

Company organs and management

Geveko's corporate bodies are the Annual General Meeting, the Board, the Managing Director, and the Auditors. At the Annual General Meeting the shareholders elect the chairman and the Board, which, according to the company's articles, shall consist of up to seven members and up to five deputy members. It is incumbent on the auditors, as mandated by the Annual General Meeting, to examine the accounts and the administration by the Board and the Managing Director during the financial year. The auditors report to the Annual General Meeting by submitting a separate audit report.

Annual General Meeting

The Annual General Meeting (AGM) is Geveko's supreme decision-making body, in which every shareholder is entitled to participate personally or via a proxy. At the AGM, which is normally held in April, but in any case within six months of the end of the financial year, the shareholders adopt the annual report, decide on the date of record for entitlement to dividend and approve the dividend. The AGM elects the chairman and the Board for a period of one year and the auditors every fourth year. The AGM also decides on their fees and guidelines for the salaries and other benefits of the company's managing director and other senior management personnel.

The notice convening the Annual General Meeting is sent out no later than four weeks before the Meeting and is published in Svenska Dagbladet and Göteborgs-Posten, as well as in Post & Inrikes Tidningar and on Geveko's website.

According to the Swedish Companies Act, shareholders are entitled to have items of business discussed at the AGM. In such cases the Board shall be given adequate notice. Shareholders are entitled to ask questions at the AGM.

The minutes of the AGM are available at Geveko's office and on the company's website about two weeks after the Meeting.

AGM 2007

The AGM for shareholders in AB Geveko was held on April 26, 2007, in Gothenburg, Sweden. The AGM was attended by 138 shareholders, representing 30.3% of the number of shares and 69.7% of the votes. David Bergendahl, Klas Dunberger, Helena Levander, Tomas Landeström, Ove Mattsson and Sören Sjölander were re-elected to the board and Åsa Söderström Jerring was elected as new member of the Board. Magnus Ergel was not standing for re-election. Ove Mattsson was elected chairman. In a complementary election of auditors for the period until the 2008 AGM Bror Frid was elected as ordinary auditor and Johan Rippe and Helen Olsson Svårdström were

elected deputy auditors. The AGM decided on a dividend of SKr 11 per share and a share split and redemption procedure whereby a further SKr 75 was paid out to shareholders.

AGM 2008

The 2008 AGM will be held on April 24 in Gothenburg, Sweden. Notice convening the Annual General Meeting will be sent out during week 12 (18-23 March).

Articles of Association

According to Geveko's Articles of Association the company's business involves owning and managing shares in subsidiaries and other companies, bonds and other valuable documents, as well as engaging in therewith related business activities. The company's shares can be issued in two series, "A" and "B". "A" shares carry the right to one vote, while "B" shares carry the right to one-tenth of a vote. The complete Articles of Association are available on Geveko's website, www.geveko.se.

Board

The Board is accountable to the Annual General Meeting for the company's organisation and such administration as is incumbent on the Board statutorily and according to applicable regulations and the registration contract with Stockholmsbörsen. It also has responsibility for ensuring that the goals laid down for the company by legislation, in the company's articles and by the AGM are realised. To this end, the Board issues guidelines for general policies and strategies including the approval of business plans, and keeps itself regularly informed about the Group's financial position and the state of its business. The Board also has responsibility for appointing and discharging the Managing Director.

In 2007 Geveko's Board had seven members and one deputy member, all elected by the AGM. The members include individuals who are associated with Geveko's major shareholders - the Bergendahl foundations and the Bergendahl and Dunberger families - as well as individuals independent of these groups. Attorney Lars Lewerth, who is a deputy member, served as secretary to the Board during 2007.

Main points on agenda at Board meetings in 2007

February 22	Annual report and accounts	July 17	Q2 report
April 26	Q1 report	September 19	Business plan
April 26	Statutory meeting after AGM	October 26	Q3 report
June 12	Business plan, strategy and structure, visits to subsidiaries	December 12	Budget and final business plan

Attendance at Board meetings

	Present	Committees	Remuneration, SKr ¹⁾	Holdings, Geveko	Independent ²⁾
Members					
Ove Mattsson, Chairman	8/8	x	403,000	0	x
David Bergendahl	8/8	x	193,000	21,000	
Klas Dunberger	8/8	x	153,000	51,333	
Tomas Landeström	8/8	x	153,000	1,500	x
Helena Levander	7/8	x	170,333	0	x
Sören Sjölander	7/8	x	199,000	220	
Åsa Söderström Jerring	6/8		150,000	0	x
Total			1,421,333		
Deputy member					
Lars Lewerth	8/8		-	42,131	

¹⁾ The amount relates to the board fee and remuneration for committee work. No other remuneration has been paid in addition to this. Deputy member Lars Lewerth received SKr 745,000 for legal consultation.

²⁾ Independent is defined as independent of the company, its management and major shareholders, pursuant to the Swedish Code of Corporate Governance.

Board meetings

The Board normally meets six times a year. During the 2007 financial year the Board held eight ordinary meetings, at which it discussed the business situation, financial reporting, liquidity and investments. In accordance with its set of procedures the Board also dealt with matters pertaining to the annual accounts, interim reports and budgets. In 2007 the Board devoted particular attention to business planning as a consequence of the change in Geveko's status to that of operative industrial enterprise.

Attendance at Board meetings

Apart from Board member Åsa Söderström Jerring, who was absent from two meetings, and Helena Levander and Sören Sjölander, who were absent from one meeting, the Board members participated in all eight meetings. Other employees in the group participate in the board meetings to report on specific items of business.

Board's procedures

At the statutory meeting on 26 April 2007 the Board adopted a set of procedures that regulate the division of labour and responsibility between the Board, the Chairman and the Managing Director, and an instruction for the Managing Director. The Board's set of procedures and the instruction for the Managing Director are subject to annual review by the Board. The set of procedures includes a meeting plan and calendar, agenda, decision making rules that define the Managing Director's responsibility in relation to that of the Board, and principles for reporting to the Board and keeping minutes of meetings. The Board shall in the first instance have responsibility for general and long-term business and matters that are out of the ordinary or otherwise of major importance. The Board shall regularly monitor the Managing Director's fulfilment of his responsibility for the day-to-day management.

Role of the Chairman

At the AGM on 26 April 2007 Ove Mattsson was elected Chairman of the Board.

The Chairman shall manage the activities of the Board and see to it that the Board performs its statutory duties and such duties as are incumbent on it according to its set of procedures. The Chairman and the Managing Director shall together assure themselves that Board members receive adequate information well ahead of each meeting for all business that is presented to the Board and that requires decision.

Regular business at Board meetings

At the statutory meeting, which is held immediately after the Annual General

Meeting, the Board's set of procedures, the instruction for the MD and authorised signatories are adopted. The Board also appoints members to the Audit and Remuneration Committees.

The Group's auditors attend the ordinary meeting of the Board in February in connection with the audit of the previous year's accounts to discuss the annual report. At ordinary meetings later in the year interim reports are approved and published.

A report is submitted to each ordinary meeting on the current state of the company's affairs. The Managing Director submits separate reports on the progress, liquidity and financing of Industrial Operations and the Securities Portfolio and on changes in net worth and the share price.

Financial year 2007

In 2007 the Board devoted a good deal of time to adopting the Geveko Group's business plan in connection with the parent company's change of status from investment trust to operating industrial enterprise. Geveko announced firstly in January that priority would be given to developing Industrial Operations rather than Management of Securities and then in connection with the publication of the third quarter report that one consequence of the development of Industrial Operations could be that Geveko would lose its investment trust status.

As a result of company acquisitions and the divestment of holdings from the Securities Portfolio the criteria for investment trust status were deemed no longer to be satisfied. The tax authority has informed the company that it considers that Geveko had ceased to have investment trust status with effect from 30 November 2007.

Board's assessment of its work

A regular assessment of the Board's work is made once a year. The assessment is made via a survey that is sent to each Board member. In 2007 this assessment was made in December by Geveko's Nomination Committee. The results of the survey will be analysed by the Board in the spring of 2008.

Board fee

The total fee paid to the members of the Board in 2007 amounted SKr 1,300,000. A fee of SKr 400,000 was paid to the chairman, and of SKr 150,000 to each member. The Company Secretary, also a deputy member of the Board received a fee following approval of submitted invoices. Remuneration for committee work amounted to SKr 3,000 per meeting. Remuneration was paid to external members of the Share Council in the form of a fixed fee of SKr 25,000 for 2007.

Nomination Committee's fee

A fee of SKr 60,000 was paid to the chairman of the Nomination Committee for 2007 and of SKr 40,000 to each of the other members.

Role of the Managing Director

The Managing Director has responsibility for the day-to-day management of the company in accordance with the guidelines and instructions issued by the Board. The Managing Director shall take such measures as are required to ensure that the company's books are kept in accordance with the law, and that its funds are administered in a satisfactory manner. The MD shall keep the Board regularly informed regarding the progress of the business by providing financial reports, forecasts and audit reports, and such other information as may be required to enable the Board regularly to assess the progress and financial situation of the company and the Group.

Audits and auditors

The auditing of limited companies is regulated by the Swedish Companies Act, which requires the auditor to examine the company's annual report and accounting, and the administration by the Board and – if one has been appointed – the Managing Director. If the company is the parent company of a group the auditor shall also examine the consolidated financial statements and the internal relations between the companies in the group. The audit shall be as detailed and extensive as generally accepted auditing standards require. The auditor submits a separate report on the audit to the AGM.

Birgitta Granquist, ÖhrlingsPricewaterhouseCoopers AB, elected as deputy auditor in 2004. Elected auditor in 2006 by means of a complementary election for the period until the 2008 AGM.

Bror Frid, ÖhrlingsPricewaterhouseCoopers AB, elected as deputy auditor in 2006. Elected auditor in 2007 by means of a complementary election for the period until the 2008 AGM.

Helen Olsson Svårdström, ÖhrlingsPricewaterhouseCoopers AB. Elected deputy auditor in 2007 by means of a complementary election for the period until the 2008 AGM.

Johan Rippe, ÖhrlingsPricewaterhouseCoopers AB. Elected as deputy auditor by means of a complementary election for the period until the 2008 AGM.

The role of the auditor also includes examining whether the company has fulfilled its obligations pursuant to certain key ordi-

nances regarding taxes and fees. In connection with the audit the auditor endeavours also to propose improvements to the company's organisation, accounting practices, cost estimates and budgeting etc. In such cases, the auditor submits a separate memorandum on his observations to the company.

In 2007 the auditors participated in Geveko's Board meeting in connection with the finalisation of the accounts for 2006. Over and above this, the auditors attended all the meetings of Geveko's audit committee during the year.

Committees

Nomination Committee 2007

Pursuant to the decision made by Geveko's AGM on 26 April 2007, the names of the members of the Nomination Committee for the period until the AGM on 24 April 2008 are as follows:

Nomination Committee members:

Sigurd Walldal, former CEO of Geveko, chairman.

David Bergendahl, CEO Hammarplastgruppen, member of the Board of AB Geveko.

Sören Sjölander, Professor, Chalmers

Institute of Technology, member of the Board of AB Geveko.

The Nomination Committee shall submit proposals to the 2008 AGM on the following matters:

1. Election of chairman of Meeting.
2. Determination of Board fee.
3. Election of chairman and other members of the Board.
4. Determination of auditors' fee.
5. Election of auditors.
6. Appointment of Nomination Committee for period until 2008 AGM.

Activities of Nomination Committee

The Nomination Committee met on three occasions in 2007.

Remuneration Committee

Geveko's Remuneration Committee is appointed for one year at a time by the Board and in 2007 it consisted of board members Ove Mattsson (chairman), Tomas Landeström and Klas Dunberger. The role of the committee is to enter into agreements with, scrutinise the salary and benefits of, and attest expenditure by the Managing Director. Incentive programmes for senior management personnel also require the approval of the committee. Reports on decisions made are submitted to the next meeting of the Board. In 2007 the Remuneration Committee held one minuted meeting.

Audit Committee

Geveko's Audit Committee is appointed for one year at a time by the Board and consisted in 2007 of board members Helena Levander (chairman) and Sören Sjölander. The Audit Committee has responsibility for the Board's regular contacts with its auditors. In 2007 the Audit Committee held three minuted meetings. Reports on decisions made are submitted to the following meeting of the Board.

Share Council

Geveko's Share Council is appointed for one year at a time by the Board and consisted in 2007 of: Jarl Ergel, Magnus Ergel, Helena Levander, Hans Ljungkvist, Berndt Magne and Johnas Lindblom. The Share Council prepares and makes recommendations to the Board regarding the strategic direction of the Securities Portfolio. The Board meeting held in June 2007 revised the instruction relating to the Securities Portfolio. At the same meeting the Board decided that the Share Council's advisory function should be discontinued. Consequently, the Share Council only met on four occasions in 2007.

Policies and guidelines

The Board has adopted the following guidelines, all of which are subject to annual review.

- Financial policy
- Insurance policy
- Pension policy
- Information policy
- Ethical policy

Swedish Code of Corporate Governance

On 1 July 2005 Stockholmsbörsen introduced a condition that all Swedish companies with a market capitalisation in excess of SKr 3 billion should apply the Swedish Code of Corporate Governance. Companies that are not covered by this condition can decide to comply with the Code on a voluntary basis. However, a company that has notified Stockholmsbörsen of its voluntary compliance may change its mind and apply to withdraw.

Geveko's Board has decided that the company will not affiliate on a voluntary basis. However, Geveko, when it deems it to be appropriate, will harmonise its activities with sections of the Code. In 2007 in order to satisfy the requirements of the Code, procedures were changed in two areas, namely "Integrity and Ethical values" and "Selection of control activities and control activities linked to risk analysis".

The requirements of the Code will be extended as of July 1 2008, as a result of which it will apply to all listed companies.