

# Corporate governance report

***Enea AB (publ) is listed on the Nasdaq OMX Nordic Exchange in Stockholm. Corporate Governance within the Enea Group is based on Swedish law and the rules and recommendations published by relevant organizations such as the Swedish Corporate Governance Board, Nasdaq OMX, and Equity Market Committee. Enea is covered as of 1 July 2008 by the Swedish Code for Corporate Governance and applies it without exception. This description has been compiled in accordance with the Swedish Code for Corporate Governance. Steering, management and control of Enea is shared among shareholders at the Annual General Meeting, the Board and the CEO in accordance with the Swedish Companies Act and the Articles of Association.***

## **Annual General Meeting**

The Annual General Meeting of Enea AB (publ) 2009 took place on 26 March 2009 in Kista. Besides the Annual General Meeting's decision to ratify the income statement and balance sheet for the company and the Group and the fact that no dividend was issued for 2008, the Meeting decided to discharge Board members and the CEO from liability, elected Board members and an auditor, and approved fees for the Board and auditors and guidelines for senior executives. Kjell Duveblad, Åsa Landén Ericsson, Gösta Lemne, Jon Risfelt and Anders Skarin were re-elected as regular Board members at the Annual General Meeting. Anders Lidbeck was elected as a new Board member and Chairman of the Board. In addition, the Board was authorized to make decisions on acquisitions and the transfer of own shares corresponding to no more than 10% of all shares in the company, plus the new issue of shares for share or business acquisitions corresponding to an increase of no more than 10% of the share capital.

The complete minutes from the Annual General Meeting, together with the Meeting's decision data, can be viewed at [www.enea.com/omenea/investorrelations/bolagstyrning](http://www.enea.com/omenea/investorrelations/bolagstyrning).

## **Nomination committee**

The Annual General Meeting shall appoint members of the nomination committee or indicate how these members are to be appointed. Enea's nomination committee for the 2010 Annual General Meeting shall comprise representatives of four major shareholders plus the Chairman of the Board, and the Chairman

of the Board shall contact the four biggest shareholders in terms of number of votes at the end of the third quarter of 2009 to ask them to appoint one member each for the nomination committee. If any of the four biggest shareholders in terms of votes declines to appoint a representative on the election committee, the next shareholder in order of size must be given the opportunity to appoint such a representative. The names of nomination committee members shall be published in the company's interim report for the first three quarters of the year. The mandate period for the nomination committee appointed shall continue until a new nomination committee has taken over. A representative of the shareholders should be appointed chairman of the nomination committee.

If any significant change takes place to the ownership structure once the nomination committee has been inaugurated, the composition of the nomination committee shall be amended in accordance with the principles above.

The nomination committee shall prepare and submit motions:

- to the Chairman at the coming Annual General Meeting,
- for election of a Chairman and other company directors,
- for Board fees divided among the Chairman and other members of the Board, along with principles for any payment for committee work,
- for election of and payment to an auditor and deputy auditor (where appropriate), and
- for decisions on principles for the appointment of a nomination committee.

The nomination committee for the 2010 Annual General Meeting comprises Chairman Per Lindberg (biggest shareholder in Enea), Sverre Bergland (DnB Nor), Anders Ljungqvist (AMF), Robert Andersson (Infläktor Fastighets AB) and Chairman of the Board Anders Lidbeck.

## **Board work**

The Board shall manage the company's interests and the interest of all shareholders. The tasks of the Board include approving business targets and strategy, appointing, evaluating and - where necessary - dismissing the CEO, ensuring that effective systems are in place for following up and checking the company's operations, ensuring that there is satisfactory control over the company's compliance with laws and other rules applicable to the company's operations, ensuring that the requisite ethical

guidelines are approved for the company's conduct, and ensuring that the company's provision of information is characterized by openness and is correct, relevant and reliable.

The Enea Board comprises six members elected by the Annual General Meeting and two members and one deputy elected by the staff organizations. The CEO participates in every Board meeting and reports on the company's business situation, future prospects, financial position and events of essential significance, as well as the budget and action plan for the coming business year. Other officers of the company also take part in Board meetings, presenting reports when necessary. The CEO does not participate in the parts of Board meetings which deal with the relationship between the CEO and the company, and the work of the CEO is evaluated at least once a year.

The company's auditor reports every year to the Board his observations from the review and his assessment of the company's internal accounting control.

The guidelines for Board work are based on the procedures which regulate the distribution of work between the Board, the Chairman and the CEO, and indicate which matters are to be discussed at Ordinary General Meetings. The Board's agenda is approved each year at the inaugural Board meeting immediately following the Annual General Meeting and is adjusted as required.

Besides the tasks already stated, the agenda includes approval of the Board's meeting agenda, an instruction for the CEO, a decision-making structure within the company, the relevant division of work and an information arrangement between the company and the Board.

In 2009, the Enea Group's strategy and business operations, regular follow-up and forecasts, decisions on cutback programs of SEK 50 million in the Software business area, a new organizational structure with Software and Consulting as two independent business areas, and the buyback of own shares. The recruitment of a CEO/President and Director of Finance have also been discussed. The work of the Board was evaluated at the end of the year. The Board held nine meetings in 2009.

The Board will be paid fees of SEK 1,350,000, to be distributed among the Chairman of the Board (SEK 380,000) and to other members appointed by the meeting (SEK 160,000 each), as well as SEK 170,000 to be divided among Board members according to their efforts and participation in committee work. In addition, it was approved that the Board should appropriate SEK 500,000 for use for extraordinary initiatives over and above their regular

Board work. This must be reported separately.

Besides regular Board work, some members are also members of the company's audit committee and remuneration committee.

### **Board independence**

All members were to be considered independent in respect of the company and the corporate executive and in respect of major shareholders in the company.

Director Gösta Lemne represents Enea's biggest customer.

For information on Board members and the CEO, see pages 57 and 58.

### **Audit committee**

The audit committee is a committee for the Board which in 2009 comprised Anders Skarin (Chairman), Anders Lidbeck and Jon Risfelt. Enea's Director of Finance and the company's external auditor are co-opted to the meetings, which are normally held once a quarter. The work of the audit committee is reported to the Board.

The audit committee shall stand responsible for preparation of the Board's work on quality assurance of the company's financial reporting, inform itself of the direction and scope of the audit, and discuss coordination between the external and internal audit and the view of the company's risks, approve guidelines concerning which services other than the audit that the company may procure from the company's auditor, evaluate the audit initiative and notify the company's nomination committee of the evaluation, and assist the nomination committee with producing proposals for auditors and remuneration. The audit committee had four meetings in 2009. The formulation of the company's interim reports, product and customer profitability, risk management, capital immobilization, finance-related issues and internal review were the main topics discussed.

The Group's auditor reports his findings from the audit to the entire Board each year when the annual accounts are compiled. In addition, the Board meets the company's auditor at least once a year – without the presence of the corporate executive – in order to find out information on the focus and scope of the audit, and also to discuss coordination between the external audit and the internal review and views of the company's risks.

The term of office for the company's firm of auditors, Pricewa-

terhouseCoopers AB, with Michael Bengtsson auditing, expires at the 2011 Annual General Meeting. For information on the audit fee, see note 5.

### 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 corporate executive. Reporting takes place to the Board on an ongoing basis. In 2009, Board members Anders Lidbeck (Chairman) and Kjell Duveblad made up the remuneration committee.

The agenda for the remuneration committee is approved annually by the Board. Examples of issues which the remuneration committee prepares for the Board include scope, terms and distribution of general option and bonus programs according to proposals from the CEO, the CEO's contract of employment including salary, pension benefits, allocation in option and bonus programs and similar, and remuneration to other senior executives according to proposals from the CEO. In addition to tasks recurring yearly, such as the distribution of Board fees and remuneration to senior executives, remuneration to the CEO who was appointed in March 2009 and remuneration to the CFO who was appointed in September 2009 have also been dealt with in 2009. The remuneration committee is convened as required and reports on its work to the Board. The remuneration committee had three meetings in 2009.

Below is an attendance list showing all Board members.

Attendance	Board meetings	Audit Committee	Remuneration committee
Anders Lidbeck	7/9*	3/4*	3/3
Jon Risfelt	9/9	4/4	
Anders Skarin	9/9	4/4	
Åsa Landén Ericsson	9/9		
Kjell Duveblad	8/9		3/3
Gösta Lemne	9/9		

\* Elected at the Annual General Meeting on 26 March 2009.

### Internal review and risk management relating to financial reporting

According to the Swedish Companies Act and the Swedish Code for Corporate Governance, the Board is responsible for internal review. This description is restricted to internal review

relating to financial reporting.

### Review environment

Enea's objective is to meet the requirements for ongoing work with risk and internal review which follow on from Enea applying the Swedish Code for Corporate Governance. At Enea, internal review of financial reporting is an integral part of corporate governance. It includes processes and methods in order to assure Group assets and correctness in financial reporting, and through this aims to protect the owners' investment in the company.

The Board monitors the quality of financial reporting in a number of ways. The Board approves an agenda each year which - among other things - regulates 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 making sure that the Board in general receives the reports required to allow the Board to assess the financial position of the Group on an ongoing basis. The instructions for the CEO state the issues on which the CEO is permitted to exercise his authorization to represent the company, but only once the Board has given its authorization or approval for this.

At an inaugural Board meeting following the Annual General Meeting, the Enea Board approves an agenda for the Board, audit committee, remuneration committee, and acquisition committee. In addition, the instructions for the CEO, attestation instruction and instruction for trading the company's shares are approved.

Enea's CEO and Group executive hold operational responsibility for the internal review. Based on the Board's guidelines and laws and rules relating to financial reporting, the executive has approved the division of roles and responsibilities for employees working with financial reporting within the Group. The Group is divided into units, for which each respective manager is responsible for compliance with targets and budgets for his or her unit. Enea's organizational structure is communicated on the Group's intranet so that roles and responsibilities are clear to everyone working with financial information.

At Enea, there are instructions for the CEOs of the subsidiaries which are based on the principles which apply to the CEO of Enea AB. Enea also has a number of policies available to staff via the intranet which control work at Enea and which create a foundation for good internal review, including a finance policy, attestation policy, IT policy, insider policy and communications

policy. The Group also has an accounting and reporting manual which contains instructions on the Group's accounting policies, reporting instructions and a schedule in order to ensure that consistent, correct accounting information is provided in a timely manner. These guidelines are followed up and updated regularly, as well as being communicated to all employees working directly or indirectly with financial reporting. Enea's Group accounts are compiled in an IT-based, standardized Group accounting system which reduces the risk of errors and facilitates follow-up of financial reporting.

### **Risk assessment**

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

### **Review activities**

Every business area at Enea is followed up every month by the relevant executive and controller. Results are compared with earlier results and budgets for all units. Enea's Group executive, which meets around twice a month, follows up financial results and targets every month, and where necessary follows up measures deemed to be necessary for good internal review. An aggregated report is sent to the Board every month. If necessary, more precise follow-up is carried out; e.g. in the form of audits of subsidiaries which are carried out by controllers.

In 2009, Enea's auditors carried out a general review in connection with the financial report for the third quarter and submitted their review report in the interim report for the period 1 January - 30 September 2009 and a review of the annual accounts, the company's auditor submitting his audit report in the company's annual report for 2009.

Given Enea's size, with similar operations within the Group's business areas, the Board has not deemed it feasible to have a separate internal audit function. The internal review described above is deemed sufficient to be able to assure the quality of the financial reporting.

*This corporate governance report has not been reviewed by the company's auditors.*



## Board of Directors

### Anders Dahlenborg

*Born in 1967.*

*Employee representative of SI since 2006.*

*Education: Master of Engineering, Computer Science.*

*Other Board assignments: -*

*Work experience: Several years of experience as a support engineer and in technical sales support at Enea.*

*Primary occupation: Group manager, Enea Research & Development.*

*Shares: 2700.*

### Åsa Landén Ericsson

*Born in 1965.*

*Board member since 2003.*

*Education: Master of Engineering and MBA.*

*Other Board assignments: Board member at Rejlerkoncernen AB.*

*Primary occupation: CEO, PointerSweden AB. Shares: 2,500.*

### Anders Skarin

*Born in 1948.*

*Board member since 2005.*

*Education: Fil.kand.*

*Other Board assignments: Chairman of Cambio Healthcare Systems AB, PocketMobile Communications AB and Sörman Information AB. Board member at Acando AB, Entraction Holding AB and WSP Europé AB.*

*Primary occupation: Management consulting and board work.*

*Shares: 15,000.*

### Kjell Duveblad

*Born in 1954.*

*Board member since 2008.*

*Education: B.Sc. (Econ.). Stockholm School of Economics.*

*Other Board assignments: Chairman of the Board at Remium Fondkommission, Energo Retea Group and Madeo Sourcing Group. Board member for Bure Equity, Nuport, Teleopti, 3L System, Financial Systems FS and Softone.*

*Primary occupation: Consultant. Shares: 10,000.*

### Jon Risfelt

*Born in 1961.*

*Board member since 2003.*

*Education: Master of Engineering, Chemical Technology.*

*Other Board assignments: Chairman of the Board for Ortivus AB, Maxwell OY and C3 Technologies AB. Board member at Bilia AB, TeliaSonera AB and ÅF AB, plus KaroBio AB. Advisor to Capman and GAC.*

*Primary occupation: Board work and advisory roles*

*Shares: 4,000.*

### Anders Lidbeck

*Born in 1962.*

*Chairman of the Board since 2009. Education: B.Sc. (Econ.).*

*Other Board assignments: Chairman for Creandum AB, Board member at Scalado AB and Vizrt Ltd.*

*Primary occupation: Board assignments.*

*Shares: 35,000 (through endowment assurance)*

### Mattias Östholm

*Born in 1970.*

*Employee representative for the Union since 2005.*

*Education: Engineering (college level).*

*Primary occupation: Senior consultant, Enea Services Stockholm.*

*Shares: 0.*

### Gösta Lemne

*Born in 1956.*

*Board member since 2003.*

*Education: Master of Engineering.*

*Primary occupation: VP R&D Operations, Networking business area, Ericsson.*

*Shares: 2,000.*

\* Holdings are specified inclusive of affiliates and companies. This information relates to holdings as at 31 December 2009.



## Executive

### **Håkan Rippe, Senior Vice President, Corporate Development and Senior Vice President Nordic Consulting**

*Born: 1968.*

*Employed since 2009.*

*Education: Master of Engineering, Chalmers Gothenburg.*

*Former positions: Business Development Executive at IBM Rational Software, Executive Vice President Corporate Development at Telelogic.*

*Number of shares: Shares: 35,000 (through endowment assurance)*

### **Gregory Singh, Senior Vice President, Global Services**

*Born: 1958.*

*Employed since 2007.*

*Education: Computer Technology, Stockholm University.*

*Former positions: President of ipUnplugged, president of CYage Danmark, SVP & CTO at Cygate AB, president of Cygate Sverige, president of CMA.*

*Number of shares: 0.*

\* Gregory Singh left ENEA in February 2010.

### **Per Åkerberg, President and CEO**

*Born in 1966.*

*Employed since 2004.*

*Education: Bachelor in Business Administration, Sundsvall University.*

*Former positions: Senior Vice President for Telelogic Central Europe and Scandinavia, Vice President for Telelogic North America, Head of Sales at Telia Megacom AB.*

*Number of shares: 2,500.*

### **Catharina Paulcén, Vice President, Corporate Communications**

*Born: 1973.*

*Employed since 2009.*

*Education: international business administration, Universities of Lund and Mannheim.*

*Former positions: Branding at IBM Nordics, Director of Marketing at IBM Rational Software, Executive Vice President Marketing & Communications at Telelogic.*

*Number of shares: 12,000.*

### **Mathias Båth, Senior Vice President, Marketing**

*Born: 1963.*

*Employed since 2001.*

*Education: Business administration (college level), Uppsala gymnasium.*

*Former positions: Head of Nordic Market Area at Enea Software, Business Area Manager at Nocom AB.*

*Number of shares: 0.*

### **Adrian Leufvén, Senior Vice President, Research & Development**

*Born: 1972.*

*Employed since 1998.*

*Education: Master of Engineering in Mechatronics, Royal Institute of Technology, Stockholm.*

*Former positions: VP Strategic Outsourcing at Enea, VP Support at Enea, VP Marketing at Enea, Director Asian Sales at Enea.*

*Number of shares: 9,560.*

### **Lars Kevsjö, CFO**

*Born: 1958.*

*Employed since 2009.*

*Education: Bachelor in Business Administration, Stockholm University.*

*Former positions: Chief Financial Officer at Net Insight, Chief Financial Officer at Bewator, Chief Financial Officer at Cygate, Director of Finance at Telia Telecom.*

*Number of shares: 0.*

\* Holdings are specified inclusive of affiliates and companies. This information relates to holdings as at 31 December 2009.