

CORPORATE GOVERNANCE IN VISMA

Introduction

A successful company starts with good, effective and conscious leadership. Here is an overview of our corporate governance policies. The aim of these policies is to build trust and secure the proper operation of our company to be able to create security and value for our investors, customers, and employees.

The Board of Directors is committed to these principles throughout its work, with a focus on accountability, fairness and transparency.

The corporate governance policies, in conjunction with the [Visma Code of Conduct](#) and the Visma Articles of Association, act as guidelines in the daily work in Visma.

The Visma Group's [Annual Report](#) gives an annual update on the corporate governance work within the organisation.

Visma's key corporate practices and policies include:

- Visma's goal is to provide IT solutions that keep our customers one step ahead of their competitors in their everyday work.
- Communication with stakeholders shall be open and reliable throughout the company's development and governance.

Reporting on corporate governance

The Board of Directors, corporate management and the corporate responsibility team carry out an annual review of the corporate governance practices in Visma. This review is provided in Visma's annual reports.

1. BOARD OF DIRECTORS

Visma is owned by five funds: Hg and co-investors own 60,4%, GIC owns 15,5%, Intermediate Capital Group owns 7.2%, Montagu owns 5.8% and CPPIB owns 5.0%. A broad management group owns approximately 6.2 % of the shareholder equity in Visma. In addition, key shareholders have co-investors comprised of large Nordic and international pension funds.

The board's responsibility

The overall responsibility of the board is to monitor and supervise Visma's daily operations and the implementation of a corporate strategy. This strategy is created annually.

The board meets on a monthly basis.

Composition of the Board of Directors

The board currently consists of 8 members (6 members and the chairman). These are representatives from the owners of Visma and Visma's CEO. The board's members are elected by the stakeholders during the Annual General Meeting and are elected for a period of one year.

Board members

Øystein Moan (Executive Chairman)
 Nic Humphries
 Vinit Nagarajan
 Timo Larjomaa
 Edward Shuckburg
 Jean-Baptiste Brian
 Mads Hansen
 Merete Hverven (CEO)

More information about the members of the board can be found [here](#).

The Chairman of the Board

The Chairman of the board has the responsibility to organise the overall work of the board and secure high quality and efficiency in all stages of the board's work.

Criteria for board members

Criteria for becoming a board member is decided through a joint legally binding agreement between Visma's owners.

Independence of the board

The composition of the board should reflect the company's ownership structure.

The composition of the board also ensures that it is able to operate independently of special interests. Each of the owners has members on the board.

Compensation

Compensation of the board is decided by the remuneration committee. The board's remuneration is not performance-related. Further details about the remuneration of the board can be found in the [Annual Report](#).

Self-evaluation

The board will conduct an annual self-evaluation to identify potential issues relating to the board and management's procedures, performance, and effectiveness.

2. BOARD COMMITTEES

The board gives authority to two committees regarding remuneration and auditing. The frequency and content of committee meetings are decided by each committee, depending on necessity.

The committee members are chosen by the shareholders during the Annual General Meeting.

Remuneration committee

The remuneration committee has been given authority to assess and give recommendations on implementations and changes of remuneration policies, determinations of salary and remuneration for the CEO, and remuneration for the executive management.

Members: Nicholas James Humphries, Vinit Nagarajan.

Audit committee

The audit committee has the responsibility to ensure that the Visma Group has an effective external and

internal audit system. This is done by assisting the Board's day to day management and compliance with its responsibilities.

The committee has the responsibility to make recommendations concerning the choice of and maintain continuous contact with an external auditor. The external auditor is elected at the Annual General Meeting. In addition, the committee has the responsibility to supervise the implementation of and compliance with the group's ethical guidelines.

Members: Vinit Nagarajan, Mads Hansen.

3. ANNUAL GENERAL MEETING

The shareholders exercise the highest authority in Visma through the Annual General Meeting. The Annual General Meeting is open to all shareholders, and all shares carry equal voting rights. All shareholders may participate in person

or through a proxy. There are no limitations on ownership nor shareholders' agreements.

The Board of Directors strives to ensure that the Annual General Meeting is an effective forum for communication between shareholders and the board. The agenda is decided by the board, according to the Norwegian Public Limited Liability Companies Act and Visma's Articles of Association. The notice calling the Annual General meeting is distributed to the shareholders no later than 14 days before the meeting, as required by Norwegian law. The notice includes all the necessary information for shareholders to form a view on the matters to be considered, including the deadline for notice of intention to attend and a proxy form.

4. INTERNAL AUDITS

All subsidiaries in the Visma Group use the same auditor. This joint audit agreement is approved only by the CFO. The auditor is used as a consultant in

financial due diligence in connection with the acquisition of new business and on tax issues. The auditor is not used as a consultant in strategic questions, nor in tasks related to operations in the company. Only the CFO in consultation with the CEO approves consulting assignments. Details of the auditor's compensation are reported at the Annual General Meeting, and included in the notes to the [Annual Report](#).

5. EQUITY AND DIVIDEND POLICY

Transactions with close associates

In the event of substantial transactions between Visma and any of its Board members, executive management or close associates of these parties, the board will arrange for a valuation from an independent third party, unless the transaction is subject to approval by the Annual General Meeting.

The board will also arrange for an independent valuation of transactions between companies in the Visma Group

if any of the companies have minority shareholders.

Equity

Visma is growing rapidly through acquisitions and needs a strong and liquid balance sheet. The company's most important assets are goodwill associated with Visma's business and software. The intellectual assets in a software company are primarily of value as long as the company is doing well and is financially independent. Therefore, Visma needs a higher level of shareholder equity than companies in more traditional industries.

Visma's business activities are, by nature, relatively capital-light in terms of capital expenditure requirements in physical assets, although the organic growth of the company entails increasing working capital requirements. Since Visma is also growing inorganically through acquisitions, Visma seeks to retain a capital buffer to maintain its investment flexibility.

Dividend Policy

The dividend capacity is evaluated annually by the Board of Directors, based on the need to secure the company's stable development, and the requirements for sound equity capital as well as for adequate financial resources to enable future growth. Under Norwegian regulations, dividends are taxable for foreign shareholders, and the company is obliged to deduct tax at source.

Capital increase

Since Visma was taken off the stock exchange in 2006, the Annual General Meeting has granted the board mandates to increase the share capital for defined purposes only. All mandates are limited in time until the following Annual General Meeting. In addition to the stability of the principal owners, key shareholders have co-investors comprised of large international pension and investment funds.

6. INFORMATION AND COMMUNICATION

- Visma's management is responsible for informing shareholders and investors about Visma's commercial and financial performance.
- A financial calendar with important events is communicated on an annual basis.
- Monthly and quarterly figures shall be reported as early as possible to keep the board and investors updated on the business performance.
- Visma continuously strives to disclose all relevant information to the equity and debtholders in a timely, efficient and non-discriminatory manner, according to our contracts and obligations.
- News from the company will be available on the company's website, as well as through press releases.

7. SUSTAINABILITY AT VISMA

As an international company dedicated to helping organisations and people thrive, we know that our success depends on meeting the needs of all our stakeholders.

We believe that supporting health, human rights, education, and the environment is key to building a more sustainable future. We are committed to making a positive impact in all our activities as an organisation. We fully support internationally responsible principles related to human rights, labour, environment, and anti-corruption. This support is codified in our Corporate Governance and [Code of Conduct](#) policies.

Human rights and slavery

Visma respects and supports human rights unconditionally, whether within the organisation or among our suppliers, partners, customers, and other stakeholders.

We believe in the principle of “do no harm” as defined at the international

level and do not tolerate human rights abuses in our operations. This means we allow neither child labour nor forced labor of any kind. See our [Statement on Modern Slavery](#).

We believe that healthy people are the best resource an organisation can have, which is why we also have strict policies to ensure working conditions support our employees’ well-being. Furthermore, we believe that a diverse workforce only makes us stronger and we therefore have programs centered around diversity and inclusion in our HR processes.

Anti-corruption and bribery

We have active policies to ensure that no conflicts of interest take place, including any activities related to corruption, bribery, competition and market regulations, antitrust, and money laundering. We also expect our business partners, including suppliers, distributors, agents and joint venture partners, to abide by the same principles in their operations. Expectations of our employees related to anti-corruption and bribery are

described in detail in Visma’s Code of Conduct.

Environment

We take steps internally to reduce our operational footprint through various reductions in consumption and use of resources. We have internal environmental guidelines in our Code of Conduct related to emissions generated from travel, commuting to work, and use of resources such as paper and food.

In addition, our offices are built to reduce environmental impact through:

- Efficient use of energy, water and waste
- Protections in place to safeguard employees’ health and facilitate a supportive work environment
- Reduced environmental wear

Finally, we are working hard to identify new ways to create efficiencies for our customers through digitalisation and automation, thereby reducing the use of paper and outdated hardware that is energy and resource intensive.

Expectations of employees

Employees at Visma are expected to adhere to Visma's [Code of Conduct](#) and act on the company's core principles, both internally and externally. These principles include the guidelines mentioned above as well as a focus on data privacy and security. The Code of Conduct also outlines core values that guide how Visma employees interface with stakeholders, whether in business, government, or society. These values are Respect, Reliability, Innovation, Competence, and Team spirit.

Our focus areas and ambitions

While the world has achieved great progress towards the UN's 17 Sustainable Development Goals (SDGs), it is clear there is more to be done to meet the needs of the planet and society. In particular we must all sharpen our collective focus to keep global warming below 1.5 degrees Celsius per the 2015 Paris climate agreement.

In our role as a leading international software company, we have the opportunity to positively impact the

world in social, environmental, and economic ways. There has never been a more important time to look inward and ensure we are doing what we can to improve people's lives, locally and globally.

We believe our impact is greatest when we capitalise on our strengths: a strategic approach using the effort of our people and technology to build innovative solutions to problems. What is at stake is not just our longevity as a company, but our ability to create and deliver value to all our stakeholders—be they customers, employees, users, suppliers, or any others in society.

We are therefore working in the following areas on an ongoing basis:

- [Business partnerships and sponsorships](#) to maximize our impact on local and global issues.
 - Products and solutions to help our customers be more sustainable through optimisation, automation, reporting, and more effective use of resources
 - Moving our products from inefficient infrastructure into cloud solutions
 - Continuing to support new and existing customers in the transition from on-premise to cloud solutions
- We are also looking at how we can use our technological expertise to bring the world closer to the ambition of the SDGs. We are therefore increasing our work in the following areas:
- Increased focus on diversity and inclusion by introducing key initiatives to increase awareness and competency
 - A Visma diversity and inclusion index that involves assessment from all employees and will be measured and followed up continuously
 - Reducing our emissions where possible, with a focus on CO2
 - More efficient use of resources across our operations, including energy, water, and waste
 - Sustainable supply chains, in which our suppliers join us in meeting the same environmental and social standards

While many of our action areas are global in focus, we also believe in the snowball effect—the idea that even the smallest local initiatives can have big impacts down the line. It is only through our dedication to continually be better that we can ensure a sustainable future for all.

8. RISK MANAGEMENT, INTERNAL CONTROL & CERTIFICATIONS

Visma is divided into several legal entities, with different products, customers and contracts. Thus, it is important for the Visma Group and its management that each legal entity has a close relationship to the risk in its own business.

Contractual risk

Visma Group's division into legal entities reduces contractual risk. According to the Group policy, the managing director in each Visma entity produces a monthly report. Risks are, amongst others,

assessed here. In addition, monthly board meetings for each legal unit are held.

For large projects, formal steering committees are established with participants from both divisional and top management.

Financial risk

As a leveraged company, Visma has debt service obligations and depends on steady cash flow. Since the company has very limited COGS, it hardly carries any inventory. Visma has strict principles for income recognition, and the main cash flow risk is related to EBITDA performance. As long as Visma has sufficient EBITDA, the risk of a shortfall in the cash flow is limited. Visma manages its cash through a multi-currency, real-time cash management system. This system is managed by the CFO of Visma and makes it possible to monitor and control large cash flow movements.

Like most companies, Visma is exposed to general market conditions and developments in GDP in its key markets.

In addition, Visma is a technology company and, as such, exposed to risks associated with rapid changes in technology and strong competition. The competition can be divided into two categories: large international companies and smaller local players. It is a constant struggle to protect and gain market share. All units of Visma have numerous local specialised competitors, but while some of these may be aggressive in certain areas, their potential impact on the Visma Group as a whole is limited.

Cybersecurity and privacy

Today, the most significant risks that IT companies face are cyber threats and threats against customers' privacy rights and freedom. Thus, Visma has invested heavily in both areas.

Visma has extensive security and privacy policies. In addition, Visma has security and privacy teams on management, divisional and company levels.

More information about security and privacy can be found at Visma's [Trust Centre](#).

Certifications

In Visma, the division Visma IT & Communications (VITC) has the responsibility for core operation for companies in the Visma Group. This includes migrating services to and maintaining agreements with our public cloud and other key service providers that are crucial to the companies in Visma as well as our customers.

Because of VICT's crucial position in the Visma Group, the company is certified to ensure that the high standards expected from Visma Group and our customers are met. Here is an overview of the current certifications:

ISO Standards:

- **ISO 9001** – Quality Management
- **ISO 14001** – Environmental Management
- **ISO 20000** – IT Service Management
- **ISO 21500** – Project Management
- **ISO 27001** – Information Security Management
- **ISO 27018** – Privacy Compliance in Cloud

ISAE Standards:

- **ISAE 3402** – Specific Controls – Change Management, Access Management, Security, and Operations
- **ISAE 3000** - Security Controls

9. TAX STRATEGY

Integrity and responsible social governance are important to Visma. We strive to comply with tax rules and regulations in the countries where we operate. The Group tax strategy is outlined below in compliance with UK requirements for publication of tax strategy and applies to the Visma Group and its subsidiaries globally.

Visma aims to comply with tax law and practice in the countries where the group operates. Visma operates a decentralized structure where legal units in each country have the day-to-day responsibility for tax, including contact with relevant tax authorities. In certain countries where the group operates several entities, the

Group may have a country finance manager to assist the local subsidiaries. Visma will meet local tax authorities, such as the HMRC in the UK, with an attitude of constructive dialogue and transparency.

With operations across several countries, the Visma Group is exposed to tax risk, ranging from tax compliance risk to reputational risk. The group accepts that not all risk can be fully mitigated and will manage tax risk in a similar manner as any other operational risk by seeking to identify, monitor and manage risks as applicable. Group and division finance resources work together with local management on this. From time to time, the Group may have a different view from tax authorities on the appropriate tax treatment in a given case. In such instances, we will proactively attempt to reach a resolution through constructive dialogue before considering litigation.

Visma acknowledges a responsibility to pay an appropriate amount of tax in the countries where the Group operates. The Group will aim to balance this with

the responsibility to our shareholders to structure the Group's operations in an efficient manner. Tax regulations and tax incentives may be several of a number of economic factors taken into consideration when structuring our operations. In certain instances where there is significant uncertainty or complexity involved, this may involve considering external advice. Visma will not engage in tax planning that the Group considers contrived or artificial.

10. FURTHER INFORMATION

1. [Visma Code of Conduct](#)
2. [Visma Annual Report](#)
3. [Visma board and owners](#)
4. [Visma Statement on Modern Slavery](#)
5. [Visma partnerships and sponsorships](#)
6. [Visma Trust Centre](#)