

Corporate Governance Report 2013/14

Elekta AB is a Swedish public limited liability company listed on NASDAQ OMX Stockholm. Elekta considers good corporate governance, risk management and internal control to be important elements of a successful business operation through providing opportunities for maintain-

ing confidence among customers, patients, shareholders, authorities and other stakeholders. Elekta's Corporate Governance Report for 2013/14 was prepared by the Company's Board of Directors and has been reviewed by the Company's auditors.

CHAIRMAN'S COMMENTS

Elekta is a global human care company that conducts development and sales of solutions for treating cancer and brain disorders. Every year, about 1 million patients worldwide receive treatment in which Elekta's products are included. This means that we have a major responsibility toward our customers and their patients. As a manufacturer of medical devices, Elekta's operations are governed by requirements and standards established by regulatory authorities in various countries. The Company is also listed on NASDAQ OMX Stockholm. This places high demands on the Group's governance and monitoring processes, as well as sound risk management.

In recent years, we have worked intensively with the Group's strategy and international development together with corporate governance, risk management and internal control systems. In 2013/14, the ongoing internal control project has – among other things – resulted in a decision to strengthen the governance organization with both an internal audit function and a compliance function.

We also evaluated the work of the Board during the year and how we want this to be conducted in the future. Some of the Board's most important responsibilities are to ensure that efficient systems are in place for monitoring and controlling the operations and compliance with laws and regulations. This minimizes risk and helps Elekta conduct a successful business. These are issues that concern me greatly and as Chairman, I will continue to pursue and develop.

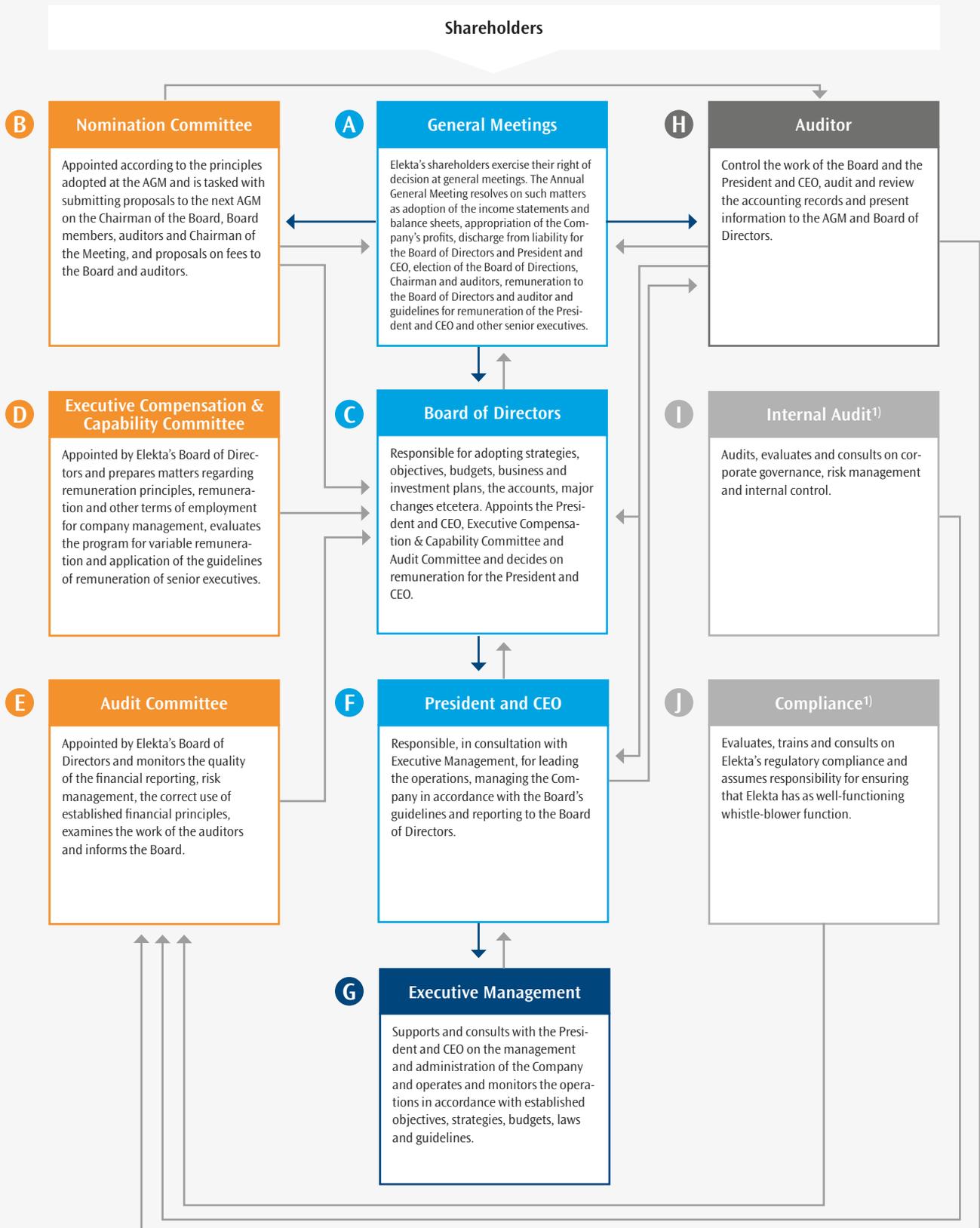
During the year, the Board worked with the recruitment of a new President and CEO, since Tomas Puusepp has now transferred to a function as Executive Director of the Board. At the same time as we thanked Tomas for his essential achievements during his nine year as President and CEO we were as pleased to welcome Niklas Savander in his role as President and CEO from May 1, 2014.

July 22, 2014

Laurent Leksell
Chairman of the Board



- Elects/appoints
- Informs/reports



¹⁾ The function will be implemented during the 2014/15 fiscal year.

SWEDISH CORPORATE GOVERNANCE CODE

Elekta has implemented and complies with the Swedish Corporate Governance Code (the Code) with one exception during the 2013/14 fiscal year. Elekta's Nomination Committee resolved to appoint the Chairman of the Board, Laurent Leksell, as Chairman of the Nomination Committee, motivated by the fact that in his capacity of the major shareholder, he is well-suited to effectively lead the work of the Nomination Committee in order to achieve the best results for the Company's shareholders. According to point 2.4 of the Code, the Chairman of the Board is not to be the Chairman of the Nomination Committee.

SHAREHOLDERS

Ownership structure

At the end of the fiscal year, Elekta had 35,145 shareholders, of whom 57 percent were domiciled in Sweden. At April 30, 2014, the largest shareholders were Laurent Leksell with companies, with 29.6 percent of the votes, Swedbank Robur funds with 4.5 percent of the votes and AMF Försäkring & fonder with 2.7 percent of the votes. Read more about the share and shareholders on page 69–71.

Shares and votes

Elekta's share is listed on NASDAQ OMX Stockholm. On April 30, 2014, the total number of registered shares in Elekta was 382,828,584, divided between 14,250,000 Series A-shares and 368,578,584 Series B-shares. At General Meetings, which is the forum in which shareholders may exercise influence, Series A-shares entitle the holder to ten votes, while Series B-shares carry one vote each. Read more about the share and shareholders on page 69–71.

A GENERAL MEETING OF SHAREHOLDERS

The general meeting of shareholders is Elekta's highest decision-making body. Decisions are normally made by simple majority, and in elections, the person receiving the most votes is deemed elected. The Swedish Companies Act requires certain decisions, such as amendment of the Articles of Association, to be made by qualified majority.

Disclosures on direct or indirect shareholding in Elekta representing at least one-tenth of the voting rights, and information about authorizations by the General Meeting for the Board of Directors to decide upon repurchases of treasury shares is set out on page 77.

Annual General Meeting

The Annual General Meeting is held in Stockholm, Sweden. The date and venue for the meeting will be announced on Elekta's website not later than in connection with the third quarterly report. Notification of the Annual General Meeting is published according to the rules of the Companies Act, not earlier than six weeks and not later than four weeks in advance of the meeting.

Shareholders who cannot attend in person may be represented by an authorized proxy. Only shareholders included in the shareholder register are entitled to vote. Shareholders with trustee-registered shares who wish to vote must request that they be entered in the shareholder register by the record date for the Annual General Meeting.

The Annual General Meeting is held in Swedish, but all relevant documentation is also available in English. At the Annual General Meeting, shareholders have the opportunity to ask questions. Elekta always strives to ensure that the members of the Board of Directors, the Executive Management and the auditors are present at the meeting.

2013 Annual General Meeting

The Annual General Meeting was held in Stockholm on September 3, 2013. All of the Company's Board members were present at the meeting, with the exception of the Chairman Akbar Seddigh. The 2013 Annual General Meeting resolved on the following:

- Adoption of the income statement and balance sheet
- A dividend payment of SEK 2.00 per share to shareholders, of which SEK 1.50 comprises an ordinary dividend and SEK 0.50 a bonus dividend
- Discharge of the Board, and President and CEO, from liability
- Adoption of Board fees of SEK 1,000,000 (750,000) to the Chairman and SEK 425,000 (340,000) to each of the other external members
- Adoption of the following fees for committee work: Executive Compensation & Capability Committee: SEK 70,000 (unchanged) to the Chairman and SEK 35,000 (unchanged) to other Board members on the Committee.
Audit Committee: SEK 175,000 (150,000) to the Chairman and SEK 70,000 (unchanged) to other Board members on the Committee
- Re-election of Board members Hans Barella, Luciano Cattani, Laurent Leksell, Siaou-Sze Lien, Wolfgang Reim, Jan Secher and Birgitta Stymne Göransson and election of new Board member Tomas Puusepp. Laurent Leksell was elected Chairman of the Board, since Akbar Seddigh declined re-election
- Re-election of PwC as auditor, with Johan Engstam as Auditor in Charge
- Adoption of the Board's proposed guidelines for remuneration of senior executives
- Adoption of the Board's proposed incentive plan, Performance Share Plan 2013, to encompass approximately 150 key employees of the Group
- Authorization of the Board to purchase and transfer treasury shares, and decide on a transfer of treasury shares in conjunction with Performance Share Plans for 2011, 2012 and 2013

The minutes of the meeting are available on Elekta's website. No other general meetings were held during the 2013/14 fiscal year.

B NOMINATION COMMITTEE

Principles for appointing the Nomination Committee

The 2013 Annual General Meeting in September resolved that the Nomination Committee for the 2014 Annual General Meeting would be appointed through a procedure whereby the Chairman of the Board, before the end of the second quarter, would approach three to five of the largest holders of Series A and B-shares as of the last banking day of September. These shareholders would each be invited to appoint a member who, together with the Board Chairman, would comprise the Nomination Committee. This process was described in detail in the notice of the Annual General Meeting and in the minutes of the 2013 Annual General Meeting, which are available at www.elekta.com.

Elekta's 2014 Annual General Meeting: August 28, 2014 at 3:00 pm at Hotell Courtyard by Marriott, Råambshovsleden 50, Stockholm, Sweden.

Composition of the Nomination Committee

The composition of the Nomination Committee was announced in a press release on October 31, 2013. The Nomination Committee for the 2014 Annual General Meeting comprises:

- Laurent Leksell, Chairman – appointed by the Leksell family, representing the family's direct and indirect shareholdings, and as Chairman of the Board
- Åsa Nisell – appointed by Swedbank Robur funds
- Anders Oscarsson – appointed by AMF and AMF Funds
- Peter Rudman – appointed by Nordea Funds
- Erik Sjöström – appointed by Skandia

The Nomination Committee appointed Laurent Leksell as Chairman. The Nomination Committee has further resolved to co-opt Caroline Leksell Cooke without voting rights to the Nomination Committee.

The assignment period is valid until a new Nomination Committee is constituted. Members of the Nomination Committee receive no remuneration.

Preparation for the 2014 Annual General Meeting

The Nomination Committee held four meetings prior to the 2014 Annual General Meeting. During the year, the Nomination Committee's Chairman, Laurent Leksell, commenced a thorough evaluation of the Board. The Board's work, expertise, composition and independence of its members were evaluated. A written evaluation of each Board member was conducted. The Chairman also conducted private interviews with each Board member, partly to assess the preceding year, but also to identify areas for development of the Board's work. Other members of the Nomination Committee have conducted individual meetings with a selection of Board members.

The role of the Nomination Committee is to produce proposals for decisions by the Annual General Meeting in relation to the following:

- Chairman of the meeting
- Board members and Chairman of the Board
- Board fees broken down into amounts for the Chairman of the Board and other Board members and as remuneration for committee work
- Auditor and auditors' fees

The Nomination Committee's complete proposals for the 2014 Annual General Meeting and reasoned statement will be published in the notice convening the 2014 Annual General Meeting.

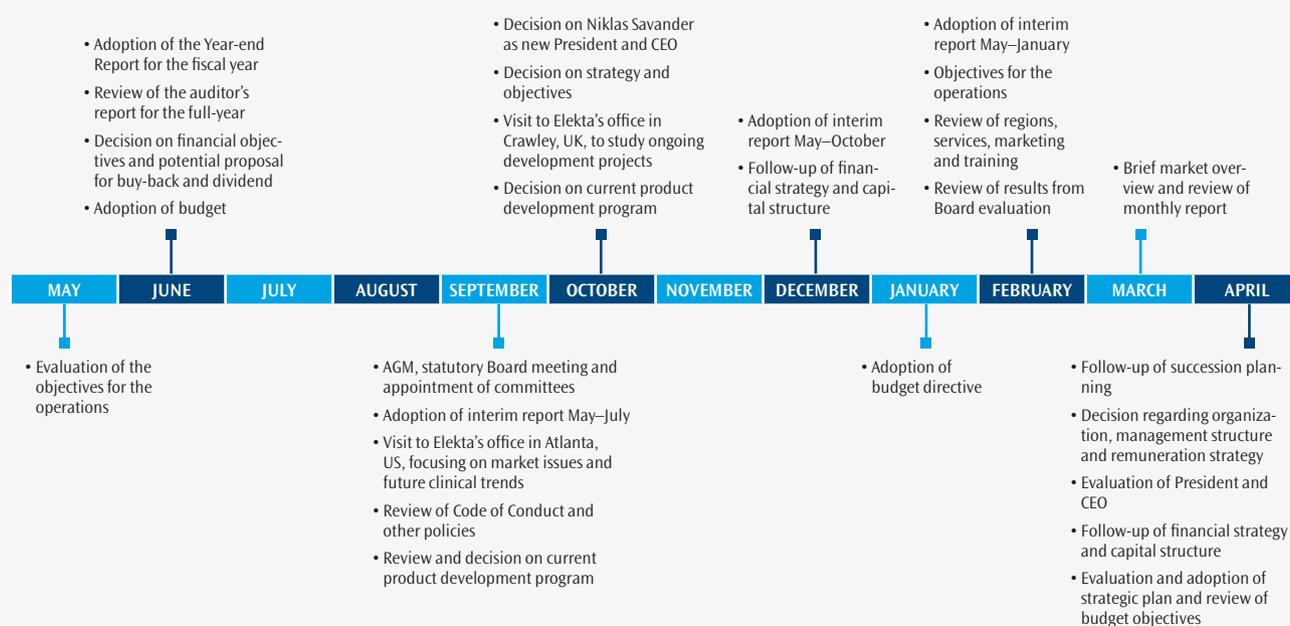
BOARD OF DIRECTORS

The Board is responsible for the management of Elekta's operations. The Board appoints a President and CEO who is responsible for the day-to-day operations in accordance with the Board's guidelines. The President and CEO keep the Board informed of significant issues including information about Elekta's performance, earnings and financial position. Elekta's Board of Directors is appointed by the Annual General Meeting for a period until the end of the next Annual General Meeting. According to the Articles of Association, Elekta's Board of Directors is to have between three and ten members. There are no other rules in the Articles of Association concerning the appointment or removal of Board members.

Composition of the Board

The Board of Directors comprises eight members who were elected by the 2013 Annual General Meeting for the period until the next Annual General Meeting: Laurent Leksell (Chairman), Hans Barella, Luciano Cattani, Siauou-Sze Lien, Tomas Puusepp, Wolfgang Reim, Jan Secher and Birgitta Stymne Göransson.

The Board's work and important issues in 2013/14



Board of Directors

			
LAURENT LEKSELL¹⁾	HANS BARELLA	LUCIANO CATTANI	SIAOU-SZE LIEN
First elected: 1972 ■ Board chairman ■ Chairman of the Compensation & Capability Committee Attendance: ■ 12/12 ■ 3/5 Total fees: ■ 1,000,000 ■ 70,000	First elected: 2003 ■ Member of the Board ■ Chairman of the Audit Committee Attendance: ■ 12/12 ■ 4/4 Total fees: ■ 425,000 ■ 175,000	First elected: 2008 ■ Member of the Board ■ Chairman of the Compensation & Capability Committee Attendance: ■ 12/12 ■ 5/5 Total fees: ■ 425,000 ■ 35,000	First elected: 2011 ■ Member of the Board ■ Member of the Compensation & Capability Committee Attendance: ■ 12/12 ■ 5/5 Total fees: ■ 425,000 ■ 35,000
Year of birth: 1952	Year of birth: 1943	Year of birth: 1945	Year of birth: 1950
Education: MBA and PhD from Stockholm School of Economics	Education: Master of Science in Electrical Engineering/Business Administration from the Technical University in Eindhoven, the Netherlands	Education: Master of Science in Economics from the University of Rome	Education: Bachelor of Science in Physics from Nanyang University and an Master of Science in Computer Science from Imperial College in London
Independence: Not independent in relation to the Company or the executive management and, being the Company's largest shareholder, not independent in relation to major shareholders	Independence: Independent of the Company and the executive management and independent of the major shareholders	Independence: Independent of the Company and the executive management and independent of the major shareholders	Independence: Independent of the Company and the executive management and independent of the major shareholders
Other Board assignments: Board chairman: Stockholm City Mission and Leksell Social Ventures Board member: International Chamber of Commerce (ICC)	Other Board assignments: Board chairman: Sapiens GmbH and Super Sonic Imagine SA	Other Board assignments: Board member: Sorin SpA	Other Board assignments: Board member: Luvata Holding, Nanyang Technological University (NTU), NTU's Confucius Institute and Japfa Ltd
Holdings in Elekta: 14,250,000 A-shares, 8,856,624 B-shares, 3,562,500 A-convertibles and 2,500,681 B-convertibles	Holdings in Elekta: 2,000 B-shares	Holdings in Elekta: 10,000 B-shares and 1,000 B-convertibles	Holdings in Elekta: 1,000 B-shares
Principal work experience and other information: Founder of Elekta and Executive Director, from 2005 to 2013. Former President and CEO of Elekta during the years from 1972 to 2005. Among other things, Assistant Professor and Faculty member of Stockholm School of Economics, IFL and Insead Fontainebleau	Principal work experience and other information: President and CEO at Philips Medical Systems and member of the Group Management Committee of Royal Philips from 1997 to 2002. Former Board chairman of COCIR, European Coordination Committee of the Radiological, Electromedical and Healthcare IT Industry	Principal work experience and other information: President for EMEA at Stryker Corporation from 2001 to 2004, Group President International at Stryker Corporation from 2005 to 2008 and Executive Vice President International Public Affairs at Stryker Corporation from 2008 to 2010	Principal work experience and other information: Senior Executive Coach at Mobley Group Pacific Ltd after a 28-year career at Hewlett-Packard. Until 2006, Senior Vice President, Hewlett-Packard Services for the Asia-Pacific & Japan region

¹⁾ Appointed to the compensation committee in connection with the 2013 annual general meeting and has participated in three of three committee meetings thereafter.

**TOMAS PUUSEPP²⁾****First elected:** 2013■ *Executive Director of the Board***Attendance:** ■ 9/12**Total fees:** ■ –**Year of birth:** 1955**Education:**

Electrical Engineer, studies in Physics at the Royal Institute of Technology in Stockholm and at the University of Stockholm and Management (IEP) at IMD in Lausanne

Independence:

Not independent in relation to the company and the management but is independent in relation to the company's major shareholders

Other Board assignments:

Board member: The Swedish-American Chamber of Commerce in New York and American Chamber of Commerce in Stockholm

Holdings in Elekta:

600,000 B-shares and
150,000 B-convertibles

Principal work experience and other information:

Various positions at the Research Institute for Nuclear 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 neurosurgery operations, President of Elekta's subsidiary in North America, global head of Elekta's sales, marketing and service operations and President and CEO of Elekta during fiscal years 2005/06 to 2013/14

**WOLFGANG REIM****First elected:** 2011■ *Member of the Board***Attendance:** ■ 12/12**Total fees:** ■ 425,000**Year of birth:** 1956**Education:**

Master in Natural Sciences and PhD in Physics from the Federal Institute of Technology ETH in Zürich

Independence:

Independent of the Company and the executive management and independent of the major shareholders

Other Board assignments:

Board chairman: Ondal Medical Systems GmbH since November 2012
Board member: Carl Zeiss Meditec AG until March 2014, GN Store Nord A/S, Klingel GmbH from December 2012 and Medlumics S.L. from January 2013

Holdings in Elekta:

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Principal work experience and other information:

Independent consultant focusing on the medical technology industry. Until end of 2006 CEO of Dräger Medical AG. He started to work for Siemens in 1986 and was the CEO of the Siemens Ultrasound Division from 1997 to 2000 and President of the Special Products Division from 1995 to 1997

**JAN SECHER****First elected:** 2010■ *Member of the Board*
■ *Member of the Audit Committee***Attendance:** ■ 12/12 ■ 4/4**Total fees:** ■ 425,000 ■ 70,000**Year of birth:** 1957**Education:**

Master of Science in Industrial Engineering and Management from Linköping University in Sweden

Independence:

Independent of the Company and the executive management and independent of the major shareholders

Other Board assignments:

Board chairman: Peak Management AG

Holdings in Elekta:

8,800 B-shares and
2,340 B-convertibles

Principal work experience and other information:

President and CEO of Perstorp AB from September 2013. Previous President and CEO of Ferrostaal AG from 2010 to 2012, operating partner of the US private equity fund Apollo in London from 2009 to 2010, CEO of Clariant AG in Basel from 2006 to 2008 and CEO of SICPA in Lausanne from 2003 to 2005. Before he held various leading positions in the ABB Group during the years from 1982 to 2002

**BIRGITTA STYMNE GÖRANSSON****First elected:** 2005■ *Member of the Board*
■ *Member of the Audit Committee***Attendance:** ■ 11/12 ■ 4/4**Total fees:** ■ 425,000 ■ 70,000**Year of birth:** 1957**Education:**

MBA from Harvard Business School and Master of Science in Chemical Engineering and Biotechnology from the Royal Institute of Technology in Stockholm

Independence:

Independent of the Company and the executive management and independent of the major shareholders

Other Board assignments:

Board chairman: Medivir AB, Stiftelsen Stockholms Sjukhem and Fryshuset Foundation
Board member: HL Display AB, Rhenman & Partners Asset Management AB and Stockholm Chamber of Commerce and Sophiahemmet

Holdings in Elekta:

6,100 B-shares and
1,900 B-convertibles

Principal work experience and other information:

President and CEO of Memira Group 2010 to 2013. CEO of Semantix Group 2005 to 2009 and COO/CFD of Telefon 2001 to 2005. Before that several management positions including CFO at Åhléns AB, Corporate Controller at KF, product manager at Gambro and senior management consultant at McKinsey & Company

²⁾ Appointed to the board in connection with the 2013 annual general meeting and has participated in nine of nine board meetings thereafter.

Laurent Leksell was elected new Chairman at the 2013 Annual General Meeting since Akbar Seddigh, the previous Chairman, declined reelection. Elekta's previous President and CEO, Tomas Puusepp, who became an Executive Director on May 1, 2014, was also newly elected.

There are no employee representatives on the Board.

Independence of the Board

The composition of the Board meets applicable independence requirements as six of the eight Board members have been deemed independent in relation to the Company, the management and major shareholders. These six members are Hans Barella, Luciano Cattani, Siaou-Sze Lien, Wolfgang Reim, Jan Secher and Birgitta Stymne Göransson.

Delegation of responsibility

The Board's work is regulated by the Swedish Companies Act, the Articles of Association, the Code and the Rules of Procedure for the Board. The Rules of Procedure establish that the Board is to:

- Hold at least seven ordinary meetings per year
- Determine finance and currency policies
- Approve budgets and long-term plans, including investment budgets
- Approve investments and similar amounts of more than SEK 5 M if these fall outside approved investment budgets
- Decide on acquisitions of real property, shares or other companies
- Decide on the establishment and capitalization of subsidiaries
- Determine the conditions of employment for the CEO
- Adopt annual and interim reports

Within the Board of Directors, there is no special distribution of responsibilities among Board members in addition to the duties that the Board has delegated to the Executive Compensation & Capability Committee and the Audit Committee.

The Board's work

During the 2013/14 fiscal year, the Board held a total of 12 minuted meetings. Attendance at Board meetings is shown in the table on pages 84–85. These meetings are normally held at the Group's head office in Stockholm, but on a few occasions per year, the Board visits some of Elekta's offices and facilities around the world. Representatives from the Executive Management and other senior personnel regularly attended Board meetings to report on matters within their respective areas.

For ordinary Board meetings, an agenda with decision support is always sent out in advance and the following matters are normally addressed at each meeting:

- Report on the Company's operations, including financial management
- Report on extraordinary measures or events
- The development of large, ongoing projects and expected business events
- Report on existing or potential disputes
- Market evaluations – outcomes, trends and potential for new establishments

D EXECUTIVE COMPENSATION & CAPABILITY COMMITTEE

Composition

The Executive Compensation & Capability Committee (ECCC) consists of three members appointed by the Board for a term of one year in connection with the Annual General Meeting 2013: Laurent Leksell (Chairman of the Committee), Luciano Cattani and Siaou-Sze Lien.

The President and CEO also attended the Committee's meetings and the Group VP Human Resources service as secretary.

Objectives

The objective of the ECCC is to ensure a fair and reasonable structure and scope of compensation and remuneration for managers at Elekta. Remuneration is to contribute to generating maximum value for shareholders and customers without diminishing the Group's competitiveness. This applies to senior executives in Executive Management and other compensation systems for Elekta managers.

Work during the year

During the fiscal year, the ECCC held five minuted meetings. Attendance at committee meetings is shown in the table on pages 84–85. The most important matters discussed at the meetings were:

- Evaluation of Elekta's Performance Share Plan and preparations for a potential, new, long-term incentive plan for 2014
- Succession planning and reviews of management succession plans for senior management levels and other Group-critical positions
- Recruitment of the new President and CEO and recommendations of remuneration for the President and CEO
- Evaluation of the Company's compliance with the Code regarding remuneration to senior executives
- Follow-up of compliance with the principles for remuneration to senior executives and production of recommendations to the Board for the next Annual General Meeting

E AUDIT COMMITTEE

Composition

The Audit Committee consisted of three members appointed by the Board for a term of one year in connection with the Annual General Meeting 2013: Hans Barella (Chairman of the Committee), Jan Secher and Birgitta Stymne Göransson. Attendance at committee meetings is shown in the table on pages 84–85.

The President and CEO and the CFO also attended the Committee's meetings.

Objectives

The objective of the Audit Committee is to ensure that the Group's financial reporting and management of financial risks are handled in accordance with laws, regulations and established financial principles. The Committee works in accordance with guidelines adopted by the Board. The Committee keeps the Board regularly informed and refers matters to the Board for decision as necessary.

Work during the year

During the fiscal year, the Audit Committee held 4 minuted meetings. The most important matters discussed at the meetings were:

- Performance of the Company's internal control
- Preparation of internal audit and compliance functions to work with internal control and regulatory compliance in the Group
- Examination and evaluation of the external auditors and their work
- Examination of the quality of Elekta's financial reporting and control of each interim report
- Follow-up of financial key figures
- Planning of audit work for the year
- Analysis of Elekta's financial risks and examination of the Group's risk management

F PRESIDENT AND CEO

The Board appoints Elekta's President and CEO, who is responsible for the ongoing operational management of the Company in accordance with the Board's guidelines and instructions, and external regulations. The President and CEO also represents the Group in various contexts, leads the work of Executive Management and makes decisions in consultation with the members of Executive Management.

Tomas Puusepp served as President and CEO of Elekta from May 1, 2005 until April 30, 2014. He was also elected a member of the Elekta's Board of Directors at the 2013 Annual General Meeting. During the fiscal year, Tomas Puusepp did not have any significant assignments outside Elekta and had no shareholdings or ownership interests in companies with significant business relations with Elekta. More information about Tomas Puusepp is provided in the presentation of the Board of Directors on page 85. The remuneration paid to the President and CEO is described in Note 5.

Appointment of a new President and CEO

A new President and CEO was recruited during the fiscal year and Elekta announced in October 2013 that Niklas Savander had been appointed the new President and CEO. He joined Elekta on January 1, 2014 in order to prepare for his new role and he took office as President and CEO on May 1, 2014.

Niklas Savander was born in 1962 and holds a Master of Science in International Marketing and National Economics from Helsinki Swedish School of Economics, and a Master of Science in Mechanical Engineering and Production Planning from Helsinki University of Technology, Finland.

G EXECUTIVE MANAGEMENT

Composition

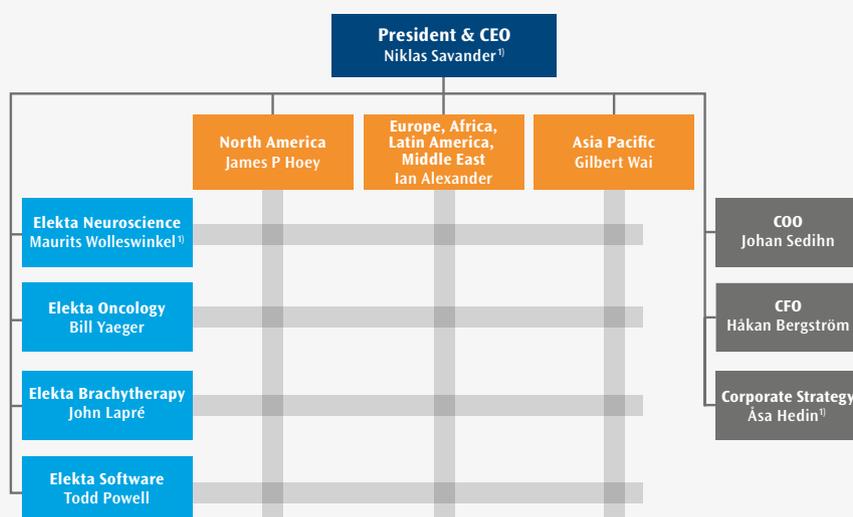
During the fiscal year, Elekta's Executive Management consisted of the President and CEO, the Chief Financial Officer, the Chief Operating Officer, the Executive Vice Presidents of the four product areas and the three regions. On May 1, 2014, the Group also established a new function, Corporate Strategy, which is also part of Executive Management. Åsa Hedin moved from her role as EVP Elekta Neuroscience to head this new function. Maurits Wolleswinkel was appointed EVP Elekta Neuroscience and will assume his position on August 1, 2014. The composition of Executive Management reflects Elekta's matrix organization with geographical regions and product areas.

A presentation of the Executive Management is provided on page 88. Remuneration paid to the Executive Management is described in Note 5.

Responsibilities

The President and CEO is responsible for and leads the work and meetings of Executive Management. Executive Management makes joint decisions following consultation with various parts of the Group. The Executive Vice Presidents of the regions and product areas have the same responsibilities and decision-making authorities at the meetings.

Elekta's organization



¹⁾ Niklas Savander succeeded Tomas Puusepp on May 1, 2014. Åsa Hedin became the head of Corporate Strategy on May 1, 2014 and Maurits Wolleswinkel assumed his position from August 1, 2014.

Executive Management



NIKLAS SAVANDER

Year of birth: 1962

Role: President and CEO

Employed since: 2014

Holdings: –

Education: MSc in International Marketing and National Economics from Helsinki Swedish School of Economics, and MSc in Mechanical Engineering and Production Planning from Helsinki University of Technology



IAN ALEXANDER

Year of birth: 1958

Role: EVP Region Europe, Africa, Latin America, Middle East

Employed since: 2008–2011 and since 2012

Holdings: 1,332 B-shares



HÅKAN BERGSTRÖM

Year of birth: 1956

Role: CFO

Employed since: 2001

Holdings: 140,052 B-shares and 35,013 B-convertibles

Education: Bachelor Degree in Economics from Umeå University



ÅSA HEDIN

Year of birth: 1962

Role: EVP Corporate Strategy

Employed since: 1994–2000 and since 2007

Holdings: 6,970 B-shares and 6,540 B-convertibles

Education: MSc in Biophysics from University of Minnesota



JAMES P HOEY

Year of birth: 1958

Role: EVP Region North America

Employed since: 2005

(founded IMPAC 1990)

Holdings: 14,000 B-shares

Education: Bachelor Degree in Biomedical Engineering from Yale University, and MBA from Santa Clara University



JOHN LAPRÉ

Year of birth: 1964

Role: EVP Elekta Brachytherapy

Employed since: 2011 (Nucletron 2009)

Holdings: 2,500 B-shares

Education: MSc in Human Nutrition and Physiology, and PhD in Toxicology from Wageningen University



TODD POWELL

Year of birth: 1965

Role: EVP Elekta Software

Employed since: 2005 (IMPAC 1992)

Holdings: –

Education: BSc Hons in High Energy Physics, Mathematics from California State University. Emphasis in Finance, Mergers and Acquisitions, and Strategies for Stable Innovation from Stanford Graduate School of Business



JOHAN SEDIÑH

Year of birth: 1965

Role: COO

Employed since: 1993

Holdings: 79,462 B-shares and 20,203 B-convertibles

Education: MSc in Industrial Engineering and Management from Linköping University



GILBERT WAI

Year of birth: 1953

Role: EVP Region Asia Pacific

Employed since: 1998

Holdings: 250,000 B-shares

Education: MBA from Chinese University of Hong Kong



MAURITS WOLLESWINKEL

Year of birth: 1971

Role: EVP Elekta Neuroscience

Employed since: 2011

Holdings: –

Education: MSc in Mechanical Engineering from Delft University of Technology, and MSc in General Management from Nyenrode University



BILL YAEGER

Year of birth: 1961

Role: EVP Elekta Oncology

Employed since: 2000–2008 and since 2011

Holdings: 4,200 B-shares

Education: BSc in Electrical Engineering from University of Connecticut, MSc in Computer Engineering, and MBA from Syracuse University

Work during the year

Executive Management meetings are held one or two days each month, and are often held in conjunction with visits to the Group's various offices and facilities. Elekta's General Counsel participates at the meetings as secretary.

During the 2013/14 fiscal year, a total of 16 minuted meetings were held. Topics discussed at these meetings include such strategic and operational issues as product development, acquisitions/divestments, business plans, investments, market development, organization and monthly and quarterly follow-ups.

H AUDITOR

The 2013 Annual General Meeting elected PwC as audit firm until the 2014 Annual General Meeting, with Johan Engstam as Auditor in Charge. PwC has been the auditor of Elekta since the 2012 Annual General Meeting.

Auditor in Charge

Johan Engstam was born in 1966 and is an Authorized Public Accountant. During the year, he was also the Auditor in Charge of Transmode AB. He has no assignments in any other company that affect his independence as the auditor of Elekta.

Work during the year

During the year, PwC examined the Company's Annual Report and accounts, the administration of the Board and President and CEO, and the consolidated financial statements, which are part of PwC's standard assignment as auditor.

In addition, Elekta engaged PwC for certain audit-related assignments. PwC has been engaged as tax adviser for several years, but Elekta is in the process of phasing out this partnership to minimize the risk of a situation whereby the auditor's independence could be called into question. Only a few minor tax advisory projects were performed during the 2013/14 fiscal year. PwC was also engaged during the fiscal year as a consultant in a time-limited internal control project.

The auditors' fees during the period are reported in Note 8.

I INTERNAL AUDIT

During the 2013/14 fiscal year, Elekta decided to introduce an internal audit function tasked with evaluating and examining the Group's corporate governance, risk management and internal control. The function will be implemented during the 2014/15 fiscal year.

J COMPLIANCE

During the 2013/14 fiscal year, Elekta decided to introduce a compliance function tasked with evaluating, training and providing advice on Elekta's regulatory compliance and assuming responsibility for ensuring that Elekta has an effective whistle-blower function. The function will be implemented during the 2014/15 fiscal year.

RISK MANAGEMENT, INTERNAL GOVERNANCE AND INTERNAL CONTROL Overall aims and responsibilities

Risk management, internal governance and internal control are key components of Elekta's strategy and management processes. Elekta's Board of Directors assumes the overall responsibility for establishing an efficient risk management, internal governance and internal control system. The responsibility for maintaining the system is delegated to the President and CEO, who is assisted by Executive Management and specifically established committees, functions and employees.

The overall aim of risk management, internal governance and internal control is to ensure:

- Efficient and productive operations that achieve the Group's long-term and short-term targets
- Reliable financial accounting and reporting that are prepared in accordance with applicable laws, accounting norms and other requirements for listed companies
- Compliance with laws, rules, guidelines and norms, both external and internal

A condition for achieving this is that an efficient internal control environment, reliable risk assessments and established control activities are in place, and that monitoring, information and communication function correctly.

A project was carried out during the year with the aim of further developing and improving the Group's work on corporate governance, risk management and internal control. The project focused on the detailed governance and follow-up of a number of selected global processes.

External and internal laws, rules and guidelines

External:

- Swedish Companies Act
- OMX Nordic's Rule Book for Issuers
- Swedish Corporate Governance Code
- Requirements and standards from supervisory authorities in the field of medical technology

Internal:

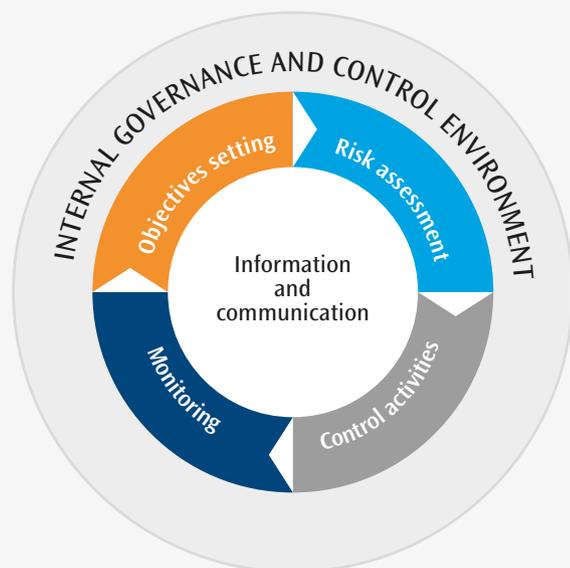
- Articles of Association
- Rules of procedure for the Board
- Code of Conduct
- Vision and values
- Objectives and strategies
- The Group's business management system with policies, procedures, processes and work instructions
- Directive for the President and CEO
- Job descriptions

Framework

Elekta bases its work on risk management and internal governance and control on the principles and definitions established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in the Internal Control Integrated Framework.

This work is based on five components: internal governance and control environment, risk assessment, control activities, monitoring and information and communication.

Elekta's process for risk management, internal governance and internal control



Internal governance and control environment

Elekta's internal environment for governance and control is based on the Group's vision, mission and business concept and is characterized by organizational structure, a division of responsibilities, culture, values, norms and working methods. To govern and control the operations, minimize risks and ensure that the Group complies with applicable laws, requirements and standards, Elekta has established a Business Management System that includes documented policies, procedures, processes and work instructions that are communicated to all relevant employees in the organization. The most important elements of this system are:

- Elekta's Mission, Vision and Values
- Elekta's Code of Conduct serves as an overall policy to ensure that all employees act responsibly regarding business ethics and behavior in the areas of social, environmental and economic responsibility
- Policies, procedures and instructions on, for example, quality, environment, purchasing, sales, IT, information and financial reporting
- Elekta's Financial Guide, which includes instructions on authorization rights, accounting policies and reporting instructions
- Processes, for example, the strategy and management processes, the main business processes (Time to Market, Time to Customer and Installed Base Management), as well as supporting processes such as purchasing, logistics, customer feedback and human resources
- The organizational structure with defined responsibilities and authorities is documented in job descriptions on all levels in the Group
- Rules of procedure for the Board of Directors, the Audit Committee, the Executive Compensation & Capability Committee, the President and CEO as well as instructions regarding financial reporting for the Board of Directors

Objectives setting

As part of Elekta's strategy and management processes, the Company establishes both long-term and short-term objectives. Long-term strategies and business plans are produced and revised every year. More short-term business plans and budgets are produced every year. These are adjusted based on estimated risks and changes in the external environment.

Risk assessment and risk management

Elekta's risk work focuses on assessing and managing strategic risks, operating risks, legal and regulatory risks, market and external risks and financial risks.

A risk assessment is performed once a year in connection with the strategy process in order to identify the risks related to the achievement of established objectives, compliance with laws and regulations, and the financial reporting. The risks are documented in the Group's risk map. The risk map is also updated on other occasions during the year, as necessary. Risk assessments are performed by Elekta evaluating the risk level from two different perspectives: the degree of impact the risk would have if it occur, and the probability of the risk occurring. Appropriate measures are subsequently defined for managing the risks and a risk owner is appointed to assume responsibility for risk management.

Elekta has policies and procedures to ensure that the risk responses are effectively carried out. Examples of measures that may need to be implemented to manage risk are:

- Changing the business model to avoid risks
- Accepting actual risk levels and secure monitoring of changes
- Improving business processes to reduce risks
- Sharing risks between units
- Transferring risks to external parties as appropriate

Read more about Elekta's risks and risk management on pages 76–77 and 107–110.

Control activities

Control activities are integrated in Elekta's processes, procedures and routines, and are designed to prevent, detect and correct errors and deviations in the operations and to reduce risks of objectives not being achieved or non-compliance with laws and rules. Control activities comprise a range of manual activities, such as approval of business transactions, authorizations, verifications, reconciliations, analyses and reviews carried out at several different levels in the Group, as well as automated controls built into Elekta's IT system. Checks are also performed to ensure that the IT systems are reliable.

The aim of Elekta's control activities pertaining to accounting and the financial reporting is to ensure the Group's compliance with laws, applicable accounting norms and other requirements for listed companies. The activities are integrated in such processes as the closing of the accounts, revenue recognition, booking orders, inventory management and payroll management, and also include analyses and follow-ups of outcomes and results.

Monitoring

The monitoring of risk management and internal control processes to ensure that the efficiency of and compliance with the processes is conducted at several different levels in the Group. Monitoring includes the following activities:

- Reviewing monthly business and financial reports
- Quarterly business reviews, including overall Company risks
- Monthly reviews of order bookings
- Follow-up of internal quality audit reports related to, for example, product quality, product development and manufacturing
- Audits and reports from external auditors
- Quarterly summaries of the status of prioritized risks and reporting such summaries to the Audit Committee and Board of Directors

Information and communication

Internal communication

Elekta has several different communication channels within the Group including, for example, an intranet, information letters and regular meetings. The aim is to ensure that essential information is always available internally and is given to relevant employees.

Long-term objectives, strategies and operational plans are communicated to the Group as a basis for governance and follow-up in the organization. The documents found in Elekta's Business Management System, which includes policies, procedures, processes and work instructions, are communicated so that the operations can be conducted correctly and efficiently.

Based on information and reports containing operational and financial information, management at different levels in the organization can make decisions that are implemented in the organization and are in line with overall strategies, plans and policies.

Any suspicion of breach of the Code of Conduct, improprieties and other improper behavior may be reported anonymously as well as directly to the Group's Compliance Officer or in accordance with the Group's whistle-blower procedure.

Financial reporting and information

Elekta provides the financial market and other stakeholders with continuous information regarding the Group's and Parent Company's performance and financial position in accordance with the guidelines specified in Elekta's Communications Policy established by the Board.

Financial information is published regularly in the form of:

- Interim reports
- The Annual Report
- Press releases on news and events that may significantly affect the Company's valuation and the Group's future prospects. As a general rule, Elekta is to publish a press release for new orders with a value exceeding USD 10 M
- Presentations and telephone conferences for financial analysts, investors and media
- Capital markets days arranged by the Group at one of its major units or in conjunction with major scientific conferences
- Information on the Elekta website: www.elekta.com

Elekta observes a silent period prior to each quarterly report.

Control activities regarding financial accounting and reporting

Control function	Level in Group	Control activity	Frequency	Responsible for follow-up
CEO, CFO	Group	Approval of budget and follow-up on consolidated income statement and balance sheet	Quarterly	Board, Audit Committee
CFO	Group	Budget draw-up and analysis/follow-up of actual financial outcome	Monthly/ Continuously	Executive Management
CFO	Group	Define the Group's framework for financial governance and internal control	Continuously	Audit Committee
Internal Control	Group	Identify and report on financial risks	Continuously	Audit Committee, CFO
Controller	Regions, product areas and global functions	Budget draw-up and analysis/follow-up of actual financial outcome	Monthly	Executive Management
Managing director, Finance manager	Subsidiaries	Ensure quality and timeliness of financial information	Monthly	CFO
Managing director, Finance manager	Subsidiaries	Ensure compliance with the Group's framework for financial governance and internal control	Continuously	Internal Control, Internal Audit