Corporate Governance Report 2012

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
This description of the Corporate Governance Report has been prepared in accordance with the Swedish Code of Corporate Governance. Over the financial year, Enea complied with the Code with no exceptions.

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 9,161 shareholders as at 31 December 2012. On 31 December 2012, the share capital in Enea amounted to SEK 18,355,713, divided into 17,659,091 ordinary shares, each conveying one vote and participation in the Company’s capital and earnings. Enea owns 1,076,752 shares in the Company, corresponding to 6.1 percent of the total shares outstanding. On 31 December 2012, the largest shareholders were SIX SIS AG, with 23.8 percent, and Per Lindberg, with 17.7 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 has the right to request that a matter be addressed at the Meeting. The 2012 Annual General Meeting of Enea AB took place on 11 April 2012 in Kista. The Annual General Meeting adopts Articles of Association, appoints the Board of Directors and its Chairman, appoints auditors, adopts the income statement and balance sheet for the company and the Group to discharge the board members and CEO from liability to remunerate the Board and auditors guidelines for remuneration to senior executives to introduce an automatic redemption program involving a share split, the redemption of shares and a bonus issue. The redemption program involved a transfer of SEK 135.1 million authorization to 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.

Authorization to the Board to pass resolutions on the new issue of shares for share or business acquisitions corresponding to an increase of no more than 10 percent of the share capital to adopt the Board’s proposal for a share savings plans for 132 employees. The maximum number of shares in Enea covered by the program amounts to around 667,000 shares, which is equivalent to around 3.9 percent of the number of outstanding shares and votes.

Appointment of Board members. Åsa Landén Ericsson, Mats Lindoff, Anders Skarin, and Kjell Duveblad were reappointed, and Torbjörn Nilsson and Robert Andersson were as appointed as new Board members. Anders Skarin was appointed as Chairman of the Board. Anders Lidbeck declined reappointment.

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.com) 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 2013 Annual General Meeting shall be appointed from at least two and no more than four of the largest shareholders, in descending order from the list of shareholders as at August 31, 2013. If more than two of the four largest registered shareholders in terms of votes declines to appoint a representative on 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 registered shareholders in terms of number of votes at the end of August 2012 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 change takes place to the ownership structure once the nomination committee has been inaugurated, the composition of the nomination committee will be amended in accordance with the principles above.

The nomination committee shall prepare and submit proposals for:
- the Chairman of the coming Annual General Meeting
- the appointment of the Chairman of the Board and other Board members
- the remuneration to the Board, divided between the Chairman and the other members of the Board, along with the principles of remuneration (if any) for committee work
- the appointment of and remuneration to the auditor and deputy auditor (if applicable)
- the adoption of principles for the appointment of a nomination committee

The nomination committee for the 2013 Annual General Meeting consists of Per Lindberg, Sverre Bergland (DNB Nor), Robert Andersson (Linhagem Forvaltning), and Anders Skarin (Chairman of Enea AB). The nomination committee has appointed Per Lindberg as its Chairman.
The work of the Board

The Board shall manage the company’s interests and the interests 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 following up 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 openness and is correct, relevant, and reliable.

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 management’s budget proposals and action for the coming financial 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 dealing 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 detailed in the presentation of the Board, see page 24.

Every year, the company’s auditor reports to the Board its observations from the review and its 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 indicate which matters are to be discussed at ordinary Board meetings. The Board’s rules of procedure are adopted each year at the inaugural Board meeting immediately following the Annual General Meeting, and they are adjusted as required. Besides the tasks already stated, the rules of procedure include approval of the Board’s meeting agenda, the instruction to the CEO, the decision-making structure within the company, the relevant division of work, and an information arrangement between the company and the Board.

In 2012, the Board dealt with the Enea Group’s strategy and business, a share savings program, remuneration to senior executives, ongoing follow-ups of the business and forecasts, quarterly reports, budget and business plan for 2013, and a buy-back of treasury shares. The work of the Board was evaluated at the end of the year.

The Board held seven meetings and a statutory Board meeting in 2012. 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 1,460,000, to be distributed to the Chairman of the Board (SEK 380,000) and to other members appointed by the Annual General Meeting (SEK 180,000 each), as well as SEK 180,000 to be divided among Board members according to their efforts and participation in committee work. Details of the Board of Directors' work and the company’s conduct, as well as the supervision of the Board over the company, are detailed in the presentation of the Board, see page 24.

Audit Committee

The audit committee is a committee of the Board 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 a 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 the company’s financial reporting, informing itself of the direction and scope of the audit, and discussing coordination between the external and the company’s internal control functions and the view of the company’s risks, adopting guidelines concerning which services other than the audit that the company may procure from the company’s auditor, evaluating the audit efforts, and notifying the company’s nomination committee of the evaluation, and assisting the nomination committee with its proposals for auditors and remuneration.

The audit committee held four meetings in 2012, all in connection with the closing of the quarterly accounts. All members were present at every audit committee meeting planned in 2012. The formulation of the company’s quarterly reports, product 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 when the annual accounts are prepared. In addition, the Board meets the company’s auditor at least once a year – without the presence of the executive management team – to learn about the focus and scope of the audit, and to discuss coordination between the external audit and the internal review 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 discussing issues relating to salaries, remuneration, and other terms of employment for the CEO and other members of the executive management team. In 2012, the committee consisted of Board members Anders Skarin (Chairman) and Kjell Duveblad. The remuneration committee is convened as required and reports on its work to the Board. The remuneration committee held a number of working meetings in 2012,

Board members’ remunerations are presented in Note 4/22.

Board of Directors

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

The importance of the Board of Directors to 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 openness and is correct, relevant, and reliable.

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of which three were minuted. The table on page 24 shows the attendance of each Board member.

The CEO
CEO Anders Lidbeck has been the CEO since 9 September 2011. His other significant assignments and previous experience are detailed in the presentation of senior executives. Anders Lidbeck has no material shareholdings in companies with whom Enea has business relations.

Internal review and risk management related to financial reporting
In accordance with the Swedish Companies Act, the Swedish Annual Accounts Act and the Swedish Code of Corporate Governance, the Board is responsible for the internal review. This description is limited to the internal review related to financial reporting.

REVIEW ENVIRONMENT
Enea's objective is to meet the requirements for ongoing work with risk and internal review that follows on from Enea's application of the Swedish Code of 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 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 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 to 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 a statutory Board meeting following the Annual General Meeting, Enea's Board adopts rules of procedure for the Board, the audit

ATTENDANCE AT BOARD MEETINGS

<table>
<thead>
<tr>
<th>Board member</th>
<th>Title</th>
<th>Elected</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
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<tbody>
<tr>
<td>Anders Skarin</td>
<td>Chairman</td>
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<td>X</td>
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<td>Robert W. Andersson</td>
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<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<td>Kjell Duvéblad</td>
<td></td>
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<td>X</td>
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<td>X</td>
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<tr>
<td>Åsa Landén Ericsson</td>
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<td>X</td>
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<tr>
<td>Mats Lindoff</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
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<tr>
<td>Torbjörn Nilsson</td>
<td></td>
<td>from meeting 4</td>
<td>-</td>
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<td>X</td>
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<tr>
<td>Eva Swedberg</td>
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Meeting nr 4 was statutory.

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Enea's Board as at 31 December 2012. All shareholdings, including those of related parties, as at 31 December 2012.

<table>
<thead>
<tr>
<th>Name</th>
<th>Anders Skarin</th>
<th>Robert W. Andersson</th>
<th>Kjell Duvéblad</th>
<th>Åsa Landén Ericsson</th>
<th>Mats Lindoff</th>
<th>Torbjörn Nilsson</th>
<th>Eva Swedberg</th>
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</thead>
<tbody>
<tr>
<td>Board duties</td>
<td>Chairman of the Board since September 2011.</td>
<td>Board member.</td>
<td>Board member.</td>
<td>Board member.</td>
<td>Board member.</td>
<td>Board member.</td>
<td>Employee representa</td>
</tr>
<tr>
<td>Education</td>
<td>Bachelor of Science.</td>
<td>Master of Science (Finland) and MBA (US).</td>
<td>Bachelor of Business Administration, Stockholm School of Economics.</td>
<td>Master of Science and MBA.</td>
<td>Master of Science, EE.</td>
<td>Bachelor of Science (Econ).</td>
<td>Master of Science, Machine Technology.</td>
</tr>
<tr>
<td>Other Board assignments</td>
<td>Chairman of Pocketmobile Communications AB, Vendarator and Infobric, Board member of Ascand AB and WSP Europa AB.</td>
<td>Board member of FicOM (IT and Telco trade organization in Finland) and PALTA (employer organization, Finland).</td>
<td>Chairman of Remium Nordic AB and Framsteg AB. Board member of a number of unlisted companies.</td>
<td>Board member of Rejlerkonskren AB.</td>
<td>Board member of Multiq Free2move and a number of unlisted companies.</td>
<td>Board member of Transmode Holding AB, Flexenclosure AB and a number of unlisted companies.</td>
<td></td>
</tr>
<tr>
<td>Own and related parties’ shareholding 2012 (2011)</td>
<td>15,000 (15,000)</td>
<td>0</td>
<td>10,000 (10,000)</td>
<td>2,500 (2,500)</td>
<td>990 (990)</td>
<td>0</td>
<td>2,250</td>
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<tr>
<td>Committee work</td>
<td>Remunerations committee.</td>
<td>Audit committee.</td>
<td>Remunerations committee.</td>
<td>Audit committee.</td>
<td>Audit committee.</td>
<td>Audit committee.</td>
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<tr>
<td>Primary occupation</td>
<td>Management consulting and board work.</td>
<td>President and Chief Executive Officer of Sonera in Finland.</td>
<td>Consultant.</td>
<td>CEO of Enfo Pointer AB.</td>
<td>Partner in EMA Technology and Consulting.</td>
<td>Strategy consultant and board work.</td>
<td>Team Manager, OSE.</td>
</tr>
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</table>
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executive management team has established 

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