

# Corporate Governance Report 2010/11

Elekta AB is a Swedish public limited liability company. Elekta is listed on the NASDAQ OMX Nordic Exchange in Stockholm. Corporate Governance of Elekta is based on Swedish legislation, primarily the Swedish Companies Act, the Rule Book for Issuers of the NASDAQ OMX Stockholm, the Swedish Code of Corporate Governance (the Code), as well as other relevant rules and guidelines. Elekta's internal code of conduct, as well as its vision and values, form cornerstones for the company's internal corporate governance regulations.

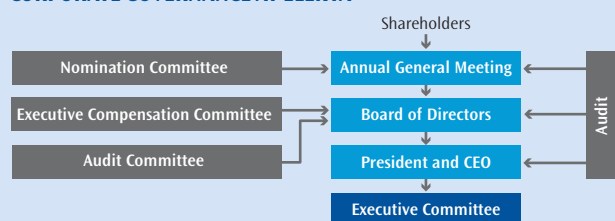
Elekta has applied the Code since 2005. As of February 1, 2010, a revised Code applies. The Code is available on [www.bolagsstyrning.se](http://www.bolagsstyrning.se).

Elekta applies and follows the Code, with one deviation pertaining to item 2.4 of the Code, as follows:

Elekta's Board of Directors has been informed that Elekta's Nomination Committee decided to appoint Laurent Leksell, who is a Board member, as Chairman of the Nomination Committee. This decision by the Nomination 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.

This Corporate Governance report has been reviewed by the company's auditors in accordance with the Annual Accounts Act (1995:1554).

## CORPORATE GOVERNANCE AT ELEKTA



## ANNUAL GENERAL MEETING

The shareholders' right of decision in Elekta affairs is exercised at shareholders' meetings. The Annual General Meeting (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 addressed by the AGM include dividend, adoption of the annual report, nomination 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](http://www.elekta.com), in Swedish and English.

At the AGM on September 21, 2010, 337 voting entitled shareholders participated, representing approximately 51 percent of the votes in the

Company. For more information about the 2010 AGM, please visit [www.elekta.com](http://www.elekta.com).

Information regarding direct or indirect shareholdings in Elekta, representing not less than one tenth of the voting rights of all shares in the Company, as well as information on authorizations by the AGM for the Board of Directors to decide upon repurchases of own shares, is found on pages 66–67.

## NOMINATION COMMITTEE

The 2010 AGM resolved that the Nomination Committee for the 2011 AGM should be appointed through a procedure whereby the Chairman of the Board, before the end of the second quarter of the financial year, contacts three to five representatives for the largest holders of voting rights of Series A and B shares, as per the last banking day in September. Those representatives shall together with the Chairman of the Board constitute the Nomination Committee and fulfill its obligations in accordance with the Code. These procedures are described in detail in the minutes of the 2010 AGM, which can be found on Elekta's website [www.elekta.com](http://www.elekta.com). Shareholders that agreed to participate in the Nomination Committee work have, in turn, each nominated a member for the Nomination Committee. The names of persons appointed as members of the Nomination Committee were announced in a press release on November 10, 2010. The Nomination Committee's assignment is valid until a new Nomination Committee has been appointed.

The Nomination Committee consists of the following persons nominated by the following shareholders:

- Åsa Nisell – Swedbank Robur funds
- Anna Ohlsson-Leijon – SEB Funds (replaced Tove Bångstad in January 2011)
- Ole E Dahl – Orkla ASA
- Laurent Leksell – private and companies' holdings
- Akbar Seddigh – Chairman of the Board

At the time the Nomination Committee was established, these shareholders collectively represented over 40 percent of the votes in Elekta.

The Nomination Committee appointed Laurent Leksell as Committee Chairman and has held five recorded meetings. The Committee has performed its duties as set out in the Code and has thus had the task of preparing proposals for the composition of the Board of Directors to be presented to the Annual General Meeting for decision and to prepare other issues before the Meeting. Prior to the nomination 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 completed a special evaluation form regarding Board work during the year. The result of this evaluation was then shared with the Nomination Committee and has formed the basis for the Nomination Committee's discussions.

Prior to the 2011 AGM, the Nomination Committee will submit proposals for Chairman of the AGM, the number of Board members, Chairman of the Board and Board members. The Nomination Committee will also submit proposals for remuneration to the Chairman and other members of the Board, for any committee work by the member of the Board, remuneration to the auditors as well as procedures for the appointment of a new Nomination Committee. The Nomination Committee's proposals are presented in the notice of the AGM, and on Elekta's website.

# Board of Directors



## AKBAR SEDDIGH

Born: 1943  
 Chairman  
 Member of the Board since 1998  
 Holdings: 3,300 B-shares  
 Graduate Chemist,  
 Marketing Specialist  
*Other board memberships:*  
 Chairman of the Board:  
 A+ Science Holding AB,  
 Blekinge Tekniska Högskola  
 and Innovationsbron AB.  
 Member of the Board: LSO (USA)



## HANS BARELLA

Born: 1943  
 Member of the Board since 2003  
 Holdings: –  
 Former President and CEO  
 of Philips Medical Systems  
 MSc  
*Other board memberships:*  
 Chairman of the Board: Sapiens  
 GmbH and SuperSonic Imagine  
 SA. Member of the Board: Senator  
 Group Consultancy and Invest-  
 ment BV



## LUCIANO CATTANI

Born: 1945  
 Member of the Board since 2008  
 Holdings: –  
 Senior Advisor on Global Health  
 Care to Private Equity Funds  
 Former Group President Interna-  
 tional and Former Executive Vice  
 President International Public  
 Affairs, Stryker Corporation  
 MBA  
*Other board memberships:*  
 Member of the Board: Egea-Carpi  
 (non-executive)



## BIRGITTA STYMNE GÖRANSSON

Born: 1957  
 Member of the Board since 2005  
 Holdings: 900 B-shares  
 President and CEO  
 Memira Holding AB  
 MSc and MBA  
*Other board memberships:*  
 Chairman of the Board: Fryshuset  
 Foundation. Member of the  
 Board: Arcus AS, Rhenman &  
 Partners AB, Stockholm Chamber  
 of Commerce and Wavin NV



## VERA KALLMEYER

Born: 1959  
 Member of the Board since 2008  
 Holdings: –  
 Managing Partner Equity4Health  
 LLC and Consulting Professor  
 Stanford Medical School  
 MD, PhD and MBA  
*Other board memberships:*  
 Member of the Board: Helga-und-  
 Hans Dittner Stiftung and UC Davis  
 Medical School Board of Visitors  
 and Scientific Advisory Board



## TOMMY H KARLSSON

Born: 1946  
 Member of the Board since 2001  
 Holdings: 1,650 B-shares  
 International Management  
 Consultant  
 MSc and BA  
*Other board memberships:*  
 Chairman of the Board: Amtico  
 International Inc, Dunlop Aircraft  
 Tyres Ltd, James Dewhurst Ltd,  
 and Office team Group Ltd.  
 Member of the Board: Aldata



## LAURENT LEKSELL

Born: 1952  
 Member of the Board since 1972  
 Holdings: 3,562,500 A-shares,  
 2,462,564 B-shares (incl via compa-  
 nies) and 47,981 employee options  
 Former President and CEO of  
 Elekta AB, 1972–2005 and Execu-  
 tive Director since 2005  
 MBA, PhD Economics  
*Other board memberships:*  
 Chairman of the Board: Stockholm  
 City Mission and Sweden-China  
 Trade Council. Member of the  
 Board: International Chamber  
 of Commerce (ICC) and Royal  
 University College of Fine Arts



## JAN SECHER

Born: 1957  
 Member of the Board since 2010  
 Holdings: –  
 CEO Ferrostaal AG  
 MSc  
*Other board memberships:*  
 Chairman of the Board:  
 Peak Management AG

When the notice of the AGM is published, the Nomination Committee also publishes a motivated statement regarding its proposed Board on Elekta's website [www.elekta.com](http://www.elekta.com).

No remuneration was paid by Elekta to the members of the Nomination Committee.

### ELEKTA'S BOARD OF DIRECTORS

Elekta's Board of Directors and Chairman of the Board are elected by the Annual General Meeting. The Board of Directors establishes Elekta's strategy and goals, evaluates the business continuously, and controls the Company's development and financial position. During the 2010/11 fiscal year, the Board of Directors consisted of eight members, who are presented on page 70. Seven of the eight Board members are independent of the company and its management and of major shareholders in the

company according to the applicable rules in the Rule Book for Issuers of NASDAQ OMX Stockholm, until the 2011 AGM, see table. Information on the rules of the Articles of Association pertaining to the appointment and dismissal of Board members, as well as the Articles of Association's rules on amendment of the Articles of Association are found on page 66.

During the 2010/11 fiscal year the Board held ten recorded meetings.

As part of its work, the Board regularly visits Elekta's larger units around the world. During the year, the Board traveled to Toronto, Canada for a scientific meeting, where the Board met with external experts and advisors. Other meetings were held at the main office in Stockholm, all with Elekta's General Counsel acting as secretary.

During the year, representatives from executive management and other managerial representatives have regularly participated in Board meetings to report on issues relating to their respective areas.

### MEETING ATTENDANCE AND FEES FOR THE BOARD OF DIRECTORS 2010/11, SEK '000

| Name                      | Independent <sup>1)</sup> | Regular Remuneration | Remuneration Compensation Committee | Remuneration Audit Committee | Attendance |
|---------------------------|---------------------------|----------------------|-------------------------------------|------------------------------|------------|
| <b>Chairman:</b>          |                           |                      |                                     |                              |            |
| Akbar Seddigh             | yes                       | 625                  | 70                                  | –                            | 10/10      |
| <b>Members:</b>           |                           |                      |                                     |                              |            |
| Hans Barella              | yes                       | 310                  | –                                   | 120                          | 10/10      |
| Luciano Cattani           | yes                       | 310                  | 35                                  | –                            | 10/10      |
| Birgitta Stymne Göransson | yes                       | 310                  | –                                   | 60                           | 10/10      |
| Vera Kallmeyer            | yes                       | 310                  | –                                   | 60                           | 8/10       |
| Tommy H Karlsson          | yes                       | 310                  | –                                   | 60                           | 10/10      |
| Laurent Leksell           | no                        | <sup>2)</sup>        | –                                   | –                            | 9/10       |
| Jan Secher                | yes                       | 310                  | –                                   | –                            | 5/5        |
| <b>Total</b>              |                           | <b>2,485</b>         | <b>105</b>                          | <b>300</b>                   |            |

<sup>1)</sup> Independent in relation to the Company and management as well as to major shareholders. <sup>2)</sup> No remuneration is paid to members of the Board who are employed by the Company.

### WORKING PROCEDURES FOR THE BOARD

Within the Board of Directors, there is no special distribution of responsibility among Board members apart from the tasks the Board has delegated to the Remuneration Committee and Audit Committee. In addition to 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 procedures, which, for example, stipulate that the Board shall:

- Hold at least seven ordinary meetings
- 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 5 M, if such matters are beyond the scope of approved investment budgets
- Decide on acquisitions of real 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 and interim reports

At the ordinary Board meetings, the following items should also be addressed:

- Report on the Group's operations including financial management
- Report on extraordinary measures or events
- Development of major ongoing projects and planned business events
- Report on existing or potential legal disputes

### SIGNIFICANT DECISIONS DURING THE YEAR

In addition to decisions on plans and strategies, as well as the continuous follow-up of business operations and approval of interim and year-end reports during the 2010/11 fiscal year, the Board of Directors decided on matters including:

- Long-term financing and financial policy
- Succession planning
- Acquisition of Resonant Medical Inc.
- Buy-back of shares
- Financing through a US Private Placement
- Major investments in R&D, product development programs and future development research projects

Remuneration to the Board of Directors is determined by the AGM and is paid to those Board members who are not company employees. Elekta has implemented no share, or share-based incentive program for Board

members who are not employed by the company. Remuneration to the respective members is detailed in a table on page 71.

**EXECUTIVE COMPENSATION COMMITTEE**

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

During the year, the ECC consisted of the Chairman of the Board, Akbar Seddigh, who was also Chairman of the ECC and Board member Luciano Cattani. 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 to senior executives. The recommendations cover the variable salary component, 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, which are discussed and decided by the Board. The entire Board decides on remuneration to the President.

During the 2010/11 fiscal year, ECC held four recorded meetings. Attendance at committee meetings was 100 percent. Key issues addressed by the ECC during the fiscal year included:

- Annual salary review process for the President and Executive Committee
- Market-based salary comparisons for the President and Executive Committee
- Monitoring compliance of guidelines for remuneration to senior executives
- Proposal for a revised working procedure for the ECC
- A review of the structure and guidelines for the company's short-term incentive program
- Evaluation of the company's existing long-term incentive program
- Proposal for a revision of the long-term incentive program

Information on Elekta's policies for compensation to senior executives, as well as outstanding share and share-based incentive programs are available on pages 67–68 and in Note 5.

**AUDIT COMMITTEE**

The Audit Committee works in accordance with guidelines and instructions adopted by the Board for the Audit Committee. The Audit Committee is responsible for ensuring that the entire Board of Directors is kept regularly informed of the work of the Audit Committee and, where necessary, shall submit matters to the Board for decision. The main duties of the Audit Committee are to support the Board of Directors in the work of overseeing the quality of the financial reporting, risk management, auditor review and ensuring that established financial policies are applied in a correct manner. The Audit Committee regularly meets Elekta's auditors, evaluates the audit work and approves as to which additional services Elekta may procure from external auditors.

The Audit Committee's members were Hans Barella, (Chairman), Birgitta Stymne Göransson, Tommy H Karlsson and Vera Kallmeyer.

During the 2010/11 fiscal year, the Audit Committee held four recorded meetings.

Important matters dealt with by the Audit Committee during the year included:

- Risk Management and prioritization of resources to ensure proper risk management
- Evaluation of the need for an internal audit function
- Evaluation of reporting from external auditors
- Analysis of the balance sheet and income statement, monitoring and follow-up of numerical values
- Review of principles for revenue recognition
- Review and evaluation of the auditor's impartiality and independence
- Establishment of the internal control processes

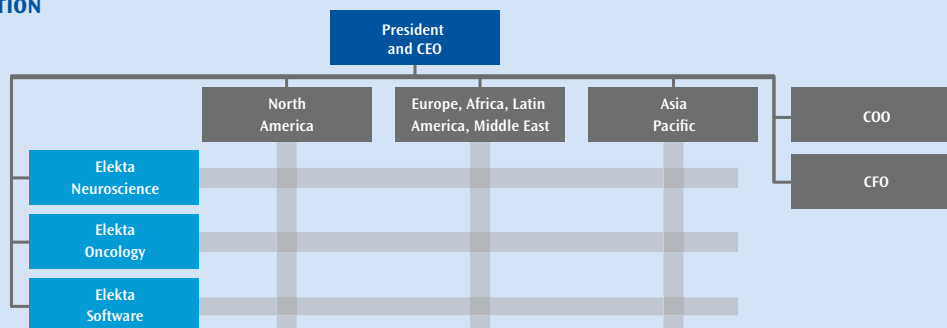
**AUDITORS**

The Annual General Meeting on September 18, 2008 elected Deloitte AB as statutory auditor, with Jan Berntsson as Auditor in Charge, ending with the 2012 AGM. Deloitte AB has been the auditor of Elekta since the 2002 AGM.

Jan Berntsson, born 1964 and an authorized public accountant, has been the auditor in charge in Elekta since 2008.

In addition to Elekta, Jan Berntsson's auditing assignments include Atlas Copco, Tele2 and ICA. He has no auditing assignments in companies related to Elekta's major shareholders or its President and CEO. The auditors' fees during the fiscal year are reported in Note 8.

**ELEKTA'S ORGANIZATION**



# Executive committee



## TOMAS PUUSEPP

Born: 1955  
 President and CEO  
 Employed since 1988  
 Holdings: 150,000 B-shares,  
 41,593 employee options



## OLOF SANDÉN

Born: 1962  
 Executive Vice President,  
 Region Europe, Africa,  
 Latin America, Middle East  
 Employed 1993–1995 and  
 since 2002  
 Holdings: 8,639 B-shares,  
 89,432 employee options



## IAN ALEXANDER

Born: 1958  
 Executive Vice President,  
 Region Asia Pacific  
 Employed since 2008  
 Holdings: 17,765 employee  
 options



## JAMES P HOEY

Born: 1955  
 Executive Vice President,  
 Region North America  
 Employed since 2005  
 (Founded IMPAC 1990)  
 Holdings: 1,500 B-shares,  
 89,432 employee options



## ÅSA HEDIN

Born: 1962  
 Executive Vice President,  
 Elekta Neuroscience  
 Employed 1994–2000 and  
 since 2007  
 Holdings: 327 B-shares,  
 74,432 employee options



## JOHAN SEDIHN

Born: 1965  
 Executive Vice President,  
 Elekta Oncology  
 Employed since 1993  
 Holdings: 19,753 B-shares,  
 89,432 employee options



## TODD POWELL

Born: 1965  
 Executive Vice President,  
 Elekta Software  
 Employed since 2005  
 (Employed at IMPAC since 1992)  
 Holdings: 3,239 B-shares,  
 27,773 employee options



## HÅKAN BERGSTRÖM

Born: 1956  
 CFO  
 Employed since 2001  
 Holdings: 35,013 B-shares,  
 69,432 employee options

## PRESIDENT AND CEO

The President and CEO is appointed by the Board of Directors and shall oversee the operational management of the company 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 explicitly defined as being the responsibility of the Board of Directors.

Tomas Puusepp has served as President and CEO of Elekta since May 1, 2005. He was born in 1955 and has a total of 29 years of management 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 Nuclear Physics, Scanditronix and Ericsson before being recruited by Elekta in 1988. Since then, Tomas Puusepp has held various management positions within the Company, including head of Elekta's neurosurgery operations, President of Elekta's subsidiary in North America and global head of Elekta's sales, marketing and service operations. Tomas Puusepp is a 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. Tomas Puusepp's share and option holdings in Elekta are stated in the Executive Committee presentation on page 73.

## EXECUTIVE COMMITTEE

Elekta's Executive Committee consists of the President and CEO, the Chief Financial Officer, the managers of three business areas and the three regions – a total of eight members. The President and CEO oversees the work of the Executive Committee and makes decisions after consulting with the members. Executive Committee meetings are held one or two days each month and are often held in conjunction with visits to the Group's various units. Details regarding remuneration for the President and CEO and Executive Committee are provided in Note 5.

## 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.

Information is published regularly in the form of:

- Interim reports
- Annual report
- Press releases on news and events that may significantly affect the company's valuation and future prospects. As a general rule, orders with an order value exceeding USD 10 M shall be considered for disclosure through publication of a press release.
- Presentations and telephone conferences for financial analysts, investors and the media
- Capital markets days arranged by the company at one of its major units or in conjunction with major scientific conferences where Elekta is present
- Elekta's website, [www.elekta.com](http://www.elekta.com), where the above information is made available

Elekta applies a silent period prior to each quarterly report, during which the Company does not hold investing presentations or conduct meetings with investors and analysts, either in person or over the telephone. The length of this silent period is to be determined by the President and CEO. It should not be shorter than 14 days.

## RISK MANAGEMENT AND INTERNAL CONTROL

During the year, Elekta continued to implement a more systematic method for risk management and internal control, Elekta's Risk Management and Internal Control Process, see figure on page 75. The new method is developed from already established work procedures for identifying and handling risks, signifying that risk management and internal control are a part of the strategy and management processes. The method focuses on strategic risks, operating risks, risks in connection with compliance with laws and regulations, as well as risks in connection with financial reporting. The objective is to be able to guarantee, with reasonable certainty, that Elekta's long-term and short-term goals are achieved. The aim of risk management and internal control in connection with financial reporting is to assure the reliability of the external financial reporting in terms of interim reports and annual reports, and to ensure that the external financial reporting is prepared in accordance with laws, applicable accounting standards and other requirements on listed companies.

## Internal environment

The internal environment is the foundation for internal control. It establishes the culture in which Elekta operates and defines standards and guidelines for corporate behavior. The internal environment embraces Elekta's mission, vision and values as guiding principles and is described in more detail in documented policies, procedures, processes and work instructions that are communicated throughout the organization.

The Elekta Code of Conduct serves as an overall policy to ensure that all employees understand and act in accordance with corporate responsibility regarding business ethics and behavior in the areas of social, environmental and economic issues. Other policies, procedures, processes and work instructions describe Elekta's business operations, e.g. management processes, the central business processes (Time to Market, Time to Customer and Installed Base Management), as well as support processes such as purchases, customer feedback, IT and HR. Policies, procedures, processes and work instructions pertaining to financial reporting, including policies and instructions for authorization, policies for accounting and reporting, as well as a financial policy, are also included in the Financial Guide.

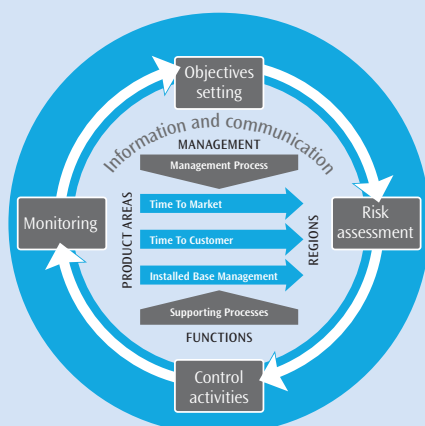
As a medical device company, Elekta operates according to requirements and standards established by supervisory and regulatory authorities. These requirements and standards are implemented and maintained through quality management systems, which include policies, procedures, processes and work instructions.

The organizational structure is transparent with defined roles, authorities and responsibilities documented in working instructions and job descriptions on all levels in the company, from the Board of Directors to all employees. The Board has prepared work regulations for the Board, audit committee, remuneration committee, President and CEO,



as well as instructions pertaining to financial reporting for the Board. Personal evaluation is conducted annually to guarantee relevant competency and any development needs. The organizational structure is described on page 72.

### ELEKTA'S RISK MANAGEMENT AND INTERNAL CONTROL PROCESS



#### Objectives and risk assessment

As part of Elekta's strategy and management processes, the company sets up long-term and short-term goals. A risk assessment is conducted in connection with the strategy process to identify risks in the attainment of goals, including risks in connection with financial reporting, under the supervision of the risk manager. Risks are documented on a risk map.

Risks that arise during the year are evaluated continuously and included, if necessary, in the company's risk map. The largest risks are described on pages 63 and 90–91.

The risk assessment is conducted by evaluating the risk level, based on the degree of impact and probability, and defines suitable measures to manage the risks. All risks are then handled by the appointed risk owner and risk players.

#### Control activities

The control activities have been designed to manage risks considered by the audit committee, the President and CEO and the Executive committee to be significant to achieving the strategic goals, the goals for the business operations, legal and regulatory compliance, as well as the financial reporting.

Policies and Procedures are established and implemented to help ensure that risk management is effectively carried out, for example, by:

- Changing the business models to avoid risks
- Accepting risks but also monitoring and analyzing changes
- Improving business processes and acting to reduce risks
- Sharing risks between units
- Transferring risks to external parties, where relevant

Control activities that concern financial reporting are designed to fulfill the fundamental requirements for external financial reporting. They com-

prise detailed or comprehensive controls and must be preventive or detectable. Control activities are frequently integrated in key processes, such as order booking and revenue recognition, and also include analyses and follow-up of results. The areas included in control activities are, for example, approval of business transactions, reliability in IT systems, observance of laws, applicable accounting standards and other requirements on listed companies and areas that include some type of assessment.

#### Monitoring

The monitoring of risk management and internal control processes to ensure that they are effective is conducted by the Board of Directors, the audit committee, the President and CEO, the Executive committee and other specifically appointed committees and employees. Monitoring includes for example reviewing of monthly business and financial reports, quarterly review of the operation, monthly review of order bookings, conducted by the order committee, and the follow up of internal quality review reports of the business operations pertaining to, for example, product quality, product development and manufacturing, which is conducted by the quality function, as well as reports from external auditors.

Prioritized risks are reported each quarter to the audit committee, while all overall company risks are reviewed by Executive committee as an integrated part of the business reviews.

#### Information and communication

As part of Elekta's strategy and management processes, the Board of Directors, the President and CEO and as well as the Executive committee make decisions on long-term strategies, operative plans and corporate policies. These are communicated to the relevant levels in the company as the basis for managing the company.

Management on various levels in the organization makes decisions every day based on relevant reports with operative and financial information and ensures that the decisions are implemented and are in line with the overall strategies, plans and policies.

The risk manager coordinates the risk reporting from risk owners to the Executive committee, the audit committee and Board of Directors.

Elekta has several different communication channels within the organization, including the company's Intranet, information letter, regular meetings and company magazines. The objective is to ensure that necessary information always reaches the employees concerned.

Elekta's communication policy regulates communication with external parties, including the financial market.

Any suspicion of breach of the code of conduct may be reported, anonymously as well, directly to Elekta's Corporate Social Responsibility Officer.

The company currently has no separate internal audit function. The work with risk management and internal control in connection with financial reporting during the year was executed by the risk manager, other internal functions and external resources. The Board of Directors continuously evaluates the need and extent of an internal audit function for financial reporting. At present, the Board deems that a separate internal audit function is not necessary.