

Reinhold Europe AB (publ)
CIN 556706-6713

Company governance report

In-house translation – unaudited – the English version is for convenience only and in case of any discrepancy, the Swedish text shall prevail.



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This company governance report has been approved by the Board of Directors in Reinhold Europe April 14, 2015, and is published on the company's home page on April 17.

For the Board of Directors

Lars Wikström
Chairman

Reinhold Europe

The company is listed since December 2007 on the regulated market Warsaw Stock Exchange, WSE, in Poland. During 2014 the company has changed focus from the Polish construction and real estate market to the Swedish market, and today the head office is in Solna. The two new business areas are real estate projects and building activities. Within real estate projects the company has three segments; module based minor housings, livings for senior citizens and premium apartments in attractive areas. Within building activities the company has two segments; scaffolding and project management.

In the statutes of the company is regulated that the Board of Directors should be at least three (3) and at the most seven (7) Board members with at the most five (5) substitutes. The Members and the substitutes should be appointed yearly on annual shareholders' meeting for the time until the next annual shareholders' meeting is held. Furthermore the company should have at least one (1) or mostly two (2) authorized public accountants or at least one (1) mostly two (2) registered auditing companies with mostly two (2) substitutes.

Changing of the company's statutes is done according to Swedish law (Companies' Act).

Code for Company governance

By restructuring of the company's activities to Sweden, the company has progressively during 2014 adapted its company governance to the Swedish code of company governance. In the parts this has not been followed during the financial year it depends on this progressively adapting. As from the annual shareholders' meeting 2015 the company will fully act according to the Swedish code for company governance.

Major shareholders

The most important owner of the company is Kenneth Liberg (privately or by companies) whose possessions as per December 31, 2014, were 60 524 677 (0) shares, corresponding to 59.13 per cent of the capital and 54.79 per cent of the votes.

Shareholders' meeting

Before the shareholders' meeting 2014 there was missing a formal nomination committee. Suggestions before the shareholders' meeting 2015 should consider the company's business activities, stage of development and take into account a versatility and width regarding the competence of the members, experience and background. New nomination committee will be elected during the shareholders' meeting 2015.

The annual shareholders' meeting is held within six months after the end of the financial year. The shareholders meeting of 2014 authorized the Board of Directors to issue new shares at the most 16 211 375 shares until the shareholders' meeting next year.

The shareholders' meeting is held without exceptions according to Swedish law (Companies' Act).

Extra shareholders' meeting

During extra shareholders' meeting on August 28, 2014, it was decided a private placement of 87 500 000 shares class B by acquisition of Kooperativa Utvecklingsbolaget Sverige AB.

During extra shareholders' meeting on March 10, 2015, was established a second balance sheet for liquidation purposes and was noted that the share capital was fully restored and that it was reasonable to continue the operations with the company's new orientation established.

The Board of Directors

The Board of Directors has not had any elected subcommittees or committees. Within the Board of Directors Lars Malmgren has been appointed as senior responsible for the business area real estate projects. Lars Wikström has been appointed as senior responsible for financial accounting.

The Board of Directors has up to date since previous annual shareholders' meeting held nine (9) recorded Board meetings. All Board members have been present on all meetings physically or by telephone. Furthermore the Board of Directors have had non-recorded meetings with the management team for dialogue around strategic matters.

CEO Kenneth Liberg has been adjunct as draftsman during all meetings. The conclusion of the Board of Directors will be done on a future meeting before the annual shareholders' meeting.

Members

Until annual shareholders' meeting 2015 the following persons have been elected as permanent members of the Board of Directors;

Lars Wikström, chairman

Born July 6, 1961
CFO in Reinhold Europe
Possession 1 750 000 shares class B
Remuneration 50 000 SEK

Bachelor financials

3 years experience as CEO in a listed company

15 years experience of board member work

15 years experience as director of finance

Professional experience as CFO in NCC AB, NCC Finans AB and NCC Germany

Furthermore among other things Netlight Consulting AB, 3G Infrastructure Services, Xervon Sweden and Norway AB, and Westinghouse Electric Sweden AB.

Lars Malmgren, member

Born December 17, 1956
Possession 1 750 000 shares class B
Remuneration 30 000 SEK

Legal and real estate financial studies

29 years experience of board member work

Founder of Utvecklingsbolaget Sverige AB and Kooperativa Utvecklingsbolaget Sverige AB.

Senior responsible for the investigation of cooperative tenancy (Fi 2003:6589)

Appointed by Government as expert in the investigation of housing for elderly people (dir 2014:44)

Licensed certifier

Board member of Föreningen för Byggemenskaper

Waldemar Tevnell

Born April 26, 1960
Remuneration 30 000 SEK

Polish and Swedish citizen, living in Poland

Doctorate in financials

Long industrial experience from printing and editing activities

Advisor at EY with responsibility for public relations in central Europe and advisor for listed companies' business development

Advisor for Axel Springer AG's "supervisory board"

Katarina Lif Burren

Born April 11, 1966
Remuneration 30 000 SEK

Swedish citizen, living in Switzerland

Masters' degree in law in Sweden and Switzerland

Long experience of legal advising, banking, business and company advising, international and Swedish tax laws

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Active in Kendris AG since 2005, previously in KPMG private AB in Switzerland
Partner and member of the management team in Kendris AG
Board member in several Swiss and international companys

CEO

Kenneth Liberg

Born January 18, 1958
Possession 60 524 677 shares class B

27 years experience as CEO, whereof 8 years in a listed company
25 years experience of board work
Over 30 years experience from construction and scaffolding activities
1984-1990, Erngrens Byggnadsställningar AB, regional manager
1990-1999, Libergs Byggnadsställningar AB, CEO
1999-2006, Xervon Sweden and Norway AB, CEO
2006-2014, Commodo Finans AB, CEO
2014- , Reinhold Europe AB

Financial reporting and internal control

The company applies applicable parts of COSOs1 framework for internal control. This means that the internal control consists of the ingredients environment control, risk assessment, control activities, information and communication, and follow ups.

The company is by it's activities exposed for different kinds of financial risks. Financial risks mean fluctuations in the results and cash flow of the company caused by changes in interest levels, currency rates, refinancing and credit risks. The recording currency of the company is EUR wherein translation differences to a limited extent may occur and influence the equity.

The financial function of the company is responsible for group accounting and group financial statements and for the financial control systems. In the functions responsibility is also included the group's cash and tax matters and to secure that important instructions for the financial reporting are available to employees concerned.

External information is given according to regulations and the listing agreement with WSE. The company gives the market continuous information regarding the financial position of the group. The information is given in form of quarterly reports and annual report.

Furthermore press releases are given regarding news and occurrencys which are expected to be share price affecting. All financial information and other press releases are published on the home page of the company.