

# Corporate governance report

*Governance of Enzymatica takes place through the General Meeting, the Board of Directors, the CEO and senior management in accordance with the Swedish Companies Act, the Articles of Association, Enzymatica's internal policy documents and the current rules and recommendations for companies that are listed on Nasdaq First North Growth Market. In 2021, 27 Board meetings were held that addressed topics such as the effects of the pandemic, financing, the budget and the Company's financial targets. In addition to the regular General Meetings, one Extraordinary General Meeting was held.*

## General Meetings

The General Meeting is the highest decision-making body and the forum through which shareholders exercise their influence over the Company. The General Meeting resolves on how to address a number of central issues for the Company – including disposition of the Company's profit or loss, adoption of the income statement and balance sheet, discharge from liability for the Board of Directors and the CEO, election of the Board of Directors and the auditor, as well as fee-related issues.

An Extraordinary General Meeting may be held if the Board considers that there is a need to do so, or if the Company's auditors or owners of at least 10 percent of the shares should so request. In 2021, one Extraordinary General Meeting was held concerning an incentive program for the CEO.

## Board of Directors

In 2021, the Board of Directors consisted of six members who are elected for one year by the General Meeting. According to the Articles of Association, the Board of Directors is to consist of at least three and a maximum of ten members, as well as a maximum of ten deputies. The Board of Directors elects its officers at a meeting held immediately after the Annual General Meeting.

## Board Chair

In addition to leading Board meetings, the Chairman of the Board is responsible for ongoing contact with the CEO, monitoring the development of the Company and consulting with the CEO on strategic matters. The Chairman of the Board shall, in consultation with the CEO, be responsible for notice to attend Board meetings and the agenda, as well as for ensuring that matters are not handled in violation of regulations. Once a year, the work of the Board of Directors is evaluated under the direction of the Chairman of the Board. In 2021, Bengt Baron was the Chairman of the Board. During the period January 1 – September 8, 2021, he was Executive Chairman of the Board, with expanded operational responsibility compared with his ordinary role.

## Committees

The Board has established an Audit Committee and a Remuneration Committee. The Audit Committee shall, without prejudice to the Board's responsibilities and tasks in general, monitor the company's financial reporting and the effectiveness of its internal control, stay informed about the audit of the annual accounts and consolidated accounts, review and monitor the impartiality and independence of the auditor while paying special attention to whether the auditor provides the company

with services other than auditing services, and assist in the preparation of proposals for the AGM's decision on the election of an auditor. Since the Annual General Meeting, the Audit Committee members are Louise Nicolin and Helen Willberg, who assumed the role of chairperson after Marianne Dicander Alexandersson. The committee held 5 meetings in 2021.

The Remuneration Committee addresses matters concerning remuneration and benefits for senior executives. The committee consists of Bengt Baron, Mats Andersson and Gudmundur Palmason. Mats Andersson is chairman of the Remuneration Committee.

## Board meetings

During the year, the Board of Directors held 27 meetings at which the minutes were recorded, 5 of which were by telephone and 14 per capsulam. Topics addressed by the meetings include interim reports, strategy, financial targets, organization and regulatory issues, as well as issues concerning the impact of the pandemic. The CEO and CFO participate regularly at Board meetings and other executives participate as needed. The company's auditor participates in at least one of the Board's regular meetings during the year, which took place in connection with the year-end report when the Board also met with the auditor without the presence of the company's management.



## Corporate governance

### Auditor

Deloitte was re-elected as the company's auditor at the 2021 Annual General Meeting, for the period until the next Annual General Meeting. In addition to the annual audit, the auditor reviews the interim report for the third quarter each year. Deloitte has been the company's auditor since 2017 and Jeanette Roosberg, authorized public accountant, has been the principal auditor since 2021.

### CEO and senior management

The CEO is appointed by the Board of Directors and leads the company in accordance with the guidelines and instructions adopted by the Board. The CEO appoints a Management Group. At the end of 2021, this group consisted of six people in addition to the CEO, as well as an adjunct Head of Corporate Communications. A more detailed description of the Management Group can be found on [www.enzymatica.com](http://www.enzymatica.com).

### Remuneration to senior executives

Remuneration to the CEO and other senior executives comprises basic salary and car benefit. In addition, individual bonus agreements provide extra compensation as a percentage on top of the basic salary if certain targets are achieved. These targets are set by the CEO in consultation with the Board of Directors. The CEO prepares proposals for decisions on remuneration and benefits for senior executives and presents these to the Board. Decisions on remuneration and benefits to the CEO have been taken by Enzymatica's Board of Directors. The Extraordinary

General Meeting on October 18, 2021 resolved to approve an incentive program for the CEO.

The CEO's employment agreement cites a period of notice from the Company of six months during which the level of salary and other benefits paid remains unchanged. The period of notice for the CEO is six months. No special severance package is paid. The period of notice for other senior executives is between three and six months, and the period of notice for the Company is between three and nine months. No special severance package is paid.

Salaries, remuneration and other benefits to the Board, the CEO and other senior executives are presented in the annual report.

### Internal control

Internal control in the Company follows the procedures and principles established in the Company using various systems, controls and ongoing reporting. The Board of Directors is responsible for compliance with these procedures and principles. Each individual entity in the Company is followed up with reporting according to a set schedule and scope. Authorization guidelines and rules of procedure regulate who and how decisions are made regarding length of contract, costs or risk for the Company. Signing on behalf of the Parent Company and subsidiaries, as well as managing cash and cash equivalents, are handled by several people to create good control. The Board's assessment is that no internal audit function is needed in the company since this is not justified based on the scope and risk exposure of the company.

