

# Corporate Governance Report 2013

Enea AB is a Swedish public limited company listed on the NASDAQ OMX Nordic exchange in Stockholm. Corporate governance within the Enea Group is based on Swedish legislation and the rules and recommendations issued by relevant organizations, including the Swedish Corporate Governance Board, NASDAQ OMX, the Swedish Securities Council and others. Governance, management and control of Enea are distributed between the shareholders through the Annual General Meeting, the Board and the CEO in accordance with the Swedish Companies Act and the Board's rules of procedure.

## Swedish Code of Corporate Governance

The following description of the Corporate Governance Report has been prepared in accordance with the Swedish Code of Corporate Governance. During the financial year, Enea complied with the Code without exception.

## Shareholders

Enea's ordinary shares are listed on the NASDAQ OMX Stockholm Small Cap list. According to the share register maintained by Euroclear Sweden, Enea had 17,054,478 shares as at 31 December 2013. On 31 December 2013, the share capital in Enea AB amounted to SEK 18,355,713, divided into 17,054,478 ordinary shares, each carrying the same voting rights and participation in the Company's earnings and capital. Enea owns 668,431 shares in the Company, corresponding to 3.9 percent of the total shares. On 31 December 2013, the largest shareholders were SIX SIS AG, with 24.6 percent and Försäkringsbolaget Avanza Pension, with 13.6 percent of shares.

## Annual General Meeting

The Annual General Meeting, or where applicable, an Extraordinary General Meeting, is Enea's highest decision-making body. Every shareholder is entitled to participate in the Annual General Meeting, either in person or via a representative with power of attorney. Every shareholder is entitled to request that a matter be addressed by the Meeting. The Annual General Meeting of Enea AB took place on 10 April 2013 in Kista. The Annual General Meeting adopts the Articles of Association, appoints the Board of Directors and its Chairman, appoints auditors, adopts the income statement and balance sheet, resolves on the appropriation of earnings, discharges the Board and the CEO from liability, adopts resolutions about the Nomination Committee, the principles for remuneration of the CEO and other senior executives, etc. A two-third majority is required to amend the Articles of Association.

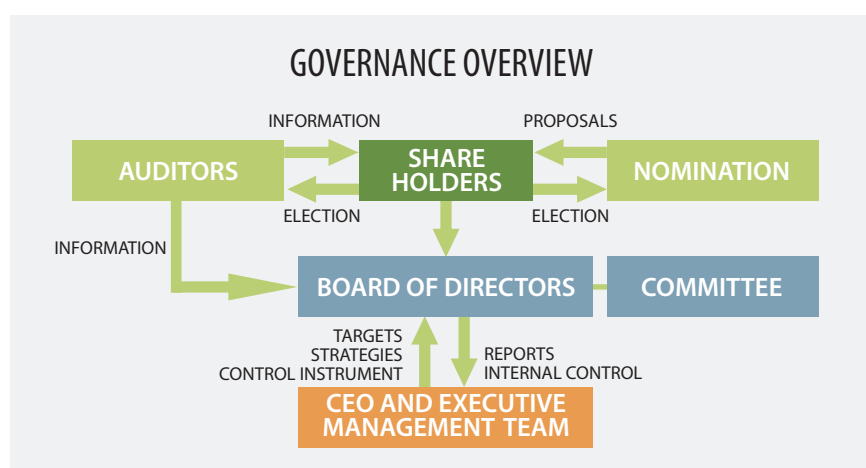
The 2013 Annual General Meeting resolved on:

- adopting the income statement and balance sheet for the company and the Group,
- discharging Board members and CEO from liability,
- remuneration to the Board and the auditors,
- guidelines for remuneration of senior executives,
- introducing an automatic redemption program involving a share split, the redemption of shares and a bonus issue. The redemption program involved a transfer of SEK 3.00 per share to the shareholders,
- a reduction of the share capital and bond issue,
- a reduction of the statutory reserve,
- authorisation of the Board to pass resolutions on acquisitions and transfers of treasury shares corresponding to no more than 10 percent of all shares in the company,
- authorisation of the Board to make decisions about new issue of shares for share or business acquisitions corresponding to an increase of no more than 10 percent of the share capital,
- election of Board members, Åsa Landén Ericsson, Mats Lindoff, Anders Skarin, and Kjell Duveblad, Torbjörn Nilsson and Robert Andersson were re-elected as Board members. Anders Skarin was elected Chairman of the Board.

The complete minutes from the Annual General Meeting, together with the Meeting's decision data, can be viewed at the company's website ([www.enea.se](http://www.enea.se)) under the Investor Relations section.

## Nomination Committee

The Annual General Meeting will appoint Nomination Committee members or state how they are to be appointed. Enea's Nomination Committee for the 2014 Annual General Meeting will be appointed from not less than two and not more than four of the largest shareholders in descending order from the shareholder register as at 31 August 2013. If more than two of the four largest shareholders in terms of votes declines from appointing a representative to the Nomination Committee, the next shareholder in order of size must be given the opportunity to appoint such a representative. The names of Nomination Committee members will be published in the company's third quarterly report. The mandate period for the Nomination Committee appointed will run until a new Nomination Committee has taken over. A representative of the shareholders should be appointed Chairman of the Nomination Committee.



In accordance with the above, the Chairman of the Board contacted the four largest shareholders, in terms of votes, at the end of August 2013 to ask them to appoint one member each to the Nomination Committee. Three of these appointed a representative, but the fourth declined. If any significant changes take place to the ownership structure following the appointment of the Nomination Committee, the composition of the Nomination Committee will be amended in accordance with the principles above.

The Nomination Committee will prepare and submit proposals to the Annual General Meetings for:

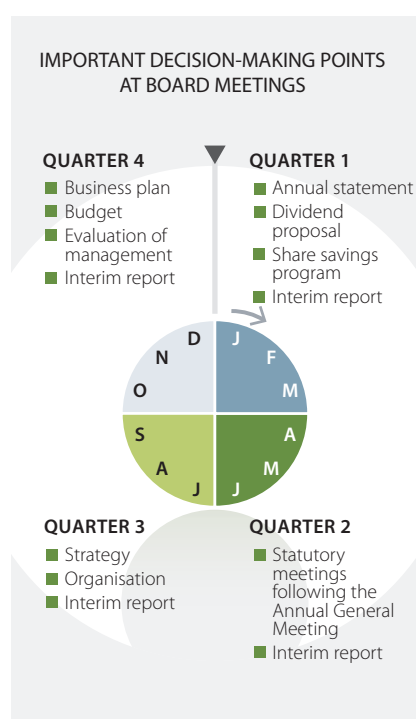
- Chairman of the forthcoming Annual General Meeting,
- election of the Chairman and other Board members,
- Board fee distributed between the Chairman and other Board members, as well as the guidelines for any remuneration for committee work,
- election and fees for auditors and deputy auditors (where necessary),
- resolution on guidelines for the composition of the Nomination Committee.

Prior to the 2014 Annual General Meeting, the Nomination Committee consists of Per Lindberg, Sverre Bergland (DnB Nor), Robert Andersson (Limhamn Förvaltning), as well as Anders Skarin (Chairman of the Board of Enea AB). The Nomination Committee has appointed Per Lindberg as Chairman.

### The work of the Board

The Board shall manage the company's interests and the interest of all shareholders. The tasks of the Board include adopting business objectives and strategy, appointing, evaluating and, where necessary, dismissing the CEO, ensuring that effective systems are in place for monitoring and reviewing the company's operations, ensuring that there is satisfactory control over the company's compliance with laws and other regulations applicable to the company's operations, ensuring that the requisite ethical guidelines are adopted for the company's conduct, and ensuring that the company's provision of information is characterized by transparency and is correct, relevant and reliable.

The CEO participates at every Board meeting and reports on the company's



business situation, future prospects, financial position and events of material significance, as well as the management's budget proposals and action plan for the coming financial year. Other officers of the company also participate in Board meetings, presenting reports when necessary. The CEO does not participate in the parts of Board meetings that deal with the relationship between the CEO and the company, and the work of the CEO and other senior executives is evaluated at least once a year.

The Board members' shareholdings are stated in the presentation of the Board, see page 24.

Every year, the company's auditor presents a report to the Board based on observations made during the review and assessment of the company's internal control. The guidelines for Board's work are based on the rules of procedure, which regulate the distribution of work between the Board, the Chairman and the CEO, and the matters that are to be discussed at ordinary Board meetings. The Board's rules of procedure are adopted annually at the statutory Board meeting immediately following the Annual General Meeting and adjusted as required.

Besides the tasks already stated, the rules of procedure includes approval of the Board's meeting agenda, instructions for the CEO, the decision-making procedure within the company, the appropriate distribution of work, as well as information procedures between the company and the Board.

In 2013, the Board addressed the Enea Group's strategy and business operations, remuneration of senior executives, continuous monitoring of the operations and forecasts, interim reports, budgets and business plan for 2013, as well as a buy-back of treasury shares. The work of the Board was evaluated at the end of the year. In 2013, the Board held ten meetings, as well as one statutory meeting. In addition to the regular Board work, some members are also members of the company's Audit Committee and Remuneration Committee.

The Board received remuneration of SEK 1,600,000, to be distributed as follows: SEK 420,000 to the Chairman of the Board and SEK 200,000 each to other Board members appointed by the Annual General Meeting, as well as SEK 180,000 to be distributed among Board members according to their efforts and participation in committee work. Details of Board members' remunerations are presented in Note 4/21.

### BOARD INDEPENDENCE

All Board members were to be considered independent in respect of the company and the Group Management and in respect of major shareholders in the company. For information on Board members and the CEO, see pages 24-25.

### AUDIT COMMITTEE

The Audit Committee is a Board committee that consisted of Åsa Landén Ericsson (Chairman), Torbjörn Nilsson and Robert Andersson. Enea's CFO and the company's auditor are co-opted to the meetings, which are normally held once per quarter. The work of the Audit Committee is minuted and reported to the Board.

The Audit Committee is responsible for the preparation of the Board's work on quality assurance of the company's financial reporting, informing itself of the direction and scope of the audit, and discussing coordination between the external audit and the company's internal control functions and the view of the company's risks, adopting guidelines for services other than the audit that the company may procure from the company's auditor, evaluating the audit efforts and informing the company's Nomination Committee of the evaluation, as well as assisting the Nomination Committee with its proposals for auditors and remuneration.

In 2013, the Audit Committee held four meetings, all in connection with the quarterly financial statements. An account of attendance by Board members is presented in the table below. The presentation of the company's interim reports, product

## ATTENDANCE AT BOARD MEETINGS

*Meeting No. 4 was statutory.*

Member	1	2	3	4	5	6	7	8	9	10	11
Anders Skarin (Chairman)	X	X	X	X	X	X	X	X	X	X	X
Robert W. Andersson	X	X	X	X	X	X	X	X	X	X	X
Kjell Duveblad	X	X	X	-	X	X	X	X	X	X	X
Åsa Landén Ericsson	X	X	X	X	X	X	X	X	X	X	X
Mats Lindoff	X	X	X	X	X	X	-	X	X	X	X
Torbjörn Nilsson	X	X	X	X	X	X	X	X	X	X	X
Eva Swedberg	X	X	X	X	X	X	X	X	X	-	-

profitability, goodwill and other intangible assets, accounts receivable, risk management, finance-related issues and internal reviews were the main topics discussed.

The Group's auditor reports his findings from the audit to the entire Board each year in connection with the annual financial statements. In addition, the Board meets the company's auditor at least once a year – without the presence of the Group Management – to learn about the focus and scope of the audit, and to discuss coordination between the external audit and the internal control and views of the company's risks.

#### REMUNERATION COMMITTEE

The overall responsibilities of the Board cannot be delegated, but the Board has established a Remuneration Committee tasked with preparing issues relating to salaries, remuneration and other terms of employment for the CEO and other members of the Group Management.

In 2013, the Committee comprised Board members Anders Skarin (Chairman), as well as Kjell Duveblad. The Remuneration Committee

is convened as required and reports on its work to the Board. The remuneration committee held three meetings in 2013.

#### CEO

Anders Lidbeck has been the CEO since 2011. His other significant tasks include Chairman of the Board of Scalado AB until June 2013, Creandum II Advisor AB until May 2013, as well as Creandum Advisor AB. Anders Lidbeck has no material shareholdings in companies with whom Enea has business relations.

Internal control and risk management concerning the financial reporting  
The Board is responsible for the internal control in accordance with the Swedish Companies Act, the Swedish Annual Accounts Act and the Swedish Code of Corporate Governance. The following description is limited to the internal control related to financial reporting.

#### CONTROL ENVIRONMENT

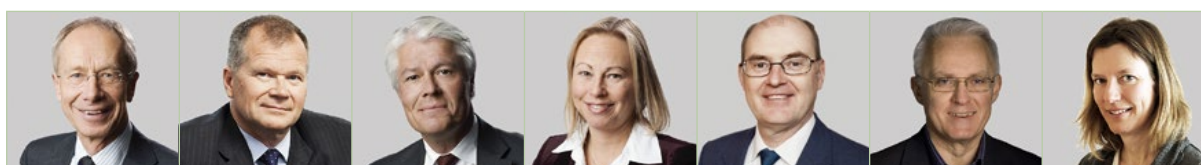
Enea's objective is to fulfil requirements for continuous work pertaining to risk and internal control as part of Enea's compliance

with the Swedish Code of Corporate Governance. At Enea, internal control of financial reporting is an integral part of corporate governance. It includes processes and methods to secure the Group assets and accuracy in the financial reporting, and this aims to protect the owners' investment in the company.

The Board monitors the quality of the financial reporting in a number of ways. The Board approves the rules of procedure each year, which include regulating the tasks of the Chairman and CEO. According to these instructions, the CEO is responsible for reviewing and ensuring the quality of all financial reporting, and for ensuring that the Board in general receives the reports required for the Board to assess the financial position of the Group on a continuous basis. The instructions to the CEO include the issues on which the CEO is permitted to exercise his authority to represent the company, but only after receiving authorisation or approval from the Board.

At the statutory Board meeting following

## BOARD OF DIRECTORS 2013



Name	Anders Skarin	Robert W. Andersson	Kjell Duveblad	Åsa Landén Ericsson	Mats Lindoff	Torbjörn Nilsson	Eva Swedberg
Born	1948	1960	1954	1965	1961	1953	1968
Appointed	2005	2012	2008	2003	2010	2012	2012
Role in the Board	Chairman of the Board since September 2011	Board member	Board member	Board member	Board member	Board member	Employee representative SI
Education	Bachelor of Science	Master of Science in Economics (Finland) and MBA (US)	Bachelor of Science in Business Administration, Stockholm School of Economics	Master of Science in Engineering, and MBA	Master of Science in Engineering EE	Master of Science in Engineering, and Bachelor of Science in Business Administration	Master of Science in Mechanical Engineering
Previous positions	President of Programator (listed) and Nordic Manager of Cap Gemini, Board work and management consulting	Nokia Group 1985-2012, including SVP Asia Pacific, EVP Customer and Market Operations, SVP Corporate Alliances and Business Development	Sales Director of IBM Svenska AB and President of Oracle Sweden, Nordic region and the Baltic countries	Acting President and CEO of Enea AB and Scanpix Sweden, Investment Manager of Catella Holding and Catella IT AB	Chief Technology Officer Sony-Ericsson, President of C-Technologies AB	Chairman of the Board/Member of unlisted technology company, Vice President of the Ericsson Group	Test Manager of CM at Enea, Consultant, AGA Process controller, Energo developer control systems
Other Board assignments	Chairman of PocketMobile Communications AB and Infobric, as well as Board member of Acando AB	Vice Chairman of Stiftelse Svenska Handelshögskolan and Board member of PALTA (employers' organisation, Finland), Walter and Andree de Nottbecks foundation	Chairman of the Board of Encon AB, Remium Nordic AB and Framsteg AB, as well as Board member of a number of unlisted companies	Board member of Almega IT and Telekomföretagen	Board member of Free2move, as well as a number of unlisted companies	Board member of Transmode AB, Flexenclosure AB, as well as a number of unlisted companies	-
Own and related parties' shareholding 2013 (2012)	15,000 (15,000)	0	10,000 (10,000)	2,500 (2,500)	990 (990)	0	2,250 (2,250)
Committee work	Remuneration Committee	Audit Committee	Remuneration Committee	Audit Committee	-	Audit Committee	-
Primary occupation	Management consulting and Board work	President and Chief Executive Officer of Sonera in Finland	Consultant	President of Enfo Pointer AB	Partner in EMA-Technology and Consulting	Strategy consultant and Board work	Team Manager, OSE
Attendance at Board meetings	11	11	11	11	10	11	9
Attendance at committee meetings	3	4	3	4	-	4	-

Enea's Board as of 31 December 2013. All shareholdings, including those of related parties as of 31 December 2013

## MANAGEMENT GROUP 2013



Name	Anders Lidbeck	Håkan Rippe	Tobias Lindquist	Karl Mörner	Adrian Leufvén	Bogdan Putinica	Catharina Paulcén
Born	1962	1968	1972	1975	1972	1977	1973
Employed since	2011	2009	2011	1998	1998	2007	2009
Member of Management Group since	2011	2009	2011	2011	2008	2011	2009
Position	President and CEO since September 2011	CFO	Chief Technology Officer	Senior Vice President, Products	Senior Vice President, Sales	Senior Vice President, Global Services	Senior Vice President, Marketing and Communication
Education	Bachelor of Business Administration, Lund University	Master of Science in Engineering, Chalmers University of Technology	Master of Science in Engineering, Lund University	Graduate engineer, Skövde University	Master of Science in Engineering, Royal Swedish Institute of Technology	International Finance and Banking, Academy of Economic Studies Bucharest, Romania	International business administration, Universities of Lund and Mannheim
Previous positions	President and CEO of Telelogic, diverse sales and marketing positions at Nokia, ICL and Telia Megacom, including President of ICL Direct in Benelux and Vice President of Sales and Marketing of ICL Industry systems Europe	Head of Business Development of Enea, Senior Vice President Nordic Consulting at Enea, Business Development Executive at IBM Rational Software and Executive Vice President Corporate Development at Telelogic	Corporate head architect and responsible for system architecture at Sony Ericsson, Director Head of platform program office at Sony Ericsson Mobile Communications. Senior Manager, Head of Software Architecture, Open Platform at Sony Ericsson	Director of Product Management at Enea, Director of System Management at Enea, System architect at Enea and Team leader at Enea	Development Manager at Enea, VP Strategic Outsourcing at Enea, VP Support at Enea, VP Marketing at Enea, Director Asian Sales at Enea	CEO of Enea Romania, Global Sales Director Product Services at Enea Romania and President of IP Devel	Branding Manager at IBM Nordics, Director of Marketing at IBM Rational Software and Executive Vice President Marketing and Communications at Telelogic
Own and related parties' shareholdings 2013 (2012)	50,000 (through endowment insurance) (50,000)	50,000 (of which, 45,000 through endowment insurance) (50,000)	3,500 (3,500)	500 (500)	29,500 (14,500)	3,500 (3,500)	12,500 (12,500)

Enea's Management Group as of 31 December 2013. All shareholdings, including those of related parties as of 31 December 2013

the Annual General Meeting, Enea's Board adopts the rules of procedure for the Board, the Audit Committee and the Remuneration Committee.

In addition, the instruction to the CEO, attestation instruction and instruction for trading the company's shares are approved.

Enea's CEO and Group management hold operational responsibility for the internal control. Based on the Board's guidelines and laws and regulations relating to financial reporting, management has established the distribution of roles and responsibilities for employees working with financial reporting within the Group. The Group is divided into units, with the manager of each unit responsible for the fulfilment of objectives and budget, and compliance with governance issues for the unit. Enea's organisational structure is communicated on the Group's intranet so that roles and areas of responsibility are clear to everyone working with financial information.

Enea has issued instructions to subsidiary managers, based on the same frameworks and guidelines that apply for the CEO of Enea AB. Enea also has a number of policies available to employees via the intranet, which govern the work at Enea and create a foundation for good internal control, including a finance policy, attestation policy,

IT policy, environmental policy, insider policy and communications policy. The Group also has an accounting and reporting manual with instructions on the Group's accounting policies, reporting instructions and a schedule, to ensure that consistent and accurate accounting information is provided in a timely manner. These guidelines are followed up and updated regularly and communicated to all employees who work directly or indirectly with financial reporting.

#### RISK ASSESSMENT

The objective of Enea's risk assessment is to secure the Group's profit development and financial position. Enea AB's Board approves policies and guidelines for risk management at Enea, and the CEO and Group management hold operational responsibility. Regular risk assessments are carried out within the scope of Enea's monthly financial follow-ups by the managers of each unit, the Management Group and the controller, and measures are implemented as required.

#### CONTROL ACTIVITIES

Each business area at Enea is followed up every month by the relevant management and controller. Results are compared with earlier results and budgets for all units. Enea's Group management held scheduled

meetings twice a month in 2013 to monitor operations and the business situation, the financial outcome compared with the budget and preceding periods, to establish forward-looking sales and earnings forecasts, as well as any measures deemed necessary for good internal control. The CEO distributes an aggregated report every month to the Board. When necessary, more detailed follow-ups are performed, for example, in the form of reviews of subsidiaries implemented by controllers.

In 2013, Enea's auditors performed a review in connection with the third quarterly report and submitted a review report in the interim report for 1 January - 30 September 2013 and a review of the annual financial statements, when the company's auditors submitted its Audit Report in the company's 2013 Annual Report.

Given the scope and limited complexity of the operations, combined with the existing reporting to the Board and the Audit Committee, the Board does not consider the establishment of a specific internal audit function to be financially viable. The internal control described above is deemed sufficient to assure the quality of the financial reporting.