

CORPORATE GOVERNANCE REPORT 2012

Acando is a Swedish public limited company listed on NASDAQ OMX Nordic, Small Cap. In addition to the applicable laws and regulations, Acando implements the Swedish Corporate Governance Code and hereby submits the Corporate Governance Report for 2012. Departures from the Swedish Corporate Governance Code are presented in a separate section below.

Corporate governance

Annual General Meeting

General

Shareholders in Acando exercise their influence at the Annual General Meeting (AGM), which is the company's highest decision-making body. Each Series A share represents ten votes and each Series B share represents one vote at the AGM. Acando's holding of treasury shares has no voting entitlement. The company's Articles of Association contain no limitations on the number of votes each shareholder can cast at a general meeting of shareholders.

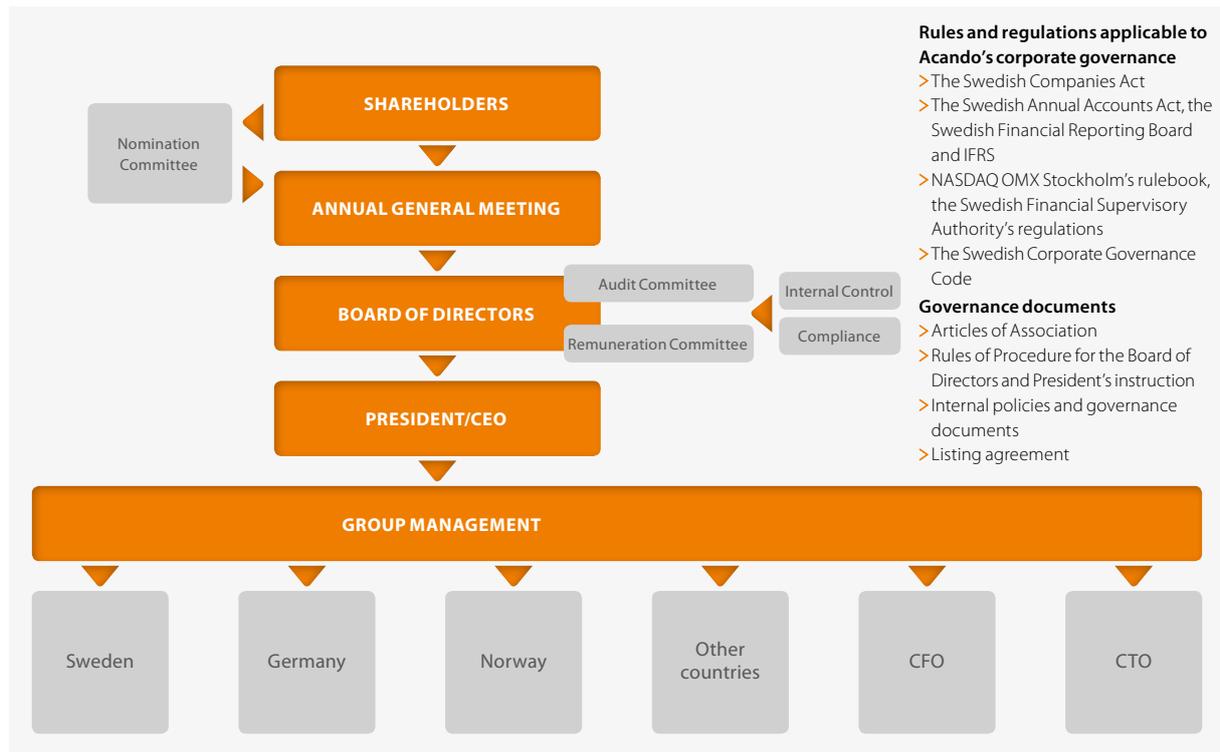
The 2012 AGM took place on April 26, 2012 in Stockholm. The date of the AGM was published in conjunction with the interim report for the third quarter. Registered shareholders representing 37 percent of the shares and 48 percent of the votes participated in the AGM. All Board Members elected by the AGM, the President and the company's auditors participated in the AGM.

Resolutions

The minutes from the AGM are available at www.acando.com. Some of the main resolutions passed at the 2012 AGM are listed below:

- > Resolution to pay a dividend of SEK 1.00 per share for the 2011 fiscal year in accordance with the proposal of the Board.
- > Reelection of the Board members Magnus Groth, Birgitta Klasén, Susanne Lithander, Anders Skarin and Alf Svedulf and the new election of Mats O Paulsson.
- > Reelection of Chairman of the Board Ulf J Johansson.
- > Resolution on the cancellation of treasury shares and bonus issue.
- > Authorization of the Board, subject to specific conditions, to decide on the issue of new shares and the buyback and transfer of treasury shares.
- > Guidelines for remuneration to senior executives.
- > Resolution in respect of a new share-savings program 2012/15 for senior executives and other key personnel.

CORPORATE GOVERNANCE STRUCTURE



Authorizations

The 2012 AGM resolved to pass the following authorizations for the Board of Directors.

Resolution on issues of new shares

The 2012 AGM authorized the Board of Directors to decide on a new issue of Series B shares to the extent such an issue could be performed without requiring an amendment to the Articles of Association. Furthermore, the total increase in share capital is not permitted to exceed 10 percent of the registered share capital at the time the Board, as applicable, exercises the authority for the first time. Payment for the new issue of shares should be possible with a non-cash consideration or through offsetting.

Accordingly, the authorization does not include the right for the Board to decide to issue new shares against a cash consideration. New share issues must be possible to perform with a waiver of the shareholders' preferential rights. The authorization may be utilized on one or several occasions up until the next Annual General Meeting.

The issue price must correspond to the share's assessed market value. The reason for the waiver of shareholders' preferential rights is to enable the company to issue shares in conjunction with the acquisition of a company or a business.

Resolution on buyback and transfer of treasury shares

Acando's 2012 AGM authorized the Board to buy back the company's shares to hold as treasury shares to an amount corresponding to a maximum of 10 percent of the shares outstanding in the company to thereby enable the company to adapt its capital structure to the company's capital requirements and to create the opportunity for the company to pay for any acquisitions of companies or businesses, wholly or partly, with these treasury shares. The authorization is valid until the 2013 Annual General Meeting.

Shares and ownership structure

On December 31, 2012, the number of shares in Acando amounted to 74,411,429 shares, of which 3,299,000 Series B shares were treasury shares. A total of 994,000 of these treasury shares are reserved for future allocation in the share-savings program.

At the end of 2012, the number of shareholders amounted to approximately 20,600. The 20 largest shareholders represented approximately 78 percent of the votes and approximately 69 percent of equity. Approximately 12 percent of the shares have foreign owners. The following table shows those shareholders with a holding corresponding to at least 5 percent of the total number of votes in the company:

Name	Series A shares	Series B shares	Total No. of shares	Equity, %	Votes, %
Svedulf family with companies	1,500,000	13,604,000	15,104,000	20.3	26.7
Ulf J Johansson with companies	1,639,990	800,500	2,440,490	3.3	16.1
Svolder AB	500,000	3,200,000	3,700,000	5.0	7.7

The Articles of Association include a pre-emption clause that stipulates that a Series A share that is transferred from one shareholder to another existing shareholder in the company or to an individual that is not already a shareholder in the company is subject to a pre-emption clause that requires the share to be offered to the other existing holders of Series A shares through written submission to the company's Board.

Nomination Committee

The main task of the Nomination Committee is to prepare the election and remuneration of Board members and auditors for resolution at the AGM. The Articles of Association contain no separate provisions pertaining to the appointment and dismissal of Board members.

In accordance with a resolution at the 2012 AGM, the Nomination Committee comprises the Chairman of the Board plus at least two representatives of the largest shareholders. In September, the Chairman of the Board in consultation with the largest shareholders in the company appoints at least two members of the Nomination Committee. The task of the Nomination Committee prior to the next AGM is to prepare proposals for a Chairman of the AGM, the number of Board members and, where applicable, the number of auditors or registered public accounting firms, the election of Board members, the election of Chairman of the Board, fees to Board members and auditors and, where applicable, proposals for the election of auditors.

The selection criteria are that elected Board members possess the relevant knowledge and experience to understand and follow Acando's operations and contribute with insights on strategic issues. Prior to the nomination work, the Nomination Committee was informed of Acando's strategic situation through information including presentations by the Chairman of the Board and the company's President. The Nomination Committee has studied the evaluation of the Board.

The Nomination Committee appointed for 2012 includes the following persons: Ulf J Johansson, Chairman of the Board of Acando, Börje Bengtsson (proposed by Alf Svedulf including family and companies) and Inge Heydorn (proposed by Sentat Asset Management). Börje Bengtsson was appointed Chairman of the Nomination Committee. All members of the Nomination Committee are independent in relation to the company and its management. Börje Bengtsson and Inge Heydorn are independent in relation to the company's two largest shareholders in terms of votes. Information about the Nomination Committee has been published via a press release and on Acando's website, through which it is possible for shareholders to submit proposals to Acando's Nomination Committee.

BOARD OF DIRECTORS



Board of Directors

Areas of responsibility

The Board constitutes the highest decision-making body during the period between general meetings. The Board's assignments are regulated in the Swedish Companies Act and the Articles of Association. Each year, the Board adopts written rules of procedure for the Board of Directors that govern its work. Furthermore, the Board produces written instructions stating the allocation of work between the Board and the President as well as the other bodies instituted by the Board, such as the Audit Committee and Remuneration Committee.

Board assignments include making decisions on issues relating to:

- > strategies, business plans and budget
- > annual reports, interim reports and year-end reports
- > significant changes in the organization and operations of the company
- > internal control and risk management, major investments, acquisitions and other changes in the Group structure
- > loans and other financing issues of a significant nature
- > appointing, evaluating and, if required, discharging the President

In addition, the Board monitors that Acando's operations comply with the applicable rules and regulations and the Swedish Corporate Governance Code.

Members of the Board

According to Acando's Articles of Association, the Board must comprise a minimum of five and a maximum of eight members. The members are elected by the AGM.

The 2012 AGM decided that the Board should consist of seven members. In addition to these seven members, two are appointed by the employees. The AGM resolved to reelect Ulf J Johansson, Magnus Groth, Birgitta Klasén, Susanne Lithander, Anders Skarin, Alf Svedulf and newly elect Mats O Paulsson. Mija Jelonek and Lennart Karlsson are the employee representatives.

Chairman of the Board

The Chairman of the Board ensures that the Board performs its assignment in accordance with the provisions of the Articles of Association, the Companies Act and other regulations and ordinances, as well as the Board's rules of procedure. At the AGM in 2012, Ulf J Johansson was reelected Chairman of the Board.

The Chairman maintains continuous contact with the President to monitor the company's operations and is responsible for ensuring the other Board members receive the requisite information and documentation to fulfill their assignment 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 in owner issues.



Chairman of the Board
Ulf J Johansson

Born: 1945

Chairman of the Board of Acando AB since 2000.
Other assignments held: Chairman of the Board of NovoNordisk Foundation, Novo A/S, Eurostep Group AB and Trimble Navigation Ltd. Board member of Telefon AB LM Ericsson (Ericsson) and European Institute of Innovation Technology.
Education: Doctor of Engineering
Shareholding: 1,639,990 Series A shares, 800,500 Series B shares, via company.



Board member
Magnus Groth

Born: 1963

Board member of Acando AB since 2009.
Other assignments held: President, SCA Consumer Goods Europe.
Education: Master of Science in Engineering and Master of Science in Business and Economics
Shareholding: 3,500 Series B shares.



Board member
Birgitta Klasén

Born: 1949

Board member of Acando AB since 2008.
Other assignments held: Board member of Assa Abloy and IFS. Senior IT Advisor.
Education: Master of Science in Engineering
Shareholding: 80,000 Series B shares (incl. family).



Board member
Susanne Lithander

Born: 1961

Board member of Acando AB since 2010.
Other assignments held: Chief Financial Officer BillerudKorsnäs AB.
Education: Master of Science in Business and Economics
Shareholding: 0



Board member
Anders Skarin

Born: 1948

Board member of Acando AB since 2003.
Other assignments held: Chairman of the Board of Enea, PocketMobile Communications, Vendator and Infobric. Board member of Mercur Solutions and WSP Europe.
Education: Bachelor of Arts
Shareholding: 80,000 Series B shares via company.



Board member
Alf Svedulf

Born: 1939

Board member of Acando AB since 2006.
Education: Construction engineer
Shareholding: 1,500,000 Series A shares, 13,604,000 Series B shares (incl. family and company).



Board member
Mats O Paulsson

Born: 1958

Board member of Acando AB since 2012.
Other assignments held: Board member of Bösarps Grus & Torrbruk AB, DSV Miljö Holding AB, Paroc Oy and Strabag Projektutveckling AB.
Education: Master of Science in Engineering
Shareholding: 581 Series B shares.



Employee representative
Mija Jelonek

Born: 1964

Employee representative since 2005.
Consultant at Acando.
Education: ADP
Shareholding: 0



Employee representative
Lennart Karlsson

Born: 1951

Employee representative since 2010.
Yield Manager at Acando.
Education: Master of Science in Engineering
Shareholding: 0

Information in respect of the number of shares regards holdings at December 31, 2012.

The Board's work

During the 2012 fiscal year, the Board held eight Board meetings and one statutory meeting after the AGM on April 26, 2012. At these meetings, in accordance with the adopted rules of procedures, the Board addressed the regular items scheduled to be brought up at each meeting, such as the budget, annual reports, interim reports and business conditions among other items. In addition, the Board dealt with issues relating to strategic aims, share buybacks, the capital structure, project risk management and an employee incentive program. An overview of the Board's work cycle is presented below.

Each year, the Board performs a formal evaluation of its work and implements improvements as required. A closed session is held at each Board meeting, where the Board holds discussions without the presence of any company employees such as the President or CFO.

The company's auditors participate in a minimum of one Board meeting each year, at which they present their observations from the audit of internal control, financial reporting and the annual report. In 2012, the company's auditors were present at one Board meeting in conjunction with the audit of the year-end report. On at least one occasion per year, the Board meets with the company's auditors without the presence of the President or any other member of the company management.

Attendance of Board meetings in 2012:

Name	Function	Independent ¹⁾	Attendance, %
Ulf J Johansson	Chairman	No	100
Alf Svedulf	Member	No	100
Anders Skarin	Member	Yes	100
Birgitta Klasén	Member	Yes	100
Magnus Groth	Member	Yes	89
Mats O Paulsson	Member	Yes	100
Susanne Lithander	Member	Yes	89
Mija Jelonek	Employee representative	-	100
Lennart Karlsson	Employee representative	-	100

1) Independent is defined as independent of the company management and its largest shareholders.

BOARD'S WORK IN 2012



Board members' independence

The Board's view, which is shared by the Nomination Committee, is that the Board members' independence in relation to the company and shareholders fulfils the requirements of the Swedish Corporate Governance Code. This means that the majority of the members elected by the AGM are independent in relation to the company and the company management, and that at least two of them are also independent of the company's largest shareholders.

All Acando Board members are independent of the company and its management. Five of the Board members are entirely independent of major shareholders. No agreements exist between the company and the members.

Audit Committee

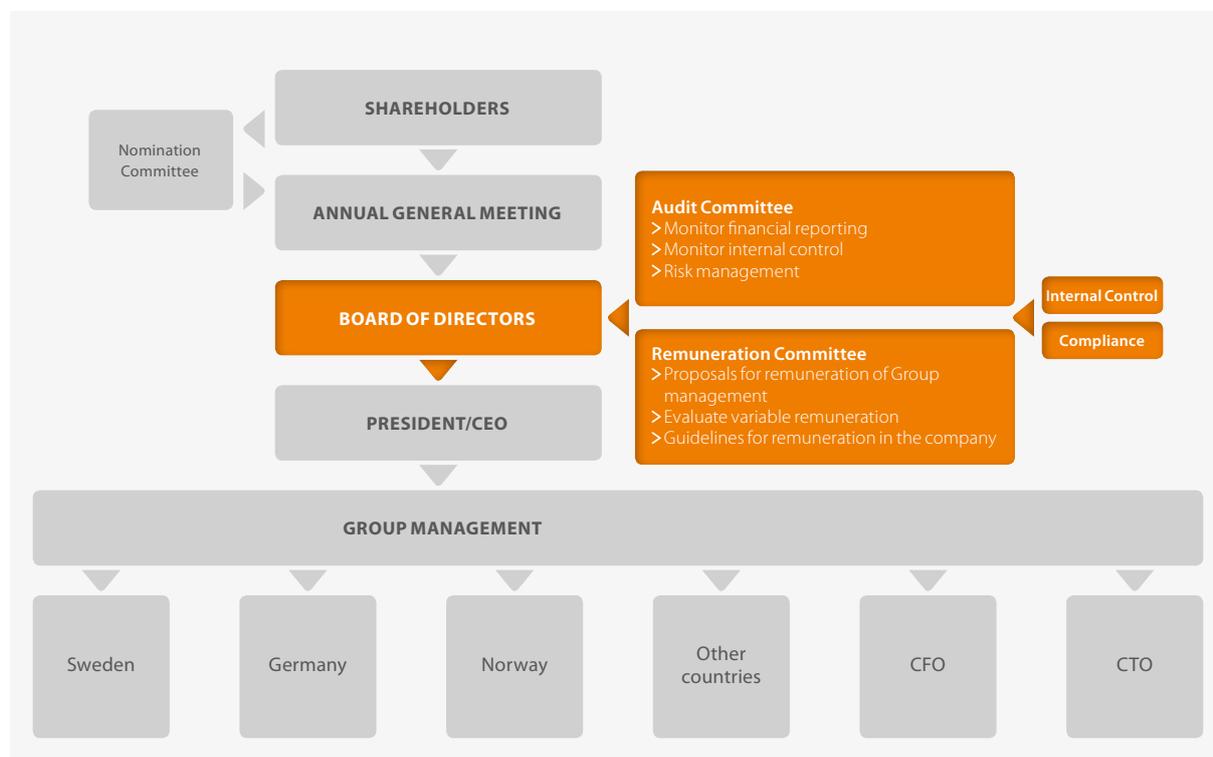
The Board has appointed an Audit Committee in accordance with Chapter 8, Section 49a of the Companies Act. The Audit Committee comprises Susanne Lithander and Anders Skarin. Both members are independent of the company management and the largest shareholders.

The Audit Committee prepares items for decision by the Board. The Committee works according to an agenda established for the year and is tasked with monitoring the company's financial reporting and the effectiveness of the company's internal control and risk management. The Audit Committee keeps itself informed as regards the audit of the Annual Report and consolidated financial statements. Furthermore, the Committee reviews and monitors the independence and impartiality of the auditor and, in particular, follows up if the auditor supplies services other than audit services. The Committee assists through the provision of proposals in respect of the election of auditors by the AGM.

The Audit Committee also maintains ongoing contact with the CFO and auditors. The meetings of the Audit Committee are minuted and the minutes are submitted to the Board together with a verbal report, in conjunction with the Board's decision making.

The meetings of the Audit Committee are also attended by the company's auditors, Öhrlings PricewaterhouseCoopers through the Auditor in Charge, Magnus Brändström. The company is usually represented by the CFO and the Head of Group Accounting.

THE BOARD'S STRUCTURE FOR CORPORATE GOVERNANCE



In the 2012 fiscal year, the Audit Committee held four minuted meetings and discussed the following principal areas:

- > interim reports, the year-end report and Annual Report
- > internal control and risk management, primarily for project management/project reporting
- > corporate governance report
- > capital structure
- > tax issues
- > Group internal restructuring issues
- > feedback from the auditor's review and subsequent plan of remedial measures
- > monitoring and decisions relating to which assignments, in addition to the audit, are carried out by the company's auditors in accordance with the Committee's adopted policy.

Susanne Lithander and Anders Skarin attended all meetings.

Remuneration Committee

The Board has appointed a Remuneration Committee from among its own ranks to prepare items for decision by the Board. However, share-based incentive programs for company management are decided by the company's AGM. The task of the Remuneration Committee is to prepare proposals for the remuneration and other terms of employment of the executive management and to monitor and evaluate on an ongoing basis the company's various programs for variable remuneration. In addition, ongoing evaluation is performed of the company's guidelines, structures and levels for remuneration in the company.

All meetings of the Remuneration Committee are minuted and the minutes are submitted to the Board together with a verbal report, in conjunction with the Board's decision-making. The Remuneration Committee comprises the Chairman of the Board Ulf J Johansson and Birgitta Klasén. Ulf J Johansson is one of the company's largest shareholders, but is independent of the management. Birgitta Klasén is independent both of the company management and its largest shareholders.

The Remuneration Committee held five minuted meetings in 2012. The Remuneration Committee's meetings are also attended by the President (who is not present when issues relating to the President are dealt with). Both Ulf J Johansson and Birgitta Klasén attended all meetings of the Remuneration Committee.

In 2012, the work has mainly focused on the following issues:

- > goals for variable remuneration in 2012 and 2013
- > share-savings program – follow-up
- > new share-savings program 2012/2015– nomination of participants
- > employment contracts for managing directors of foreign subsidiaries
- > review of remuneration of senior executives
- > payment of variable remuneration
- > review of terms and conditions for senior executives through market comparison

President

The Board appoints a President to lead and develop day-to-day operations and take responsibility for the company's day-to-day management. At the statutory Board meeting on April 26, 2012, the Board adopted the current President's instruction, which includes the following main areas:

- > preparing 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 performance, and all other significant circumstances
- > ensuring the management group has the requisite competence to lead the business in the direction decided by the Board.

President and CEO

Carl-Magnus Månsson

Joined in 2009

Born: 1966

Education: University studies
in Technical Physics



Group management

Acando conducts operations in five countries. For efficiency, Acando has a flat organization that favors integration between delivery areas and countries. The key words for the structure are local presence and collaboration.

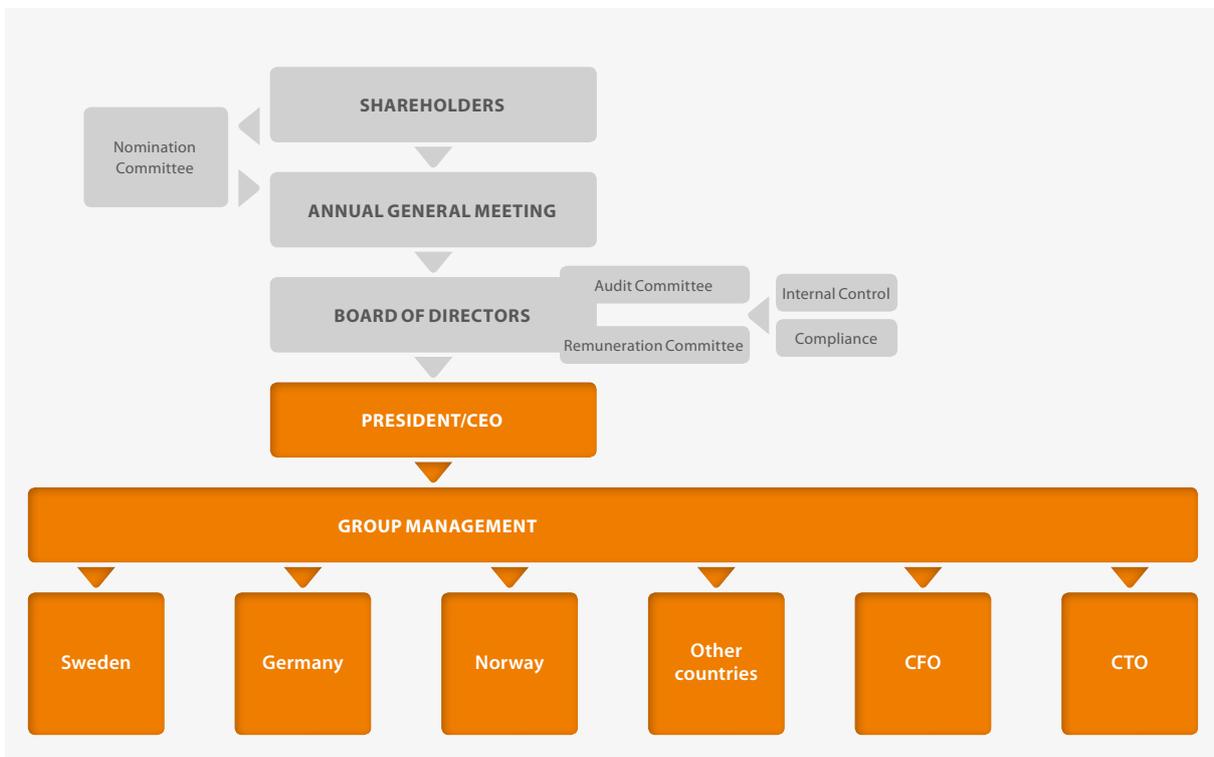
The President, who is also the CEO, has appointed a Group management comprising Country managers and the heads of Group-wide functions.

The President leads the work of the Group management and makes decisions in consultation with management. The Group management meets each month and maintains continuous contact on operative issues.

In 2012, the following focus areas were discussed:

- > monthly follow-up of performance, financial status and operative key ratios
- > operational efficiency and enhanced profitability
- > recruitment
- > cross-border customer projects
- > development of new offerings and services
- > strategy

GROUP MANAGEMENT’S STRUCTURE FOR CORPORATE GOVERNANCE



GROUP MANAGEMENT



Carl-Magnus Månsson
President and CEO
Born: 1966
Education: University studies in
Technical Physics
Joined in 2009
No. of shares: 85,000 Series B shares
Maximum number of shares pursuant
to share-savings program: 50,000¹⁾



Anneli Lindblom
Chief Financial Officer
Born: 1967
Education: B.Sc. in Economics
Joined in 2012
No. of shares: 20,000 Series B shares
Maximum number of shares pursuant
to share-savings program: 24,000¹⁾



Christer Norrman
Managing Director Sweden
Born: 1959
Education: MSc Information
Technology
Joined in 2007
No. of shares: 10,000 Series B shares
Maximum number of shares pursuant
to share-savings program: 27,000¹⁾



Guido Ahle
Managing Director Germany
Born: 1967
Education: Business graduate
Joined in 2000
No. of shares: 25,000 Series B shares
Maximum number of shares pursuant
to share-savings program: 27,000¹⁾



Sven Ivar Mørch
Managing Director Norway
Born: 1967
Education: BA and MSc in Project
Management
Joined in 2005
No. of shares: 30,957 Series B shares
Maximum number of shares pursuant
to share-savings program: 14,000¹⁾



Ferhat Kaya
Managing Director Finland
Born: 1968
Education: B.Sc. in Business
Administration
Joined in 2000
No. of shares: 2,083 Series B shares
Maximum number of shares pursuant
to share-savings program: 0



Phil Jacklin
Managing Director UK
Born: 1974
Education: Degrees in Business
Administration and Operations
Research
Joined in 2010
No. of shares: 0
Maximum number of shares pursuant
to share-savings program: 0



John Karnblad
Chief Technology Officer
Born: 1964
Education: University studies in
Systems Science
Joined in 1987
No. of shares: 37,500 Series B shares
Maximum number of shares pursuant
to share-savings program: 27,000¹⁾

Information in respect of the number of shares regards holdings at December 31, 2012.

The above composition of the Group management applies from January 1, 2013. In 2012, the Group management comprised the following: Carl-Magnus Månsson, Anneli Lindblom, Christer Norrman, Guido Ahle, Ferhat Kaya, Phil Jacklin, John Karnblad and Aasmund Frøseth.

¹⁾ The maximum number of Matching and Performance shares that can be allocated free of charge within the framework of the share-savings program. Refer to Note 9 for further information.

External auditors

At the 2012 AGM, the accounting firm of Öhrlings PricewaterhouseCoopers AB, was elected auditors. Magnus Brändström is Auditor in charge. Magnus Brändström is also the auditor for companies including OKQ8, Scandic and Dometic. The mandate period for the company's auditors expires at the 2013 AGM.

Auditor

Magnus Brändström

Acando's auditor since 2008

Born: 1962

Authorized Public Accountant

Öhrlings PricewaterhouseCoopers AB



Remuneration

Remuneration of the Board of Directors 2012

Director fees for the Board of Directors are resolved by the AGM based on proposals from the Nomination Committee.

Name	Function	Directors' fees	Audit Committee	Remuneration Committee	Total
Ulf J Johansson ¹⁾	Chairman of the Board	500,000	-	62,500	562,500
Alf Svedulf	Member	200,000	-	-	200,000
Anders Skarin ¹⁾	Member	200,000	62,500	-	262,500
Birgitta Klasén ¹⁾	Member	200,000	-	62,500	262,500
Magnus Groth	Member	200,000	-	-	200,000
Mats O Paulsson ^{1) 2)}	Member	200,000	-	-	200,000
Susanne Lithander	Member	200,000	62,500	-	262,500
Mija Jelonek	Employee representative	-	-	-	0
Lennart Karlsson	Employee representative	-	-	-	0
Totalt		1,700,000	125,000	125,000	1,950,000

1) Those Board members that meet certain requirements can invoice for the amount payable as Directors' and committee fees. These Board members may then add a sum that corresponds to social security expenses to the amount invoiced. The social security expenses thus included in the amount invoiced are no higher than those otherwise payable by the company. The entire fee, that is, the cash payment of Directors' fees and committee fees, including social security expenses, comprises the invoiced Directors' fees.

2) Mats O Paulsson was elected at the AGM on April 26, 2012 and, therefore, 8/12 of his fee was recognized as an expense in 2012.

Directors' fees to the Board's non-executive directors amount to SEK 1,950,000 divided as follows: to the Chairman of the Board, SEK 500,000 and to the other directors, SEK 200,000 each with an additional SEK 250,000 at the Board's disposal to be allocated between the members of the Board's committees. The employee representatives receive no Directors' fees.

Remuneration of senior executives, 2012

The Remuneration Committee submits proposals for remuneration of senior executives for decision by the Board. The assignment of the Remuneration Committee is to prepare proposals for the remuneration and other terms of employment for the executive management.

The Group offers competitive terms at market rates thus enabling the company to attract and retain senior executives. Remuneration comprises salary, long-term incentive program and pension provisions. Salary consists of a fixed salary and a variable salary. The aim is for the fixed salary together with 40 percent of the maximum possible variable salary to comprise a competitive salary which is received when the Group's quantitative performance targets, as set by the Board, are achieved.

At Acando, remuneration of the President and other senior executives comprises fixed salary, variable salary, other benefits and pensions.

- > Fixed salary is reviewed annually.
- > Variable salary, which is reviewed annually, is linked to the Group's performance and limited to a maximum of 100 percent of fixed salary.

- > Opportunity to participate in the long-term incentive program is provided in accordance with resolutions taken at the company's AGMs.
- > Pensions must be defined-contribution based to provide predictability. For the President, premiums amount to 35 percent of fixed salary and for the other members of Group management, a maximum of 30 percent. The retirement age is generally 65 years of age.
- > On termination by the Company, the severance payment and termination pay for senior executives can together, at most amount to 18 months salary with offsetting for any income from any other employment or business activity during the last 12 months. The President has a notice period of six months. If Acando terminates the President's employment, a notice period of six months applies and a severance payment of 12-months' salary is payable with offsetting for any income from other employment or business activity during the last 12 months. The President is entitled to give notice and receive the same terms as if the company itself had given notice if any individual shareholder or a group of shareholders in formal partnership obtain a holding in excess of 50 percent of the voting rights in the company.

These guidelines apply to employment contracts agreed after the 2012 AGM and for any changes to existing terms and conditions. Departure from the above guidelines is possible if the Board, in individual cases, deems that special reasons apply. No departures from the above guidelines were made in 2012. For further information, refer to Note 9.

Long-term incentive programs

At year-end 2012, the Acando Group had three outstanding share-savings programs. After a qualification period of just less than three years and with the prerequisite of the employee's own investment in Acando shares, participants in the program will be afforded the opportunity to acquire, free of charge, additional shares in Acando. The numbers of shares awarded is dependent on the number of Acando shares participants have through their own investment and on meeting specific performance criteria connected to Acando's earnings per share (EPS).

The principal objective of the programs is to increase the possibility of retaining and recruiting key employees and, through personal long-term ownership commitment from program participants, to stimulate increased interest in the business and its performance, to raise motivation and to increase the feeling of affinity with the company.

At present, some 30 Acando Group employees are included in these programs. For further information, refer to Note 9.

Auditors' remuneration for 2012

Auditors' remuneration comprises fees paid for auditing, consulting and other reviews in conjunction with the audit. Remuneration has also been paid for other consulting, of which the majority relates to audit-related consultations on accounting and tax issues. All assignments were in accordance with the policy adopted by the Audit Committee relating to other assignments to the company's auditors. The table below details total remuneration paid in 2012. A detailed description specified for each auditing firm is available in Note 8.

SEK (thousand)	2012	2011
Audit fees	1,012	1,472
Audit related fees	212	280
Tax consultancy fees	230	215
Other services	122	295
Total	1,576	2,262

Internal control and financial reporting

Assignment of responsibility

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

Acando endeavors to operate its business in as efficient a manner as possible. Financial reporting must be reliable, accurately reflect the company's operations and be prepared in accordance with applicable legislation and ordinances. The Acando 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.

The Board has overriding responsibility for financial reporting. Each year, the Board adopts written rules of procedure for its work and states the division of work between the Board, the President and the other bodies instituted by the Board, such as the Audit

Committee and Remuneration Committee.

The Audit Committee, as appointed by the Board, is tasked with preparing issues for decision by the Board. The Audit Committee works according to an agenda established each year and is tasked with monitoring and assuring the quality of the company's financial reporting. This comprises areas including the effectiveness of the Group's internal controls and assessments of estimates and reported amounts that affect the quality of the financial reporting. The Audit Committee keeps itself informed as regards the audit of the Annual Report and consolidated financial statements through the presence of the auditor at the Committee's scheduled meetings. Acando's CFO and the Head of Group Accounting are also present at Committee meetings and, in addition, the members of the Committee have ongoing contact with these executives.

Financial reporting

Financial reporting to the Board

The Board's rules of procedure state in detail the financial information that the President is responsible for providing to the Board in conjunction with monthly and quarterly accounts. In addition, the rules of procedure state what financial information is to be dealt with at which Board meeting in the meeting cycle.

Information must include presentation and analysis of performance trends and the financial position. In addition, key financial figures must be included in the reports; these ratios include billing ratios, hourly rates and personnel statistics. Budgets and forecasts must be presented at the appropriate Board meeting and their continuous follow-up included in the ongoing reporting of financial performance.

External financial reporting

The quality of external financial reporting is assured through the performance of a number of measures. The President is responsible for the accuracy and high quality of all financial information presented to external stakeholders. The company auditor's assignment includes reviewing the financial reporting and providing an account of their observations to the Audit Committee and Board. In addition to the year-end financial statement, the auditors also review the interim report for the third quarter.

Information regarding the Group's operations and financial position is published continuously on Acando's website (www.acando.com). This is to comply with the agreement with NASDAQ OMX Nordic and to provide existing and potential shareholders with the opportunity to follow the progress of the company.

Risk management

The Board and Group management follow, on an ongoing basis, the risks that can significantly affect financial reporting. When changes occur in risk assessments, internal controls are suitably adapted.

The risk of significant errors in the financial reporting is evaluated on the basis of the significance and complexity of the various items. In addition, accounting rules for various balance sheet and income statement items are continuously evaluated. Those bal-

ance sheet and income statement items where material risk may occur are assessed as comprising the following:

- > income recognition
- > variable remuneration to employees
- > valuation of goodwill
- > valuation of work-in-progress
- > valuation of accounts receivable
- > taxes

To minimize these risks, group-wide policies and a framework for financial reporting have been established.

Every fiscal year, detailed time schedules are set for the production and reporting of financial information from subsidiaries to the President, CFO and Group accounting function. These have been supplemented with instructions for accounting and reporting, financial policies, directives and instructions in respect of decision structures as well as job descriptions including assignment of responsibilities and authorities. The aim of the guidelines is to provide a foundation for effective internal control and to ensure that reporting is correct and consistent. The guidelines are followed up and updated when necessary to ensure compliance with applicable laws and regulations and any organizational changes. Updates are communicated to the employees concerned.

Control activities and follow-up

To ensure that operations are conducted efficiently and that the financial reporting provides a true and fair view, control activities exist for managing the Group's risks. The control activities involve all levels of the organization, from the Board and Group management to other employees, and are aimed at preventing, identifying and correcting any errors and discrepancies. Examples of control activities within Acando's operations include the approval and control of different types of accounting transactions, analysis of

key ratios and relationships and other analytical follow-up of financial information. The analytical follow-up is carried out continuously by the company's controllers, business area managers, country managers and the Group management.

Internal control 2012

The Board, the Audit Committee and the Group management discuss on an ongoing basis which areas in internal control and financial reporting should be the object of investigation or change. In 2012, internal control initiatives primarily focused on the following:

- > financial reporting from and follow-up of subsidiaries to the President and CFO – financial key ratios, forecasts, sales and project information and other business-critical key ratios
- > processes for risk assessment and follow up of project performance
- > a more stringent system for managing authorizations and powers

Departures from the Swedish Corporate Governance Code

The company follows the Swedish Corporate Governance Code with the following exceptions:

- > The company's Board of Directors comprises seven Board members elected by the AGM. With regard to the size of the Board and the company, the Board considers it appropriate that the Audit Committee consists of two Board members in 2012. According to the Swedish Corporate Governance Code, the Audit Committee should comprise a minimum of three members.
- > The company does not have any dedicated internal audit function. Each year, the Board assesses the need of such a function and deems the ongoing internal work with internal control, principally performed by the Group management, as sufficient as regards an audit function after taking into consideration the company's operations and size.

AUDITOR'S STATEMENT ON THE CORPORATE GOVERNANCE REPORT

To the Annual General Meeting of the shareholders of Acando AB, corporate identity number 556272-5092

It is the Board of Directors who is responsible for the Corporate Governance Statement for the year 2012 on pages 12–23 and that it has been prepared in accordance with the Annual Accounts Act.

We have read the corporate governance statement and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the Corporate Governance Statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

In our opinion, the Corporate Governance Statement has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Stockholm, March 20, 2013

Öhrlings PricewaterhouseCoopers AB

Magnus Brändström

Authorized Public Accountant