

# CORPORATE GOVERNANCE REPORT

For Bravida, which has a decentralised organisational structure, good corporate governance is essential and a very important part of its core business operations. Governance, management and control are distributed between the shareholders, the Board of Directors, the Chief Executive Officer and company management in accordance with applicable laws, rules and recommendations and Bravida's Articles of Association, the Board's procedural rules, the instruction for the Chief Executive Officer and other internal instructions.

Bravida Holding AB (publ) is a Swedish public limited company, with its registered office in Stockholm and its ordinary shares listed on Nasdaq Stockholm. The Corporate Governance Report is not part of the formal annual accounts documentation.

## Corporate governance

The general meeting of the company is the company's highest decision-making body at which shareholders exercise their right to vote. The Board of Directors and the Chairperson are elected by the Annual General Meeting (AGM). The Board appoints the Chief Executive Officer (CEO). The Board and CEO's management and the company's financial reporting is audited by the external auditor appointed by the AGM. In order to streamline and strengthen work on certain issues, the Board has established an Audit Committee and a Remuneration Committee.

Bravida applies the Swedish Corporate Governance Code (the Code) and has not deviated from this in any respect in 2018. Bravida Holding AB complies with Nasdaq Stockholm's Regulations for Issuers and good equity market practice. The most important internal governance instrument is the Articles of Association established by the general meeting of the company. In addition to this are the Board's procedural rules and the Board's instruction for the CEO. Internal policies and instructions that clarify responsibilities and powers within specific areas such as data security, compliance and risk management are key guideline documents for the entire company.

## Ownership structure

At year-end 2018 Bravida had 9,587 owners of ordinary shares according to the shareholder register maintained by Euroclear Sweden. The five largest owners at 28 December 2018 were Capital Group with 9.6 percent of the votes, Mawer Investment Management funds with 8.8 percent of votes, Swedbank Robur with 7.9 percent of votes, Lannebo funds with 7.8 percent of votes and the Fourth National Pension Insurance Fund (AP4) with 6.8 percent of votes.

## CORPORATE BODIES

### General meeting of shareholders

The shareholders' right to make decisions on matters relating to the company is exercised at general meetings of the company. This is the highest decision-making body, which all shareholders are entitled to attend. The term 'Annual General Meeting' (AGM) refers to the general meeting of the company that is held within six months of the end of the financial year, at which the consolidated financial statements and the group auditors' report are submitted and decisions are taken regarding the adoption of the income statements and balance sheets of the company and the Group, the appropriation of profits, and the discharge from liability of the Board and the Chief Executive Officer.

Bravida's 2019 AGM will take place on 26 April at Bravida's headquarters

at Mikrofonvägen 28 in Stockholm, Sweden. Shareholders who wish to submit a proposal to the Nomination Committee or have a matter addressed by the AGM may submit such proposal to the Nomination Committee and such matter to be addressed to the company by 31 January. Contact information can be found at [www.Bravida.se/en](http://www.Bravida.se/en).

Each ordinary share (class A share) entitles the holder to one vote at general meetings and each class C share entitles the holder to one tenth of a vote. Shareholders are entitled to vote in proportion to the shares that they own in the company.

Notice convening general meetings should be given no earlier than six weeks and no later than four weeks before the meeting. In accordance with Bravida's Articles of Association, shareholders wishing to attend a general meeting must give notification of their attendance within the time period stated in the convening notice. Such date must be a working day and not occur any earlier than five working days before the stated date of the meeting.

All documentation relating to the AGM can be found at [www.Bravida.se/en](http://www.Bravida.se/en).

## Nomination Committee

Nomination of Board members prior to the election at the AGM takes place by means of a Nomination Committee. In addition, the Nomination Committee proposes fees for Board members, as well as proposing the election of and fees for the auditor. The current Nomination Committee instruction stipulates that Bravida should have a Nomination Committee consisting of Bravida's Chairperson and a representative for each of the three largest shareholders or shareholder groups, by number of votes, that wish to appoint a representative. For the forthcoming year the Nomination Committee should be based on the list provided by Euroclear Sweden of registered shareholders and shareholder groups and other reliable information as of the last business day of September. All documentation relating to the AGM can be found at [www.Bravida.se/en](http://www.Bravida.se/en). See the company website for further information about the Nomination Committee.

The Nomination Committee for the 2019 AGM consists of the following members: Marianne Flink, Swedbank Robur funds (Chairwoman), John Wilson, Mawer Investment Management funds, Peter Lagerlöf, Lannebo funds and Fredrik Arp, Chairman of Bravida Holding AB. Capital Group with 9.6 percent of votes has declined to participate in the Nomination Committee and Lannebo funds has instead been offered the place. No remuneration has been paid for Nomination Committee work. The Nomination Committee's proposals, report on the Nomination Committee's work for the 2019 AGM and additional information about proposed Board members are published in conjunction with the convening notice and are to be presented at the 2019 AGM.

## Composition of the Board

According to the Articles of Association, Bravida's Board of Directors should consist of no less than three and no more than 10 Board members and a maximum of five deputy members, who are appointed by the AGM. Board members

are elected for a period of one year. In 2018, six Board members were elected by the AGM. Employees are represented on the Board through representatives appointed by employees. The number of employee representative members was four, with two deputies, throughout the year.

All Board memberships in Bravida are based on merit, with the main aim being to maintain and improve the overall effectiveness of the Board. To fulfil this, the Board aims to achieve a broad range of characteristics and capabilities and it is explicitly stated that diversity regarding aspects such as age, gender, geographic origin, education and professional background are important to take into account.

The AGM of 20 April 2018 elected Fredrik Arp and Marie Nygren as new Board members, and re-elected Board members Jan Johansson, Cecilia Daun Wennborg, Mikael Norman and Staffan Pählsson. The AGM elected Fredrik Arp as Chairman for the period until the next AGM. For further information about the Board of Directors, please refer to page 112 and [www.Bravida.se/en](http://www.Bravida.se/en).

The composition of Bravida's Board meets the requirements regarding independent Board members.

### The Board's work

The Board held 12 meetings during the year, including one extraordinary Board meeting and one constitutive meeting. Board member attendance is shown in the table on page 109. The company's Chief Legal Officer or general counsel acted as secretary at the Board meetings. Board members received written material about the issues being addressed before each Board meeting.

The work of the Board mainly comprises strategic issues, accounts, the establishment and monitoring of business goals, business plans, internal control, risk management, acquisitions and other decisions which, according to the procedural rules, should be addressed by the Board. Internal and external presentations were made to the Board about the markets in which Bravida operates and Bravida's local operations. The Board discussed Bravida's performance and opportunities at these meetings. The Board worked actively with company management on various strategic issues, including at a Group strategy meeting in June 2018.

A key aspect of the Board's work is its review of the financial statements that are presented at each ordinary Board meeting and this also encompasses in-depth analysis of ongoing work by the company. The Board also receives monthly reporting on the Group's financial position.

During the year, the Board followed up business plans submitted by management and the development potential across Bravida's business areas.

### Board committees

The Board has established two Board committees as part of streamlining and strengthening the Board's work with regard to certain issues: the Audit Committee and the Remuneration Committee. The committees' members are appointed at the constitutive Board meeting immediately after the AGM. They are appointed for one year at a time and the work and authority of the committees are regulated by the committee instructions, which are established annually.

The committees have a preparatory and administrative role. The issues addressed at the committees' meetings are minuted and a report is submitted at the subsequent Board meeting.

The Audit Committee consists of Mikael Norman (Chairman), Jan Johansson and Marie Nygren. This committee is also attended by the company's CFO. The Audit Committee's main tasks are to:

- monitor the company's financial reporting;
- monitor the effectiveness of the company's internal control and risk management with regard to financial reporting;
- stay informed about the audit of the annual accounts and the consolidated financial statements;
- review and monitor the auditor's impartiality and independence and, in so doing, pay particular attention to whether the auditor is providing the company with services other than auditing services;
- assist in the preparation of proposals for the AGM's election of auditor;
- assist in monitoring the compliance with legal and regulatory requirements that have a material impact on financial statements;
- assist in monitoring transactions with related parties; and
- assist in monitoring and evaluating selected projects.

The Remuneration Committee comprises Fredrik Arp (Chairman), Cecilia Daun Wennborg and Staffan Pählsson. This committee is also attended by the company's Chief Executive Officer and Chief Legal Officer. The Remuneration Committee's main tasks are to:

- prepare Board decisions on issues regarding remuneration policies, remuneration and other terms of employment for senior executives;
- monitor and evaluate ongoing variable remuneration programmes for senior executives and such programmes that conclude during the year; and
- monitor and evaluate application of the guidelines for the remuneration of senior executives that are determined by the AGM and the applicable remuneration structure and remuneration levels in the Group.

### Assessment of the Board and the CEO

In accordance with the Board's procedural rules, the Chairperson of the Board should initiate an evaluation of the Board's work once a year.

An assessment of the Board's work was conducted in 2018. A questionnaire was sent to all Board members. Their responses were compiled and analysed. In addition, the Chairperson conducted individual evaluation discussions with all Board members.

The purpose of the evaluation was to gain an understanding of Board members' views of the work conducted by the Board and what measures could be taken to streamline the Board's activities. It also aims to gain an understanding of what type of issues the Board believes should be accorded more scope and what areas may require additional capabilities within the Board. The results of the evaluation have been reported to the Board.

The Board also assesses the work of the Chief Executive Officer on an ongoing basis by monitoring the performance of the business against the targets that are set. A formal assessment is carried out once a year.

### The Chief Executive Officer, company management and organisation

The CEO and Group President is Mattias Johansson. The Chief Executive Officer's responsibilities include personnel, financial and business management issues, as well as ongoing contact with the company's stakeholders such as authorities and the financial markets. The Chief Executive Officer ensures that the Board receives the information it needs to take well-informed decisions.

Bravida's business operations are divided into four segments, based on geographic markets; Sweden, Norway, Denmark and Finland. These segments are divided into divisions; four for Sweden and one for each of the other countries. Each division has a Head of Division, who reports directly to the CEO. The Heads of Division are responsible for each division's operations and earnings and are also responsible for ensuring that the division's operations are conducted in accordance with decisions that have been taken. The Heads of Division are supported by their own staffs as well as group-wide staff functions. Bravida's Group management consists of the CEO, the Heads of Divisions and the Group staff Heads. For further information about the Chief Executive Officer and Group management, see page 113.

Group management holds meetings once a month, with at least one meeting a year dedicated to addressing forward-looking strategies. Group management meetings discuss and address ongoing Group-wide initiatives, changes in the market, current issues in divisions and staffs, acquisitions and the follow-up of operating target achievement. Group management is working actively to clarify Bravida's values and to engage employees in this work to further develop Bravida's corporate culture.

Throughout 2018 there was continued emphasis on implementing the business plan and its various initiatives; these included the creation of a special acquisition organisation and a strengthening of the focus on service business. In addition, work continued on making Bravida the most attractive employer. Work environment and employee health remained a priority.

### GOVERNANCE AT BRAVIDA

Bravida's business operations are divided into four segments, based on geographic markets; Sweden, Norway, Denmark and Finland. These segments are divided into divisions; four for Sweden (North, Stockholm, South and National) and one for each of the other countries. These divisions are in turn divided into regions, which are themselves divided into branches. The business is decentralised, which means that the main business operations

and customer contact take place at branch level. Each branch manager (BM) is responsible for the earnings of the branch and is consequently responsible for the organisational structure, staffing, and the signing and performance of contracts. The branches are supported by group-wide business and purchasing systems and other tools for risk assessment, cost estimates and effective performance of signed contracts within their branch. Branches' independence is restricted by instructions and an authorisation procedure. Bravida has clear rules on project approval, with threshold levels governed principally by contract value. This means that a branch manager cannot enter into an agreement above a certain value without approval from the regional manager (RM) and neither can a regional manager enter into an agreement above a certain value with the approval of the Head of Division (HD). Contracts over SEK 50 million must always be approved by the CEO.

As a significant part of the President's (also CEO's) management and control of the business, the President and Group CFO meet each Head of Division once a quarter to review the division's financial position, major projects, billing, cash flow, etc. according to the specific points of a scorecard. These meetings are also attended by the division's head of finance and the respective regional manager and financial controller. These quarterly reviews are held in a corresponding manner down throughout the organisation according to a schedule.

Type of meeting	Coordinator	Frequency
Group (CEO, HD, RM)	President	every 3 months
Division (HD, RM, BM)	Head of Division	every 3 months
Region (RM, BM, proj./serv. manager)	Regional Manager	every 3 months
Branch (BM, project/serv. managing fitter)	Branch Manager	every 3 months

These regular meetings enable the relevant responsible person to meet their manager's manager and have the opportunity to report on their business in detail and to point out improvements, but they also have to be accountable, for example, for less successful projects or poor adherence to change management initiatives. This ensures high visibility and clarity of leadership within the company. It is also a highly effective way of managing the business and ensuring and monitoring that decisions that are taken are implemented. In addition, the 'grandfather principle' is also applied to a range of decisions taken within Bravida. This principle means that certain decisions must be taken/approved by a manager's manager. This includes decisions regarding investments, major tenders and projects, new hirings and certain costs.

Over the longer term, Bravida is managed based on a business plan for the coming three years. This is then applied down from Group to branch level. Each year target figures are set for all departments and at aggregate level for the Group, along with an action plan for how these targets are to be achieved. Evaluation and any adjustments take place on an ongoing basis according to the 'annual cycle' (see figure below). This work is ongoing throughout the year and at different levels. In addition, twice a year a regional manager conference is held at which Group management meets the regional managers to address important strategic issues.

Under the management of the new group-wide acquisition team, the divisions and regions draw up summaries on an ongoing basis of potential and ongoing acquisitions for review by a Decision Group, consisting of the CEO, CFO and CLO. This enables ongoing control of current activities and prioritisations to be made. No acquisitions are made without first having been dealt with and approved by the Decision Group following a formalised process and decision-making procedure. Large acquisitions must also be approved by the Board.

## Bravida's annual cycle

The Annual Cycle describes how Bravida works with goals, strategies and action plans during the year.

### OCTOBER–DECEMBER

#### 9. Target process

#### OCTOBER

8. **Divisional management** Compiles these into a common strategy

#### SEPTEMBER

7. **Regions** and branches' targets, strategy and action plans are established for the coming years and sent to Divisional Management by the end of September

#### AUGUST – SEPTEMBER

6. Strategy work in the regions



### FEBRUARY–MARCH

#### 1. Regional management meetings

– Assessment/adjustment of targets, strategy and action plan (management review)

### APRIL

#### 2. Divisional management meeting

– assessment/adjustment of targets, strategy and action plan (management review)

#### 3. Group management meeting

– Assessment/adjustment of targets, strategy and action plan

### MAY

4. **Divisional management conference** – Adjustment of targets, strategy and action plan

### JUNE

#### 5. Group management (strategy days)

– Establishment of targets, strategy and action plan for coming years

**BOARD OF DIRECTORS**

Board and committee meetings and attendance in 2018.

Board members elected by the AGM	Year elected	Independent <sup>1)</sup>	Attendance of Board meetings	Attendance of audit committee	Attendance of remuneration committee	Board remuneration SEK thousand <sup>2)</sup>	Committee fee SEK thousand <sup>2)</sup>	Number of Bravida shares
Fredrik Arp <sup>3)</sup>	2018	Yes	8/8	-	2/2	1,100	80	20,000
Monica Caneman <sup>4)</sup>	2015	Yes	4/4	1/1	2/2	-	-	-
Jan Johansson	2014	Yes	11/12	3/4	-	450	100	37,895
Staffan Pålsson	2016	Yes	12/12	-	4/4	450	80	1,962,745
Cecilia Daun Wennborg	2016	Yes	12/12	-	3/4	450	110	7,000
Mikael Norman	2016	Yes	12/12	4/4	-	450	180	8,000
Marie Nygren <sup>3)</sup>	2018	Yes	6/8	3/3	-	450	100	0

**Ordinary employee representatives**

Anders Mårtensson	12/12
Jan Ericson	12/12
Örnulf Thorsen	11/12
Geir Gjestad	12/12

<sup>1)</sup> Independent of the company, company management and owners.

<sup>2)</sup> Fees set by the 2018 AGM.

<sup>3)</sup> The 2018 AGM elected Fredrik Arp and Marie Nygren as new Board members. Fredrik Arp was elected Chairman by the AGM.

<sup>4)</sup> Declined to stand for re-election at the 2018 AGM.

**Code of Conduct**

Correct behaviour is important to Bravida, not only in respect of our customers and suppliers but also between everyone who works at Bravida. Bravida has adopted a code of conduct which includes guidelines and rules on how we should behave. Bravida employees receive regular training on business ethics issues. There is also a training programme that includes work relating to different 'typical cases' regarding the code of conduct and related issues, aimed at all managers and administrative personnel at Bravida. Bravida also has a whistle-blower function which allows suspected irregularities to be reported anonymously.

**REMUNERATION****Board remuneration**

The Board fee for 2018 was set by the 2018 AGM. The fees were allocated as per the table above.

The Chief Executive Officer's total remuneration is determined by the Board. Guidelines on remuneration for other members of Group management are proposed by the Remuneration Committee and determined by the Board.

**The Board's proposed guidelines for salaries and other remuneration for the Chief Executive Officer and other members of Group management**

Bravida aims to offer a market-based remuneration package that allows it to recruit and retain the right senior executives. In order to determine what is competitive overall remuneration and to evaluate prevailing levels, each year comparative studies are conducted of relevant sectors and markets. Total remuneration is based on factors such as position, performance and individual profile.

Total remuneration for the Group management consists of:

- a fixed cash salary;
- a variable cash salary component;
- a long-term incentive programme;
- a pension; and
- other remuneration and benefits.

**Fixed cash salary**

Fixed cash salaries are reviewed annually and provide the basis for calculating the variable salary component.

**Variable cash salary component**

The variable cash salary component is dependent on individuals fulfilling annually predetermined financial targets. The actual short-term variable cash salary paid is followed up annually. For members of Group management, the maximum possible variable cash salary component may vary depending on the position held by the individual concerned. As a rule, heads of Group staff units in Group management may receive variable salary corresponding to a maximum of 8 months of their fixed cash salary while the CFO and Heads of Division may receive variable salary corresponding to 15 months' salary.

For the Chief Executive Officer, short-term variable salary is a maximum of 10 months' salary. Actual variable cash salary paid is linked both to the individual and overall target achievement at Group level. This ensures that remuneration is clearly linked to both the performance of individuals and the performance of Bravida as a whole.

**Long-term incentive programme**

Key personnel at Bravida, principally line managers, have been offered long-term share-based incentive programmes. The purpose of a share-based incentive programme is to reward performance, increase and broaden share ownership among managers and key executives, and to encourage them to stay at the company. Decisions regarding the structure of long-term incentive programmes are taken by the Board and approved by the AGM. Further details of the long-term incentive programme can be found at [www.Bravida.se/en](http://www.Bravida.se/en).

**Pension**

Senior executives who are resident in Sweden are entitled to pension benefits corresponding to between 28 and 35 percent of their respective fixed salaries, or otherwise in accordance with their occupational pension plans. Comparable terms and conditions are offered to senior executives resident outside Sweden, in so far as is possible with regard to local conditions.

### Other remuneration and benefits

Other remuneration and benefits should be competitive and contribute to making it easier for senior executives to perform their work duties.

### Notice and severance pay

Senior executives are entitled to six to twelve months' notice if employment is terminated by the employer and four to six months if the employee resigns. If notice is given by the employer, severance pay corresponding to six to twelve months' fixed salary may be paid in addition. All employees are subject to a non-competition clause if they resign.

If there are specific grounds in an individual case, the Board is entitled to deviate from the above guidelines. A breakdown of salaries and other remuneration of the Board, CEO and senior executives is provided in Note 5 of the company's annual accounts. The assessments and reports required to be reported under the Code are available on the company's website.

### AUDIT

The auditor is tasked with auditing the annual report and the accounts, as well as the administration by the Board of Directors and the Chief Executive Officer. After each financial year, the auditor submits an auditor's report and a Group auditor's report to the AGM.

### Auditor

Pursuant to the Articles of Association, Bravida should have one or two auditors with up to two deputy auditors. Registered auditing firms may also be appointed as auditor. The auditor is appointed by the AGM for a term of one year, unless otherwise stated in Bravida's Articles of Association.

The 2017 AGM re-elected registered auditing firm KPMG AB as auditor for the period until the end of the 2018 AGM. Authorised Public Accountant Anders Malmeby is the principal auditor for the company and the Group.

Bravida's auditors: KPMG AB

Principal auditor: Anders Malmeby, Authorised Public Accountant  
Born 1955

Principal auditor of Bravida since: 2014

2014 Shareholdings in Bravida Holding AB: 0 shares

Other audit assignments: The publicly listed company Concentric, as well as Bankgirocentralen, Teracom, Bauer Media and UC

The auditor's independence in relation to the company is ensured by the elected auditor being only allowed to a limited extent to carry out services other than the audit.

### THE BOARD'S REPORT ON INTERNAL CONTROL OF FINANCIAL REPORTING

#### Control environment

The Board of Directors has responsibility for internal control in relation to financial reporting. Internal control regarding financial reporting aims both to provide reasonable certainty in terms of the reliability of external financial

reporting, and to ensure that external financial reporting has been prepared in accordance with the law, applicable reporting standards and other requirements.

The control environment includes how targets are set, how earnings are monitored and how risks are managed. A good control environment is based on an organisational structure with clear decision-making paths and a corporate culture with shared values and an awareness among individuals of their role in maintaining good internal control.

The control environment for financial reporting is based on the allocation of roles and responsibilities within the organisation, established and communicated decision-making pathways, instructions relating to powers and responsibilities, and accounting and reporting instructions. The Board of Directors has adopted procedural rules, a CEO instruction and an instruction for financial reporting. In addition to the Board's procedural rules, the CEO instruction and the reporting instruction, there is an overarching authorisation instruction for the entire Group and policies and guidelines in a number of areas for operational activities.

Bravida has established policies, instructions and detailed process descriptions covering all significant aspects of its operations. These policy documents are available on Bravida's intranet for staff. These documents are updated annually or as necessary to reflect applicable laws and regulations and the changes to processes that have been implemented. There is internal auditing and monitoring of compliance with key processes.

#### Risk assessment

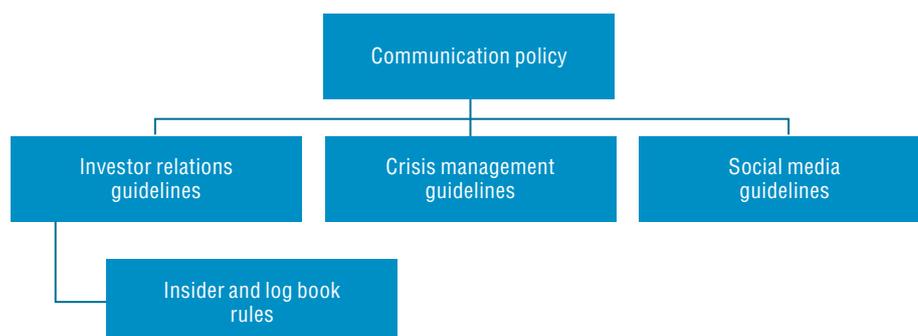
An integral part of the management work of the Board of Directors and the Group management is a broad-based risk assessment. Risks are reported to the Board of Directors on an ongoing basis. During the year, the Board held discussions about various kinds of risk, as well as the risk management process. Risk within Bravida can be divided into operational risk, financial risk and market risk. The single most significant operational risks are the management, costing and valuation of current projects. Bravida has developed a model for managing these risks and works continually to make improvements.

Identification and assessment of risks of not achieving business objectives and reliable financial reporting take place continually as part of day-to-day processes within Bravida. The Board is responsible for ensuring that material financial risk and risks of errors occurring in financial reporting are identified and addressed. The Board continually monitors risk exposure.

The Chief Executive Officer is responsible for ensuring that the business applies and monitors established procedures and for ongoing monitoring and management of risks within the organisation.

#### Information security and communication

Bravida's Board has established a communication policy (see figure below) aimed at ensuring that external information is managed correctly. Instructions exist within the company regarding data security and how financial information should be communicated between management and other employees.



Information about internal policy documents, including for financial reporting, is available to the relevant staff via Bravida's intranet. Information and training on the internal policy documents is provided through internal seminars and meetings, etc.

### **Control activities**

To ensure that the business is conducted effectively and efficiently and that financial reporting at each reporting date provides an accurate picture, control activities are in place, involving all levels of the organisation, from the Board and Group management to other employees.

Within Bravida, these control activities include approval of projects and agreements, checking with external counterparties, daily monitoring of earnings performance in projects, daily account reconciliations and monitoring of earnings, as well as analytical follow-up of decisions.

Bravida's financial statements are analysed and ultimately validated by the control function within Group finance. Such validation includes both automatic controls, such as deviation reporting, and manual controls such as analyses and plausibility assessment of values. The effectiveness of the automatic controls in IT systems is followed up based on information from system managers in the business process. Proposals for improvements are identified and implemented on an ongoing basis.

The Group's control activities, such as authorisation, project approval and implementation, originate at Group level, but are then handled primarily at regional level. On behalf of the Board of Directors, Group management has implemented partially modified working practices for the control and monitoring of Bravida's project activities, with the primary aim of further improving production, cost estimates and system compliance. All branches receive training, with certification upon successful completion.

### **Follow-up**

Bravida's Board and management continually monitor compliance with and the effectiveness of internal controls for quality assurance of processes.

The Group's financial position and strategy regarding financial position is addressed at each Board meeting, with the Board receiving detailed monthly reports on the financial position and the performance of the business. The Audit Committee fulfils an important function in ensuring and monitoring control activities for key risk areas in financial reporting processes. The Audit Committee, management and the financial controller functions at divisional and regional level follow up reported deficiencies on a regular basis.

Bravida does not have a separate internal audit function. The Board evaluates the need for this annually. Within Bravida, quarterly reviews fulfil an important function by ensuring that the entire organisation is analysed four times a year. These quarterly reviews use standardised scorecards to measure and monitor important key performance indicators (KPIs). Branches' operations are reviewed by the financial controllers of the relevant region. The regions are reviewed in turn by the divisions' finance departments, and finally there is a financial controller function at Group level. The accounts payable and accounts receivable ledger is centralised and is intended to provide some supervision. Payments may only be made by using special work order numbers and each payment must be authorised and approved by a superior.

The Business Development department undertakes an audit of a number of randomly selected projects each year. This audit verifies that the organisation is conducting projects in accordance with the established processes and procedures. If deficiencies are identified, feedback is provided and an action plan is activated.