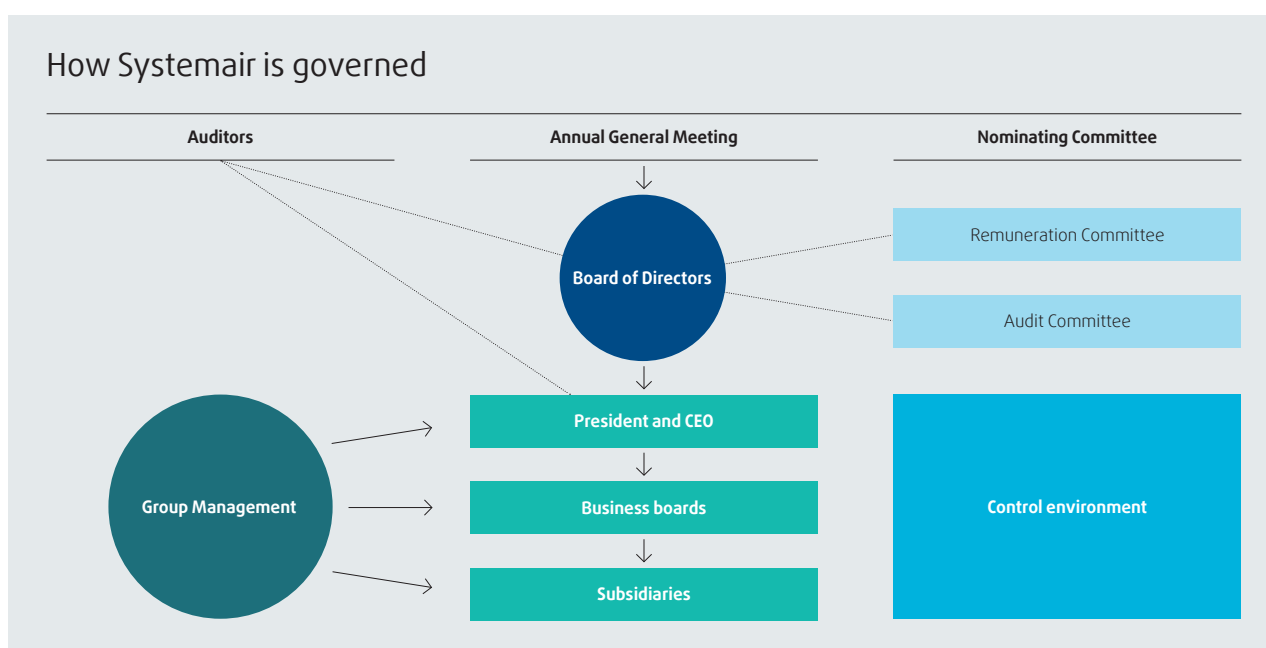


Corporate Governance Report

At Systemair AB (publ), corporate governance is exercised via the Annual General Meeting (AGM), the Company's Articles of Association, the Board of Directors and the President, in accordance with the Swedish Companies Act, the Swedish Annual Accounts Act, the NASDAQ OMX Stockholm Rule Book for Issuers and the Swedish Code of Corporate Governance.



Application of the Swedish Code of Corporate Governance ("the Code")

It is generally accepted practice in the stock market for Swedish companies whose shares are listed for trading in a regulated market to apply the Code. Systemair applies the Code without exceptions. Systemair's Nominating Committee consists of representatives of three of the largest shareholders in terms of voting rights. Prior to the 2023 Annual General Meeting, ebm-papst AB has elected to relinquish its seat on the Nominating Committee. As a result, the fourth largest owner, Alecta, has been contacted. The following have been appointed members of the committee:

- Gerald Engström, Färna Invest AB
- Lennart Francke, Swedbank Robur Fonder
- William McKechnie, Alecta

Chairman of the Nominating Committee is Lennart Francke, representing Swedbank Robur Fonder, which owns 9.4 percent of the capital and votes. Gerald Engström, also Chairman of the

Board, represents the wholly owned company Färna Invest, which owns 42.8 percent of the share capital and votes. Alecta Pensionsförsäkring ömsesidigt owns 6.8 percent of the capital and votes and is represented by William McKechnie.

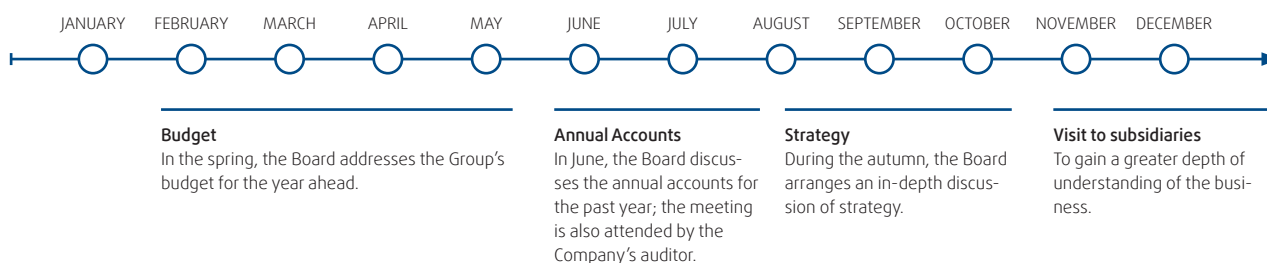
Shareholders and share capital

Systemair AB (org. reg. no. 556160-4108) is headquartered at Skinnskatteberg in the County of Västmanland, central Sweden. The Company's shares have been quoted under ticker code "SYSR" on the Large Cap List of Nasdaq OMX Stock Exchange, Stockholm since 12 October 2007. The Company's trading symbol is SYSR. At the end of the accounting period, Systemair AB had 6,887 shareholders. The largest individual shareholder is Färna Invest AB, which owns 42.8 percent of the capital and votes and is 100 percent controlled by the Board Chairman Gerald Engström. Other major shareholders are ebm-papst AB, Järfälla, Sweden, wholly owned subsidiary of ebm-papst GmbH, Mulfingen, Germany, with 10.7 percent of the capital and votes, and Swedbank Robur Fonder, with 9.4 percent of the capital and votes. All shares have a quotient value of SEK 0.25.

Work of the Board during the year

Regular items on Board's agenda:

- State of the business and important events
- Internal financial follow-up – earnings, liquidity, currency situation and financing
- External financial reporting (quarterly reports)
- Investments of more than SEK 10 million
- Acquisitions
- Organisation and personnel
- Policies
- President's report on state of the business



At the financial year-end, 30 April 2023, the total number of shares outstanding was 208,000,000, all of the same class. For more information, see section "The Systemair Share", page 38.

Articles of Association

Systemair is a limited company, whose operations include manufacturing and sales of ventilation, cooling, and heating products. The Board of Directors shall consist of no fewer than three and no more than eight members and no more than three deputy members. In addition, the trade unions are entitled by Swedish law to appoint two members and two deputies. The Board of Directors shall have its registered office in Skinnskatteberg Municipality, Västmanland County. The Company's Annual Report and the management of the Company by the Board of Directors and the President shall be audited by a registered public accounting firm or an auditor, with or without a deputy auditor. The Company's financial year shall be 1 May – 30 April. For the complete articles of association, please visit Systemair's website: <https://group.systemair.com/investor-relations/corporate-governance/articles-of-association/>

Nominating Committee

The 2022 AGM resolved that the Nominating Committee shall be made up of representatives of three of the biggest shareholders. The record date for determining the three largest shareholders was 31 January 2023. Following consultation with the Company's three largest shareholders, ebm-papst AB decided to waive representation on the Nominating Committee. The fourth largest shareholder, Alecta, was therefore invited to take up representation on the committee. The Nominating Committee shall submit nominations for the Chairman of the AGM, the Board and Chairman of the Board, the choice of auditors in consultation with the audit committee, proposed fees to the Chairman of the Board and other Board members, remuneration for work on committees and proposed auditors' fees. The proposals shall be submitted to the Annual General Meeting for approval. The Nominating Committee held two minuted meetings in 2022/23. No remuneration was paid for work on the Nominating Committee. The proposals of the Nominating Committee to the 2023 AGM are shown in the Notice of AGM posted on the Systemair website at group.systemair.com.

Composition of the Nominating Committee prior to the 2023 AGM

Member	Representative of	Contact (e-mail)
Gerald Engström	Färna Invest AB, and Board Chairman	gerald.engstrom@systemair.se
Lennart Francke, Chairman of the Nominating Committee	Swedbank Robur Fonder	lennart.francke@swedbankrobur.se
William McKechnie	Alecta	william.mckechnie@alecta.se

Directors – attendance and dependence/independence

	Board of Directors	Remuneration Committee	Audit Committee	Year elected	Dependent/Independent	
					Company	Shareholder
Number of meetings	9	1	5			
Gerald Engström	9	1	-	1974	Dep.	Dep.
Patrik Nollåker	9	1	-	2016	Indep.	Indep.
Carina Andersson	9	1	5	2015	Indep.	Indep.
Niklas Engström	9	-	-	2021	Dep.	Dep.
Svein Nilsen ²	4	-	-	2016	Indep.	Indep.
Gunilla Spongh	8	-	5	2019	Indep.	Indep.
Åke Henningsson ¹	9	-	-	2015	-	-
Ricky Sten ¹	9	-	-	2014	-	-

¹ Employee representative.

² Svein Nilsen resigned from the Board on 25 August 2022. The term of office extends to 4 board meetings.

Shareholders wishing to submit proposals for the Nominating Committee may do so by e-mail to any member of the Nominating Committee.

Board of Directors

Diversity policy regarding size and composition of Board

Systemair's diversity policy regarding the size and composition of the Board states that Systemair AB's Board of Directors must be of a size and composition that ensures its ability to administer the Company's affairs with integrity and efficiency. The Board's composition must be characterised by diversity and breadth in terms of competence, experience and background. The Board must also strive to achieve gender balance. The majority of the Board members elected by the General Meeting must be independent of the Company and the Company's Management Board. No Board member shall be appointed for a longer period of time than to the end of the following AGM.

Board's composition during the financial year

In the period until the 2022 AGM, Systemair's Board of Directors comprised six members: Carina Andersson, Gerald Engström (Chairman), Niklas Engström, Patrik Nolåker, Svein Nilsen and Gunilla Spongh, all elected by the AGM. At the 2022 AGM, Carina Andersson, Gerald Engström, Niklas Engström, Patrik Nolåker and Gunilla Spongh were re-elected to the Board. Svein Nilsen declined re-election. Gerald Engström was elected as Chairman of the Board and Patrik Nolåker as Vice Chairman of the Board. The employees elected two representatives, Åke Henningsson, Unionen, and Ricky Sten, IF Metall. More detailed biographies of the members of the Board of Directors are provided on pages 48–49 of this annual report. Anders Ulf, CFO, serves as Board Secretary. As the table shows, all members of the Board elected by the AGM, except for Gerald Engström and Niklas Engström, are independent of Systemair. Senior executives participate as needed in Board meetings in a reporting capacity.

Work of the Board

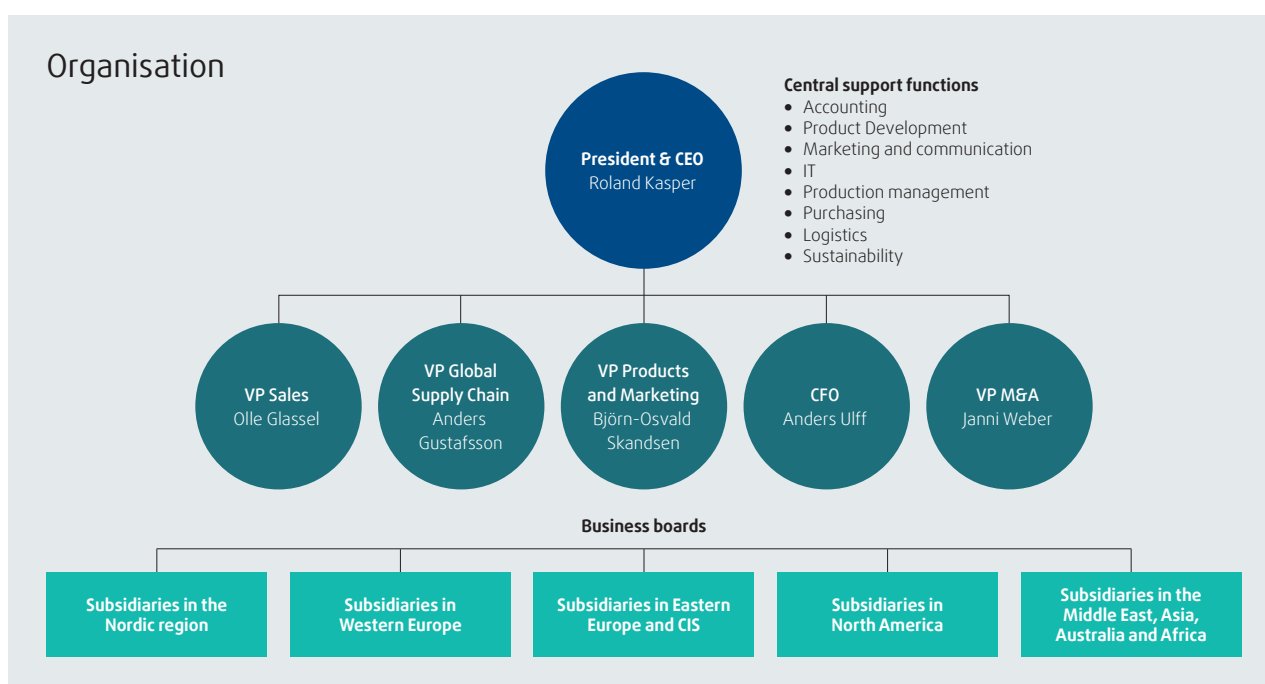
During the 2022/23 financial year, the Board held eight meetings and one statutory meeting. According to the Board's rules of procedure, the Board must meet at least six times during the financial year. All decisions taken by the Board were unanimous and placed on record. The work of the Board is governed by annually approved rules of procedure that regulate the work of the Board and its internal allocation of tasks, including committee work, the decision-making process within the Board and the Board's meeting procedures. The President also maintains regular contacts with the Chairman of the Board. During the year, the Board of Directors evaluated its work. All directors participated in the assessment and provided observations. The Chairman of the Board is responsible for the evaluation.

Remuneration Committee

The Board appointed a Remuneration Committee consisting of Carina Andersson (Chair), Gerald Engström and Patrik Nolåker. The committee's functions are

- to prepare proposals on behalf of the Board regarding remuneration in the form of fixed and variable salaries, pensions, severance payments and any other forms of remuneration to senior executives
- to monitor and assess programmes for variable remuneration to senior executives in progress and concluded during the year
- to monitor and assess the application of guidelines for remuneration for senior management as well as current remuneration structures and levels.

The members of the committee are appointed annually by the Board at the first ordinary Board meeting. The committee shall consist of three members. No member may participate in issues related to his or her own remuneration. Over the financial year, the committee held one minuted meeting, at which all members were present.



Audit Committee

The Board appointed an Audit Committee consisting of Board members Carina Andersson and Gunilla Spongh (Chair). The committee's tasks include

- supervising the Company's internal controls and risk management
- keeping informed about the external audit
- reviewing and monitoring the impartiality and independence of the auditor
- assisting in the preparation of the proposal for the selection of auditors
- supervising the financial reporting
- valuation issues, such as testing of needs for impairment.

The committee held five minuted meetings, which were also attended by the Company's CFO, a Group controller and auditor. These meetings addressed issues such as the risk assessment of internal control and risk management with respect to financial reporting, procurement of auditing services and IT security. Reports were submitted from internal checks performed. The findings of the meetings were minuted and presented at the next Board meeting.

Group Management

CEO Roland Kasper, who is also President of the Parent Company, is responsible for day-to-day control of the Group. He receives reports from Group Management, which at the end of the financial year consisted of: Vice President Sales Olle Glassel, Vice President Global Supply Chain Anders Gustafsson, Vice President Products and Marketing Björn-Osvald Skandsen, CFO Anders Ulff and Vice President M&A Janni Weber. CEO Roland Kasper oversees the work of the Group Management.

Group Management holds regular meetings during the year to review the results of the Group and individual subsidiaries, as well as the market and business situation, and to take decisions on strategic and operational issues within frameworks set by the Board. One meeting per year is wider-ranging, with more detailed planning and discussion of operations and target setting at Group and subsidiary levels. Systemair's organisation is characterised by a simple, straightforward style of communication, so ongoing informal contact among Company executives is also key to the management culture. Shorter review meetings are normally held on a weekly basis. To support the Management Team at Group level, an accounting department and an operational management team provide the functions of product development, purchasing, production, IT, logistics, sales, product management, business development, sustainability and communications.

Business boards and governance of subsidiaries

The Systemair Group consists of 86 operating companies. The Parent Company is Systemair AB (org. reg. no. 556160-4108), which owns most of the subsidiaries directly. All subsidiaries are 100 percent owned, apart from Divid AB of Jönköping, Sweden, which is 60 percent owned, Systemair-HSK of Turkiye, which is 90 percent owned and Frico A/S of Denmark, which is 60 percent owned.

Operating activities in the subsidiaries are governed at overall level via business boards, which may best be described as executive steering committees for the subsidiaries. Each of these consists of one or two members of Group Management and/or other key person from the Parent Company, plus the subsidiary's MD. Each business board sets targets and monitors financial outcomes; takes decisions on major market and product issues; and serves as the link between Parent Company and the particular subsidiary regarding various organisational matters. Business boards meet two to four times each year. Each subsidiary also has a formal board of directors, if required by law in that country.

Senior executive remuneration

Guidelines

At the 2022 AGM, guidelines on senior executive remuneration were adopted. Remuneration to senior executives shall – based on the conditions in the market in which the Company operates and the environment in which the particular executive works – be competitive, enable the recruitment of new executives and motivate senior executives to remain with the Company. "Senior executives" refers to the President and other members of Group Management. The system of remuneration shall consist of a fixed salary and pension, but may also include a variable component and benefits such as, for example, a company car. In addition to the above, special incentive programmes approved by the AGM may apply. Fixed salary and benefits shall be determined individually based on the aforementioned criteria and the specific competence of the particular executive. Variable remuneration shall be based on results judged according to personal, clearly defined and measurable qualitative and quantitative goals aimed at promoting the strategy, long-term value-creation and sustainability of the Company. The variable portion is paid as a proportion of the fixed salary and may amount to no more than 40 percent of the annual salary for the Chief Executive Officer, 25 percent for other senior executives and 15 percent for other key individuals. Remuneration to the President and other senior executives is described in Note 11.

Notice of termination and severance payments

The President's employment may be terminated with 12 months' notice by the Company or six months' notice by the President. For other senior executives, the period of notice is as stated in the applicable collective bargaining agreement or is no more than 12 months from the Company or six months from the employee. No other agreements entitle the President or other senior executives to severance pay.

Pensions

The Chairman and the directors do not receive any pension benefits in connection with their Board duties. The pensionable age for all senior executives is 65 years. As a principle, pensions shall be premium-based and shall not exceed 35 percent of the fixed salary. The size of the pension shall adhere to the same criteria as above and shall be based on fixed salary. The Board is entitled to depart from these guidelines if justified in any particular case. Pension costs for senior executives totalled SEK 3.9 million in 2022/23.

Annual General Meeting 2022

- At the Annual General Meeting on 25 August 2022 in Skinnskatteberg, 104 voting shareholders were present – or had submitted valid postal votes – representing 90 percent of the number of shares and votes in the company. Gerald Engström, Chairman of the Board, was appointed to chair the meeting. The Chairman, Gerald Engström, informed the AGM of the work of the Board and reported on the guidelines for remuneration to senior executives and on the work of the Board's committees. In addition, CEO Roland Kasper reported on Systemair's business during the 2021/22 financial year. Johan Holmberg, auditor in charge, presented sections of the audit report. Resolutions adopted at the AGM:
 - To discharge the Board and CEO from liability in respect of the past financial year.
 - To re-elect Gerald Engström, Carina Andersson, Niklas Engström, Patrik Nollåker and Gunilla Spongh as members of the Board. Svein Nilsen declined re-election.
 - To elect Gerald Engström as Chairman of the Board and Patrik Nollåker as Vice Chairman of the Board.
 - To pay a Board fee of SEK 800,000 to the Chairman, SEK 525,000 to the Vice-Chairman and SEK 330,000 to each of the other directors elected by the Annual General Meeting. Fees shall be paid to the Audit Committee in a total amount of SEK 150,000, with SEK 100,000 being paid to the committee chairman and SEK 50,000 to the other member. In addition, fees shall be paid to the Remuneration Committee in a total amount of SEK 50,000, with SEK 30,000 being paid to the committee chairman and SEK 20,000 to the other member.
 - To pay a dividend of SEK 0.90 per share.
 - That the Nominating Committee shall be made up of representatives of the three biggest shareholders, based on the ownership details on 31 January 2023.
 - To issue warrants under the LTIP 2022 incentive programme to a number of persons holding senior positions within the company.
 - To authorise the Board, during the period until the 2023 AGM, to resolve upon the issue of new shares amounting to no more than 10 percent of the number of shares in the Company.

The minutes from the 2022 AGM are available on the Company's website at: <https://group.systemair.com/investor-relations/corporate-governance/agm/>

Internal control related to financial reporting

Board of Directors' Report on internal control for the financial year 2022/23

Under the Swedish Companies Act and the Swedish Code of Corporate Governance, the Board is responsible for internal control. This report has been drawn up in accordance with the Swedish Annual Accounts Act. It describes how the internal control of financial reporting is performed. The Audit Committee thus plays an important role in quality assuring financial reporting, which includes issues of internal control and compliance, verification of reported amounts and estimates and other issues that could influence the quality of the financial disclosures. Internal control is based on the structure in the framework for internal control referred to as the COSO model, from the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Control environment

Effective work by the Board of Directors is the basis of good internal control. The control environment at Systemair is characterised by short pathways between Group Management and the operational units. The Board of Directors has adopted

several key documents to create and maintain a smoothly functioning control environment that is relevant to financial reporting. These include the Board of Directors' rules of procedure, instructions for the CEO, a financial policy and accounting manuals. Instructions and guidelines for financial reporting are prepared and updated continuously by the Parent Company's controller organisation. An Audit Committee has been established within the Board of Directors. Its task is to ensure compliance with and development of policies adopted on financial reporting and internal control. The committee also maintains day-to-day relationships with the Company's auditor. The Audit Committee and the Board include accounting and auditing issues as a regular item on the agenda at the four Board meetings at which the quarterly reports are discussed.

Risk assessment

Systemair's Board of Directors is responsible for identifying and managing significant financial risks and risks of errors in financial reporting. With respect to financial reporting, the primary risk is deemed to be material errors arising in the disclosures of the Company's results and position. The Board, Audit Committee

and management continuously assess reporting from a risk viewpoint, in which comparisons of income statement and balance sheet items with previous disclosures and budgets serve as an important support. In addition, regular risk assessments are conducted in connection with strategic planning, budgeting, forecasting and acquisition activities.

Control activities

Important instructions and guidelines for financial reporting are prepared and updated continuously by the Group's central controller organisation and are readily accessible on the Group's intranet.

All companies in the Group report five working days after the end of the month in a common Group consolidation and reporting system so that, for example, any deviations or errors can be detected quickly and corrected.

At the end of the accounting period, the Group comprised around 90 subsidiaries that for the most part are owned directly by the Parent Company, Systemair AB. The subsidiaries are legal entities with their own comprehensive income statements and balance sheets. Each individual subsidiary reports to the Parent Company every month, where consolidation is performed.

Central controllers are directly responsible for following up a number of companies that they continuously monitor and analyse. Outcomes are reviewed regularly against plans and targets in consultation with representatives of the subsidiaries, business boards and Group Management.

For the majority of its subsidiaries, the Group has a common, wholly-integrated ERP system that serves as a highly efficient tool for management, control and follow-up. For major decisions on, for example, acquisitions, investments and significant contracts, clearly-defined decision-making methods and processes are in place.

In addition, every unit normally also receives regular visits by representatives of business boards and Group Management for ongoing evaluation of internal control and financial reporting.

Information and communication

The President and the CFO are jointly responsible for the accuracy and good quality of all information published externally, including quarterly reports, press releases and company presentations to meetings with analysts. The tasks of the Company's auditor include reviewing accounting issues that are material to financial reporting, and reporting his or her observations to the Board.

Each month, the Board receives a reporting package that includes the complete final accounts for each important subsidiary, as well as the consolidated accounts for the Group. Several key performance measures and benchmarks are also included; these enable the outcomes for the period to be compared with budget and the outcomes for preceding years.

The Board's rules of procedure govern which reports and which information of a financial nature will be presented on an ongoing basis and to each Board meeting.

To promote awareness of policies and manuals among the Group's employees, information is available to all concerned on the Group's intranet. To ensure that external information is accurate and comprehensive, the Board of Directors has therefore adopted a Communication Policy.

Follow-up

Systemair is characterised by simplicity in its legal and operational structure, and by smoothly functioning and well-established management and control systems. The Board, Audit Committee and Group Management monitor compliance with policies and guidelines adopted. At every Board meeting, the Company's financial situation is discussed, and prior to the publication of quarterly reports and annual reports, the Board reviews the financial information. Each month, Group Management and business boards review the performance of each subsidiary and discuss deviations from plan with the CEO of the subsidiary concerned.

The tasks of the external auditors include annually supervising internal control in the Group companies. The auditors maintain continuous contact with and report directly to the Board of Directors. During the year, the controller organisation performed a number of internal audits of subsidiaries. This work adheres to a standardised model, in which various material issues associated with internal guidelines and policies are followed up.

Working procedures for internal audits are being developed continuously, and an annual plan for audit activities has been adopted and is under discussion by the Board.

Internal audit

Systemair has a simple operating structure with excellent facilities for internal control. Compliance with the systems of governance and internal control developed by the Company is regularly followed up by the Group's controllers. In addition, ongoing follow-up is performed by the business boards and Group Management. Further control and follow-up is conducted by the Board of Directors.

Day-to-day dialogue between the Company and its external auditors, and the checks carried out by the above-mentioned bodies, are considered at present to be adequate in terms of ensuring that internal control remains effective. Every year, the Board evaluates the need for internal auditing. To date, it has concluded that a separate internal auditing function would not deliver any material benefit. This judgement is assessed continuously, and a review will take place in the 2023/24 financial year.

Board of Directors



Top row

Ricky Sten

Employee Representative

Current position: Materials Handler
Holding: -
Born: 1968
Year elected: 2014

Åke Henningsson

Employee Representative

Current position: Technical Consultant
Holding: 1,600 shares
Born: 1957
Year elected: 2015

Bottom row

Niklas Engström

Director

CEO and Director, RVM Systems
Education: Master of Business Administration IBA (International Business Academy), Stockholm University
Formerly: Head of Subsidiary and Vice President Business Development, Systemair
Holding: 6,484
Born: 1978
Year elected: 2021
Independent: No

Gunilla Spongh

Director

Chair, Bluefish Pharmaceuticals AB
Director, AQ group, Byggmax group, Consivo group, Meds Apotek, Momentum group, Lernia, ViaCon and OptiGroup
Education: M.Sc. Industrial Economics, Institute of Technology at Linköping University
Formerly: CFO Preem, Head of International Affairs and CFO Mekonomen Group
Holding: 2,616
Born: 1966
Elected to the Board: 2019
Independent: Yes



Top row

Carina Andersson*Director*

Chair, Returpack AB and Carbomax AB
 Director, Papershell AB and Detection
 Technology Oyj
 Education: Mining Engineering degree
 from the Royal Institute of Technology
 Stockholm (KTH)
 Formerly: Senior positions at
 Sandvik AB, CEO, Ramnäs Bruk AB
 and Scana Ramnäs AB
 Holding: 4,000
 Born: 1964
 Year elected: 2015
 Independent: Yes

Gerald Engström*Chairman of the Board*

Director, Hanza Holding and Bluefish
 Pharmaceuticals
 Education: Upper secondary school
 qualification in Engineering, Business
 Studies at Stockholm University
 Formerly: Chief Executive Officer and
 President of Systemair AB and
 President of Ziehl-ebm AB etc.
 Holding: 89,056,648 (shares owned
 by Färna Invest AB)
 Born: 1948
 Year elected: 1974
 Independent: No

Bottom row

Patrik Nolåker*Vice-Chairman of the Board*

Chairman, Saferoad AS, ViaCon AB and
 Fibo AS. Director, IMPREG and
 OptiGroup
 Education: Upper secondary
 qualification in Engineering, M.Sc. in
 Business Administration and MBA
 from the Maastricht School of
 Management
 Formerly: CEO at Dywidag Systems
 International S.a.r.l. and Alimak Hek
 Group; senior positions at Atlas Copco
 and ABB
 Holding: 16,000
 Born: 1963
 Year elected: 2016
 Independent: Yes

Group Management



Bjørn-Osvold Skandsen

Vice President Products and Marketing, Director Frico and MD Systemair AS, Norway

Education: M.Sc. in Mechanical Engineering, Norwegian University of Technology and Science and an MBA in Brand Management, Norwegian School of Economics
Formerly: Director of Technology and Marketing at GK Inneklima, Head of Technical Support at Systemair Group and Head of Sales at Systemair Sweden
Holding: 3,301 shares and 40,000 warrants
Born: 1973
Employed since: 2018, 2000–2006

Janni Weber

Vice President M&A

Education: M.Sc., Vehicle Engineering, Royal Institute of Technology, Stockholm
Formerly: Vice President M&A, Head of Business Development and Acquisitions, Global Product Manager, Project Manager at AB Sandvik Coromant and Sandvik Machining Solutions
Holding: 6,000 warrants
Born: 1983
Employed since: 2022

Olle Glassel

Vice President Sales

Education: Qualified Ventilation Engineer, Diploma in Business Administration
Formerly: MD, Systemair Ltd, United Kingdom, Sales Director, Systemair, Sweden
Holding: 52,800 shares and 28,000 warrants
Born: 1966
Employed since: 2002



Roland Kasper

President and CEO

Education: Energy and Heating Technology Engineering Diploma, University of Applied Sciences, Giessen, Germany
 Formerly: Marketing and Sales Manager Systemair AB, Product and Market responsibility at FläktWoods AB and ABB Ventilation Products GmbH
 Holding: 92,800 shares and 40,000 warrants
 Born: 1969
 Employed since: 2007

Anders Ulff

CFO

Education: M.Sc. Business Administration, Uppsala University
 Formerly: Auditor and consultant, Ernst & Young; Financial Director, Systemair
 Holding: 158,000 shares and 28,000 warrants
 Born: 1967
 Employed since: 1999

Anders Gustafsson

Vice President Global Supply Chain

Education: M.Sc. Mechanical Engineering, Linköping University of Technology
 Formerly: Production Director, Atlas Copco, Secoroc Division, SVP Supply Operations Konecranes PLC
 Holding: 970 shares and 15,000 warrants
 Born: 1964
 Employed since: 2022