Group's income, earnings and financial position every month, and the Group's quarterly reports, other financial reports and the annual reports are always addressed by the Board before they are published. In addition, the Group's policies are subject to the Board's annual review.

Follow-up activities:

- Annual review and approval of policies by the Board
- Reporting of risk analysis once a year to the Board
- Annual reporting of self-evaluation
- Monthly/on-going follow-up of financial statements

### INTERNAL AUDIT

Catena Media has chosen not to establish a formal audit function in the Company, but rather opted to focus on implementing a process for identification of risks, establishment of controls and a self-evaluation of controls. The framework itself, the results and the outcomes are reviewed by Group management and the Board. The head of each area and function in the Company has responsibility for carrying out the self-evaluation and the Audit Committee is responsible together with the Board for complying with established principles for internal control. The Audit Committee has full freedom to call for an external review of parts of the Group, if deemed necessary. For external reviews, external advisers can be engaged to conduct the review, especially to obtain a second opinion if the Company finds it necessary. The Company has a function for rule compliance in the legal team that liaises with the CEO and the Chairwoman of the Board.



RISK AND CONTROLS – ANNUAL CYCLE

