

CORPORATE GOVERNANCE REPORT

The corporate governance report for Edgeware (the company) is presented below, and has been reviewed by the company's auditor. The report describes the division of responsibilities within Edgeware and also how the company's three decision-making bodies, the annual general meeting, board of directors and CEO, operate and interact.

APPLICATION OF SWEDISH CODE OF CORPORATE GOVERNANCE

Edgeware AB (publ) is a public Swedish stock corporation which is primarily governed by the following regulations:

- The Swedish Companies Act
- The Rule Book for Issuers NASDAQ Stockholm
- Edgeware's own articles of association and
- The Swedish Corporate Governance Code (the Code).

The company's board of directors has decided that Edgeware will apply the Code from the first day of listing on NASDAQ Stockholm (9 December 2016), even though the Code does not need to be fully applied until the first annual general meeting held the year after the listing.

The Code applies to all Swedish companies with shares listed on a regulated market in Sweden. However, the company is not obliged to comply with every rule in the Code as the Code itself provides for the possibility to deviate from the rules, provided that all deviations and the chosen alternative solutions are described and the reasons therefore are explained in the corporate governance report (the so-called "comply or explain principle").

Edgeware has no deviations from the Code to report in the corporate governance report for 2016.

ARTICLES OF ASSOCIATION

The current articles of association were adopted on 28 November 2016. As specified in the articles of association, the company's business is to, directly or indirectly, conduct development and sales of electronic systems for network applications and any other activities compatible therewith.

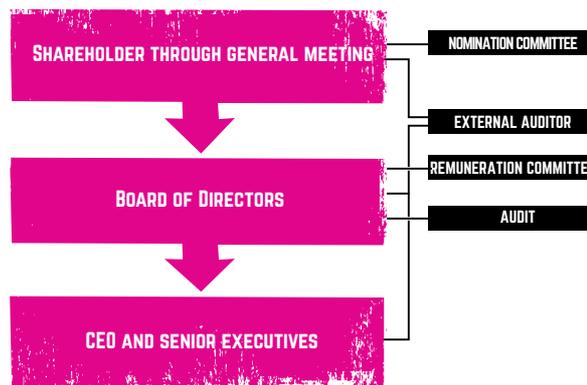
The articles of association establish, inter alia, the rights of shareholders, the number of members of the board and auditors, that the annual general meeting is to be held once a year within six months of the end of the financial year, how notice of the annual general meeting is to take place and that the company's registered office is in Stockholm.

The current articles of association are available on Edgeware's website: www.edgeware.tv

OWNERS

For information about the ownership structure and the largest owners, refer to page 32.

CORPORATE GOVERNANCE



ANNUAL GENERAL MEETING

According to the Swedish Companies Act (2005:551), the annual general meeting (AGM) is the company's highest decision-making body. At the AGM, all shareholders have the right to exercise their voting rights on key issues, such as the adoption of income statements and balance sheets, appropriation of the company's profit, discharge from liability of board members and the CEO, election of board members and auditors, and remuneration of the board and auditors.

Shareholders who wish to participate in the AGM must be included in the shareholders' register maintained by Euroclear Sweden on the day falling five workdays prior to the AGM, and notify the company of their intention

to participate no later than on the date stipulated in the notice convening the meeting. Shareholders may attend the AGM in person or by proxy and may also be accompanied by a maximum of two persons. Shareholders can usually register for shareholders' meetings in several different ways stated more specifically in the notice of the meeting. Shareholders are entitled to vote for all shares held by the shareholder.

In addition to the AGM, the company may convene extraordinary shareholders' meetings. Shareholders' meetings are to be held in Stockholm and notice of shareholders' meetings is to be published in the Swedish Official Gazette and be kept available on the company's website. At the time of the notice, an announcement with information that the notice has been issued is to be published in Svenska Dagbladet.

At the AGM for 2016, which was held on 30 June, Michael Ruffolo was elected as chairman of the board and Staffan Helgesson, Sigrun Hjelmquist, Jason Pinto, Lukas Holm, Karl Thedéen and Kent Sander as members of the board. The AGM also resolved on a targeted issue of shares.

In addition, on four occasions, 31 March, 29 April, 14 November and 28 November, the company held extraordinary shareholders' meetings to carry out new and bonus share issues, elect new members of the board, change its articles of association and company category and to implement a long-term share-based incentive scheme for senior executives and other issues related to the IPO on the main NASDAQ Stockholm list on 9 December 2016.

NOMINATION COMMITTEE

According to the Code, the company is to have a nomination committee tasked with submitting proposals regarding the chair of general meetings, board member candidates (including the chairman), fees and other remuneration for each board member and remuneration for committee work, the election and remuneration of external auditors, and proposals for membership of the nomination committee for the next AGM.

At the extraordinary shareholders' meeting held on 14 November 2016, the meeting resolved that the nomination committee for the 2017 AGM should be appointed by representatives of the three largest shareholders listed in the shareholders' register maintained by Euroclear Sweden as of 31 January 2017, together

with the chairman of the board, who will also convene the first meeting of the nomination committee.

The member representing the largest shareholder is to be appointed chairman of the nomination committee, unless the nomination committee unanimously appoints someone else. If one or more of the shareholders that appointed members to the nomination committee is no longer among the three largest shareholders earlier than three months before the AGM, members appointed by these shareholders are to withdraw and the shareholder that thereafter become one of the three largest shareholders can appoint their representatives. If a member withdraws from the nomination committee before the nomination committee's work is completed and the nomination committee considers it necessary to replace him or her, such a replacement representative is to be appointed by the same shareholder or, if the shareholder is no longer one of the largest shareholders, the largest shareholder in order.

Changes in the composition of the nomination committee must be announced immediately. The composition of the nomination committee for the AGM is normally to be announced no later than six months before the meeting.

No remuneration is to be paid to members of the nomination committee. Edgeware is to pay any expenses that the nomination committee may incur in its work. The term of office for the nomination committee ends when the composition of the subsequent nomination committee has been announced.

On 17th of February 2017 the appointment of the nomination committee in Edgeware was announced, which consists of representatives of the three largest shareholders as of 31 January 2017, Amadeus Capital Partners (23.1%), Creandum (18.8%) and Swedbank Robur Fonder (8.7%). The owners are represented by Kent Sander, Daniel Blomquist and Annika Andersson. The chairman of the board Michael Ruffolo convened the first meeting.

BOARD OF DIRECTORS

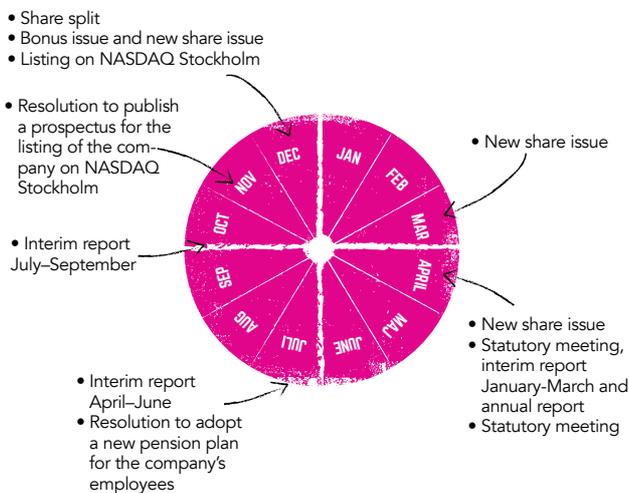
The board of directors is the company's highest decision-making body after the AGM. In accordance with the Swedish Companies Act, the board is responsible for the management and organisation of the company, which means the board is responsible for establishing targets and strategies, ensuring that procedures and

systems are in place for the evaluation of set targets, continuously evaluating the company's financial position and performance, and evaluating executive management, among other tasks. The board is also responsible for ensuring that the annual report and interim reports are prepared on time. Moreover, the board of directors appoints the CEO. Members of the board are normally appointed by the AGM for the period until the end of the following AGM.

According to the company's articles of association, the members of the board elected by the shareholders' meeting should number no fewer than three and no more than ten and have no deputy members. According to the Code, the chairman of the board is to be elected by the AGM and have a special responsibility for leading the work of the board of directors and for ensuring that the work of the board is efficiently organised.

The board of directors applies written rules of procedure, which are revised annually and adopted by the statutory board meeting every year. The rules of procedure govern, inter alia, the practices of the board of directors and the functions and the division of work between the members of the board and the CEO as well as between the board of directors and its committees. At the statutory board meeting, the board also adopts instructions for the CEO, including instructions for financial reporting.

The board of directors meets according to an annual predetermined schedule. In addition to these meetings, additional board meetings can be convened to address issues which cannot be postponed until the next scheduled board meeting. Besides the board meetings, the chairman of the board and the CEO continuously discuss the management of the company.



ANNUAL CYCLE FOR BOARD MEETINGS IN 2016

Currently, the company's board of directors consists of seven ordinary members elected by the shareholders' meeting, who are presented in section "Board of directors and senior executives" and also on the Edgeware website: www.edgeware.tv

During 2016, the board of directors held 16 meetings, two of which were statutory meetings. The frequent meetings were a result of an intensive year with preparations ahead of the IPO on NASDAQ Stockholm. Discussions by the board of directors in 2016 included:

15 March	Decision on a new share issue.
14 April	Decision on a new share issue.
29 April	Statutory meeting, interim report January-March 2016 and annual report 2015.
30 June	Statutory meeting.
28 July	Interim report April-June 2016. Resolution to adopt a new pension plan for the company's employees.
26 October	Interim report July-September 2016.
8 November	Resolution to disclose the company's intention to admit the company's shares to trading on NASDAQ Stockholm.
28 November	Resolution to publish a prospectus for the listing of the company on NASDAQ Stockholm.

Remuneration of the board of directors is reported in the section Remuneration and guidelines for remuneration in this corporate governance report.

BOARD COMMITTEES

The board of directors has established two committees within its ranks: An audit and a remuneration committee.

AUDIT COMMITTEE

According to the Code, the board of directors is to establish an audit committee comprising at least three board members.

Edgeware has an audit committee consisting of three members: Karl Thedéen (chairman), Staffan Helgesson and Sigrun Hjelmqvist. Without affecting the other responsibilities and tasks of the board, the audit committee is to monitor the company's financial reporting, monitor the effectiveness of the company's internal

control, internal audit and risk management, keep itself informed of the audit of the annual accounts and the consolidated accounts, examine and monitor the auditor's impartiality and independence, paying special attention to whether the auditor provides the company services other than auditing services, and assist in the preparation of proposals on the AGM's election of auditors. The audit committee was formed on 29 April 2016. During 2016, three meetings were held, on 29 April, 19 August and 26 October.

REMUNERATION COMMITTEE

Edgware has a remuneration committee consisting of three members: Kent Sander (chairman), Michael Ruffolo and Jason Pinto. The remuneration committee is to prepare proposals regarding the remuneration principles, remuneration and other terms of employment for the CEO and senior executives. The remuneration committee was formed on 29 April 2016. During 2016, two meetings were held, on 29 April and 16 August.

CEO AND OTHER SENIOR EXECUTIVES

The CEO is subordinated to the board of directors and is responsible for the everyday management and operations of the company in accordance with the Swedish Companies Act, other laws, regulations, current laws for listed companies including the Code and current instructions for the CEO and other instructions and strategies determined by the board of directors.

The division of work between the board of directors and the CEO is set out in the rules of procedure for the board of directors and in the CEO's instructions.

The CEO is also responsible for preparing reports and compiling information from management prior to board meetings and for presenting the material at the board meetings. According to the instructions for financial reporting, the CEO is responsible for financial reporting in the company and as such is to ensure that the board receives adequate information to be able to evaluate the company's financial position.

The CEO is to continuously keep the board informed of the development of the company's business, the sales trend, the company's financial position and performance, the liquidity and credit situation, important business events and any other event, circumstance or condition that can be assumed to be of material significance to the company's shareholders.

The CEO and executive management are presented in section "Board of director and, senior executives and auditor" in the 2016 annual report on pages 38-41 and on Edgware's website: www.edgware.tv

REMUNERATION AND GUIDELINES FOR REMUNERATION

Fees and other remuneration to the members of the board, including the chairman, are resolved by the shareholders' meeting. At the AGM held on 30 June 2016, it was resolved that the fee to the chairman of the board should be USD 150,000. At the AGM it was further resolved to pay fees totalling SEK 450,000 to board members not employed by the company or by the company's major shareholders, which entails SEK 150,000 to each of Karl Thedéen, Sigrun Hjelmqvist and Kent Sander. The company's board members are not entitled to any benefits after their assignments

BOARD ATTENDANCE

During the year, the Directors attended Board and committee meetings in the following extent

Board Member	No. of Board meetings	Attendance, %	No. of Committee meetings	Attendance, %
Michael Ruffolo	16	100	2 ¹⁾	100
Jason Pinto	16	100	2 ²⁾	100
Staffan Helgesson	16	100	3 ³⁾	100
Karl Henriksson ⁴⁾	2	100	–	–
Lukas Holm ⁵⁾	14	100	–	–
Karl Thedéen ⁶⁾	14	100	3 ⁷⁾	100
Sigrun Hjelmqvist ⁸⁾	13	100	3 ⁹⁾	100
Kent Sander	13	100	2 ¹⁰⁾	100

1) Remuneration committee 2) Remuneration committee 3) Audit committee 4) Karl Henriksson left the Board at the extra general meeting on March 31, 2016 5) Karl Thedéen was elected to the Board at the extra general meeting on March 31, 2016 6) Audit committee 7) Sigrun Hjelmqvist was elected to the Board at the extra general meeting on March 31, 2016 8) Audit committee 9) Remuneration committee 10) Remuneration committee

on the board have ended. Fees received for 2016 are reported in Note 12 of the 2016 annual report.

The extraordinary shareholders' meeting held on 14 November 2016 adopted guidelines for remuneration of the CEO and other senior executives. The remuneration payable to senior executives is to consist of fixed salary, variable remuneration, long-term variable remuneration and pension provisions. A resolution for an LTI programme has been confirmed by the board of directors.

The total remuneration is to be based on market terms and be competitive and well-balanced but not market-leading, and is to contribute to sound ethics and a sound corporate culture. Fixed salary is to be based on the senior executives' expertise and areas of responsibility, is to be individual and is normally to be reviewed every calendar year.

Although senior executives may also be granted customary non-monetary benefits, such benefits are not to constitute a material part of the total remuneration. The vesting period for the LTI programme must be at least three years. The LTI programme is to be based on shares or share-based securities and to provide long-term incentives linked to Edgeware's performance. Every share-based LTI programme is to require approval of the shareholders before implementation.

Agreements regarding pensions are to be based on fixed premiums and formulated in accordance with the levels, practices and collective agreements that apply in the country of employment. The board of directors is to be entitled to deviate from the guidelines if there is special reason to do so in an individual case.

Sweden's pension benefits are to reflect ITP1, are to be defined-contribution and constitute 4.5 percent of the pension qualifying salary up to 7.5 income base amounts and 30 percent on any excess amount.

CURRENT EMPLOYMENT AGREEMENTS FOR THE CEO AND OTHER SENIOR EXECUTIVES

Decisions regarding the current levels of remuneration and other terms of employment for the CEO and other senior executives have been made by the board. Refer to Note 12 for an overview of remuneration of the CEO and other senior executives for the 2016 financial year.

Pensions for the CEO and other senior executives follow the same guidelines as for other employed personnel. For amounts set aside for pensions or similar benefits, see Note 12.

A mutual period of notice of six months applies for the CEO and the company. For senior executives residing in Sweden, a period of notice of one to three months applies for the employee and the employer. For the employer, the period of notice according to the Swedish Employment Protection Act (1982:80) applies in the majority of cases, which means the actual period of notice for senior executives is longer than three months.

The CEO is entitled to severance pay amounting to six months' salary upon dismissal by the company. Except for the CEO, no employees are entitled to severance pay.

During 2016, the company has entered into a consultancy agreement with Bengt-Arne Molin, VP R&D, through a company owned by Bengt-Arne Molin. The agreement constitutes part-time work of two days per week, or 60 percent of full-time employment, and runs up to and including June 2017.

In 2016, the company entered into a consultancy agreement with Gunilla Wikman, IR Manager, through a company owned by Gunilla Wikman. The agreement runs up to and including the twelfth month after the first day of trading in the company's share at NASDAQ Stockholm and constitutes part-time work with an estimated workload of approximately 25–80 percent of full-time employment during the period.

Also during 2016, the company entered into a consultancy agreement with Richard Brandon, CMO, through a company owned by Richard Brandon. The agreement constitutes part-time work of four days per week, or 80 percent of full-time employment, and runs up to and including June 2017 and is automatically renewed by six-month periods.

INTERNAL CONTROL

The board of directors and the board's audit committee are responsible for internal control. At the group level, the CEO, along with the Group's finance department, Head of Legal and the CFO, is responsible for every legal entity for ensuring that the necessary controls are conducted together with adequate monitoring.

Internal control comprises the control of the company's and the Group's organisation, procedures and support measures. The objective is to ensure that reliable and accurate financial reporting takes place, that the company's and the Group's financial reporting is prepared in accordance with law and applicable accounting standards, the company's assets are pro-

tected and that other requirements are fulfilled. The system for internal control is also intended to monitor compliance with the company's and the Group's policies, principles and instructions. Internal control also comprises risk analysis and follow-up of incorporating information and business systems.

INTERNAL CONTROL OF FINANCIAL REPORTING 2016

The board of directors is responsible for internal control in accordance with the Swedish Companies Act and the Code. The Annual Accounts Act states that the corporate governance report is to include information regarding the most important aspects of a company's system for internal control and risk management in connection with financial reporting.

To date, Edgewise has found no reason to establish a separate function for internal control as the company is still relatively small. Internal control is therefore carried out by the board's audit committee and by the board of directors itself.

EXTERNAL REPORTING

The board of directors monitors and evaluates the quality assurance of financial reporting through interim reports on the company's business development and earnings trend and by addressing the Group's financial situation at each scheduled board meeting. The company's auditor is present at two board meetings per year when the result of the audited year-end accounts and the third quarter accounts are presented. On these occasions, any changes to accounting policies relevant to the company are also presented. In connection with the review of the year-end accounts, the auditor also presents his or her views, without the presence of the executive management, on the organisation's ability and the competence of the finance function.

The internal system for reporting and control is built around annual financial planning, interim reporting and daily follow-up of business-related performance measures in order to facilitate external reporting and risk management.

The Group's legal and financial functions control and monitor the accuracy of reporting and compliance with internal and external regulations. In addition to compliance with laws and regulations, the functions also control compliance with internal rules and guidelines for the tasks of the financial control function. The company's internal rules and guidelines are gathered

in the company's policies, such as the financial policy, IT policy, and the Code of Conduct and in the employee handbook.

It is the responsibility of the audit committee to identify and handle any major financial risks and the risk of mistakes in financial reporting in order to ensure correct financial reporting. One specific priority is to identify processes where the risk of material error is relatively higher due to the complexity of the process or in contexts which involve substantial values.

During 2016, an extensive internal control process was prepared and implemented in consultation with the auditors. The project aimed to identify risks and any inaccuracies that could have a material impact on the company's financial reporting. The risks identified require internal control in order to minimise the risk of error. Control processes have been implemented for all risk areas identified. These control processes include steps for how the process should be implemented, that a person responsible is appointed, specifying the place for documentation, defining the control process and stipulating the person responsible for control. The controlling person is separate from the person who performs the process in line with the four-eye principle.

During the year, the financial function was also strengthened to enable the four-eye principle, to reduce workload on the existing workforce and to minimise dependence on individual employees in fields of work in the finance department. System improvements were implemented within IT and accounting. The company also carried out a test of its IT disaster plan with a successful outcome.

AUDIT

The auditor is to review the company's annual reports and financial statements as well as the management of the board and CEO. Following each financial year, the auditor is to submit an audit report and a consolidated audit report to the AGM. According to the company's articles of association, the company is to have a minimum of one and a maximum of two auditor and a maximum of two deputy auditor. Authorised public accountants or a registered public accounting firm is to be appointed as auditors and, when appropriate, deputy auditors. The company's auditor is Deloitte AB, with Erik Olin as the Auditor-in-Charge. In 2016, the remuneration of the company's auditor totalled SEK 2,530 thousand whereof SEK 840 thousand was for audit fee.