

Board of Directors, senior management and auditor

Board of Directors

Concentric's Board consists of six members, elected by the 2011 Annual General Meeting until the end of the 2012 Annual General Meeting. Pursuant to requirements of the Swedish Corporate Governance Code (the "Code"), more than half of the members of the Board elected by the General Meeting must be independent of the Company and senior management. In addition, at least two of those Board members must be independent of the Company's major shareholders (for additional information on the independence require-

ment, see "Composition and independence" on page 112). Five of Concentric's Board members are independent of the Company and senior management and four of them are independent of major Shareholders. The Board members have previous sector and listed environment experience with four members having either been Board members and/or CEO/CFO of Swedish listed companies, four members having had relevant industry specific experience for Concentric and five members having manufacturing sector experience.

Composition of the Board of Directors 2011/2012

Name	Position	Independent of the Company and management	Independent of major shareholders	Number of Shares in Haldex ¹⁾	Entitled to number of shares in Concentric ²⁾
Stefan Charette ¹⁾	Chairman	Yes	No	44,825	44,825
Marianne Brismar	Director	Yes	Yes	11,000	11,000
Kenth Eriksson	Director	Yes	Yes	20,000	20,000
Joakim Olsson	Director	No	Yes	38,221	38,221
Martin Sköld	Director	Yes	Yes	400	400
Claes Magnus Åkesson	Director	Yes	Yes	2,000	2,000

¹⁾ Own and related parties' shareholding as at May 17, 2011. Stefan Charette's holding also include shares held through pensions and endowment insurances

²⁾ Provided that the Annual General Meeting in Haldex on 8 June 2011 resolves to distribute all the shares in Concentric to the shareholders of Haldex, every share held in Haldex on the record date for the distribution will entitle to one share in Concentric.

Stefan Charette, born 1972

Chairman and member of the Board since 2010.

Principal education: M.Sc. Mathematical Finance and B.Sc. Electrical Engineering.

Work experience: Stefan Charette is the CEO of the public investment company Investment AB Öresund. Öresund typically invests in public companies that face transformation and work alongside management and other stakeholders to deliver shareholder value. Stefan has experience in transforming underperforming international corporations to best in class profitability, including public industrial conglomerate Custos and construction equipment manufacturer Brokk. Stefan began his career in the financial services industry at Salomon Smith Barney and Lehman Brothers.

Other current assignments/positions: CEO and Board member of Investment AB Öresund. Chairman of NOTE AB, Global Batterier AB and Athanase Capital Partners AB. Board member of Haldex AB and Bilia AB.

Previous assignments/positions in the past five years: President and Board member of AB Custos and Brokk AB. Board member of HQ Bank AB.

*Holding in Haldex:*¹⁾ 44,825 shares.

Independent in relation to the Company and senior management, but not in relation to major shareholders.

Marianne Brismar, born 1961

Member of the Board since 2010.

Principal education: M.Sc. Pharmacy and B.Sc. Business Administration.

Work experience: Marianne Brismar was the CEO of fork lift truck manufacturer Atlet AB between 1995 and 2007. Prior to that, Marianne held several other positions within the Atlet group during eight years. Atlet designs, manufactures, sells and services fork lift trucks for internal material handling, with financial services to the customers also being a considerable part of the operations. The Atlet group was sold to Nissan Material Handling in 2007, upon which Marianne was appointed Special Advisor to Nissan Material Handling for a twelve-month period. Today Marianne serves a professional Board member of various Swedish companies. *Other current assignments/positions:* Senior Partner and Chairman of Intercept AB. Board member of Beijer Alma AB, Engelhardt AB, IMEGO AB and Semcon AB.

¹⁾ Provided that the Annual General Meeting in Haldex on June 8, 2011 resolves to distribute all the shares in Concentric to the shareholders of Haldex, each share held in Haldex on the record date for the distribution will entitle to one share in Concentric.

Previous assignments/positions in the past five years: CEO of Atlet AB. Board member of Eton Systems AB, Eco-Boråstapeter AB, Ernströmgruppen AB, Gunnebo Industrier AB, Atlet AB, KMT AB and Geveko AB.

*Holding in Haldex:*¹⁾ 11,000 shares.

Independent in relation to the Company and senior management, as well as in relation to major shareholders.

Kenth Eriksson, born 1961

Member of the Board since 2010.

Principal education: M.Sc. Civil Engineering and MBA.

Work experience: Kent Eriksson is co-founder and partner at Itum Invest AB, a Swedish investment company with focus on small and medium sized companies. Between 2001 and 2006, Kent co-founded and built a leading Nordic BPO business under the name Tradimus AB. Before that, Kent spent 15 years in different positions at AB Electrolux. After having worked in manufacturing as well as sales and marketing, and been based in 5 different countries, Kent left Electrolux in 2000 from a position as Vice President and Head of Business Area Refrigeration in Electrolux's European household appliances operations.

Other current assignments/ positions: Partner of Itum Invest AB. Board member of Transportes Azkar, S.A., Prenax Global AB, Technology Nexus AB and Satpoint AB.

Previous assignments/positions in the past five years: CEO of Tradimus AB. Board member of Aditro Group AB.

*Holding in Haldex:*¹⁾ 20,000 shares.

Independent in relation to the Company and senior management, as well as in relation to major shareholders.

Joakim Olsson, born 1965

Member of the Board since 2010.

Principal education: M.Sc. Mechanical Engineering and MBA.

Work experience: Joakim Olsson is the President and CEO of Haldex since 2005. Before joining Haldex, Joakim held several positions within the ABB group, including assignments in Sweden and the United States, CEO of ABB's transformers operations in Germany, Group Senior Vice President ABB Ltd. (Switzerland) Head of the global Transformer Business Area and President and CEO of ABB Brazil.

Other current assignments/positions: President and CEO of Haldex. Board member of Semcom AB, the Association of Swedish Engineering Industries (Föreningen Teknikföretagen i Sverige) and the Confederation of Swedish Enterprise (Svenskt Näringsliv).

Previous assignments/positions in the past five years: None

*Holding in Haldex:*¹⁾ 38,221 shares.

Independent in relation to major shareholders, but not in relation to the Company and senior management.

Martin Sköld, born 1973

Member of the Board since 2010.

Principal education: PhD Business Administration, MSc Industrial Management and Business Administration, and BSc Innovation Engineering.

Work experience: Martin Sköld has spent 10 years of research at Stockholm School of Economics, where his research interests are focused on strategic change processes when implementing radically new product development and technology strategies in industrial groups and networks. Most of his research is carried out in international automotive firms, OEMs and suppliers. Martin's present assignments are divided between IFL Executive Education at Stockholm School of Economics (as a business director for the General Management program portfolio) and research and education at Stockholm School of Economics. Before his academic career, Martin also worked during 7 years in family firm businesses; BRIAB, a manufacturer of trailers for the heavy truck industry, and Trailereffekter AB, a whole sale dealer for heavy trailer spares parts.

Other current assignments/positions: PhD, Assistant Professor, Innovation and Operations Management, Stockholm School of Economics, IFL, Executive Education at Stockholm School of Economics, Business Responsible General Management Portfolio. Chairman of Framtidsbolaget AB and Scandinavian Management Research and Consulting Group AB.

Previous assignments/positions in the past five years: Research associate of the Stockholm School of Economics.

*Holding in Haldex:*¹⁾ 400 shares

Independent in relation to the Company and senior management, as well as in relation to major shareholders.

Claes Magnus Åkesson, born 1959

Member of the Board since 2010.

Principal education: B.Sc. Business Administration.

Work experience: Since 1998, Claes Magnus Åkesson is the CFO of listed residential developer JM AB, which has undergone a major transition from a diverse construction and real estate company into Scandinavia's leading residential developer and where the capital and cash flow perspective has been an important aspect in this development. Claes Magnus also has broad international experience from different treasury and controller positions at Ericsson between 1987 and 1998, including assignments in Hungary and Malaysia.

Other current assignments/positions: CFO of JM AB and several Board assignments within the JM group.

Previous assignments/positions in the past five years: Several Board assignments within the JM group.

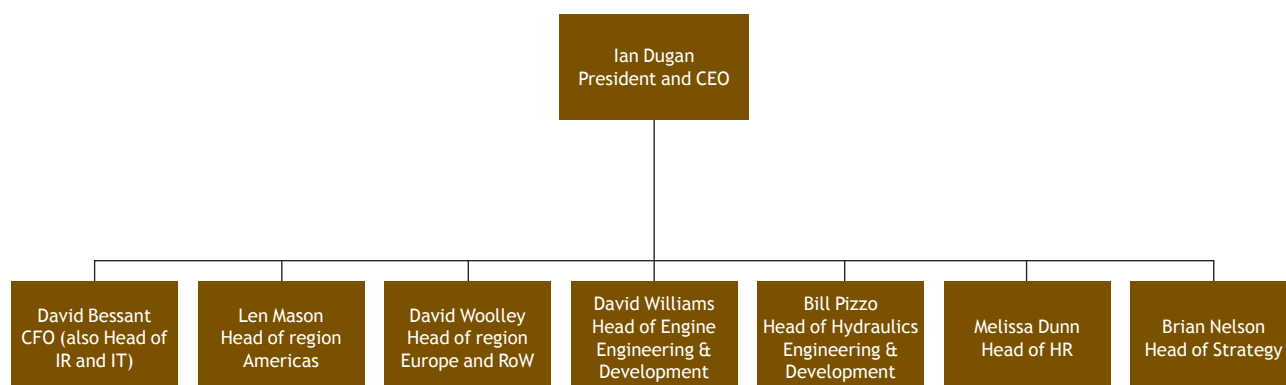
*Holding in Haldex:*¹⁾ 2,000 shares.

Independent in relation to the Company and senior management, as well as in relation to major shareholders.

¹⁾ Provided that the Annual General Meeting in Haldex on June 8, 2011 resolves to distribute all the shares in Concentric to the shareholders of Haldex, each share held in Haldex on the record date for the distribution will entitle to one share in Concentric.

Senior management

Senior executives



Ian Dugan, born 1956²⁾

President and CEO since 2008.

Principal education: Engineering degree and MBA.

Work experience: Ian Dugan spent 15 years with UK listed Glynwed plc and BTR plc, his last role was as head of BTR Silvertown (8 divisions, polymer products). From 1997 Ian lead private equity-backed Serck Heat Transfer to exit in 2000 and from 2001 he ran French listed group Alstom's UK rail transport service business. In 2002 Ian returned to private equity to lead Concentric.

Other current assignments/positions (outside Concentric): None.

Previous assignments/positions in the past five years: CEO of Concentric Plc.

*Holding in Haldex:*¹⁾ 16,000 shares.

David Bessant, born 1971

CFO of since 2010 (also Head of IR and IT).

Principal education: B.Sc. Accountancy and Financial Analysis.

Work experience: David Bessant has more than 7 years of experience from listed and private equity financed multinational groups in the same sector as Concentric. David has also spent over 10 years at KPMG (Audit and Advisory), in his last role as Senior Manager. Other previous assignments include Group Financial Controller at Wagon Plc and Group Financial Controller at TMD.

Other current assignments/positions (outside Concentric): None.

Previous assignments/positions in the past five years: Group Financial Controller of Wagon Plc (2007 – 2009) and TMD Friction (2004 – 2007). Board Member of several subsidiaries to Wagon Plc.

*Holding in Haldex:*¹⁾ 11,000 shares.

Len Mason, born 1953

Head of region Americas since 2010.

Principal education: Higher National Diploma Mechanical Engineering.

Work experience: Len Mason has 40 years of experience of the business and the market for vehicle components. Since 1992 Len has held senior positions in the UK and the U.S. Concentric companies. Previous positions include the post of Sales and Marketing Director at Magneti Marelli and Product Marketing Manager at Lucas Industries.

Other current assignments/positions (outside Concentric): None.

Previous assignments/positions in the past five years: Vice President and Head of Engine Business Unit of Haldex.

*Holding in Haldex:*¹⁾ 10,000 shares.

David Woolley, born 1962

Head of region Europe and RoW since 2010.

Principal education: B.Sc. Metals Technology, BTR Diploma of Executive potential, Post Graduate Diploma in Management Studies, TEC and Higher TEC in Material Technology.

Work experience: David Woolley has long experience of Concentric's business and was Managing Director of the subsidiary Concentric Ltd from 2002 until Haldex acquired Concentric plc. Subsequently David has also been responsible for the business with respect to diesel engine pumps in the UK and India.

Other current assignments/positions (outside Concentric): Non-executive Director of Investors in Excellence.

Previous assignments/positions in the past five years: Managing Director Engine Pumps UK and India of Haldex Concentric Pumps Ltd. Managing Director of Concentric Ltd.

*Holding in Haldex:*¹⁾ 11,000 shares.

¹⁾ Provided that the Annual General Meeting in Haldex on June 8, 2011 resolves to distribute all the shares in Concentric to the shareholders of Haldex, each share held in Haldex on the record date for the distribution will entitle to one share in Concentric.

²⁾ Ian Dugan has announced that he will be stepping down after the listing, but not until a successor has been appointed (however, no later than in January 2012).

David Williams, born 1964

Head of Engine Engineering & Development since 2008.

Principal education: M.Sc. Engineering Business Management and B.Eng. Mechanical Engineering.

Work experience: David Williams worked as Group Technical Director at Concentric plc from 2006 until Haldex acquired the company in 2008. Previous positions include the post of Director of Engineering at Dana Automotive Systems.

Other current assignments/positions (outside Concentric): None.

Previous assignments/positions in the past five years: Group Technical Director of Concentric Plc. Director of Engineering of Dana Automotive Systems.

*Holding in Haldex:*¹⁾ 3,500 shares.

Bill Pizzo, born 1967

Head of Hydraulics Engineering & Development since 2007.

Principal education: B.Sc. Mechanical Engineering and MBA.

Work experience: Bill Pizzo has been General Manager of Chicago Panel & Truss and before that held senior positions at Amtec Precision and Molded Products, SPX – Filtran and Illinois Tool Works.

Other current assignments/positions (outside Concentric): None.

Previous assignments/positions in the past five years: General Manager of Chicago Panel & Truss.

*Holding in Haldex:*¹⁾ 2,500 shares.

Melissa Dunn, born 1967

Head of HR since 2007.

Principal education: B.Sc. Business Management and Communications.

Work experience: Melissa Dunn was Vice President of Human Resources at BHCCU in the United States from 2003 until being employed by Haldex in 2007. Prior to that, Melissa held various senior HR management positions at Kerry Inc during more than 10 years.

Other current assignments/positions (outside Concentric): None.

Previous assignments/positions in the past five years: Vice President of Human Resources of BHCCU.

*Holding in Haldex:*¹⁾ –.

Brian Nelson, born 1952

Head of Strategy since 2010.

Principal education: MBA and B.Sc. Business Administration.

Work experience: Brian Nelson started working with Haldex Hydraulics in 1990, as Vice President/General Manager of the business in the United States. Since then Brian has been Interim Executive Vice President of Haldex Hydraulics during the period 2006 – 2008 and thereafter Senior Vice President/Head of the Hydraulics Business Unit until taking up his present position.

Other current assignments/positions (outside Concentric): Outside Director of HCC Inc.

Previous assignments/positions in the past five years: Board Member of Alfdex AB. Senior Vice President Head of Hydraulics Business Unit of Haldex Hydraulics. Interim Executive Vice President of Haldex Hydraulics.

*Holding in Haldex:*¹⁾ 8,000 shares.

Auditor

Öhrlings PricewaterhouseCoopers AB (SE-113 97 Stockholm, Sweden) is the Company's auditor since the incorporation in 2010. Michael Bengtsson serves as auditor in charge since the 2011 Annual General Meeting, while Ann-Christine Hägglund served in said position as from the incorporation of the Company and up until the 2011 Annual General Meeting. Both Michael Bengtsson and Ann-Christine Hägglund are authorized public accountants and members of Far, the professional institute for accountants in Sweden.

Other information on the Board of Directors and senior management

All members of the Board and senior management can be reached through the Company's address: Concentric AB (publ), P.O. Box 95, SE-280 40 Skånes-Fagerhult, Sweden, or alternatively, Concentric AB (publ), 3 The Archway Radford Road, Alvechurch, Birmingham B48 7LD, United Kingdom.

There are no family ties between the members of the Board and/or senior management. No member of the Board or senior management has been convicted in any fraudulent offences in the past five years. With the exception of David Bessant, who was group financial controller of Wagon Plc when the company filed for administration in December 2008, no member of the Board or senior management has been involved in any bankruptcy, receiverships or liquidations in the past five years. Nor has any of them in the past five years been the subject of any incrimination and/or sanction by statutory or regulatory authorities (including designated professional bodies), or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of a company.

No member of the Board or senior management has any private interests that could conflict with those of Concentric. As indicated above, there are several members of the Board and senior management that will have financial interests in Concentric through holdings of shares in the Company as a consequence of their existing holdings in Haldex.

Concentric has not entered into any agreement with any member of the Board or senior management concerning benefits after termination of the assignment (however, certain senior executives may become entitled to severance pay if Concentric terminates their employment, see "Notice periods and severance pay" on page 69).

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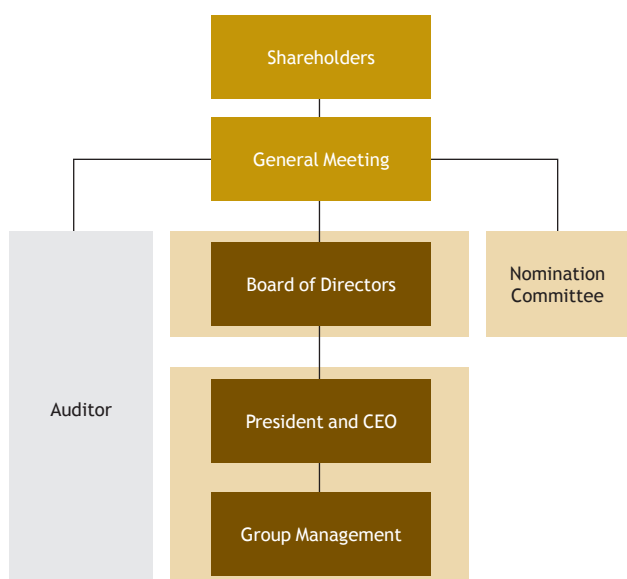
Corporate governance in Concentric

Prior to the listing on NASDAQ OMX Stockholm, the corporate governance of Concentric has primarily been based upon the Swedish Companies Act, other applicable legislation and regulations, the Company's Articles of Association and Concentric's internal steering instruments. Such internal steering instruments include the Operating Procedures of the Board, Instructions for the CEO, the Information Policy and the Treasury Policy. In addition, the Group has a number of policies and manuals that contain rules as well as recommendations that specify principles and provide guidance for the Group's operations and employees.

Once listed on NASDAQ OMX Stockholm, the corporate governance of Concentric will also be based upon NASDAQ OMX Stockholm's Rule Book for Issuers and the Code. The Code applies to all Swedish companies whose shares are listed on a regulated market in Sweden. Companies are not obliged to comply at all times with every rule in the Code, but are allowed the freedom to choose alternative solutions which they feel are better in their particular circumstances, providing they report every deviation, describe the alternative solution and explain the reasons why (the "comply or explain" principle). Companies whose shares become admitted to trading on a regulated market are to apply the Code as soon as possible thereafter and no later than the date of the first Annual General Meeting held the year after the listing. Concentric will apply the Code, without deviation, from the date on which the shares in the Company are admitted to trading on NASDAQ OMX Stockholm.

The overall corporate governance structure of Concentric can be described as illustrated below

Corporate governance structure



General Meetings

The right of the shareholders to pass resolutions regarding Concentric's affairs is exercised at the Annual General Meeting (and, as the case may be, at Extraordinary General Meetings), which is Concentric's supreme decision-making body. The Annual General Meeting is held in Örkelljunga or Stockholm, Sweden, every calendar year before the end of June. Extraordinary General Meetings are held when necessary.

The Annual General Meeting resolves on a number of issues, such as the adoption of the income statement and balance sheet, the appropriation of the Company's profit or loss and the discharge from liability towards the Company for the Board members and the CEO, composition of the Nomination Committee, the election of Board members (including the Chairman of the Board) and auditor, remuneration to the Board members and the auditor, principles for remuneration and employment terms for the CEO and other senior executives and any amendments to the Articles of Association.

Notice to attend the Annual General Meeting, as well as Extraordinary General Meetings at which amendments to the Articles of Association are to be addressed, are issued not earlier than six weeks and not later than four weeks prior to the meeting. Notice to attend other Extraordinary General Meetings are issued not earlier than six weeks and not later than three weeks prior to the meeting. Notices are published in the Official Swedish Gazette (*Post- och Inrikes Tidningar*) and on the Company's website. An announcement that notice has been issued is simultaneously published in Dagens Nyheter.

To be entitled to participate in a General Meeting, shareholders must be recorded in the share register maintained by Euroclear Sweden five weekdays prior to the meeting and provide notification of their intention to attend the meeting not later than the date stipulated in the notice convening the meeting. Such date must not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and must not occur earlier than the fifth weekdays prior to the meeting.

Nomination Committee

Concentric's Annual General Meeting resolves on procedures for the appointment of members of the Nomination Committee and the Committee's work. The Nomination Committee's assignment includes the preparation and presentation of proposals for the election of members of the Board of Directors, the Chairman of the Board, the Chairman of General Meetings and auditor as well as proposals regarding the remuneration of Board members, members of any Board Committees and fees to the auditor.

The 2011 Annual General Meeting resolved that the Nomination Committee shall consist of four members, representing each of the four largest shareholders. The names of these four members and the shareholders they represent will be announced on Concentric's website at least six months before the 2012 Annual General Meeting, based on the shareholdings immediately prior to such announcement. The

members' term of office will end when a new Nomination Committee has been appointed. Provided that the members of the Nomination Committee do not agree otherwise, the member representing the largest shareholder is to be appointed chairman of the Committee. If a shareholder that has appointed a member of the Nomination Committee during the Committee's term of assignment no longer is one of the four largest shareholders, the member representing such shareholder may be replaced by a representative of the shareholder that instead has become one of the four largest shareholders. A shareholder that has appointed a member of the Nomination Committee may also replace such representative with a new member. No remuneration is to be paid to members of the Nomination Committee.

Board of Directors

Composition and independence

Under the Articles of Association, Concentric's Board shall consist of not less than three and not more than seven members elected each year by the Annual General Meeting for the period up until the next Annual General Meeting. The 2011 Annual General Meeting elected six Board members. None of the Group's senior executives are members of the Board. However, Concentric's CEO participates in Board meetings and the Group's CFO serves as the Board's secretary. Other salaried employees attend Board meetings in connection with the presentation of particular issues. At the time of this prospectus, no employee representatives have been appointed to the Board. However, the relevant trade unions have indicated that they will appoint such representatives in connection with the distribution of the shares in Concentric.

Pursuant to requirements of the Code, more than half of the members of the Board elected by the General Meeting must be independent of the Company and senior management. This requirement does not apply to any employee representatives. A director's independence is to be determined by a general assessment of all factors that may give cause to question the individual's independence of the Company or its senior management, such as recent employment with the Company or a closely related company. At least two of the members of the Board who are independent of the Company and its senior management are also to be independent in relation to the Company's major shareholders. In order to determine such independence, the extent of the member's direct and indirect relationships with major shareholders is to be taken into consideration. Major shareholders, as defined in the Code, are shareholders who directly or indirectly control 10 percent or more of the shares or voting capital in the Company (see "Ownership structure" on page 70).

The Board's assessment of the members' independence in relation to the Company, its senior management and major shareholders is presented in "Board of Directors" on page 61. All but one Board member are considered independent of the Company and senior management. Four of those independent Board members are also considered independent of the Company's major shareholders. Consequently, the Company meets the independence requirements of the Code.

Responsibility and work

The duties of the Board are set forth in the Swedish Companies Act, the Company's Articles of Association and the Code, the latter of which will be applicable to the Company after the listing of its shares on NASDAQ OMX Stockholm. In addition to this, the work of the Board is guided by Operating Procedures that the Board adopts every year. The Operating Procedures govern the division of work and responsibility among the Board, its Chairman and the CEO.

The Board is responsible for the Group's organization and the management of its affairs, determining the Group's overall objectives, developing and monitoring the overall strategies, deciding on major acquisitions, divestments and investments, ongoing monitoring of operations and adoption of interim and year-end reports. The Board is also responsible for ongoing evaluation of management, as well as systems for monitoring and internal controls of the Group's financial reporting and position. Moreover, the Board ensures that the Company's external disclosure of information is characterized by openness and that it is accurate, relevant and clear. During Board meetings, the following items regularly appear on the agenda: the Group's performance and position, the business status, organizational matters, monthly accounts, external communication, disputes, acquisitions and divestments, major business agreements, development projects and investments.

The Chairman, in collaboration with the CEO, monitors the Group's operations and performance, prepares and chairs Board meetings. The Chairman is also responsible for ensuring that the Board evaluates its work each year.

Internal controls

The Board's responsibility for internal controls is regulated by the Swedish Companies Act, the Swedish Annual Accounts Act and the Code. Information on the main components of the Company's systems for internal controls and risk management relating to the financial reporting must be disclosed annually in the Company's corporate governance report.

The processes for internal control, risk assessment, control activities and monitoring regarding the financial reporting are designed to ensure reliable overall financial reporting and external financial statements in accordance with IFRS, applicable laws and regulations and other requirements for companies listed on NASDAQ OMX Stockholm. This process involves the Board, senior management and personnel.

Control environment

The Board has specified a set of instructions and working plans regarding the roles and responsibilities of the CEO and the Board. The manner in which the Board monitors and ensures the quality of the internal controls is documented in the Operating Procedures of the Board and Concentric's Treasury Policy. The Board also has a number of established basic guidelines, which are important for its work on inter-

nal control activities. This includes monitoring performance against plans and prior years and overseeing various issues such as the internal audit and accounting principles applied by the Group.

The responsibility for maintaining an effective control environment and internal control over financial reporting is delegated to the CEO, although the ultimate responsibility rests with the Board. Other executives at various levels have in turn responsibilities within their respective areas of operation. Senior management regularly reports to the Board according to established routines. Defined responsibilities, instructions, guidelines, manuals and policies together with laws and regulations form the control environment. All employees are accountable for compliance with these guidelines.

Risk assessment and control activities

The Company operates a COSO model (developed by the Committee of Sponsoring Organization of the Treadway Commission) for the identification and assessment of risks in all areas. These risks are reviewed regularly by the Board and include both the risk of losing assets as well as irregularities and fraud. Designing control activities is of particular importance to enable the Company to prevent and identify shortcomings. Assessing and controlling risks also involves the management for each reporting unit, where monthly business review meetings are held. The CEO the CFO, and local and regional management participate in the meetings. Minutes are kept for these meetings.

Information and communication

Guidelines and manuals used in the Company's financial reporting are communicated to the employees concerned. There are formal as well as informal information channels to the senior management and to the Board for information from the employees identified as significant. Guidelines for external communication are designed to ensure that the Company applies the highest standards for providing accurate information to the financial market.

Evaluation, monitoring and reporting

The Board regularly evaluates the information provided by senior management. The Board receives regular updates of the Group's development between its meetings. The Group's financial position, its strategies and investments are discussed at every Board meeting. The Board is also responsible for the follow-up of the internal control activities. This work includes ensuring that measures are taken to deal with any inaccuracy and to follow-up suggestions for actions emerging from the internal and external audits.

The Company operates an annual control self assessment process for the evaluation of risk management and internal control activities. This assessment includes scrutinising the application of established routines and guidelines. The key findings from this annual assessment process together with

the status of any actions regarding the Company's internal control environment is reported to the Board. The external auditor also regularly reports to the Board.

Compensation and Audit Committee tasks

Under the Code and the Swedish Companies Act, the Board is to establish a Compensation Committee and an Audit Committee within its own ranks, or, alternatively, the tasks of such committees may be performed by the entire Board. The Board of Concentric has deemed that it at this time is more appropriate for the entire Board to perform said tasks, but may in the future decide to establish committees.

The main tasks of a Compensation Committee is to prepare Board resolutions on issues concerning principles for remuneration, remunerations and other terms of employment for the senior executives, to monitor and evaluate programmes for variable remuneration for senior executives, and to monitor and evaluate the application of the guidelines for remuneration to senior executives resolved upon by the Annual General Meeting as well as remuneration structures and levels.

The principal tasks of an Audit Committee are to monitor the Company's financial reporting, to monitor the efficiency of the Company's internal controls, internal audits and risk management in respect of the financial reporting, to keep itself informed regarding audit of the annual report and group accounts, and to review and monitor the impartiality and independence of the auditor, paying special attention to whether the auditor provides the Company with services other than auditing services.

Remuneration to the Board of Directors

Fees to the Board members elected by the General Meeting are resolved upon by the General Meeting after proposals from the Compensation Committee. The 2011 Annual General Meeting resolved that fees totalling SEK 1,225,000 (including remuneration for performance of committee tasks) will be paid for the period up until the end of the 2012 Annual General Meeting and be distributed among the Board members as set out in the table below (no remuneration was paid to Board members in 2010). The remuneration to the Board is fixed, with no variable component.

Remuneration to the Board for the period 2011–2012

Name	Position	Fee (SEK)
Stefan Charette	Chairman	350,000
Marianne Brismar	Director	175,000
Kent Eriksson	Director	175,000
Joakim Olsson	Director	175,000
Martin Sköld	Director	175,000
Claes Magnus Åkesson	Director	175,000
Total		1,225,000

External audit

The Annual General Meeting elects the external auditor for a period of one year at a time. The auditor reviews the annual report and the accounts as well as the administration of the Board and the CEO, and follows an audit schedule set in consultation with the Board. In connection with the audit, the auditor shall report its observations to senior management for reconciliation and then to the Board. The report to the Board takes place after the conclusion of the audit of the administration and the review of the hard-close accounts and in conjunction with the adoption of the annual report.

The Board meets with the auditor once a year, where the auditor report its observations directly to the Board without the presence of the CEO and the CFO. Finally, the auditor attends the Annual General Meeting and briefly describe the auditing work and the recommendations in the Audit Report.

CEO and senior management

The CEO is responsible for the day-to-day management and development of the Company in accordance with applicable legislation and regulations, including the rules of NASDAQ OMX Stockholm and the Code, and the instructions and strategies determined by the Board. The CEO ensures that the Board is provided with objective and relevant information required in order for the Board to make well-informed decisions. Furthermore, the CEO monitors compliance with the targets, policies and strategic plans of the Company and the Group that have been adopted by the Board, and is responsible for keeping the Board informed of the Company's development between Board meetings.

The CEO leads the work of the senior management team, which is responsible for overall business development. In addition to the CEO, the senior management comprises the CFO, the heads of geographical regions, the heads of engineering/development and strategy as well as the head of HR, a total of seven persons.

Remuneration

Remuneration to the CEO and other senior executives comprises basic salary, variable remuneration, pension and other benefits. In 2010, remuneration was paid as per the table below.

Remuneration to the CEO and senior management (SEK '000)

Name	Basic salary	Variable remuneration	Pension	Total
Ian Dugan, President and CEO	2,305	1,844	267	4,416
Other senior executives (7 people)	10,422	4,172	1,165	15,759
Total	12,727	6,016	1,432	20,175

Guidelines

Pursuant to the Swedish Companies Act, the Annual General Meeting is to resolve upon guidelines for remuneration to the CEO and other senior executives. The following guidelines were adopted by the 2011 Annual General Meeting. The Board of Directors is entitled to depart from the guidelines if there are specific reasons or needs for doing so in individual cases.

The terms of employment for senior executives shall consist of a balanced combination of fixed salary, annual bonus, long-term incentive program, pension and other benefits and terms for dismissal/severance payment. The total annual monetary remuneration, in other words fixed salary, bonus and other long-term monetary remuneration, shall be in accordance with market practice on the geographical market where the senior executive operates. The total level of the compensation will be evaluated annually to ensure that it is in line with market practice for corresponding positions within the relevant geographical market. The remuneration should be based on performance. It should therefore consist of a combination of fixed salary and bonus, where the variable remuneration forms a rather substantial part of the total remuneration.

The fixed remuneration shall be individually determined and shall be based on each individual's responsibility and role as well as the individual's competence and experience in the relevant position.

Senior executives have an annual bonus that is payable on an annual basis. The annual bonus is structured as a variable part of the fixed salary. Bonus goals shall primarily be based on the outcomes of financial objectives for the entire Group and financial goals for the business unit for which senior executive is responsible as well as clearly defined individual goals with respect to specific assignments. The latter is to ensure that the senior executive also focuses on non-financial targets of specific interest. Bonus related financial objectives for the Group shall be established by the Board annually in order to ensure that they are in line with the Groups's business strategy and profit targets. The Board establishes the financial objectives for individual units proposed by the CEO. The part of the total remuneration consisting of annual bonus varies depending on position and may amount to 30 – 50 percent of the fixed annual salary at full goal achievement. The bonus goals are constructed so that no bonus will be paid if a certain minimum performance level is not achieved.

In order to foster a long-term perspective in the decision-making and to ensure long term achievement of goals, the Board may propose the General Meeting to resolve on long-term incentive programs. Potential remuneration in form of long-term incentive programs shall be in accordance with market practice on each relevant market.

When entering into new pension agreements with senior executives who are entitled to pension, the pension shall be based on defined contribution plans. Senior executives who are employed in Sweden retire by the age of 65 and other senior executives in accordance with local regulations on pension. As a main principal, pension premiums are based solely on fixed salary. Certain adjustments may occur in individual cases in accordance with local market practice.

Other benefits, such as company car, compensation for healthcare and health and medical insurance, etc. shall form a minor part of the total compensation and shall correspond to what may be deemed common market practice in each geographical market.

In addition to the above described remunerations, agreements on additional remunerations may be made in exceptional situations, for example, when considered necessary to attract and retain key personnel or induce individuals to move to new places of service or accept new positions. Such special remunerations shall be limited in time and may not exceed 36 months. Further, the total remuneration must not exceed an amount equivalent to two times the remuneration the individual would have received in the absence of an agreement on special remunerations.

Terms for dismissal and severance pay shall correspond to what may be deemed common market practice for each geographical market. When entering into new employment contracts, agreement may be made with senior executives on severance pay upon termination of the employment by the Company, corresponding to a maximum of 12 months' fixed salary. Upon termination of the employment, local practice on the geographical market where the senior executive operates shall be complied with.

Notice periods and severance pay

The CEO has a notice period of 12 months and other senior executives have a notice period of 6 months. Upon the termination of the employment by Concentric, a so-called termination agreement including severance pay may be made with senior executives on a discretionary basis or as required by law. Any such severance pay shall correspond to what may be deemed reasonable and common practice on the relevant geographical market, but not exceed 12 months' fixed salary.