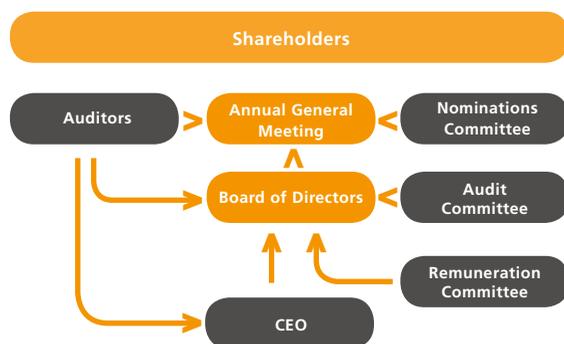


CORPORATE GOVERNANCE REPORT

FormPipe Software is a Swedish public limited company based in Stockholm. In 2011, the Group had operations in Sweden and Denmark. The governance, management and control of FormPipe Software is divided among the shareholders at the Annual General Meeting (AGM), the Board of Directors, the CEO, the Swedish Companies Act, the applicable articles of association, the NASDAQ OMX Stockholm's rules for issuers and the Swedish Code of Corporate Governance.

The Company's corporate governance, management, administration and internal controls over financial reporting are described in the FormPipe Software Corporate Governance Report for 2011. The Swedish Code of Corporate Governance is based on the principle "comply or explain", meaning that companies applying the code may depart from individual rules if they can clearly explain why, and what they do instead. The points where FormPipe Software deviates from the Code are set out below.

REPORTING STRUCTURE IN FORMPIPE SOFTWARE



Corporate governance is fundamentally about how the company is to be governed and operated from a shareholder's perspective. FormPipe Software's corporate governance is regulated by both external regulatory frameworks and internal policy documents.

Examples of external regulation:

- The Swedish Companies Act
- The NASDAQ OMX Stockholm's Rules for Issuers
- Existing accounting law
- The Swedish Code of Corporate Governance.

Examples of internal regulation:

- Articles of Association
- Instructions and charter for Board of Directors and CEO
- Internal policies, manuals and guidelines

SHAREHOLDERS

As of 31 Dec 2011, FormPipe Software had approximately 1 700 shareholders owning a total of 12,233,647 shares. The largest individual shareholder as of 31 Dec 2011 was Provider Capital Sweden with 10.4 percent of votes and capital. In all, the Company's ten largest shareholders held 62.3 percent of votes and capital.

ANNUAL GENERAL MEETING

The AGM refers to the annual ordinary meeting of shareholders

at which the Annual Report is submitted. Shareholders' rights to decide on FormPipe Software's affairs are exercised at the AGM, which is the Company's highest decision-making body. Some of the mandatory tasks assigned the AMG include establishing a consolidated balance sheet and income statement, determining the appropriation of profits, remuneration policies for senior executives and discharge of responsibility of the Board of Directors and CEO. The AGM appoints the Directors that are to sit on the Board until the end of the next AMG based on the recommendations of the Nominations Committee.

Annual General Meeting 2011

The FormPipe Software Annual General Meeting was held on 15 March 2011 at the company's premises in Stockholm. The elected Chairman of the meeting was attorney Johan Hessius. The company Board of Directors, Nominations Committee and Auditor were present at the meeting.

The Company's shareholders were informed well in advance of the time and venue of the meeting on www.formpipe.se, and of their right to raise issues for discussion at the meeting. All shareholders who are recorded in the share register and who have announced their participation in time are entitled to attend the meeting and vote with their shares.

The main decisions taken were the following:

- Adoption of income statement and balance sheet for the financial year 2010.
- Issue of dividends at SEK 0.5 per share.
- Appointment of Board members Hans Möller, Bo Nordlander, Jon Pettersson, Lennart Pihl and Staffan Torstensson.
- Re-election of Hans Möller as Chairman of the Board of Directors.
- Authorization of the Board of Directors to decide on the issuance of shares and convertible bonds.
- Authorization of the Board of Directors to acquire and transfer their own shares.
- Authorization to repurchase warrants from the series 2010/2012.
- Establishment of guidelines for executive remuneration.
- Issue of warrants for employees.
- Guidelines for executive compensation.

The minutes of the AGM were presented on the website two weeks after the meeting. Information from the meeting, such as notice, minutes and information on the Nominations Committee, can be found on FormPipe Software's website: www.formpipe.se.

Annual General Meeting 2012

The FormPipe Software 2012 AGM will take place on 27 March at the company's premises in Stockholm. Registration information for the 2012 AGM will be published on www.formpipe.se. Routines for submission of items for discussion are also described.

Nominations Committee

The Nominations Committee has begun work with the evaluation of the incumbent Board. The work of the Nominations Committee must be characterized by transparency and discussion in order

to achieve a well-balanced Board of Directors. The Nominations Committee then nominates FormPipe Software Board members for the upcoming term and submits its recommendations at the AGM. The Nominations Committee also gives recommendations on remuneration of Board members and auditors and, on occasion, also the selection of auditors. The AGM 2011 determined that the Nominations Committee will consist of three members. The Board of Directors will contact the three largest shareholders or holding groups by voting rights according to the Euroclear Sweden AB print out of the share register as per 30 September 2011. These owners each appoint a representative who will remain a member of the Nominations Committee until a new Nominations Committee is appointed by mandate of the next AGM. The composition of the Nominations Committee was published on the Company website on 30 November, which does not comply with the section of the code requiring that this information should be published no later than six months before the AGM. The company justifies this departure from the six-month interval in that it is not consistent with the company's desire for a short interval between the formation of the Nominations Committee and the AGM. For full documentation on Nominations Committee principles, see the document "The Nominations Committee's proposed motivated statement" prior to the 2011 AGM at www.formpipe.se.

Members of the Nominations Committee for the 2012 AGM are:

Johan Hernmarck, Chairman of the Nominations Committee, representing Provider Capital Sweden AB, 1,272,637 shares.

Björn Franzon, representing Swedbank Robur Småbolagsfond Sverige, 494,831 shares

Christer Jonsson, 428,000 shares

ARTICLES OF ASSOCIATION

The Articles of Association stipulate that FormPipe Software is a public limited company, the business operations of which are to, directly or indirectly, conduct operations in the business areas stipulated below, and activities compatible therewith: Internet consulting and intranet solutions, consulting in the fields of information management and data, development and design of computer software/products and the sale of mentioned products/services in combination with the appropriate hardware, and management and trade in securities and real estate. FormPipe Software share capital may be no less than SEK 500,000 and no more than SEK 2,000,000. The number of shares may be no less than 5,000,000 and no more than 20,000,000. The number of Board members will be three at least and six at most, with no more than three deputies. The complete Articles of Association can be downloaded from www.formpipe.se.

THE BOARD OF DIRECTORS

Duties of the Board of Directors

The duty of the Board of Directors is to manage company affairs on behalf of the shareholders. In addition to existing laws and recommendations, the work of the FormPipe Software Board of Directors is controlled by the rules of procedure, which outline rules on the division of labor between the Board of Directors and CEO, financial reporting, investments and financing. The rules of procedure are established once a year.

Responsibilities of the Board of Directors

The FormPipe Software Board of Directors bears the overall responsibility for the company's organization and management, as well as for ensuring that the guidelines for the management of company funds are appropriate. The Board of Directors is respon-

sible for the management of the company in accordance with applicable laws and regulations, as well as the NASDAQ OMX Stockholm's rules for issuers and the Swedish Code of Corporate Governance. The Board of Directors is further responsible for the development and monitoring of Group strategies through plans and targets, decisions on the acquisition and disposal of businesses, major investments, appointments and remuneration to Group management as well as ongoing monitoring of business operations during the year. The Board of Directors annually establishes the annual accounts, current business plan, operational policies and the CEO rules of procedure.

The Board of Directors' work in 2011

At the Annual General Meeting on 15 March 2011 the Board members elected were: Hans Möller, Chairman; Jon Pettersson, member; Lennart Pihl, member; Staffan Torstensson, member; Bill Thomas, member; and Bo Nordlander, member. The Company has held 13 minuted board meetings with which have, among other business, dealt with the financial position of the Company, financial reporting, business operations orientation, market assessments, strategic operational plans and organizational issues.

Chairman of the Board

The Chairman of the Board of Directors, Hans Möller, supervises the work of the Board of Directors so as to ensure it is conducted in compliance with laws and regulations applicable. The Chairman monitors operations through a dialogue with the CEO and is responsible for other members receiving the information necessary for high quality discussions and decisions. The Chairman also participates in evaluation and development issues pertaining to the Group's senior executives.

Composition of the Board of Directors

FormPipe Software normally holds four ordinary meetings per fiscal year and one statutory Board meeting directly following the AGM. Additional Board meetings are held if necessary. The Board of Directors consists of five members with no deputies. The CEO is not on the Board of Directors but is present at all Board meetings as Rapporteur, except when the work of the CEO is evaluated. The CEO reports to the Board of Directors regarding the operations of the Group and ensures that the Board of Directors receives factual and relevant data on which to base decisions. The table below shows Board members, as well as the Board of Directors' assessment concerning the independence of the company and its shareholders.

The Board of Directors, 2011

	No of meetings attended	Nom. Com	Rem. Com	Independency
Hans Möller , 1955, Chairman	13/13	Yes	Yes	Deemed dependent
Jon Pettersson , 1965, Board member	13/13	Yes	Yes	Deemed independent
Lennart Pihl , 1950, Board member	13/13	Yes	Yes	Deemed independent
Staffan Torstensson , 1972, Board member	13/13	Yes	Yes	Deemed independent
Bo Nordlander , 1956, Board member	13/13	Yes	Yes	Deemed dependent

The composition of FormPipe Software's Board of Directors meets the requirements of Nasdaq OMX Stockholm and the Swedish Code of Corporate Governance regarding independent Board members. For additional information on individual Board members, read more on www.formpipe.se, Investor Relationships, Corporate Governance.

The Board of Directors' rules of procedure

The Board of Directors' rules of procedure were established on 15 March 2011 and are to be revised annually at the inaugural Board meeting. The rules of procedure are thereafter revised according to need. The rules of procedure contain the Board of Directors' duties and responsibilities, the Chairman's duties, auditing issues and also specify which reports and financial information that the Board of Directors needs in advance of each regular board meeting. The rules of procedure further provide instructions to the CEO. An appendix on the Board of Directors' work as Audit Committee has been developed and established at the inaugural Board meeting on 15 March 2011. The rules of procedure also provide guidelines for the Board of Directors' work as Remuneration Committee.

AUDIT AND REMUNERATION COMMITTEES

The Board of Directors acts in full Audit and Remuneration Committee capacity. The work description outlining the work of an audit committee has been established as an appendix to the existing rules of procedure. The work as Remuneration Committee is governed in the current rules of procedure. The Rules of Procedure with the appendix were adopted at the inaugural Board meeting on 15 March 2011. During the autumn of 2011 the committees had separate meetings to discuss these issues (two meetings of the Audit Committee and three of the Remuneration Committee).

CEO AND SENIOR EXECUTIVES

The CEO, Christian Sundin, manages the Group and its operations within the framework established by the Board of Directors.

Christian Sundin
CEO
Born in 1971
Employed since 2006
Shares: 147,393.
Warrants: 82,258

Christian worked as FormPipe Software's CFO before taking over as CEO in 2007. Christian has a professional background in Ericsson with extensive experience in implementing large IT systems. Christian is an economist by education. Christian has no significant activities outside of FormPipe Software and has no significant shareholdings or partnerships in any company other than FormPipe Software.

The most recent operating instructions for the CEO were established by the Board of Directors on 16 March 2010. The CEO produces the necessary background information needed for decision-making at Board meetings and also justifies proposed resolutions. The Chairman of the Board of Directors has an annual assessment interview with the CEO in accordance with CEO instructions and applicable requirements. The CEO leads the Group executive management and makes decisions in consultation with other executive members. Group management has monthly meetings with recorded minutes where operational issues are discussed. In addition, the Group executive management produces a business plan annually to submit to the Board of Directors for approval. The business plan is monitored through monthly reports from each function within the Company where the review focuses primarily on growth and cost control. In addition to weekly meetings, most members of the Group management meet on a daily basis at company headquarters. The rapid development of the company makes the daily contact a prerequisite for effective, efficient control and management. Group executive management consists of the heads of major business areas within the FormPipe Software group.

AUDITORS

One or two auditors and at most two deputies are appointed at the AGM to audit the company's annual accounts as well as the Board of Directors' and the CEO's management. The Auditor-in-Charge is Michael Bengtsson from PricewaterhouseCoopers. Michael Bengtsson has participated in the audit of FormPipe Software since the company was established and has good insight into company development over the past few years.

INTERNAL CONTROLS REGARDING FINANCIAL REPORTING FOR 2011

This report has been prepared in accordance with the Swedish Code of Corporate Governance and is thereby limited to internal control over financial reporting. The Board of Directors is responsible for the corporate governance of FormPipe Software and thereby also the internal control. The overall aim is to protect company assets and thereby shareholder investments. The Board of Directors is also responsible for ensuring that the financial statements are prepared in accordance with relevant legislation. Quality assurance of FormPipe Software financial reporting is achieved through the Board of Directors reviewing all critical auditing issues and financial statements from the company. This requires that the Board of Directors deals with issues of internal control, compliance, significant uncertainties in reported values, any uncorrected errors, events after the balance sheet date, changes in accounting estimates, any irregularities and other matters affecting financial reporting quality.

Description of the organization of the internal controls

Control Environment – an active and committed Board of Directors is the foundation of effective internal controls. FormPipe Software Board has established clear procedures and rules of procedure for its work. One important part of the Board of Directors' work is to develop and approve a set of basic policies, guidelines and frameworks related to financial reporting. The Company's governing document is called "The Board of Directors' procedures and instructions regarding the division of labor between the Board of Directors and the CEO and instructions regarding financial reporting to the Board of Directors of FormPipe Software (including subsidiaries and affiliates)". The purpose of the policy is to create a foundation for sound internal controls. Monitoring and revision is a continuous process and is communicated to all employees involved in financial reporting. The Board of Directors evaluates results and business performance on a monthly basis through an appropriate reporting package containing a performance report, operational key data and other significant operational and financial information. The Board of Directors acts in the full capacity of Audit Committee. The Board of Directors has reviewed and evaluated the procedures for auditing and financial reporting and followed up and evaluated the work of the external auditors. In 2011, the Board of Directors has held a briefing with, and received a written report from, the company's external auditors. Other policies adopted as the basis for internal controls in FormPipe Software are the Financial Policy, Information Policy and IT Policy. FormPipe Software operates according to a function-based organizational structure in which each function manager is on the Company's executive management team and is responsible for the performance of the function. All functions within FormPipe Software have the same structure, financial system, chart of accounts and policies which facilitate the creation of appropriate procedures and control systems.

Risk assessment – FormPipe Software is continuously and actively engaged in risk analysis, risk assessment and risk mana-

gement to ensure that the risks the company is exposed to are managed in an appropriate manner within the established framework. The risk assessment considers, for example, the company's administrative procedures for invoicing and contract management. Also, significant balance sheet and income statement items where the risk of material misstatement is present are kept under constant review. Within company operations, these risks are mainly present in new sales items and recurring revenue. Risk assessment is performed regularly by senior management and reported on a monthly basis to the Board of Directors by the CEO.

Control Activities – Policies and guidelines define how accurate accounting, reporting and disclosure should be conducted, and how control activities should be executed. FormPipe Software works according to its Financial Guidelines, where control activities such as reconciliations, approval flows, account reconciliation, financial systems, comparing dimensions etc. are outlined. Control manages the risks that the Board of Directors deems essential for internal control of financial reporting. Control consists of an organization with clearly outlined responsibilities and procedures and clearly assigned job functions. Examples of control activities include reporting of decision-making processes and decision procedures for significant decisions (such as major new customers, investments, contracts etc.) and also reviewing all financial reports presented.

Information and communication – the company's governing documentation in the form of policies, guidelines and manuals for internal and external communication are continuously updated and communicated internally through appropriate channels, such as internal meetings, internal news e-mails and intranet. For communication with external parties there is a clear policy setting out all the guidelines for how information should be communicated - the company's Information Policy. The purpose of this policy is to ensure that FormPipe Software's information obligations under existing rules for issuers are all met in a correct and complete manner.

Follow-up and monitoring – the monitoring of internal controls is appropriate and is an ongoing process within the company. The Board of Directors meets the company auditors at least once a year for a review of current status, without the presence of the CEO or other members of executive management. The Board of Directors also ensures that the auditors briefly review the financial report from the third quarter. Finally, the Board of Directors also submits a brief report on how the internal controls were implemented during the year. The Board of Directors evaluates, on an annual basis, whether a separate function for an internal audit is to be appointed in FormPipe Software. The position is that the Board of Directors currently handles this process on a continuous basis in a satisfactory manner, which is why an internal audit function has not been established.

GUIDELINES ON EXECUTIVE REMUNERATION

The AGM approved the Board of Directors' proposed guidelines for remuneration to the Company CEO and other senior executives as follows. The resolution of the AGM is broadly consistent with previously applied principles for remuneration. The guidelines apply to contracts entered into, or to modifications of earlier remuneration contracts, after the 2011 AGM. The Board of Directors has not appointed a Remuneration Committee, but instead manages all remuneration and other employment term issues independently.

The Company will offer employment terms in line with mar-

ket rates to enable the company to recruit and retain skilled staff. Remuneration will consist of fixed salary, variable remuneration, long-term incentive plan, pension, severance conditions and other customary benefits. The fixed salary is re-assessed once per year and takes into account the individual's qualitative performance.

The basic salary for the CEO and other senior executives should be competitive. The variable remuneration must take into account the individual's level of responsibility and degree of influence. The size of the variable compensation should be in relation to the degree of achievement of financial targets set by the Board of Directors of the Group. In 2011, the parameters for determining variable remuneration have changed from budget-related terms to measuring the actual growth in turnover and earnings per share. The purpose of the change has been to create a better remuneration model system geared toward increased shareholder value. The variable remuneration portion represents a maximum of 40 percent in addition to basic salary. All variable remuneration plans are subject to maximum allocation and realization limits. For 2011, objectives were not achieved and thus no variable remuneration was paid out for the financial year 2011. The company has equity-based incentive plans directed to all employees (including the CEO and other senior executives) to promote company long-term interests. Existing stock options expire in 2 years, which is a departure from the Code's recommendations under Section 9.8. The Code advocates a maturity of at least three years. Consequently future programs proposed to the AGM will expire in three years. The Board of Directors will continuously evaluate whether additional option plans or any other form of equity-based incentive program should be proposed to the AGM. The CEO and other senior executives should have defined-contribution plans. The retirement age for the CEO and other senior executives is 65. Pension provisions are based on the budgeted salary only. For termination of the CEO by the company, six months' notice and 6 months' severance pay applies. Other income received by the CEO during the period of severance pay is deducted from severance pay. At termination by the CEO, six months' notice applies. The company and the other senior executives have a mutual notice period of 3 to 6 months. In the event that the company becomes the subject of a public takeover that results in at least 30 percent of its shares being acquired by a single shareholder, the CEO has, at the company's or the CEO's termination, the right to a special severance package equal to 12 fixed monthly salaries at the time of notice of termination. Such a severance package is not subject to deductions and is payable in full upon termination of employment and replaces the severance pay the CEO is normally entitled to according to his/her employment contract.

The AGM gave the Board of Directors the opportunity to deviate from the guidelines proposed above should individual cases with special circumstances warrant this.

The proposed guidelines for executive compensation in the 2012 AGM are unchanged from 2011.

REMUNERATION

Remuneration of the Board of Directors

The 2011 AGM determined that the total remuneration to the Board members for the current year would amount to SEK 580,000, of which SEK 180,000 goes to the Chairman and SEK 100,000 to each Board member, respectively.

Remuneration to the CEO and Group executive management

Christian Sundin, – Basic salary SEK 1,476,000 per year, variable remuneration in accordance with established budgetary targets. In 2011, no variable remuneration was paid. Pension costs amounted to SEK 375,000. Other remuneration amounted to SEK 120,000.

AUDITORS' REPORT

To the AGM of FormPipe Software AB (publ.),
Corp. ID no. 556668-6605

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

We have audited the annual accounts of FormPipe Software AB (publ.) for the year 2011. The company's accounts are included in the printed version of this document on pages 30-65.

The Board of Director's and the CEO's responsibility for the annual accounts and consolidated accounts

The Board and the CEO are responsible for preparing annual accounts and consolidated accounts which give a true and fair view in accordance with the International Financial Reporting Standards as adopted by the EU and the Annual Accounts Act, and for the internal control deemed necessary by the Board and the CEO to prepare an Annual Report and consolidated accounts that are free of material misstatement, whether due to fraud or error.

The auditors' responsibility

Our responsibility is to express an opinion on the annual accounts and consolidated accounts based on our audit. We have conducted our audit in accordance with International Standards on Auditing and auditing standards in Sweden. These standards require that we comply with ethical requirements and plan and perform the audit in order to obtain reasonable assurance that the annual accounts are free of material misstatement.

An audit includes various measures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The auditor selects the actions to be performed, including assessing the risks of material misstatement in annual accounts, whether due to fraud or error. In this risk assessment the auditor takes into account the parts of the internal controls that are relevant to how the company prepares the annual accounts to give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of the accounting principles used and the reasonableness of the Board of Directors estimates in the annual accounts, as well as evaluating the overall presentation of annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate as a basis for our opinions.

Statement

In our opinion, the annual accounts are prepared in accordance with the Annual Accounts Act and give, in all material respects, a true and fair view of the company's financial position as per 31 December 2011 and of its financial performance and cash flow for year according to the Annual Accounts Act, and that the consolidated accounts have been prepared in accordance with the Annual Accounts Act and provide, in all material respects, a true and fair view of the Group's financial position as per 31

December 2011 and of its results and cash flow in accordance with the International Financial Reporting Standards as adopted by the EU and the Annual Accounts Act. A corporate governance report has been prepared. The Management Report and Corporate Governance Report are consistent with the other parts of the accounting.

We therefore recommend that the income statements and balance sheet of the Group be adopted.

REPORT ON OTHER REQUIREMENTS ACCORDING TO LEGISLATION AND OTHER REGULATIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also examined the proposed appropriation of the profit and the management of FormPipe Software AB (publ) by its Board of Directors and CEO for the year 2011.

The responsibilities of the Board and Chief Executive Officer

The Board is responsible for the proposed appropriation of the profit, and the Board of Directors and the CEO are responsible for the management of the company in accordance with the Companies Act.

The responsibilities of the auditors

Our responsibility is, with a reasonable level of security, to express an opinion on the proposal for appropriation of the profit and on the management of the company based on our audit. We have conducted our audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board's proposed appropriation of the profit, we examined the Board's opinion as well as a selection of evidence supporting this in order to assess whether the proposal complies with the Companies Act. As a basis for our opinion concerning discharge of responsibility, in addition to our audit of the financial statements we examined significant decisions, actions and circumstances to determine whether any member of the Board or the Chief Executive Officer is liable to pay damages to the company. We also examined whether any Board member or the CEO otherwise acted in contravention of the Companies Act, the Annual Accounts Act or the company's Articles of Association.

We consider that the audit evidence we have obtained is sufficient and appropriate to form the basis for our opinion.

Statements

We recommend that the AGM appropriates the profit as proposed in the Annual Report and that the members of the Board and the CEO be discharged from liability for the financial year.

Stockholm, 27 February 2012
PricewaterhouseCoopers AB

Michael Bengtsson
Authorized Public Accountant