

Corporate Governance 2007/08

Elekta AB is a publicly traded Swedish limited liability company that operates under Swedish law. Corporate Governance of Elekta is based on Swedish legislation, primarily the Swedish Companies Act, the regulations for issuers of the Nordic Exchange in Stockholm and other relevant rules and guidelines. Elekta's internal code of conduct, as well as its mission, vision and values, form cornerstones for the internal corporate governance regulations.

The Swedish Code of Corporate Governance (the Code) is part of the rules of the Nordic Exchange to which Elekta has committed to adhere. As of July 1, 2008, a revised Code applies.

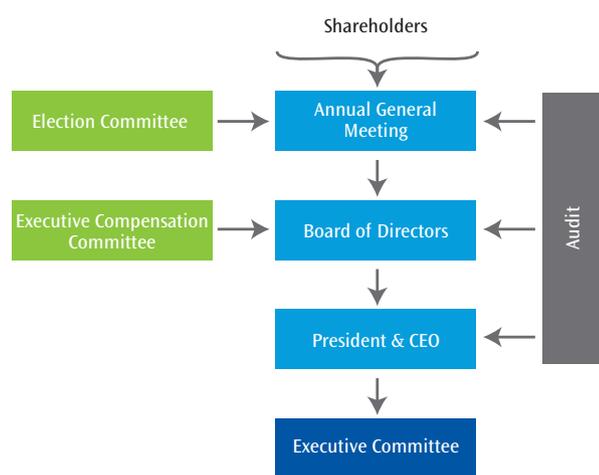
Elekta has implemented and follows the Code with the following comments/explanations:

- Elekta's Board of Directors has been informed that Elekta's Election Committee decided to appoint Laurent Leksell, who is a Board member, as Chairman of the Election Committee. This decision by the Election Committee was motivated by the fact that Laurent Leksell is a major shareholder and well suited to effectively lead the work of the Committee in order to achieve the best result for the company's shareholders.

- Laurent Leksell is a member of Elekta's Executive Compensation Committee and, due to his ownership and employment with Elekta, cannot be considered an independent Board member. The Board has motivated this deviation with that Laurent Leksell's long experience with remuneration and personnel issues from his time as President of the company motivates his continued participation in the Executive Compensation Committee.

This Corporate Governance report has not been reviewed by the company's auditors.

Corporate Governance at Elekta



Annual General Meeting

The shareholders' right of decision in Elekta AB's affairs is exercised at the Annual General Meeting (AGM). The AGM is held in Stockholm, Sweden in September. Notification of the AGM is published according to the rules of the Companies Act, not earlier than six and not later than four weeks in advance. All registered shareholders receive an invitation to the AGM together with a copy of the annual report.

To be able to participate in decisions, shareholders must be present at the AGM personally or via a representative. Shareholders may register to participate by mail, fax, telephone or e-mail. The language for the AGM is Swedish, and all documentation is available in Swedish and English. Matters considered at the AGM include dividend, adoption of the annual report, election of members of the Board of Directors as well as auditors if applicable, remuneration to the Board of Directors and auditors as well as other important issues resulting from laws or the articles of association.

Series A shares entitle the holder to ten votes, while Series B shares carry one vote. Decisions are normally taken by simple majority, with the exception of those instances when Swedish law requires a qualified majority. All relevant documentation for the AGM is made available at the Company's head office and on Elekta's website, www.elekta.com, in Swedish and English.

At the AGM on September 25, 2007, 253 voting entitled shareholders participated, representing 57.5 percent of the votes in the Company. For more information about 2007 Annual General Meeting please visit www.elekta.com.

Election Committee

In accordance with a decision at the Annual General Meeting on September 25, 2007, Elekta's Chairman of the Board Akbar Seddigh in October contacted Elekta's largest shareholders for the purpose of forming an Election Committee. Shareholders that agreed to participate in the Election Committee work have, in turn, each nominated a representative.

The shareholders and representatives included on the Election Committee are:

- AFA Insurance – Anders Algotsson
- AMF Pension – Jan-Erik Erenius
- Orkla ASA – Ole E. Dahl
- Swedbank Robur Funds – Åsa Nisell
- Laurent Leksell

As of 30 June, 2008, these shareholders collectively represented more than 43 percent of the votes in Elekta AB.

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The Election Committee appointed Laurent Leksell as Committee Chairman and has held six recorded meetings. The Committee has performed the duties for the Election Committee as set out in the Code and has thus had the assignment to prepare a proposal of Board of Directors to be presented to the Annual General Meeting for decision and to prepare other issues before the Meeting. Prior to the election process, an evaluation was conducted under the Chairman's leadership of the performance of all members of the Board of Directors. In addition, all Board members have also filled out a special evaluation form regarding Board work during the year. The result of this evaluation was then shared with the Election Committee and has formed the basis for the Election Committee's discussions.

Prior to the 2008 AGM, the Election Committee will submit proposals for meeting chairman, number of Board members, Chairman of the Board and Board members as well as auditors. The Election Committee will also submit proposals for remuneration to the chairman and other members, any Board committees and auditors. At the AGM, the Election Committee will also present a summary of the work performed in preparation for the 2008 AGM. The Election Committee's assignment is valid until a new Election Committee has been named.

No remuneration was paid by Elekta to the members of the Election Committee. Elekta has funded the activities of the Election Committee in the search for new Board members as requested by the Election Committee.

Board of Directors

Elekta's Board of Directors is elected by the Annual General Meeting. The Board of Directors establishes Elekta's strategy and goals, ensures an effective evaluation of operations and controls the Company's development and financial position. During the 2007/08 fiscal year, the Board of Directors consisted of seven members, who are presented on page 73. Six of the seven Board members are independent according to the definition of the Nordic Exchange Regulations, see the table on page 73.

During the 2007/08 fiscal year the Board held ten recorded meetings, of which three were so-called per capsulam meetings.

As part of its work, the Board regularly visits Elekta's larger units around the world. During the year, the Board traveled to Sunnyvale, California, to meet with local Elekta management and external advisors. Other meetings were held at the main office in Stockholm, all with Elekta's General Counsel acting as secretary. Board member attendance is detailed in a table on page 73.

Representatives from executive management and other managerial representatives have, during the year, regularly participated in Board meetings to report on issues relating to their respective areas. The Board has also had reviews with the auditors without the presence of management.

Working instructions for the Board

Within the Board of Directors, there is no special distribution of responsibility among Board members. Apart from the responsibilities assigned by the Swedish Companies Act, Elekta's articles of association and the Code, the work of the Board of Directors is regulated by its working instructions, which stipulate that the Board should:

- Hold at least five ordinary meetings in addition to the statutory meeting (if any)
- Establish finance and currency policies
- Approve budgets and similar long-term plans including investment budgets
- Consider matters regarding investments and similar measures in amounts over SEK 4 M if such matters are beyond the scope of approved investment budgets
- Decide on acquisitions of fixed property, shares or the acquisition of operations in another company
- Decide on the establishment and capitalization of subsidiaries
- Establish the terms of employment for the CEO
- Approve the annual accounts, Board of Directors' report and interim reports

At each ordinary Board meeting, the following items should be considered:

- A report on the Group's operations including financial management
- A report on extraordinary measures or events that were implemented or occurred between Board meetings
- Development of major projects and anticipated business events
- A report on existing or potential legal disputes that may have a significant impact on the Group's business

Significant decisions during the year

In addition to decisions on plans and strategies, continuous follow-up of business operations and approval of interim and year-end reports, the Board of Directors during the 2007/08 fiscal year decided on matters including:

- The acquisition of CMS
- Capital structure and share repurchase
- Issues relating to organization and planning for management succession
- Major R&D and product development programs

Board of Directors



AKBAR SEDDIGH

Chairman, born: 1943

Member of the Board since 1998

Holdings: 3,300 B shares

Graduate Chemist, Marketing Specialist

Other Board memberships:

Chairman of the Board: Hedson Technologies International AB, Pricer AB, Innovationsbron AB and Blekinge Tekniska Högskola
Member of the Board: Affärsstrategerna AB and Biolight International AB



HANS BARELLA

born: 1943

Member of the Board since 2003

Holdings: —

Former President and CEO of Philips Medical Systems

Other Board memberships:

Member of the Board: Senator Group Consultancy and Investment B.V.



TOMMY H KARLSSON

born: 1946

Member of the Board since 2001

Holdings: 1,650 B shares

International Management Consultant, MSc and B.A.

Other Board memberships:

Chairman of the Board: Amtico International Inc and U-POL Inc
Member of the Board: Aldata Solution Oyj



LAURENT LEKSELL

born: 1952

Member of the Board since 1972

Holdings: 3,562,500 A shares, 2,283,002 B shares (incl. via companies) and 98,239 employee options

Former President and CEO of Elekta AB, 1972-2005

Executive Director since 2005

MBA, PhD Economics

Other Board memberships:

Chairman of the Board: Stockholm's City Mission
Member of the Board: Ortivus AB, Karo Bio AB and Royal Institute of Fine Arts



CARL G. PALMSTIERNA

born: 1953

Member of the Board since 1993

Holdings: 140,031 B shares

Managing Partner ABG Sundal & Collier AB, MBA

Other Board memberships:

Chairman of the Board: Momail AB, Natural Fragrances of Sweden AB, Qbrick AB, Accumulate AB, Panopticon AB and MyFc AB
Member of the Board: Alltföräldrar AB, Bluefish Pharmaceutical AB, Squace AB, Chinsay AB, WeMind AB



MAGNUS SCHMIDT

born: 1940

Member of the Board since 1998

Holdings: 10,000 B shares

International Consultant, MBA

Other Board memberships:

Chairman of the Board: Upplands Motor AB, Einar Mattsson AB and Fastighets AB Stadshus
Member of the Board: Pricer AB



BIRGITTA STYMNE GÖRANSSON

born: 1957

Member of the Board since 2005

Holdings: 900 B shares

VD Semantix AB

MSc and MBA

Other Board memberships:

Chairman of the Board: Fryshuset Foundation and Kontakt East Holding AB
Member of the Board: Arcus AS, Lernia AB and Wavin

Attendance and remuneration for the Board of Directors in Elekta AB 2007/08

SEK 000s	Name	Independent ¹	Regular remuneration	Committee remuneration ²	Attendance
	<i>Chairman:</i> Akbar Seddigh	yes	520	60	10/10
	<i>Members:</i> Hans Barella	yes	260	—	10/10
	Tommy H Karlsson	yes	260	—	9/10
	Laurent Leksell	no	— ³	— ³	10/10
	Carl G. Palmstierna	yes	260	—	10/10
	Magnus Schmidt	yes	260	30	8/10
	Birgitta Stymne Göransson	yes	260	—	10/10
	Total		1,820	90	

1. Independent in relation to company and management as well as to major shareholders

2. Remuneration to Chairman and member in Elekta's Executive Compensation Committee

3. No remuneration is paid to members of the Board who are employed by the Company

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Board of Directors remuneration

Remuneration to the Board of Directors is determined by the AGM and is paid to those Board members who are not Elekta employees. Elekta has implemented no share, or share price related, incentive program for Board members who do not hold employment with the company. Remuneration to the respective members is detailed in a table on page 73.

Executive Compensation Committee

Elekta's Executive Compensation Committee (ECC) is appointed by Elekta AB's Board of Directors and serves as a subcommittee to the Board. The purpose of the Committee is to provide clarity in the decision process for issues related to compensation of executive staff within Elekta as well as other incentive plans throughout the Elekta organization. The objective of the Committee is to achieve maximum shareholder and customer value through ensuring fairness and internal equality of the structure, scope and level of executive compensation in Elekta while maintaining market competitiveness.

The ECC during the year consisted of Chairman of the Board, Akbar Seddigh, who also was Chairman of the ECC, Board members Magnus Schmidt and Laurent Leksell. President and CEO Tomas Puusepp is present at the committee meetings and Group VP Human Resources serves as secretary.

The ECC provides the Board with recommendations regarding principles for formulating the Group's compensation system and remuneration to senior executives and senior managers. The recommendations cover formulation of the bonus system, distribution between fixed and variable remuneration as well as the level of salary increases for top management. The ECC also proposes criteria for assessing performance of senior executives and senior managers, which are discussed and decided by the Board. The entire Board decides on remuneration to the President.

Note 24, "Wages, salaries, other remuneration and social security costs," describes Elekta's outstanding share and share-related incentive programs in greater detail.

Auditing issues

In Elekta, all Board members have the commitment and competence to address auditing issues and the full Board deals with accounting and auditing issues at its regular meetings. Accordingly, Elekta's Board of Directors has not appointed a separate Audit Committee. At least at two meetings per year, the company's external auditors present their observations from the audit, report their views on management and control systems and discuss and report on the Group's accounting principles. In conjunction with these meetings, the Board also has time with the auditors without the presence of management. The Board also

evaluates auditing efforts and supports the Election Committee in its effort to produce suggestions regarding the election of external auditors and compensation for those external auditors.

Auditors

At the Annual General Meeting on September 21, 2004, Deloitte AB was elected as the auditor of Elekta until the 2008 AGM with Lars Svantemark as senior auditor. Normally, audi-



Auditor

LARS SVANTEMARK
born 1949

Authorized Public
Accountant,

Deloitte AB

Senior auditor since 2000

tors are elected every fourth year and the Election Committee will present a proposal for a new election of auditors and senior auditor at the AGM in September 2008. The previous election of auditor

was proposed by the Election Committee and preceded by a tender process. Deloitte AB has been the auditor of Elekta AB since the 2002 AGM.

Lars Svantemark, born 1949 and an authorized public accountant, has been senior auditor in Elekta AB since 2000. In addition to Elekta, Lars Svantemark's auditing assignments include Mekonomen, Oxford Flight Academy, Uniflex, Securitas Direct and CVC Capital Partners and he also has experience as auditor of Sandvik and Poolia. He has no auditing assignments in companies related to Elekta's major owners or its President. The auditors' fees during the fiscal year are reported in note 26.

President and CEO

The President/CEO is appointed by the Board of directors and shall oversee the operational management of Elekta in accordance with the guidelines and directions stated in law, the articles of association and the internal operating instructions. Operational management includes all measures that are not – considering the scope and nature of the company's operations – of an unusual nature or of major significance, or are expressly defined as being the responsibility of the Board of Directors.

Tomas Puusepp has served as President and CEO of Elekta since 1 May, 2005. Born 1955, he has a total of 24 years of experience in the international medical technology market. Following studies in engineering and physics and management training at IMD in Lausanne, Switzerland, Tomas Puusepp held various positions at the Research Institute for Atomic Physics, Scanditronix and Ericsson before being employed by Elekta in 1988. Since then, he has held various management positions within the company, including head of Elekta's

President & CEO



TOMAS PUUSEPP

born: 1955

President & CEO

Employed since 1988

Holdings: 179,000 B shares,
98,250 employee options

Executive Committee

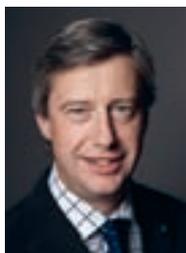


**JOSEPH
K. JACHINOWSKI**

born: 1955

Region North America

Employed since 2005
(founded Impac in 1990)
Holdings: 3,000 B shares
98,250 employee options



OLOF SANDÉN

born: 1962

Region Europe

Employed 1993-1995
and since 2002
Holdings: 8,953 B shares,
73,687 employee options



**GERRY
VAN OORTMARSEN**

born: 1943

Region Asia

Employed since 1997
Holdings: 222,713 B shares,
73,687 employee options



ÅSA HEDIN

born: 1962

**Neuro & Stereotactic
Systems**

Employed 1994-2000
and since 2007
Holdings: 177 B shares,
30,000 employee options



JOHAN SEDIHN

born: 1965

Oncology Systems

Employed since 1993
Holdings: 39,753 B shares,
73,687 employee options



JAMES P. HOEY

born: 1958

Software Systems

Employed since 2005
(founded Impac in 1990)
Holdings: 1,500 B shares,
73,687 employee options



IAN ALEXANDER

born: 1958

**Global Marketing
& Business Development**

Employed since 2008
Holdings: –



HÅKAN BERGSTRÖM

born: 1956

Finance & Control

Employed since 2001
Holdings: 35,013 B shares,
73,687 employee options



ÅSA THUNMAN

born: 1969

Corporate Office

Employed since 1999
Holdings: 11,253 B shares,
49,125 employee options

Corporate Governance 2007/08 cont.

neurosurgery operations, President of Elekta's subsidiary in North America and global head of Elekta's sales, marketing and service operations. Tomas Puusepp is member of the Board of Bactiguard AB, but has no further significant assignments outside Elekta. He has no shareholdings or ownership interests in companies with significant business relations with Elekta.

Executive Committee

During the fiscal year 2007/08, Elekta organized its operations with a strong functional focus with global areas of responsibility. On May 14, 2008, the organization was amended to its current form. Elekta's Executive Committee consists of the President/CEO and the managers of three business areas, three regions and corporate functions – a total of 10 members. The President oversees the work of the Executive Committee and makes decisions after consulting with those members. Executive Committee meetings are held one or two days each month. The meetings are often held in conjunction with visits to the Group's various units.

Details regarding remuneration for the President and Executive Committee are provided in note 24.

Financial reporting and information

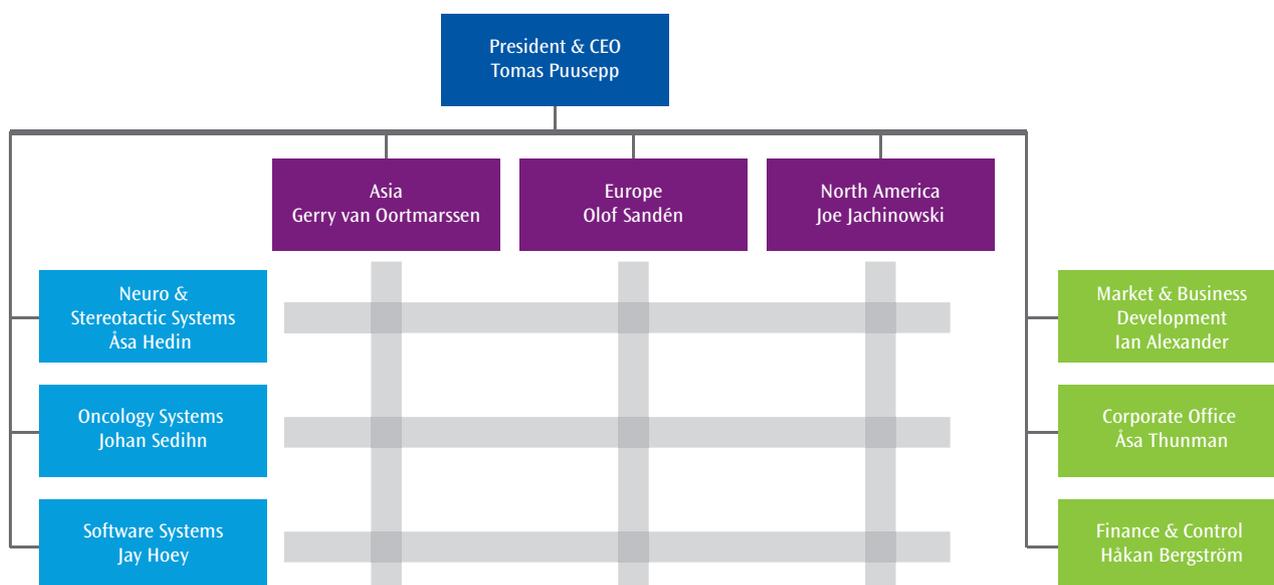
Elekta provides the market with continuous information regarding the company's development and financial position in accordance with the guidelines specified in the Board's financial information policy.

Financial information is published regularly in the form of:

- Interim reports
- Elekta's annual report
- Press releases on news and events that may significantly affect the company's valuation and future prospects. Elekta's policy is to disclose orders that are of strategic importance and/or have a value exceeding USD 10 M
- Presentations and telephone conferences for financial analysts, investors and media
- Capital markets days arranged by the company at one of its major units or in conjunction with major scientific conferences where Elekta is exhibiting
- Elekta's website - www.elekta.com - where the above information is made available

According to policy, Elekta has a "quiet period" of at least 30 days prior to each quarterly report, during which the company does not present at investor seminars or conduct one-on-one meetings, in person or over telephone.

Elekta's organization



The Board's description of the internal control system

In accordance with the revised code which applies from July 1, 2008, the Board of Directors is to submit an annual description on the company's system for internal control and risk management dealing with financial reporting. The following description has not been reviewed by Elekta's auditors.

Control environment

The control environment is the foundation for internal control. It establishes the culture in which Elekta operates and sets standards for corporate behavior. The control environment consists of documented guidelines, directives, manuals, and instructions that are communicated throughout the organization.

The Elekta Code of Conduct serves as an overall directive to ensure all employees understand the corporate responsibility regarding, for example, business ethics and fraud. The Code of Conduct is complemented with a series of documented directives including the Financial Guide, with Accounting and Financial Policy, and an Information policy.

Elekta maintains a Quality Management System which includes procedures, instructions, and templates for relevant processes. In order to comply with requirements that supervisory authorities have established for medical technology companies, Elekta works continuously with improving processes and quality.

The organizational structure is transparent with defined roles and responsibilities communicated throughout the organization with documented working instructions for the Board of Directors, Board Committees, CEO, and Elekta Subsidiary Presidents. Evaluation of performance on functional and departmental level is conducted to ensure relevant competency regarding financial reporting within the organization.

Information and communication

Key steering documents related to financial reporting are updated regularly and communicated to relevant personnel via the company's intranet, information letters, regular meetings etc. Elekta has established structures and channels to promote sound communication within the organization. For suspected violations of the Code of Conduct an anonymous communication line exists directly to the Corporate Social Responsibility Officer. Elekta has an information policy regarding communication with external parties and the financial market.

Risk assessment

The risk assessment process has the purpose to identify high risk areas within the business and controls needed to manage such risks. The risk assessment is performed by assessing the

risk level, from both a quantitative and qualitative perspective, on account level and corresponding processes where the risk for fraud is also considered. Further, risk assessments are performed during the strategic and tactical planning process where risk areas are addressed and relevant actions are designed to ensure that the identified risks are properly managed. Specific guidelines exist to support the risk assessment process related to IT projects and the IT environment.

Control activities

The control structures have been designed to manage risk that the Board and management consider to be significant for the business operations, legal and regulatory compliance and financial reporting. Defined decision-making procedures, including authorization instructions, have been established related to for example investments and agreements. In addition, analytical controls such as performance follow-up and trend analysis, reconciliations and, where appropriate, automated controls specifically related to financial reporting, have been established. Several control activities are integrated in key processes within the business, such as order booking and revenue recognition, investments, supplier contracts, and purchasing.

The IT structure is designed to mitigate potential IT related risks with controls in IT systems related to financial reporting.

Follow-up and monitoring

Each local President/CEO has the responsibility to ensure an adequate internal control structure within the respective legal entity and the local controllers are responsible for adhering to global policies and directives related to financial reporting and applying them to the local entity.

The function Quality and Regulatory Affairs has a key role in the monitoring process and systematically performs internal audits related to the Quality Management System. In addition to this, the internal control structure is monitored by separate functions within the organization in a decentralized manner, for example, the order committee conducts continuous follow-up on the order booking procedure.

The Board considers the current Quality & Regulatory Affairs function, together with the separate functions' follow-up activities, to cover Elekta's significant risk areas, which does not currently motivate the establishment of a separate internal audit function. However, the need for enhancing monitoring over the internal control related to financial reporting will be further evaluated during 2008/09.

Responsible business and operations

For a global company active in the healthcare sector, it is important that all operations are conducted in a manner that is socially, environmentally and financially responsible. Managers and employees in Elekta, as well as the company's external partners (suppliers, consultants, agents and distributors) are expected to adhere to strict ethical requirements, both professionally and personally in their work for and with Elekta.

The "Elekta Code of Conduct" describes the important fundamental principles that Elekta expects all employees and partners to follow and maintain in their work. The code is based on Elekta's vision, mission and values and constitutes an essential foundation in the work to create a strong and well-respected brand that supports a long-term and sustainable market presence and growth. The "Elekta Code of Conduct" is available on www.elekta.com.

The Elekta Code of Conduct in practice

Elekta works actively to ensure that the Elekta Code of Conduct is not merely a static document, but comprises a natural part of the daily work for all those working at or coming into contact with Elekta. During the fiscal year, Elekta has continued to arrange training sessions on the code as well as code related subjects of local interest at regular intervals in different parts of the organization.

Elekta will continue to train different parts of the organization at regular intervals, making sure that management is carrying and reinforcing the issues with all their staff regularly.

The work on including the Elekta Code of Conduct in existing partnership agreements has continued as old agreements are renewed or replaced. It is now part of all Group standard agreements for supplier as well as distributor relationships.

Follow-up and application within the Group

Bi-annually, Elekta conducts a survey to follow up how well the code is implemented in the daily work throughout the organization. The latest survey was conducted in 2005/06 and the next was scheduled to take place in the spring of 2008. In view of the recent acquisition of CMS and the ongoing work of implementing the code in that organization as well as the reorganization in May 2008, Elekta has decided to postpone the follow up survey to the fall of 2008.

Environmental responsibility

Elekta strives to be an environmentally responsible organization which complies with all environmental legislation relevant to its manufacturing facilities, products and its global market place. The company aims to continually reduce the environmental impact of the business; this is part of Elekta's commitment to contribute to a sustainable society and an essential part of maintaining business competitiveness.

Elekta continues to develop technical solutions under an environmentally conscious design process which assures compliance with regulatory requirements and leads to a reduction in the environmental impact of the product during manufacture, distribution, installation, use, maintenance and at end of life. For example, the linear accelerator range consumes less electrical power than similar equipment on the market contributing to lower cost of ownership. Additionally, Elekta has voluntarily replaced some manufacturing materials by others which are considered to be more environmentally friendly in an ongoing process. Elekta has made available to recyclers information to assist them protect the environment and achieve high levels of recycling efficiency.

New methodologies have been introduced to bring a finer focus on customer value and to identify and eliminate waste wherever it occurs. Successes include a reduction in the consumption of natural resources and energy, together with an increased efficiency in manufacture, distribution and installation. Practical examples include the elimination of some product packaging and a reduction in the component count.

It is reasonable to regard Elekta as a company with a minor environmental impact in relation to its size; nevertheless Elekta continues to strive to reduce the environmental impact of its business and products guided by an environmental management system.