

Corporate governance report 2009

Acando is a Swedish public limited company listed on Nasdaq OMX Nordic, Small Cap. Acando implements the Swedish Code for Corporate Governance and hereby submits the corporate governance report for 2009. Divergences from the Swedish Code for Corporate Governance are shown in a separate section below. This report has not been reviewed by the Company's auditors and does not form part of the formal annual report.

Corporate governance

Annual General Meeting

The influence of the shareholders in Acando is exercised at the Annual General Meeting (AGM), which is the company's highest decision-making body.

The AGM for 2009 took place on 27 April 2009 in Stockholm. The date of the AGM was published in conjunction with the interim report for the third quarter. Registered shareholders representing 45 percent of the shares and 51 percent of the votes participated in the AGM. All Board Members elected by the AGM, the Managing Director and the company's auditors participated.

The minutes from the AGM are available at www.acando.com. Some of the decisions made by the AGM are listed below.

- › Decision to pay a dividend of SEK 0.50 per share for the financial year 2008 in accordance with the proposal of the Board.
- › Re-election of the Board members Birgitta Klasén, Anders Skarin and Alf Svedulf. Election of Magnus Groth and Åsa Landén Ericsson.
- › Re-election of the Chairman of the Board Ulf J Johansson.
- › Authorisation for the Board to decide on the issue of shares and repurchase and transfer of treasury shares under certain circumstances.
- › Guidelines for remuneration to senior executives.
- › Decision regarding a new Share Savings Programme 2009 for senior executives and other key persons.

Nomination Committee

The main task of the Nomination Committee is to prepare for the election and payment of fees to Board members and auditors at the AGM.

In accordance with a decision at the 2009 AGM, the Nomination Committee shall consist of the Chairman of the Board plus at least two representatives of the major shareholders. During September, the Chairman of the Board shall in consultation with the major shareholders in the company appoint at least two members of the Nomination Committee. The task of the Nomination Committee prior to the next AGM is to develop proposals for a Chairman of the AGM, the number of Board members and, as applicable, an auditor or registered auditing company, election of Board members, election of Chairman of the Board, fees to Board members and auditors and, as applicable, proposals for election of auditors.

The selection criteria are that elected Board members shall have the relevant knowledge and experience to understand and follow Acando's operation and contribute with insights on strategic issues. Ahead of the nomination work, the Nomination Committee has partaken of Acando's strategic situation through presentations by the Chairman of the Board and the company's CEO. The Nomination Committee has also partaken of the Board's evaluation.

The Nomination Committee appointed for 2009 includes the following persons: Ulf J Johansson, Chairman of the Board of Acando, Ulf Hedlundh (proposed by Alf Svedulf including family and companies) and Erik Sjöström (proposed by Skandia Liv). Ulf Hedlundh was appointed Chairman of the Nomination Committee.

Information has been published via a press release and on Acando's website about the opportunity for shareholders to make proposals to Acando's Nomination Committee.

Board of Directors

Areas of responsibility

The Board constitutes the highest decision-making body during the period between AGMs. The tasks of the Board are regulated in the Swedish Companies Act and the Articles of Association. The Board shall annually adopt a written working procedure for its work. The Board shall also, in written instructions, state the division of work between, on the one hand, the Board, and, on the other hand, the Managing Director and the other bodies instituted by the Board, such as the Audit Committee and Remuneration Committee.

The tasks of the Board include making decisions on issues relating to:

- › strategies, business plan and budget
- › annual reports, interim reports and year-end press releases
- › important changes to the company's organisation and operation
- › internal control and risk handling
- › major investments, acquisitions and other changes in group structure
- › loans and other financing issues of a significant character.

The Board also monitors that Acando's operation follows applicable rules and regulations and that the Swedish Code for Corporate Governance is complied with.

Members of the Board

Acando AB's Board consists of six members elected by the AGM and two members appointed by the employees.

The 2009 AGM decided to re-elect the ordinary Board members Ulf J Johansson, Birgitta Klasén, Anders Skarin and Alf Svedulf, and to elect as new Board members Magnus Groth and Åsa Landén Ericsson.

Åsa Landén Ericsson left her place on the Board on 1 March 2010 in conjunction with taking up a new position within a competing operation.

Chairman of the Board

The Chairman of the Board shall ensure that the work of the Board is carried out in accordance with the provisions of the Articles of Association, the Companies Act and other enactments and ordinances, as well as the Board's working procedure. At the AGM in 2009, Ulf J Johansson was re-elected Chairman of the Board.

The Chairman maintains continuous contact with the Managing Director in order to monitor the company's operation and is responsible for ensuring the other Board Members receive the information and documentation required in order to fulfil their work on the Board. The Chairman is responsible for evaluating the work of the Board, and also participates in the evaluation of the senior executives of the Group, and represents the company on owner issues.

The work of the Board

During the financial year 2009, the Board has held 12 Board meetings and one Board meeting following election in conjunction with the AGM on 27 April 2009. At these meetings the Board dealt with the ordinary items that were at hand at each meeting in accordance with the working procedures adopted, such as budget, annual reports, interim reports, state of business, etc. In addition the Board handled issues relating to growth strategy, acquisition, strategic aims, capital structure and incentive programmes for employees. Furthermore, it dealt with the recruitment of the Managing Director.

The Board makes a formal evaluation of its work annually, and carries out improvement measures as necessary. At each Board meeting, a Closed Session is held, where the Board holds discussions without any company functionaries such as the MD and CFO being present.

The company's auditors participate annually in at least one Board meeting, at which they present their observations from the audit of the internal control, financial reporting and annual report.

Attendance at meetings in 2009

Name	Function	Independent*	Present
Ulf J Johansson	Chairman	No	100 %
Alf Svedulf	Member	No	92 %
Anders Skarin	Member	Yes	92 %
Birgitta Klasén	Member	Yes	85 %
Magnus Groth**	Member	Yes	100 %
Åsa Landén Ericsson**	Member	Yes	88 %
Mija Jelonek Karlsson	Employee representative	Yes	100 %
Per Kjellin	Employee representative	Yes	100 %

*Independent means independent both of the company management and its major shareholders.

**As from April 2009.

Independent

The Board's view, which is shared by the Nomination Committee, is that the Board members' independence in relation to the company fulfils the requirement of the Nasdaq OMX Nordic's regulatory framework and the Swedish Code for Corporate Governance that the majority of the members elected by the AGM shall be independent in relation to the company and the company management, and that at least two of them

shall also be independent of the company's major shareholders. Four of the Board members are entirely independent of major shareholders.

All Board members are independent of the company and its management. There is no agreement between the company and the members.

Board of Directors

Chairman of the Board

Ulf J Johansson, born 1945.

Chairman of the Board of Acando AB since 2000.

Other positions held: Chairman of the Board of NovoNordisk Foundation, Novo A/S, Trimble Navigation Ltd and Eurostep Group AB.

Board member of Telefon AB LM Ericsson (Ericsson), Jump Tap Inc.

Education: Doctor of Engineering.

Shareholding: 1,318,500 A-shares, 614,500 B-shares, all via company.

Board Members

Birgitta Klasén, born 1949.

Board member of Acando AB since 2008.

Other positions held: Board member of Bisnode, Assa Abloy and IFS.

Education: Master of Science in Engineering.

Shareholding: 30,000 B-shares (incl. family).

Anders Skarin, born 1948.

Board member of Acando AB since 2003.

Other positions held: Chairman of the Board of Cambio Healthcare Systems, Sörman Information and PocketMobile Communications.

Board member of Enea, Extraction and WSP Europe.

Education: Bachelor of Arts.

Shareholding: 80,000 B-shares.

Alf Svedulf, born 1939.

Board member of Acando AB since 2006.

Education: Construction engineer.

Shareholding: 500,000 A-shares, 12,940,000 B-shares (incl. family and company).

Åsa Landén Ericsson, born 1965.

Board member of Acando AB 27 April 2009–1 March 2010.

Other positions held: Board member of Enea AB and Rejlerkoncernen AB.

Education: Master of Science in Industrial Engineering and Management and Master of Business Administration.

Shareholding: 5,000 B-shares.

Magnus Groth, born 1963.

Board Member of Acando AB since 2009.

Other positions held: MD and CEO, Studsvik AB.

Education: Master of Science in Engineering and Master of Science in Business and Economics.

Shareholding: 0.

Employee representatives

Mija Jelonek Karlsson, born 1964.

Employee representative since 2005. Consultant at Acando.

Education: ADP.

Shareholding: 0.

Per Kjellin, born 1948.

Employee representative since 2001. Consultant at Acando.

Education: Systems analysis.

Shareholding: 10,000 B-shares.

Audit committee

The Board has appointed an Audit Committee from among its own members. The Audit Committee works according to an agenda set annually and has the task, on behalf of the Board, of preparing issues prior to Board meetings relating to the company's financial reporting and internal control, risk handling, external audit and financial information. The Audit Committee also maintains continuous contacts with the CFO and auditors. All meetings of the Audit Committee are minuted and the minutes are submitted to the Board together with an oral report, in conjunction with the Board's decision-making. The Audit Committee consists of Anders Skarin and Åsa Landén Ericsson, who have both been present at all meetings. Both members are independent of both the company management and its major shareholders.

The meetings of the Audit Committee are also attended by the company's auditors, Öhrlings PriceWaterhouseCoopers through the auditor in charge, Magnus Brändström and Christina Lundin. The company is usually represented by the CFO and the Group Chief Accountant.

During the financial year 2009, the Audit Committee has held 5 meetings and has discussed the following principal areas:

- › review of interim reports, year-end report and annual reports
- › internal control and risk handling, primarily relating to IT environment and project management/project reporting
- › tax issues
- › acquisition analyses
- › feedback from the auditor's review and plan of measures in accordance with the outcome of the same
- › monitoring and decisions relating to the assignments apart from the audit that are carried out by the company's auditors, in accordance with the Committee's adopted policy
- › review of the company's insurance cover
- › monitoring changes to legislation sections and audit regulations, and in listing agreements with Nasdaq OMX that may affect the company's operation, information provision and financial reporting.

Remuneration Committee

The Board has appointed a Remuneration Committee from among its own members to prepare items for decision by the

Board. The task of the Remuneration Committee is to develop proposals for the remuneration conditions and other terms of employment of the executive management group. All meetings of the Remuneration Committee are minuted and the minutes are submitted to the Board together with an oral report, in conjunction with the Board's decision-making. The Remuneration Committee consists of Ulf J Johansson and Birgitta Klasén, who have both been present at all meetings. Ulf J Johansson is one of the company's major shareholders, but is independent of the management. Birgitta Klasén is independent both of the company management and its major shareholders.

The Remuneration Committee has held 6 meetings during 2009. The Remuneration Committee's meetings are also attended by the MD and/or CFO (who naturally leave the room when issues relating to themselves are handled). During 2009, the work has mainly focused on issues relating to recruitment of the MD and CFO, as well as issues relating to incentives for senior executives.

Managing Director

The Board appoints a Managing Director (MD) to lead and develop the day-to-day operation and be responsible for the company's day-to-day management. At the Board meeting following election on 27 April 2009, the Board adopted the current MD instruction, which includes the following main areas:

- › drawing up a business plan
- › monitoring compliance with the goals, policies and strategic plans adopted by the Board
- › ensuring the financial reporting reflects the Group's total financial position and result, and all other circumstances of significance
- › ensuring the management group has the correct competence to run the business in the direction decided by the Board.

Bengt Lejdström, Chief Financial Officer of Acando, was appointed interim MD on 19 January 2009, and thereby replaced Lars Wollung. On 1 June 2009, Carl-Magnus Månsson took up his appointment as MD and CEO of Acando.

Auditor

The AGM in 2009 decided that the number of auditors should be one with no deputy. The auditing company Öhrlings PriceWaterhouseCoopers was elected auditor, with Magnus Brändström as auditor in charge. The mandate period for the company's current auditor ends at the AGM in 2011.

Divergences from the Swedish Code for Corporate Governance

The company complies with the Swedish Code for Corporate Governance with the following exceptions: The company's Board consists of six Board members elected by the AGM. On the basis of the size of the company and the Board, the Board considers it suitable for the Audit Committee to consist of two Board members during 2009. The Swedish Code for Corporate

Governance states that the Audit Committee should consist of at least three Board members.

The company does not have any special internal audit function. The Board annually evaluates the need for an internal audit function, and considers that the external auditor, together with the continuous internal work on internal control constitutes a sufficient scrutiny function, in view of the company's operation and size.

Group management

Composition

Acando's operation is carried out in six countries. In order to work efficiently, Acando has a flat organization that favours integration between delivery areas and countries. The key word for the structure is cooperation.

The MD/CEO has appointed a Group management team. During 2009, the Group management has consisted of the CEO, Deputy Managing Directors with responsibility for sales and Group functions, the CFO and the heads of subsidiaries in Norway and Germany. The MD/CEO lead the work of the Group management and make decisions in consultation with the other members of the management group. The Group management group meets practically every week, and maintains continuous contact on operational issues.

Remuneration

Remuneration to the Board for 2009

The fees to the Board members elected by the AGM are decided by the AGM following proposals from the Nomination Committee.

Remuneration to the Board for the period May 2009–April 2010

Name	Board Function	Board fee	Audit Committee	Remuneration Committee	Total
Ulf J Johansson	Chairman	500,000	–	37,500	537,500
Anders Skarin	Member	200,000	37,500	–	237,500
Alf Svedulf	Member	200,000	–	–	200,000
Birgitta Klasén	Member	200,000	–	37,500	237,500
Magnus Groth	Member	200,000	–	–	200,000
Åsa Landén					
Ericsson	Member	200,000	37,500	–	237,500
Total		1,500,000	75,000	75,000	1,650,000

Annual remuneration to the external members of the Board shall be paid in the amount of SEK 1,650,000 in total, of which the Chairman of the Board shall receive SEK 500,000 and the other members shall receive SEK 200,000 each, and the Board shall also have SEK 150,000 at its disposal to allocate between the members of the committees.

Remuneration to senior executives for 2009

The remuneration to the MD and other senior executives consists of basic salary, variable salary, other benefits and pensions.

- › The basic pay shall be competitive and in line with market levels in order to ensure Acando can recruit and retain good employees.
- › The variable pay shall always be linked to Acando's results and shall have a maximum limit.
- › Pensions shall always be premium-based in order to create predictability and the pension age is normally 65 years.
- › Severance pay and notice pay for senior executives in the event of termination by the company may in total give the right to retained salary for a maximum of 18 months with any income from other employment being offset during the final 12 months.
- › The MD and other persons in the Group management shall, as shall other key persons, be given the option to participate in an incentive programme.

Long-term incentive programmes

At year-end 2009/2010, the Acando Group had three outstanding Share Savings Programmes and one employee share option programme (see www.acando.com for updated information about the programmes). The main aim of the programmes is to increase the chances of retaining and recruiting key employees and, through personal long-term ownership commitment from the participants in the programme, to stimulate increased interest in the business and the result, to raise motivation and to increase the feeling of attinity with the company. For further information, see Note 9.

Remuneration to the auditor for 2009

Remuneration to the auditor refers to audit, advice and other scrutiny in conjunction with the audit. Remuneration has also been paid for other advice, of which the majority relates to audit-linked consultations on accounting and tax issues. All assignments have been in accordance with the policy adopted by the Audit Committee relating to other assignments to the company's auditors. For 2009, remuneration has been paid as follows:

Remuneration to auditors

KSEK	2009	2008	2007
Fee for audit assignment	1,195	1,434	1,439
Fee for other services	598	1,222	961
Total	1,793	2,656	2,400

Internal control and financial reporting

The Board's responsibility for internal control is regulated by the Swedish Companies Act and the Swedish Code for Corporate Governance.

Acando strives to operate its business in as efficient a manner as possible. The financial reporting shall be reliable and reflect the company's operation correctly, and be pre-

pared in accordance with applicable legislation and ordinances. The Group's procedures are based on the framework for internal control issued by the Committee of the Sponsoring Organizations of the Treadway Commission (COSO), which describes internal control relating to financial reporting with five different components: control environment, risk assessment, control activities, information and communication and follow-up.

Control environment

The Board has the overriding responsibility for internal control. The Board annually adopts a written working procedure for its work and states the division of work between, on the one hand, the Board, and, on the other hand, the Managing Director and the other bodies instituted by the Board, such as the Audit Committee and Remuneration Committee. The Board has appointed an Audit Committee from among its own members. The Audit Committee has the task, on behalf of the Board, of preparing issues prior to Board meetings relating to the company's financial reporting and internal control, risk handling, external audit and financial information. The meetings of the Audit Committee are normally attended by the company's CFO, Group Controller and external auditors as well as the Committee members.

The Audit Committee makes continuous assessments of the areas within internal control and financial reports that should be the subject of investigation or change. Under the leadership of the CFO, the internal control work during 2009 focused on analysis and handling of project-related risks, charting any risks in the internal IT environment and introducing a common financial system for the Group.

The company's auditors participate annually in at least one Board meeting, at which they present their observations from the scrutiny of the Group's internal control and annual report.

Acando's internal steering documents consist primarily of a number of company-wide policies, guidelines and frameworks relating to the financial reporting. These include instructions for accounting and reporting, financial policy, directives and instructions relating to decision-making structures and role descriptions including division of responsibility and authority as well as policies for information and ethics. The aim of the guidelines is that they should constitute the basis for effective internal control. The guidelines are followed up and updated as needed, in order to always comply with applicable laws and regulations, and any organisational changes. Updates are communicated to all employees affected.

Risk assessment

The Audit Committee, MD and CFO are responsible for continuously identifying and handling significant financial risks and risks or errors in the financial reporting. The risk of significant errors is evaluated on the basis of the significance and complexity of the accounting for different items. Accounting rules for different balance sheet and income statement items are also evaluated continuously. The evaluation of the Group's risks has entailed the identification of a number of important items, which are documented and evaluated in order to prevent or

discover significant errors. In Acando's operation, these risks are primarily related to income accounting, valuation of goodwill, work in progress, accounts payable and taxes. The risk assessment of the financial reporting is reviewed and updated annually. The result is reported to the Audit Committee and/or the Board.

Control activities

In order to ensure that the operation is carried on efficiently and that the financial reporting provides a true and fair view, there are control activities for handling the Group's risks. The control activities involve all levels of the organisation, from the Board and company management to other employees, and have the aim of preventing, discovering and correcting any errors and discrepancies. Examples of control activities within Acando's operation are approval and control of different types of accounting transactions, analysis of key figures and relationships, and other analytical follow-up of financial information. The analytical follow-up is carried out continuously by the company's controllers, the persons responsible for each business area, country managers and the Group management. Each month, the analytical follow-up is submitted to the Board.

During 2009, the work has focused on:

- › continued work on the introduction of a common financial system within the Group, a new system for Group consolidation and improved reporting tools
- › an in-depth audit of the IT environment together with the company's external auditors.

Information and communication

Acando's internal steering documents are available to all employees involved on Acando's intranet. When significant changes are made to the internal steering documents, all employees involved are notified.

The MD and CFO provide the Board with financial reporting on a monthly basis. The Audit Committee in turn regularly reports any observations, recommendations and proposals for decisions and measures to the Board.

Acando's website publishes current information about the company's operation and financial position. This is done in order to comply with the agreement with Nasdaq OMX Nordic and to give existing and potential shareholders the opportunity to follow the company's development.

Monitoring

Monitoring in order to safeguard the effectiveness of internal control relating to the financial reporting is carried out by the Board, Audit Committee, MD, CFO, Group management and by the Group companies. Monthly and quarterly financial reports are monitored against budgets and goals. Within each market and operational area, monitoring is also done of critical Key Performance Indicators for the operation, such as utilisation, income per employee and average price per hour sold.