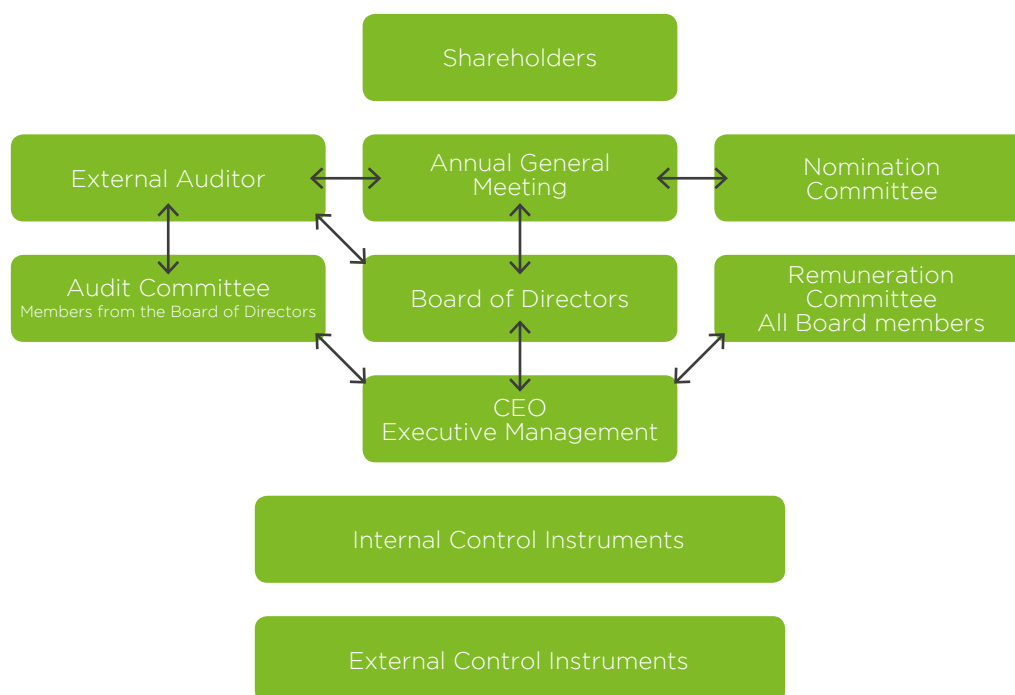


Corporate Governance Report

Pricer's governance



Pricer AB (publ) is a Swedish public company domiciled in Stockholm. The company's Class B share is quoted on the Small Cap list of Nasdaq Stockholm.

This corporate governance report has been prepared in accordance with the Annual Accounts Act and the rules in the Swedish Corporate Governance Code, "the Code" (more information about the Code is available at www.bolagsstyrning.se).

This report has been submitted by the Board of Directors of Pricer AB but is not part of the formal financial statements. According to the Board of Directors, Pricer has followed the Code in all respects during 2018. The report has been read by the company's auditor, who has issued a separate opinion that the statutory information in the corporate governance report is consistent with that in the annual report and the consolidated financial statements.

Share structure and ownership

Pricer has two classes of shares: Class A and Class B. Class A shares carry five votes per share and Class B shares carry one vote per share. There were 225,523 A shares and 110,746,258 B shares, all with a quota value of one SEK (1) each.

The number of shareholders at 31 December 2018 was 15,704. The ten largest shareholders held 42 percent of the number of shares and 42 percent of the number of votes. For more information about the shareholders, see pages 68-69.

Annual General Meeting

Pricer's highest governing body is the AGM, where all shareholders have the right to attend, have matters

addressed and vote for all their shares. The AGM is held once per year (if applicable an Extraordinary General Meeting may also be held). The AGM appoints the Board members and the Chair of the Board, elects the auditors, and decides on amendments to the Articles of Association. In addition, the AGM adopts the income statements and balance sheets and approves the appropriation of the company's profit or loss. The AGM also decides on discharge from liability for the Board members and the CEO, decides on fees for the Board and auditors and establishes the principles for remuneration to the CEO and senior executives. The AGM of Pricer is normally held in April or May in Stockholm. The date and location of the AGM is announced as soon as the Board has made its decision, normally in connection with the Q3 report. Information about the date and location of the AGM can be found on the company's website www.pricer.com.

Notice of the AGM is published by announcement in the Swedish official journal Post- och Inrikes Tidningar, in the newspaper Svenska Dagbladet and on the company's website. Shareholders who are registered in their own name in the share register maintained by Euroclear Sweden AB on the record date and have notified the company by the specified date are entitled to attend the AGM and vote for their shares. Shareholders who are unable to attend may be represented by proxy.

All information about the company's general meetings is available on the company's website.

The company's Articles of Association contain no restrictions on the number of votes each shareholder may cast at a general meeting, nor is the issue of amending the Articles of Association regulated.

Nomination Committee

The Nomination Committee represent Pricer's shareholders. The tasks of the Nomination Committee are to evaluate the composition and performance of the Board and prepare proposals for approval by the AGM regarding the election of the Chair of the AGM, the Chair of the Board, Board members and auditors. The Nomination Committee should also prepare proposals for the AGM regarding fees to the Board and auditors. Finally, the Nomination Committee proposes principles for the appointment of a new Nomination Committee. Shareholders may submit proposals to the Nomination Committee in accordance with the instructions on the company's website.

According to the Code, the Nomination Committee should consist of at least three members, one of whom should be appointed the chair. The general meeting of shareholders should appoint the members of the Nomination Committee or specify how they should be appointed.

Board of Directors

Size and composition

Board members are appointed by the shareholders at the AGM for the period until the end of the next AGM. In accordance with the Code, the Chair of the Board is also appointed by the AGM.

In accordance with the Articles of Association, the Board of Pricer should consist of a minimum of three and a maximum of seven members, and the AGM should decide on the exact number of Board members. The Articles of Association contain no specific provisions regarding the appointment or dismissal of Board members.

For a presentation of the Board members, see page 28.

Role

The Chair of the Board is responsible for organizing and overseeing the work of the Board and ensuring that it is performed in accordance with the applicable rules. The Chair of the Board continuously monitors operations through a dialogue with the CEO and ensures that the Board is provided with the information and documentation necessary for it to discharge its duties. The Chair of the Board is responsible for ensuring that the work of the Board is well-organized and carried out efficiently and that the Board discharges its obligations. He is responsible for ensuring that the other Board members receive the information and documentation necessary for a high quality in the discussion and decisions and checks that the Board's decisions are carried out.

The Board is responsible for the company's strategy and organization as well as the management of the company's affairs. The Board ensures that the company's organization is designed to ensure that accounting, cash management and other financial matters are controlled in a satisfactory manner. The Board continuously monitors the financial situation of the company and the Group, which is reported monthly, to ensure that the Board can meet its assessment obligation as required by law and the listing rules. The work of the Board is governed by specially formulated working procedures. Generally, the Board handles matters of material significance to the Group, such as strategic plans, budgets and forecasts, product planning, working capital, financing and the acquisition of operations, businesses or significant investments

Committees

The Board has appointed an Audit Committee. Within the framework of the Board's duties, the Audit Committee should monitor the company's financial reporting and prepare issues regarding the company's financial reporting and audit in accordance with Chapter 8, section 49b of

the Swedish Companies Act and fulfill the duties imposed by EU Regulation No 537/2014. The Audit Committee has also regularly supported the CEO in major financing and structural issues and in preparation of these matters for the Board.

The Board of Directors decided not to establish a Remuneration Committee. The Board considers it to be more suitable for its members to discharge the tasks applied to the Remuneration Committee in accordance with the Code. The Board of Directors deals with issues related to remuneration and terms of employment for senior executives and the preparation of draft guidelines for remuneration to the CEO and senior executives, which the Board submits for resolution by the AGM.

Evaluation of the Board

The Chair of the Board is responsible for the evaluation of the Board of Directors' performance, including the contributions of individual members. This is done through a structured yearly self-assessment that is followed by discussions within the Board and the Nomination Committee, where the compiled results of the survey, including any comments made, are presented by reviewing the individual answers as well as the average and standard deviation for each question.

CEO and Executive Management

The CEO is appointed and dismissed by the Board and his/her performance is evaluated regularly by the Board, which occurs without the presence of company's management. The company's CEO supervises the ongoing operational activities. Written instructions define the division of responsibilities between the Board of Directors and the CEO. The CEO reports to the Board and presents a special CEO report at each Board meeting, which among other things contains information about how the business is performing based on the decisions taken by the Board.

The CEO prepares the agenda in consultation with the Chair ahead of each meeting and determines the required supporting data and documentation necessary to deal with the matters at hand. Other members may request that certain matters be added to the agenda. Prior to each scheduled meeting, the CEO provides the Board with a status report containing at least the following points: market, sales, production, research and development, finance, staff issues and, where appropriate, legal disputes.

At the end of the year, Pricer's Executive Management consisted of seven members in addition to the CEO. Each of the members has operating responsibility for part of the organization. For a presentation of the members of Executive Management, see page 29.

External Auditor

The Auditor is appointed by the AGM following a proposal by the Nomination Committee. The auditing firm of Ernst & Young AB was elected auditor by the 2018 AGM, with Authorized Public Accountant Rickard Andersson as auditor-in-charge.

Control instruments

Corporate governance within Pricer takes place through external rules such as the Swedish Companies Act, Nasdaq Stockholm's Rules for Issuers, the Swedish Corporate Governance Code ("the Code") and other relevant laws, ordinances and rules.

The internal regulatory framework that regulates the governance of Pricer consists mainly of the Articles of Association, the rules of procedure for the Board, the instructions for the CEO and other policy documents adopted by the Board for various areas, e.g. attest and authorization rules, finance, communication, and diversity.

2018 Annual General Meeting

The AGM was held on 26 April 2018 and was attended by 45 shareholders representing 24.7 percent of the votes and 24.9 percent of the number of shares in the company. Pricer's Board of Directors, Executive Management and the company's auditors were present at the meeting. The AGM adopted the following resolutions:

- The income statement, balance sheet and consolidated income statement and consolidated balance sheet were adopted.
- The proposed dividend of SEK 0.50 per share was adopted.
- The Board of Directors and the CEO were discharged from liability for the 2017 financial year.
- Board fees for the next term of office were set at a total of SEK 1,375,000, and it was resolved that fees to the auditors would be paid in accordance with the company's approved account.
- Re-election of Board member Bernt Ingman, who was also elected Chair of the Board, and re-election of the following Board members:
 - Hans Granberg
 - Jenni Virnes
 - Jonas Guldstrand
 - and Thomas Krishan was newly elected to the Board of Directors
- Re-election of Ernst & Young AB as the company's auditor for the period until the end of the next AGM in accordance with the proposal of the Nomination Committee and the recommendation of the Audit Committee.
- The Nomination Committee's proposal regarding principles for appointment of the Nomination Committee for the 2019 AGM were adopted.
- The principles for remuneration to senior executives were adopted.
- Long-term incentive program according to the Board of Director's proposal.
- Authorization for the Board of Directors to decide on the issue of new Class B shares as proposed by the Board.
- Authorization for the Board of Directors to decide on the repurchase and transfer of the company's treasury shares as proposed to the AGM.

The AGM's decision in its entirety is set out in the full minutes of the AGM (in Swedish), which together with other

information about the AGM is available on the company's website, www.pricer.com.

Work performed by the Board of Directors

The Board held 14 meetings during the 2018 financial year. The attendance of the Board members at these meetings is shown in the below table.

The CEO and CFO attend all Board meetings, except in cases where issues involve obstacles due to conflicts of interest, such as when remuneration for the CEO is determined or when the performance of the CEO is evaluated. The company's auditors attended one Board meeting in 2018.

The meetings have preferably been held at the company's headquarters in Stockholm or by telephone.

The Board's work in 2018 has followed an annual action plan that is set for each new fiscal year. In addition to the regular action plan, the Board prepared a proposal prior to the 2018 AGM for a new long-term incentive program for Executive Management executives, which was then adopted at the AGM in 2018.

The Board of Directors decided on 24 July 2018 to appoint the company's Acting President Helena Holmgren to the position President and CEO.

The Board serves as the Remuneration Committee and has prepared issues related to remuneration and terms of employment for Executive Management.

The Audit Committee consisted of Board members Bernt Ingman and Hans Granberg. The committee held five meetings, of which the company's auditor participated in three. The work of the committee during the year mainly focused on the company's Finance Policy and new IFRS regulations.

For 2018, the work of the Board of Directors has been evaluated by the Board through an online evaluation conducted by an external supplier, in which the members of the Board individually and anonymously consider statements regarding the Board as a whole, the Chair of the Board, the CEO's work in the Board and their own work. The evaluation focuses, for example, on improving the efficiency and focus areas of the Board as well as the need of specific skills and working methods. The evaluation was then presented to the Nomination Committee and has provided the basis for proposals for Board members and remuneration levels.

With regard to the company's business, stage of development and other circumstances, it is the Board's opinion that the Board has an appropriate composition characterized by diversity and breadth regarding the members' skills, experience and background.

Board members' attendance 2018

Board members	Year of election	Remuneration, SEK thousands	Independent in relation to the company and its management	Independent in relation to the company's larger shareholders	Attendance at meetings ¹⁾	
					Board of Directors (14)	Audit Committee (5)
Bernt Ingman, chair	2014	475	Yes	Yes	14/14	5/5
Hans Granberg	2014	220	Yes	Yes	14/14	5/5
Olof Sand ²⁾	2015	73	Yes	Yes	4/5	
Jenni Virnes	2016	220	Yes	Yes	14/14	
Jonas Guldstrand	2017	220	Yes	Yes	13/14	
Thomas Krishan ³⁾	2018	147	Yes	Yes	9/9	
Total remuneration:		1,375				

1) Refers to the period 1 January - 31 December 2018.

2) Olof Sand left the Board at the AGM held on 26 April 2018.

3) Thomas Krishan was elected at the AGM held on 26 April 2018.

Remuneration

Board of Directors

The 2018 AGM resolved, in accordance with the proposal from the Nomination Committee, that remuneration to the Board would total SEK 1,375,000, of which SEK 495,000 would be paid to the Chair of the Board and SEK 220,000 to each of the other four members.

No specific remuneration was paid to Board members elected to the Audit Committee.

In addition to the above remuneration, no other remuneration or financial instruments were paid or made available other than pure reimbursement for outlays.

External auditors

The 2018 AGM resolved to approve the Nomination Committee's proposal that fees to the auditors be paid in accordance with the company's approved account.

CEO and senior executives

The 2018 AGM resolved to approve the Board's proposal for guidelines regarding remuneration to Executive Management. Remuneration to the CEO and senior executives is determined by the Board after proposals from the Remuneration Committee.

Compliance with the Swedish stock exchange rules in 2018

During the 2018 financial year, Pricer has not been subject to any decision by Nasdaq Stockholm's disciplinary committee or the Swedish Securities Council regarding violations of Nasdaq Stockholm's regulatory framework or good practices in the stock market.

Nomination Committee 2019

The Nomination Committee for the 2019 AGM was announced on 18 October 2018 through a press release and on the company's website. The committee consists of Göran Sundholm, Ulf Palm, Göran Bronner, and Gunnar Ek, who is Chair of the Nomination Committee, as well as Bernt Ingman, Chair of the Board of Directors.

The members of the Nomination Committee are independent in relation to the company and its management. Apart from Göran Sundholm (ownership via Nordea Bank AB), all members of the Nomination Committee are independent in relation to the company's largest shareholder in terms of voting power.

The Nomination Committee held six meetings prior to the AGM.

The proposal from the Nomination Committee to the 2019 AGM is available at www.pricer.com.

No special remuneration was paid to the Nomination Committee members.

Diversity policy

The Nomination Committee of Pricer AB has applied Rule 4.1 of the Swedish Code of Corporate Governance as a diversity policy in the preparation of proposals for the Board. Accordingly, Pricer's Board of Directors should consist of a well-balanced mix of skills that are essential for managing Pricer's strategic work in a responsible and successful manner. In order to achieve this, knowledge is sought in areas such as retail, digital commerce, corporate governance, compliance with rules and regulations, finance and financial analysis and remuneration issues. Previous board experience is another important qualification. Furthermore, it is important that the Board members do not have too many executive or non-executive assignments to allow them to spend the time required for their board work for Pricer AB.

The Nomination Committee believes that breadth and diversity in areas such as age, nationality, educational background, gender, experience and expertise are represented among the proposed members of the Board.

The Nomination Committee further believes that the diversity issue is important and that it is important for future nomination committees to continue working actively to achieve a well-balanced gender distribution on the Board.

The 2018 AGM resolved in accordance with the Nomination Committee's proposal, which meant that five members were elected, one woman and four men, with a composition otherwise based on the criteria addressed by the diversity policy. In the Nomination Committee's work prior to the 2019 AGM, the diversity policy has been applied as described above. This resulted in the Nomination Committee's proposal to the AGM of a total of six members, one woman and five men according to the notice of the AGM.

Internal control over financial reporting

The Board is responsible for internal control, pursuant to the Swedish Companies Act and the Code.

The Swedish Annual Accounts Act requires the company to prepare an annual description of the company's internal control and risk management system regarding the financial reporting. The Board has overall responsibility for the financial reporting. The Audit Committee has an important task in preparing the Board's work on quality assurance of the financial reporting. This preparation includes issues regarding internal control and compliance, control of carrying amounts, estimates, assessments and other factors that may affect the quality of the financial reports. The committee has commissioned the company's auditor to examine in particular how well the rules for internal control, both comprehensive and detailed, are complied with in the company.

Pricer's internal control process should provide reasonable assurance regarding the quality and reliability of its financial reporting. It should also ensure that reports are prepared in accordance with the applicable laws and regulations and the requirements that apply to publicly listed companies in Sweden.

Control environment

Pricer's internal control over financial reporting is based on the organizational and system structures, decision-making paths and separation of duties that are documented and communicated in control documents, policies and manuals. The Board has adopted rules of procedure that regulate the Board's responsibilities and work on the Board's committees. To uphold an effective control environment and good internal control, the Board has delegated practical responsibility to the CEO and drafted instructions for the CEO. To safeguard the quality of the financial reporting, the company has a number of internal control instruments, such as attest and authorization routines, and a standard model for ongoing monthly reporting that has been designed together with the Board. Pricer uses an integrated ERP system, which handles all financial flows.

Risk assessment

Regarding the financial reporting, the risks are assessed to lie primarily in the possibility that material errors may arise in the accounting for the company's financial position and results. The Board is responsible for ensuring that significant financial risks and risks of misstatement in the financial statements are identified and dealt with.

Control activities and monitoring

The company also has a number of control activities aimed at ensuring the accuracy and completeness of the financial statements. Routines and actions have been designed to manage significant risks related to the financial statements, which have been identified in the risk assessment. Control activities are available at both a general and detailed level in the Group. For example, complete monthly financial statements are prepared and monitored by the responsible unit and function managers and controllers.

Executive Management meets at least once a month for a review of the business situation. In addition, representatives from the finance function visit Group companies several times a year to discuss current issues, review performance and financial position and verify that processes are being followed and developed. The Board monitors the activities through monthly reports in which the CEO comments on business performance, results and financial position. Measures and activities aimed at strengthening and optimizing internal controls are implemented on a regular basis.

Internal control is monitored continuously. This is done primarily in the form of deviation reporting against budget/forecast and the previous year's outcome. The Board reviews each interim report and discusses the content with the CFO and, when appropriate, with the company's auditor. The company monitors the areas for improvement in internal control that are reported by the external auditor. Furthermore, the CEO and the CFO hold regular meetings with the Board's Audit Committee to discuss financial matters on an ongoing basis. The finance staff employed in the subsidiaries have explicit responsibility for reporting deviations to the central finance and controller organization. In accordance with the rules in the Swedish Corporate Governance Code, the Board has assessed the need for a special internal audit function. Against this background, the Board of Directors is of the opinion that there is no need in the company at present.

Work performed during the year

The work to improve the company's internal control has continued through development of the integrated ERP system used by most of the company's subsidiaries, together with reporting tools to improve reporting quality and the analysis of the company's economic development. The finance department has also devoted a large part of the year to analyzing the consequences of and preparing for the transition to the new IFRS regulations, which will take effect on 1 January 2019, regarding lease contracts (IFRS 16), so that knowledge about the regulatory framework is spread internally and the effects of these regulations are reported in a correct manner in the company's financial statements.