

Corporate Governance Report

Senzime AB is a Swedish public limited company with its registered office in Uppsala. The company's share is listed on Nasdaq Stockholm's Main Market (Small Cap) with the ticker SEZI.

Corporate governance in Senzime is based on applicable laws, regulations and recommendations. This Corporate Governance Report is being presented in accordance with the Swedish annual accounts act, and the Code, and reviews the company's corporate governance in the financial year 2022.

Organization and governance

The purpose of Senzime's corporate governance is to create clear segregation of duties and responsibilities between owners, the Board of Directors and management. Internal governance, controls and risk management over financial reporting are fundamental to Senzime's operational governance. Senzime's decision-making bodies are its shareholders' meetings, Board of Directors, President and auditors, and based on Swedish law, internal regulations and provisions, the Articles of Association, and are compliant with Nasdaq OMX's (Small Cap) Rulebook for Issuers.

Shareholders

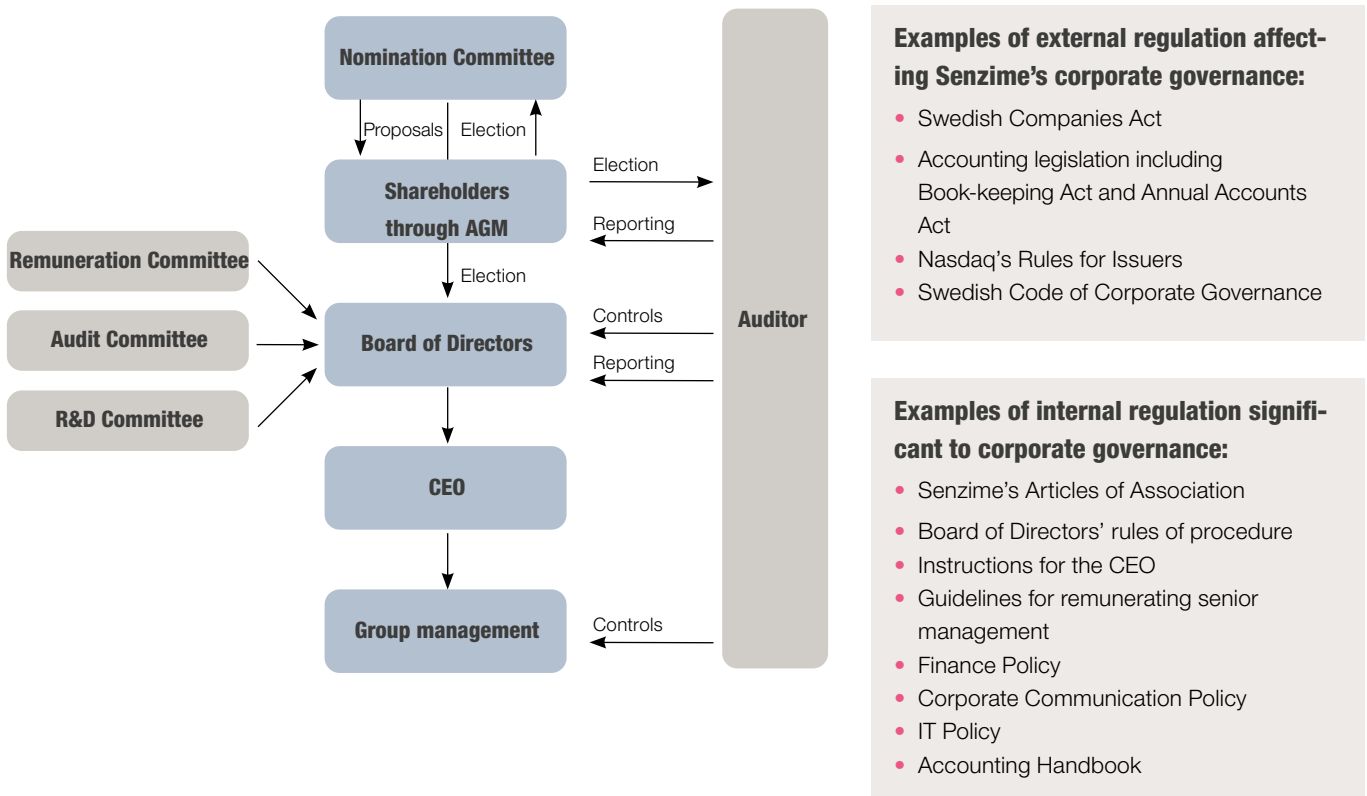
On June 30, 2021, Senzime AB was listed on Nasdaq Main Market. The company was previously listed on Nasdaq First North Growth Market.

At year-end, the total number of shares was 69,883,985 (62,493,290) divided between 2,567 (2,343) shareholders. Sen-

zime's ten largest shareholders had holdings corresponding to 60.4 percent (60.7) of the votes and equity of the company. The largest shareholder is the Crafoord family with 16.4 percent (14.6) of the number of shares and votes. Each share carries one vote at the AGM and any EGMs, and there are no limitations in terms of how many votes each shareholder can cast at AGMs/EGMs. There are no provisions in the Articles of Association limiting the transferability of shares.

Annual General Meeting

Senzime's chief decision-making body is the AGM, where shareholders are also entitled to participate and have a matter considered. The company's Board of Directors is elected, and Directors' fees approved, at AGMs. The AGM's other permanent business includes adopting the company's Balance Sheet and Income Statement, approving the appropriation of earnings from operations, adopting guidelines for remunerating senior managers, and deciding on discharging the Directors and President



from liability. The AGM also elects the company's auditors, and approves audit fees.

The Annual General Meeting (AGM) is held yearly within six months of the end of the financial year. The invitation to the AGM and Extraordinary General Meetings (EGMs) where amendments of the Articles of Association are to be considered must be issued at the earliest six, and the latest four, weeks prior to such Meeting. Invitations to other EGMs must be issued at the earliest six, and the latest two, weeks prior to such Meeting.

Invitations to shareholders' meetings are through announcements in the Swedish Official Gazette, and by making the invitation available on the company's website. Simultaneous with the invitation, the company must report that an invitation has been issued through an announcement in Swedish daily newspaper Svenska Dagbladet.

Annual General Meeting 2022

The AGM 2022 considered the company's Income Statement and Balance Sheet, election of its Board of Directors, Directors' fees, other statutory matters and a resolution on a Nomination Committee. The AGM also approved a general authorization on new share issues for the Board of Directors, and a decision resolution to introduce a staff stock option plans for the company's employees.

The authorization on share issues approved by the AGM entitles the Board of Directors to take decisions to increase the share capital by a maximum of 10 percent (10) of the company's registered share capital at any time through the new issue of shares, share warrants and/or raising convertible loans with or without waiving shareholders' preferential rights and/or with provisions on payment in kind or set-off, on one or more occasions until the AGM 2023.

Complete information on the AGM 2022 and its resolutions is at the company's website, www.senzime.com

Remuneration of the Board of Directors

The AGM 2022 approved Directors' fees of SEK 450,000 to the Chairman and SEK 210,000 for each of the other members of the Board. The AGM also resolved that no Directors' fees would be payable to Directors that had received compensation for consulting from the company during the financial year 2021 exceeding an aggregate total of twice the Directors' fee. The Meeting also resolved that there would be no special compensation for participation on special committees.

Board of Directors' attendance and independence in 2022

Member	Position	Elected	Attendance, Board meetings	Attendance, Audit Committee	Attendance, Remuneration Committee	Attendance, R&D Committee	Independent of company	Independent of major shareholders
Philip Siberg	Chairman	2016	23/23	4/4	2/2	2/2	Yes	Yes
Adam Dahlberg	Director	2000	23/23	4/4	2/2		Yes	No
Sorin J. Brull	Director	2016	23/23			2/2	No	Yes
Lennart Kalén	Director	2018	23/23	4/4	2/2		Yes	Yes
Eva Walde	Director	2021	23/23			2/2	Yes	Yes
Jenny E. Freeman	Director	August 31, 2022	4/23			2/2	No	Yes
Laura Piccinini	Director	August 31, 2022	4/23				Yes	Yes

Extraordinary General Meetings 2022

An EGM on June 27, 2022 authorized the Board, on one or more occasions in the period until the AGM 2023, to decide to increase the company's share capital by a maximum amount of SEK 1,087,500, corresponding to the issue of a maximum of 8,700,000 shares. This authorization is also permitted waiving shareholders' preferential rights and/or with provisions on payment in kind or set-off.

An EGM on August 31, 2022 resolved to elect Laura Piccinini and Jenny E Freeman as Directors.

Annual General Meeting 2023

The shareholders of Senzime AB are invited to the AGM on Tuesday, May 16, 2023 in Uppsala, Sweden. To have a matter considered at the Meeting, the company must have received such request from the shareholder by no later than March 28, 2023.

Nomination Committee

The Nomination Committee represents the company's shareholders. Its duty is to create the best possible information to support AGM resolutions on election of the Board of Directors, Directors' fees, and to submit proposals for resolution on matters including the election of auditors and their reimbursement. The Nomination Committee for the AGM 2023 has consisted of the three largest shareholders in terms of the vote, which as of September 1, 2022 is Adam Dahlberg and family, AB Segulah and Handelsbanken Fonder. Each of these parties appointed a member, to constitute Senzime's Nomination Committee with the Chairman of the Board. The members are: Adam Dahlberg, Gabriel Urwitz, AB Segulah, Malin Björkmo, Handelsbanken Fonder and Philip Siberg, Chairman of the Board of Senzime AB (publ). The members of the nomination committee appointed Adam Dahlberg as chairman of the nomination committee. The appointment of Adam Dahlberg as chairman of the nomination committee is not in line with decided principles for the appointment of members of the nomination committee and Swedish code for corporate governance (a board member must not be chairman of the nomination committee), but the nomination committee still considered the choice justified given Adam Dahlberg's long-term involvement in and knowledge of Senzime and that he, through himself and his family, is the company's largest owner. The Nomination Committee will be presenting its proposals in

the notice convening the AGM on May 16. No fees were paid to members of the Nomination Committee.

Articles of Association

The Articles of Association are approved by the AGM and include obligatory information of a fundamental nature to the company.

The Articles of Association were approved by the AGM on May 11, 2022, and are available at the company's website, www.senzime.com.

Board of Directors and work of the Board of Directors

Each year, the Board of Directors should hold a Board meeting following election after the AGM. The Board of Directors should also meet at least five times per year. The Board meeting following election should consider matters including appointing a Chairman of the Board where the AGM has not appointed the Chairman, appointing the company's signatories, and reviewing and approving the rules of procedure for the Board of Directors.

Normally, scheduled Board meetings consider the company's financial situation and advances in negotiations with collaborative partners, distributors, customers and suppliers. The company's development activities are discussed as required. The company's auditor reports as required, although at least once yearly, directly to the Board of Directors, at one Board meeting.

The Board of Directors is quorate when at least half of the Directors are in attendance. At present, the company does not have any deputies appointed by shareholders' meetings. The CEO should attend board meetings and consult and report on those matters stated in the meeting agenda.

The rules of procedure also stipulate the permanent matters that must be decided by the Board of Directors of the company, for example, publication of the company's annual accounts and quarterly reports, yearly budget of the company, entering agreements of material significance to the company such as long-term leases or collaborative agreements, decision on appointing a Chief Executive Officer. At present, Senzime's Board of Directors has seven members, presented in more detail in the "Board of Directors" section on pages 26–27. Remuneration of the Board of Directors is stated under supplementary disclosures in note 9.

In 2022, the Board of Directors held a total of 23 (17) meetings, of which 11 (9) were scheduled and 12 (8) per capsulam or telephone conferences. The CEO and CFO attended all Board meetings.

BOARD COMMITTEES

Audit Committee

The Audit Committee consults on matters for decision by the Board of Directors. This Committee must consider matters including monitoring the company's financial position, supervising the effectiveness of the company's internal controls and risk management, stay informed on the audit of the annual accounts and consolidated accounts, and review and monitor auditor impartiality and independence. The Audit Committee should also support the Nomination Committee on proposals for election and remuneration of the company's auditors, and meet with the company's auditors regularly.

Members are appointed by the Board of Directors for each financial year, and for 2022, the members were Adam Dahlberg

(Chairman), Lennart Kalén and Philip Siberg. The company's CFO participated and reported at all Audit Committee meetings. The company's auditor attends two to three Audit Committee meetings each year. The Audit Committee met on 4 (7) occasions in 2022. The Auditor attended 3 (3) Committee meetings.

Remuneration Committee

The Remuneration Committee reviews and consults on issues affecting the salary, other employment terms, pension benefits and bonus of the CEO and members of Management that report directly to the CEO, and other central compensation issues. The Remuneration Committee should also continuously monitor and evaluate programs for variable compensation to management decided in the year, as well as monitor and evaluate application of the guidelines for remunerating senior management as resolved by the AGM. The Remuneration Committee met on 2 (1) occasion in 2022.

Members are appointed by the Board of Directors for each financial year, and for 2022, the members were Lennart Kalén (Chairman), Adam Dahlberg and Eva Walde.

R&D Committee

The duty of the R&D Committee is to supervise the company's research and development plans at an overarching level. This Committee should also ensure that the company's research activities are consistent with its long-term strategic corporate goals. Members are appointed by the Board of Directors for each financial year, and for 2022, the members were Sorin J. Brull (Chairman), Philip Siberg and Eva Walde.

Evaluation of the work of the Board of Directors

The company's evaluation of the Board of Directors was held in November 2022, and presented to the Board of Directors in December 2022. The evaluation was conducted as a survey covering three main segments that all Directors and the CEO responded to. The Chairman of the Board did not respond to any questions concerning himself. The evaluation reviewed Directors' perceptions of how the work of the Board is conducted, and if measures need to be taken to improve this process. The outcomes of this evaluation are also important support for the work of the Nomination Committee for the forthcoming AGM. The outcome was reported to the Board of Directors and Nomination Committee.

Chief Executive Officer

Senzime's Chief Executive Officer is responsible for the company's ongoing administration in accordance with the provisions of the Swedish Companies Act. The Board of Directors prepares instructions for the Chief Executive Officer containing a review of the segregation of duties and reporting instructions. These instructions stipulate that the Chief Executive Officer is responsible for the company's accounting records being completed in accordance with applicable legislation, and the company's funds are administered satisfactorily. The Chief Executive Officer should also prepare delegation instructions for various officers of the company, as well as hiring, dismissing and setting the terms & conditions for the company's staff.

For a detailed presentation of the CEO, see senior managers on page 38 of this Annual Report.

Group management

The group's management team has eight (8) members including the CEO. See pages 38–39 for more information on each member of management. Management meets regularly, mainly to deal with the group's financial performance, current projects and other strategic issues.

Remuneration guidelines for the CEO and other senior managers

Remuneration issues are considered by the Board of Directors' Remuneration Committee, and approved by the Board of Directors. The Board of Directors presents proposed guidelines for remunerating senior managers, which the AGM then resolves on. The AGM 2022 adopted the following guidelines for remunerating the CEO and other senior managers.

The Board of Directors intends to propose the same guidelines to the AGM 2023.

Scope and applicability of the guidelines

These guidelines cover the company's CEO and the individuals that are members of Senszime's Management from time to time. To the extent Directors of the company render service to the company in addition to their directorships, these guidelines should also apply to any compensation paid to a Director for such service.

The guidelines should be applied to compensation that is agreed, and to amendments to previously agreed compensation, subsequent to adoption of the guidelines at the AGM 2023. Compensation includes the transfer of securities, and of rights to acquire securities from the company in future.

The guidelines do not cover compensation resolved by shareholders' meetings, such as share-based incentive programs.

Executives that serve as a Director or Deputy Director on the Boards of group companies should not receive special compensation for this service.

How the guidelines promote the company's business strategy, long-term interests and sustainability

Senzime is a global medical device company driving a technology paradigm shift, with innovative patient monitoring systems targeting a market opportunity valued at over SEK 100 billion in the US and Europe.

Senzime's vision is a world without anesthesia related and respiratory complications, and our mission is to develop high-technology, innovative solutions that save lives, optimize patient health, reduce complications and healthcare costs.

Senzime delivers innovative products for patient monitoring of neuromuscular function and breathing, typically under and after surgery, and for intensive care. TetraGraph is a system based on EMG technology used in neuromuscular monitoring during surgical procedures.

ExSpirom 2Xi is the only non-invasive monitoring system for respiratory volume and minute ventilation for in and out patient care.

Successful implementation of the company's strategy and protecting the company's long-term interests require the company to hire and retain Management with good skills and capability of achieving designated targets. This requires the company to offer competitive compensation. These guidelines contribute to

the company's business strategy, long-term interests and sustainability by providing the company with the opportunity to offer senior executives competitive compensation.

Forms of compensation

The company's compensation system should be on market terms and competitive. Compensation may be paid in the form of basic salary, variable compensation, pension and other benefits.

Basic salary should be individualized for each manager and based on the position, responsibilities, skills, experience and performance of the manager. The senior manager may be offered the opportunity to rebalance between basic salary and pension, as well as other benefits, providing this is cost neutral for the company.

Variable compensation should relate to the outcome of the company's targets and strategies, and should be based on predetermined and measurable criteria designed to promote long-term value creation. It should be possible to alter the share of total compensation that is variable depending on position. For the CEO and the rest of senior management, variable compensation may be a maximum of 50 percent of yearly basic salary. Variable compensation should not be pensionable, to the extent this does not otherwise ensue from mandatory collective bargaining provisions. The Board of Directors should be able to wholly or partly reclaim variable compensation paid erroneously pursuant to law or contract, subject to the ensuing limitations.

Pension benefits should be defined contribution, to the extent the manager is not covered by defined benefit pension pursuant to mandatory collective-bargaining provisions. The pension premiums for defined contribution pensions may be a maximum of 40 percent of the senior manager's yearly basic salary.

Other benefits may include company cars, corporate health care, life and health care insurance, as well as other similar benefits. Other benefits should represent a minor portion of total compensation, and may be a maximum of 10 percent of the senior manager's yearly basic salary.

Consulting fees should be on market terms. Where consulting services are rendered by Directors of the company, the relevant Director is not entitled to participate in the Board of Directors' (or Remuneration Committee's) consultation on matters relating to compensation for the relevant consulting services.

Criteria for payment of variable compensation

The criteria that serve as the basis for paying variable compensation should be determined by the Board of Directors each year with the aim of ensuring that these criteria are consistent with Senszime's current business strategy and earnings targets. The criteria may be individualized or collective, financial or non-financial, and should be designed so that they promote the company's business strategy, sustainability strategy and long-term interests. For example, such criteria may be linked to the company achieving specific business-related goals, relating to sales and permits, for example. The criteria may also be associated to the individual employee, such as the individual serving the company for a specified period.

The period that is the basis for assessing whether the criteria have been satisfied should be at least one year. The assessment as to the extent the criteria have been satisfied should be made when the measurement period has concluded. Assessments of

whether the financial criteria have been satisfied should be based on the company's most recently published financial information. The Board of Directors decides on the payment of any variable compensation after consultation by the Remuneration Committee.

Salary and employment terms of employees

With the aim of assessing the reasonableness of the guidelines, when consulting on the proposal for these guidelines, the Board of Directors has considered the salary and employment terms of the company's employees. This included the Board of Directors receiving information on employees' total compensation, the types of compensation, how the level of compensation has changed over time, and at what rate.

Notice period and severance pay

For the CEO, the notice period on termination by the company should be a maximum of 12 months, while the notice period on termination by the CEO should be a maximum of six months.

For other senior managers than the CEO, the notice period on termination by the company should be a minimum of three months, and a maximum of 12 months, while the notice period on termination by the senior manager should be a minimum of three months and a maximum of six months, unless otherwise ensuing from legislation.

Severance pay may be due to senior managers on termination by the company. Basic salary during the notice period and severance pay should not exceed a combined total corresponding to one year's basic salary.

Compensation may be due for non-competition undertakings. Such remuneration should compensate for potential loss of income, and should only be payable to the extent the former senior manager is not entitled to severance pay. Such compensation may be a maximum of 60 percent of the senior manager's basic salary at the date of notice, unless otherwise ensuing from mandatory collective bargaining provisions. Such compensation may be due for a period that the non-competition undertaking applies, which may be a maximum of 12 months after terminating employment, with the option of deduction against other income from employment or consulting agreements.

Decision-making process for determining, reviewing and executing the guidelines

The Board of Directors has established a Remuneration Committee whose duty is to consult on the Board of Directors decisions in the matter of remuneration principles, remuneration and other employment terms for Management, as well as monitoring and evaluating variable compensation for Management that is current, and decided during the year, as well as monitoring and evaluating application of the guidelines for remunerating senior management that the AGM may adopt, and applicable remuneration structures and remuneration levels in the company. The Remuneration Committee's duties also include consulting on Board of Directors decisions on proposed guidelines for remunerating senior management.

Departure from the guidelines

The Board of Directors may decide to temporarily depart from the guidelines, if there are special reasons for this in an individ-

ual case, and a departure is necessary to protect Senszime's long-term interests and sustainability, or to ensure the company's economic viability.

For example, such special reasons maybe that a departure is considered necessary to hire or retain key individuals, or in extraordinary circumstances where the company achieves a specific desired outcome ahead of plan, that the company succeeds in entering a specific agreement earlier, or on better terms, than expected, or the company's value increases, or it increase its sales or earnings more than forecast.

Auditors

The company's auditors review Senszime's annual accounts and accounting records, and administration by the Board of Directors and CEO. After each financial year, the auditor should present an audit report and consolidated audit report at the AGM. Since the AGM 2016, Senszime's auditor has been registered public audit firm Öhrlings PricewaterhouseCoopers AB, with Leonard Daun, who is an Authorized Public Accountant and member of FAR, the Institute for the Accounting Profession in Sweden, being key audit partner, whose address is Vaksalagatan 6, 753 20 Uppsala, Sweden.

Internal controls over financial reporting

Senzime's Board of Directors is responsible for the company's internal controls. Internal controls should ensure:

- Reliable financial reporting and information on operations
- Compliance with applicable law, directives, guidelines, etc.
- Expedient and cost-efficient operations.

Control environment

To ensure that Senszime complies with applicable law, and the company's values and working methods apply organization wide, Senszime has conducted a mapping process, and developed a number of policies and procedures from this.

Pursuant to the Swedish Companies Act, the Board of Directors is accountable for internal controls and governance of the company. The CEO is responsible for presenting a yearly report on policy compliance to the Board of Directors each year. The CFO reports any non-compliance with the group's policy portfolio immediately. The company's CFO attends and reports to Audit Committee meetings.

Insider policy

Senzime has adopted an Insider Policy to supplement current insider legislation (MAR). This Insider Policy stipulates matters including the individuals covered by the policy and the periods when trading in the company's financial instruments is prohibited. This Policy also stipulates guidelines for decisions on processes associated with delayed publication of news, and the definition of persons discharging managerial responsibilities (PDMRs).

Risk assessment

Risks associated with the company's targets are evaluated and documented by the company's management. The risk assessment is conducted when the targets have been communicated (yearly), but are reviewed if they change or if new information that may impact the assessment becomes available.

The risk assessment is conducted by management in September each year, and is reviewed by the Audit Committee at its November meeting.

Control activities

On the basis of the risk assessment and judgements conducted, internal controls should be designed and executed to cover risks, where appropriate. Internal control should be formulated as standards to define the minimum level of action necessary to create an effective internal control environment for each business process.

These processes play a key role in operations, and by identifying potential threats, and specifying mitigating action in an internal control environment, help prevent, or give advance warning of, disruptions. Risk assessments link risks to those activities that conduct business operations, and accumulate resistance through the organization.

Information and communication

The Chief Executive Officer is accountable for managing the company's daily business and its operational decision-making. The Chief Executive Officer should keep the Board of Directors updated on all relevant issues at all Board meetings, and between these meetings as required.

The composition of management is decided by the CEO, and in consultation with the Board of Directors.

The finance team consists of the CFO and other skills for the relevant accounting, consolidation and financial reporting. It is mandatory for all members of the financial team to have taken training in dealing with the stock market.

Follow-up

To ensure suitable action has been taken to reduce operational risks, each October, management should conduct a follow-up including a review of critical processes and systems, especially for finance and IT.

In this context, the framework of internal control should also be reviewed and updated. The outcome of conducted and documented tests, with conclusions on the effectiveness of risk management and internal controls, should be presented to the Audit Committee at its November meeting.

Internal audit

The company does not have an internal audit function, which is a departure from the Code. In 2022, the Board of Directors evaluated the group's need for an internal audit function, which resulted in the Board of Directors expressing the opinion that over and above existing internal control processes and functions for internal controls, it did not need to create an internal audit function in 2023. The Board of Directors' opinion is that the monitoring and review conducted internally, combined with the external audit, is sufficient to maintain effective internal controls over financial reporting.

The Board's work in 2022

