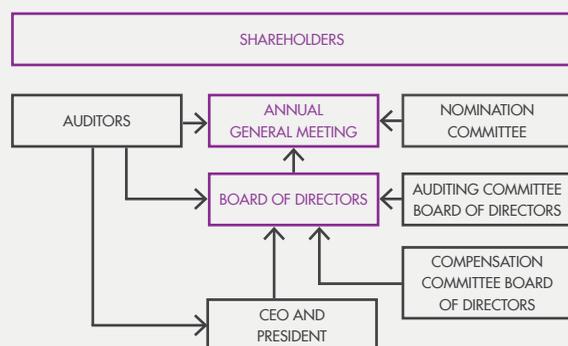


CORPORATE GOVERNANCE REPORT

Formpipe Software AB (publ) ("Formpipe") is a Swedish Public Limited Company domiciled in Stockholm. In 2013 the Group had operations in Sweden and Denmark. Governance, management and control of Formpipe is divided between the shareholders at the Annual General Meeting, the Company Board of Directors, and the CEO in accordance with the Swedish Companies Act, the current Articles of Association, NASDAQ OMX Stockholm Issuer Rules and the Swedish Code of Corporate Governance. The Formpipe Corporate Governance Report for 2013 describes the corporate governance, management, administration and internal controls for financial reporting within the Company. The Swedish Code of Corporate Governance is based on the 'Comply or explain' principal, which permits companies using the code to choose an alternative to compliance with specific rules as long as the alternative is described and the reasons for choosing it are fully explained.

REPORTING STRUCTURE WITHIN FORMPIPE



Corporate governance is essentially about how the Company is managed and operated from the shareholder's perspective. Corporate governance at Formpipe is regulated by external regulations and internal governing documents.

These external regulation include

- The Swedish Companies Act
- The NASDAQ OMX Stockholm Issuers' rules
- Applicable accounting legislation
- The Swedish Code of Corporate Governance

Internal regulating documents include

- The Articles of Association
- The instructions to the CEO and work plan for the Board
- Internal policies, handbooks, and guidelines

SHAREHOLDERS

On 31 December 2013 Formpipe had approximately 2,700 shareholders owning a total of 48,934,588 shares. The largest single shareholder on that date was försäkringsaktiefbolaget Avanza Pension, holding 8.9 percent of the voting rights and equity. The 20 largest shareholders owned a total of 57.8 percent of the voting rights and equity.

ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) of the Shareholders is the Annual Shareholders Meeting where the Annual Report is presented. The share-

holders' right to influence the affairs of Formpipe is exercised at the shareholders' meeting as the Company's highest decision-making body. The Annual General Meeting has several mandatory matters to address, including adopting the Company's statement of financial position and income statement, and determining the disposition of the Company's profit or loss, determining remuneration policies for senior management, and discharging the Board members and CEO from liability. The Annual General Meeting elects members to the Board of Directors, as proposed by the nomination committee (see below), for the period to the next ordinary Annual General Meeting.

The 2013 AGM

The Formpipe Annual General Meeting was held 25 April 2013 at the company premises in Stockholm. Legal Counsel Johan Hessius was elected Chair of the Annual General Meeting. The Company Board of Directors, senior management, nomination committee and auditors attended the meeting.

Company shareholders received advance notice of the time and location for the Annual General Meeting and of their right to have any matter addressed at the meeting within the required time limit at www.formpipe.se. All shareholders who were registered in the Company share registry and who provided timely notice of their intention to participate were entitled to take part in the meeting and vote their shares.

The resolutions passed included:

- Adopting the statement of financial position and income statement for the 2012 financial year
- Electing of Bo Nordlander, Jack Spira, Staffan Torstensson and Kristina Lindgren to the Board of Directors
- Electing Bo Nordlander as Board Chair
- Authorisation to the Board to repurchase and transfer treasury shares
- Issue share options for staff
- Guidelines for remuneration to senior management.

The minutes to the Annual General Meeting were presented on the Company website two weeks after the meeting. Material from the Annual General Meeting, including the notice, meeting minutes and information regarding the nomination committee is published at the Formpipe website. www.formpipe.se.

The 2014 AGM

The Formpipe Annual General Meeting of Shareholders 2014 will take place on 25 April at the Company premises in Stockholm. Information regarding shareholders providing notice of their intent to participate in the 2014 AGM shall be available in advance at www.formpipe.se. This information will include description of how shareholders may bring any matter before the meeting.

NOMINATION COMMITTEE

The nomination committee begins by evaluating the performance of current members of the Board of Directors. The nomination committee's work shall be characterised by openness and discussion to obtain a well balanced Board. The nomination committee nominates individuals to the Board for the next mandate period, who are then proposed to the Annual General Meeting for election. The nomination committee also proposes remuneration for the Auditors and members of the Board of Directors, and when necessary for the election of auditor. The 2013 AGM resolved

that the nomination committee for the 2014 AGM shall consist of four members. The Board Chair shall contact the three shareholders or shareholder group (this includes both directly registered and nominee registered shareholders) with the largest number of voting rights as identified in the Euroclear Sweden AB printout of the share registry as of 28 June 2013. These shareholders shall each appoint a representative, who with the Board Chair shall form the nomination committee for the mandate period to the next Annual General Meeting. The names of the nominating committee were published at the Company website no later than six months before the Annual General Meeting. The complete description of nomination committee policies is contained in the document 'Nominating committee's proposals and explanatory statement regarding the proposed members of the Board of Directors

The members of the nomination committee for the period prior to the 2014 AGM are:

- **Björn Franzon**, Chair of the Nomination Committee, representing Swedbank Robur Småbolagsfond Sweden, 3,063,848 shares.
- **Erik Hermansson**, representing Humle Småbolagsfond, 2,000,000 shares.
- **Johan Strandberg**, representing SEB Sverigefond Småbolag Ch/Risk, 1,925,800 shares.
- **Bo Nordlander**, Board Chair for Formpipe Software AB, 318,159 shares.

ARTICLES OF ASSOCIATION

The Articles of Association stipulate that Formpipe is a Public Limited Company, which shall conduct business, directly or indirectly, in the specified fields and with all activities compatible therewith: consulting operations regarding Internet and Intranet solutions; consulting operations regarding information, management, and data processing; development and design of computer software and related products and services, including sales thereof in combination with suitable hardware; administration and trade in securities and real estate. The share capital for Formpipe shall amount to not less than SEK 2,000,000 and no greater than SEK 8,000,000. The number of shares shall be no less than 20,000,000 and no more than 80,000,000. The Board of Directors shall consist of not less than three and not more than six members with no more than three deputies. The complete Articles of Association can be downloaded at www.formpipe.se.

BOARD OF DIRECTORS

The tasks of the Board of Directors

The tasks of the Board of Directors is to manage the Companies affairs on behalf of the shareholders. The work of Formpipe's Board is governed, other than by applicable laws and recommendations, by the Board's work plan which contains the rules for the delegation of duties and decision

making powers between the Board, the CEO, for financial reporting, investments, and financing. The work plan is approved once annually.

Responsibilities of the Board

The Board of Directors for Formpipe have the overall operational responsibility for the Company organisation and management, and to ensure that guidelines for managing Company assets and funds are appropriate for their purpose. The Board is responsible to ensure the Company is governed in accordance with the laws and ordinances, and the issuer rules of which the Swedish Code of Corporate Governance is part. The Board is further responsible for developing and monitoring the Company strategies through plans and objectives, decisions regarding acquisition or disposal of operations, larger investments and remuneration to senior Company executives, and continuous monitoring of operations throughout the year. The Board annually establishes the annual accounts, applicable business plan, operations-related policies and the CEO's instructions.

Work of the Board of Directors for 2013

The AGM held 25 April 2013 elected Board members Bo Nordlander, Chair, Jack Spira, Staffan Torstensson, and Kristina Lindgren. The Board has held 13 meetings recorded in minutes, which considered the Company's financial positions and reporting, the focus of business operations, acquisitions, market assessments, strategic alternatives and organisational issues.

The Board Chair

The Chair for the Board of Directors Bo Nordlander leads the Board's work to ensure it is carried out in accordance with applicable laws and regulations. The Chair monitors operations in dialogue with the CEO and is responsible to ensure all Board members receive the information necessary to conduct high quality discussions and decision-making. The Chair also participates in the evaluation and developmental issues related to the Company's senior managers.

The composition of the Board of Directors

Formpipe normally holds four regular meetings of the Board of Directors annually plus an inaugural meeting immediately after the Annual General Meeting. Additional Board meetings are held as necessary. The Board consists of four full members and no deputies. The CEO is not part of the Board of Directors, but attends all Board meetings as presenter except when the CEO's performance is under evaluation. The CEO reports to the Board regarding the operative activities of the Company and ensures the Board members receive factual and relevant documentation for their decision-making processes. The table below specifies the members of the Board of Directors, and their assessment in regard to their independence in relation to the Company and shareholders.

Board of Directors for 2013	Participation/total meetings	Audit Com.	Remun. Com.	Independent
Bo Nordlander, born 1956, Chair	13/13	Yes	Yes	Deemed independent
Jack Spira, born 1953, member	12/13	Yes	Yes	Deemed independent
Staffan Torstensson, born 1972, member	13/13	Yes	Yes	Deemed independent
Kristina Lindgren, born 1959, member	12/13	Yes	Yes	Deemed independent

The composition of the Board of Directors for Formpipe meets the requirements of the NASDAQ OMX Stockholm and the Swedish Code of Corporate Governances in regard to independent Board members. For further information regarding each member of the Board of Directors, see www.formpipe.se, Investor Relations, Corporate Governance.

The Work Plan of the Board

The Board's work plan was approved on 25 April 2013 and shall be reviewed annually at the inaugural meeting of the Board. The Work plan is reviewed otherwise as needed. The work plan includes statement of the Board's responsibilities and tasks, the Board Chair's tasks, audit issues and specifies the reports and financial information the Board shall be provided at each regular Board meeting. Further, the work plan includes the instructions to the CEO. Appendix regarding the Board's work as

audit committee has been prepared and approved at the inaugural Board meeting of 24 April 2013. The work plan also regulates the Board's work as remuneration committee.

AUDIT AND REMUNERATION COMMITTEE

The Board works as a whole as the audit and remuneration committees. The description of tasks in regard to its work as audit committee is prepared and approved as appendix to the approved work plan. Work as

remuneration committee is regulated in the approved work plan. The work plan with appendix was approved at the inaugural Board meeting on 25 April 2013. For 2013, the Audit and Remuneration Committee have held continual meetings in conjunction with regular Board meetings. During 2013, the committees have held separate meetings to address these issues (two meetings of the audit committee and three meeting of the remuneration committee).

CEO AND GROUP MANAGEMENT

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

Christian Sundin
CEO
Born 1971
Employed 2006
Shareholding – 716,068
Share options: 232,348

Christian was employed as CFO at Formpipe prior to taking the CEO post in 2007. Christian has a background within the Ericsson Corporation and solid experience of implementing larger IT systems. Christian has a degree in Economics. Christian does not hold any material assignment outside Formpipe and has no material shareholding or part ownership in other companies than Formpipe.

The latest valid instruction to the CEO was passed by the Board on 25 April 2013. The CEO continuously prepares necessary documentation to inform and provide a basis for decision making, and he explains and substantiates proposals for Board determination. The Board Chair conducts an annual performance assessment interview with the CEO in compliance with the CEO instruction and applicable requirements specification. The CEO leads the executive management of the Group in their activities and making final decisions in consultation with his executives. The Group senior management conducts monthly operative meetings keeping minutes to discuss operational issues. Moreover, Group executive managers prepare an annual business plan for Board consideration and approval. The business plan is followed with monthly reports from each operative function in the Company where the review concentrates on growth and cost control. In addition to weekly meetings, most Group senior executives meet on a daily basis in the Company's main offices. The fast paced development of the Company necessitates this daily contact as a prerequisite for well functioning management and leadership. The Group executive management includes managers of the important operational areas within the Formpipe Group.

AUDITORS

The Annual General Meeting of shareholders appoints one or two auditors with no more than two deputies for the purpose of auditing the Company financial statements and annual accounts, as well as the work of the administration of the Board of Directors and CEO. Chief Auditor is Niklas Renström from PricewaterhouseCoopers AB.

INTERNAL CONTROL REGARDING FINANCIAL REPORTING FOR THE FINANCIAL REPORTING IN FINANCIAL YEAR 2013

The report was prepared in compliance with the Swedish Code of Corporate Governance and is thereby delimited to the internal control regarding financial reporting. The Board of Directors is responsible for managing corporate governance at Formpipe and thereby for management of internal controls. The overall purpose for this is to protect the Company's assets and thereby the investment of all shareholders. The Board is also responsible to ensure that financial reporting is prepared in compliance with applicable law. Quality assurance of Formpipe's financial reporting is conducted by the Board addressing all critical accounting issues and the financial reports the Company submits. This presumes that the Board addresses issues concerning internal control, regulatory compliance, material uncertainties in recognised values, any uncorrected errors, events

after the balance sheet date, changes to estimates and assessments, any determined fraud and other circumstances that impact the quality of these financial reports.

Description of the internal control organisation

Control environment

An active and fully engaged Board of Directors is the foundation for good internal control. The Board at Formpipe has established clear working processes and work plans for their administration. An important part of work in the Board is to prepare and approve basic policies, guidelines and frameworks related to the financial reporting. The Company's governing documents are designated "The Board of Director's Work plan and instruction for delegation of responsibilities between the Board and Chief Executive Officer and instruction for economic reporting to the Board of Directors in Formpipe (including subsidiaries and branches)". The purpose of this policy includes creating the basis for sound internal control. Follow-up and amendment are conducted continuously and communicated to all staff members involved in financial reporting. The Board conducts monthly assessment of operational performance and results using a purpose designed reporting package that contains income statement and calculated key ratios along with additional material operational and financial information. The Board functions in its entirety as Audit Committee. The Board has reviewed and assessed the accounting and economic reporting procedures, and monitored and assessed the work, qualifications and independence of the external auditors. During 2013, the Board conducted a review and received written reports from the Company external auditors. Other established policies that provide the basis for internal control within Formpipe is the Financing policy, Information policy and IT policy. Formpipe works with a function based organisation structure where the senior executive for each function is part of company executive management and is responsible for the operating performance of their function. All the functions within Formpipe have the same structure, financial system, chart of accounts and policies which facilitates creating effective procedures and control systems.

Risk Assessment

Formpipe actively and continuously conducts risk analyses, risk assessments and risk management to ensure that the risks the Company faces are managed appropriately within established rules. These risk assessments consider the Company administrative procedures regarding invoicing and agreement management. As well, balance sheet and income items that carry material risk for errors arising are monitored continuously. The items carrying such risk for Company operations include new sales and recurring revenues. The risk assessment is conducted on a continual basis by senior executives and reported monthly to the Board and CEO.

Control activities

Policies and guidelines define how correct accounting, reporting, and dissemination of information shall be done and how control activities are performed. Formpipe follows its Financial Guidelines that includes treatment of control activities, reconciliation, authorisation flows, account reconciliation, financial system, and metrics. The control structure manages the risks that the Board deems material to internal control of the financial reporting. These control structures consist of clear delegation of responsibilities, clear procedures, and clear roles. Examples of control activities include reporting decision-making processes and chain of command for significant decisions (such as new large customers, investments, agreements and similar) as well as auditing all financial reports that are presented.

Information and communication

Company governing documents, which are the policies, guidelines and manuals for internal and external communication are updated regularly and communicated internally through appropriate channels, as through internal meetings, internal newsletters and the company intranet. A clear policy is established for communication with external parties that specifies

all guidelines for how this information shall be published – the approved Company Information Policy. The purpose of this policy is to ensure complete, and correct compliance with all disclosure requirements for Formpipe according to applicable Issuer rules.

Follow up and monitoring

Follow up of internal control is appropriate and conducted continuously within the Company. The Board of Directors meets at least once annually with the Company auditors to review the current standing, without the CEO or other senior executives attending. The Board also ensures that the Company auditors conduct cursory review of the financial reporting from the third quarter. Finally the Board submits a summary report on the performance of the internal control for the year. The Board annually assesses whether a separate internal audit function shall be implemented in Formpipe. The current position of the Board on this issue is that the existing processes provide satisfactory management of this on going process and of internal control, and therefore no formal internal auditing function has been implemented.

GUIDELINES FOR REMUNERATION TO EXECUTIVE MANAGERS

The AGM resolved to approve the proposal of the Board for guidelines to remuneration for the Company Chief Executive Officer and the other senior executives as follows. The AGM resolution principally agrees with previously applied policies for remuneration. The guidelines apply for agreements that are made after the 2013 Annual General Meeting, or where a change in remuneration occurs thereafter. The Board has not appointed any remuneration committee, but instead the Board handles in their entirety questions regarding remuneration and other conditions of employment.

The Company shall offer market-adjusted terms which result in the Company being able to recruit and retain skilled personnel. Remuneration to senior management shall consist of fixed salary, variable remuneration, a long-term incentive programme, pensions, severance terms and other customary benefits. Remuneration will be based on the individual's commitment and performance in relation to previously established objectives, including individual as well as common objectives for the entire Company. Evaluation of individual performance will occur continuously. The fixed salary will generally be reviewed once a year and shall take into account the individual's qualitative performance.

The fixed salary for the Chief Executive Officer and other senior executives shall be adjusted to market conditions. The variable remuneration shall take into account the individual's level of responsibility and degree of influence. The size of the variable remuneration is related to the degree that financial objectives established by the Group's Board of Directors are met. The variable remuneration shall constitute at maximum 30 to 40 percent in addition to fixed salary. All variable remuneration plans have defined maximum allotment and outcome limits. For 2013, the objectives were not met, and thus no variable remuneration was paid for financial year 2013. The Company has a stock-related incentive programmes directed at the entire staff (including the Chief Executive Officer and other senior management) that is intended to promote the Company's long-term interests. The Board shall continuously evaluate whether additional option programmes or any other form of stock-related or stock price-related incentive programme should be proposed to the Annual General Meeting. The Chief Executive Officer and other senior executives shall have defined contribution pension agreements. Retirement occurs at age 65 for the Chief Executive Officer and the senior executives. Pension provisions are based solely on the budgeted salary. In the event of the Chief Executive Officer's termination, six months' notice of termination and six months' severance pay apply for termination by the Company. Other income which the Chief Executive Officer receives during the period severance pay is paid will be subtracted from the severance pay. In the event of termination on the part of the Chief Executive Officer, six months' notice of termination applies. A mutual notice of termination period of three to six months applies between the Company and the other senior executives. In the event the Company is the object of a public takeover bid that results in at least thirty percent

of the Company's shares landing in the same shareholder's possession, the Chief Executive Officer is entitled, upon termination by the Company or by the Chief Executive Officer, to special severance pay corresponding to twelve fixed monthly salaries at the time of the notice of termination. Such severance pay is not subject to deduction for other income, shall be paid in its entirety upon the cessation of the employment and replaces the severance pay which the Chief Executive Officer normally is entitled to according to his or her employment agreement.

The Annual General Meeting provided the Board of Directors an opportunity to deviate from the proposed guidelines above in the event there are particular grounds for this in individual cases.

The guidelines proposed to the 2014 Annual General Meeting for remuneration to senior executives are unchanged from 2013.

REMUNERATION

Remuneration to the Board

The 2013 AGM resolved that the total remuneration to the members of the Board for the current year shall be KSEK 600, of which KSEK 225 is for the Board Chair and KSEK 125 to each member, (Note 7).

Remuneration to the CEO and senior executives

Christian Sundin, fixed salary for 2013 was KSEK 1,980, variable remuneration in accordance with approved budgetary targets. The variable remuneration for 2013 was SEK 0 and pension contributions of KSEK 493. Other remuneration totalled KSEK 262, (Note 7).

Remuneration to other senior executives

Fixed salary for all senior executives for 2013 was KSEK 14,618. Variable remuneration for the same period totalled SEK 0 and pension contributions were KSEK 1,573. Other remuneration totalled KSEK 1,438, (Note 7).

Remuneration to the auditors

Remuneration to the auditors is made in accordance with the recommendations of the nomination committee on account. A total of KSEK 1,270 was paid in fees to the auditors and auditing company for 2013. The total refers to work for auditing, regular advice and other reviews (Note 6).