

# Corporate Governance at Micronic Mydata

Micronic Mydata AB is a Swedish public company listed on NASDAQ OMX Stockholm. The company has complied with the Swedish Code for Corporate Governance since 2005. The report has been prepared by the Board of directors and reviewed by the auditors.

## The AGM

The AGM is the company's highest decision-making body. At the AGM, shareholders exercise their voting rights in accordance with Swedish legislation and Micronic Mydata's Articles of Association. Every share carries one vote.

The AGM elects the board of directors and auditor, approves the consolidated financial statement, decides on the disposition of earnings, and decides on discharge from liability for members of the board and the CEO. The AGM decides on compensation for board members and auditor fees, and establishes guidelines for remuneration of senior executives.

## Nomination committee

The AGM decides how the nomination committee is appointed. The nomination committee consists of three members representing the three largest known shareholders at the end of August and the chairman of the board, for a total of four members.

The composition is announced latest six months before the AGM. The nomination committee draws up proposals for the AGM regarding election of the meeting chairman and remuneration of the board of directors, the chairman of the board and auditor. The nomination committee presents its work at the AGM. The nomination committee receives no remuneration.

## Board of directors

The board of directors has the overall responsibility for the company's organization and administration. The board monitors company operations, ensures appropriate organization, and establishes guidelines and internal control. The board establishes strategies and business plans, and makes decisions on major investments. The board's responsibilities are regulated by the Companies Act and the procedural plan.

According to the Articles of Association, the board shall consist of at least three and at most ten members, and no more than two deputies. The current board consists of six members elected by the AGM, and two union representatives appointed by Unionen. The AGM appoints the chairman of the board to lead the board's work.

## Audit committee

Every year the board appoints an audit committee consisting of three board members. The majority are independent. The audit committee has no decision-making authority and reports to the board.

The committee is tasked with ensuring the quality of the financial reporting. This includes reviews of critical accounting and valuation issues, and examination of the company's financial reports. The audit committee is the primary contact with the company's external auditors and meets with them regularly. The audit committee evaluates the audit work and assists the nomination committee with recommendations for nomination of the auditor and fees for audit services. The audit committee determines which non-audit services the company can procure from the elected auditors. Certain meetings between the audit committee and the external auditors take place with no company employees present.

# 6 May 2013

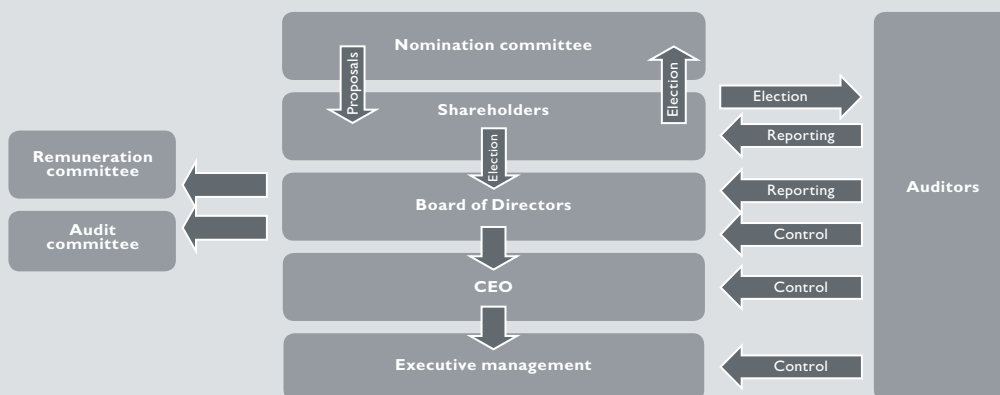
*The AGM was held in Täby. 46 percent of total shares were represented.*



## Remuneration committee

Every year, the board appoints a remuneration committee which consists of three board members. The remuneration committee has no decision-making authority and reports to the board.

The committee's task is to make recommendations for salary, other remuneration and employment conditions for the CEO. The committee also draws up proposals for guidelines for remuneration and employment conditions for other senior executives and subsidiary presidents, and suggestions for incentive programs. The remuneration committee ensures compliance with established guidelines for remuneration of senior executives.



Corporate governance defines the decision-making system through which the owners, directly or indirectly, control the company. The Code is followed in order to ensure transparency vis-à-vis the Group's stakeholders, to steer the company toward established objectives, and to clarify the division of responsibilities between the board, management, and control bodies.

## Corporate Governance at Micronic Mydata

Micronic Mydata complies with the Swedish Code for Corporate Governance (the Code). The Code is based on the principle of “comply or explain.” The Code is available at [www.bolagsstyrning.se](http://www.bolagsstyrning.se). Corporate governance defines the decision-making system through which the owners, directly or indirectly, control the company. Management, leadership and control is divided between shareholders, the board of directors, the CEO, and Group executive management, in order to ensure transparency vis-à-vis the stakeholders and to steer the company toward established objectives. The internal steering processes consist of a vision, mission, business concept, business strategy, and an annual business plan with clear objectives. The company’s corporate values and Code of Conduct also help lay the foundation for internal corporate governance.

### External regulations

Corporate governance is based on Swedish legislation, primarily the Companies Act, and NASDAQ OMX’s regulation for share issuers, as well as other relevant regulations and guidelines.

### Internal regulations

The internal regulations which form the basis for corporate governance include the Articles of Association, the board’s procedural plan, CEO instructions, policy documents such as finance policy, authorization policy and communication policy, and the Code of Conduct.

### Deviations from the Code

In 2013, Micronic Mydata complied with the Code in all respects.

### Corporate governance in 2013 AGM

At the AGM held on 6 May, 2013, 46 percent of the shares were represented. All board mem-

bers were present, as was the CEO, CFO and the company’s auditor. The usual matters were dealt with at the AGM, including re-election of board members Patrik Tigterschiöld, Magnus Lindquist, Katarina Bonde, Anders Jonsson, Eva Lindqvist and Ulla-Britt Fräjdin-Hellqvist. Patrik Tigterschiöld was elected chairman of the board. The audit company EY was elected as the auditor, with Heléne Siberg Wendin as senior auditor.

#### Nomination committee

The composition of the nomination committee for the 2014 AGM was announced on 22 October, 2013.

The nomination committee conducts an annual evaluation of the board and its work. Thereafter, the nomination committee puts forth proposals for a new board which are submitted in connection with the notice to attend the coming AGM.

#### Board of directors

Six board members were elected at the AGM and serve until the next AGM concludes. In addition, Unionen appointed two union representatives to serve on the board.

#### Board remuneration

The 2013 AGM decided on a total fee for board members of SEK1,500,000 for the period until the next AGM concludes. Of this total fee, SEK 500,000 is the chairman’s fee, and SEK 200,000 is the fee for each of the other board members elected by the AGM. In addition, remuneration in the amount of SEK 50,000 was approved as a fee for the chairman of the audit committee.

#### Board organization and work practices

The Board is the highest decision-making body of the company. The board works according to a procedural plan. The purpose is to ensure that the board is well-informed and that all board issues are addressed. The procedural plan

describes the division of responsibilities between the board and the board committees, as well as between the board and the CEO. As per the procedural plan, the board decides the strategy and budget, adopts the annual report and other external financial reports, key policies and authorization instructions, appoints the CEO and evaluates the performance of the CEO, adopts rules for internal controls and monitors how the internal controls work, decides on major investments and agreements, appoints the audit and remuneration committees, and evaluates the board’s work practices. The board monitors that guidelines decided on for remuneration of executive managers are followed, and suggests guidelines for remuneration to the AGM.

The chairman leads the work of the Board. The chairman also represents the company in shareholder issues. At the 2013 AGM, Patrik Tigterschiöld was elected to the position of chairman of the board.

Board meetings are prepared by the chairman together with the CEO. Prior to each board meeting, board members are provided with relevant material. Certain items are prepared by the audit and remuneration committees. Reoccurring items include reviews of the business situation and the financial reporting. Board meeting minutes are recorded by the CFO.

#### Evaluation of board performance

The board evaluates its performance annually. In 2013, an external evaluation was conducted. The results were presented to the nomination committee prior to its task of proposing board members at the 2014 AGM.

#### The Board’s work in 2013

The board held 13 meetings, of which one was statutory and one was held via circulation.

Every regular meeting dealt with the business situation and the financial reporting. The audit and remuneration committees

#### Nomination committee

Name	Representing	Holdings at August 31, 2013, %
Henrik Blomquist	Bure Equity	38.0
Ulf Strömsten	Catella Fonder	3.9
Annelie Enquist	Skandia Fonder	2.8
Patrik Tigterschiöld	Chairman, Micronic Mydata	

presented their work and put forth questions requiring decisions. In addition to reoccurring items, issues dealt with included appointment of a new CEO, a decision on appointment of a new auditor, establishment of strategy and the business plan, decisions about investments within research, development and the product development program, which included a shift in resources towards business area SMT. The board has also established new financial objectives and a new dividend policy.

### Committees

#### Audit committee

The board appoints an audit committee consisting of three board members. At least one of the members holds auditing or accounting competency. Members of the audit committee are Magnus Lindquist (chairman), Katarina Bonde and Eva Lindqvist. The audit committee met five times during 2013. Parts of the audit committee's meetings take place with no employees present and without the external auditor. During 2013, the audit committee's work included preparing for the election of a new auditor.

#### Remuneration committee

The board appoints a remuneration committee consisting of three board members. Members of the remuneration committee are Patrik Tigerschiöld (chairman), Anders Jonsson and Ulla-Britt Fräjdin-Hellqvist. The remuneration committee met three times during 2013.

### Audit

The auditor is elected at the AGM. At the 2013 AGM, EY was elected as auditor for the period up to the 2014 AGM, with Authorized Public Accountant Heléne Siberg Wendin as senior auditor. During 2013, the auditors conducted reviews of one interim report. Audit of

the annual accounts and the consolidated accounts, as well as of the administration of the board of directors and CEO are conducted in accordance with International Standards on Auditing and generally accepted Swedish standards. The external auditor meets with the audit committee regularly and with the entire board annually.

### CEO and Executive management

Executive management consists of seven persons, led by Chief executive officer Lena Olving who was appointed to the position as of 15 July, 2013. Lena has a Master's degree in Engineering from Chalmers. She has many years of experience from leading positions, both in Sweden and internationally. These include Executive management at Volvo Personvagnar AB, CEO at Samhall Högland AB and COO at SAAB AB (publ).

The CEO leads the work of executive management, and executive management makes decisions jointly. The CEO is responsible for keeping the board informed of developments in the company. Executive management meets every week. Three times per year, senior management from the global organizations meet in order to strengthen consistency in how the company is managed throughout the entire Group.

### Financial reporting and information

Micronic Mydata provides current information on developments within the company and its financial position in accordance with the established communication policy. Information is provided in the form of interim reports, annual reports, and press releases in connection with significant events which can affect the valuation of the company. In connection with interim reports, presentations are given for financial analysts, investors and media. In addition, the company's management

meets financial analysts and investors at other external and internal events. Information which is distributed through financial reports or press releases is also available on the company's website, together with other information deemed valuable for the stakeholders.

Micronic Mydata conforms to the so-called silent period rule, where the company holds no meetings with investors or analysts for 30 days prior to the publication of interim reports.

### Report on internal control regarding financial reporting

The internal control consists of processes and methods to limit the risk of significant errors in the financial reporting and thus ensure the accuracy of the financial reporting. Internal control is created and maintained by the board, management and employees. Micronic Mydata describes internal control based on the control environment, risk assessment, control activities, information and communication, as well as monitoring.

### Control environment

The foundation for a good control environment is built with the help of the organization, decision-making procedures, and proper authority and responsibility as expressed in policies and guidelines for all levels. Common corporate values create consensus and strengthen the internal control. Micronic Mydata has a Code of Conduct which describes how employees should conduct themselves with regard to business ethics and social issues. Steering documents have been prepared in the form of a procedural plan for the board and its committees, and in instructions for the CEO. The board establishes certain policies, including the authorization policy. Executive management consists of managers for both business areas, managers for research and development, operations and man-

### Presence and remuneration for Board members elected by the AGM

Name	Elected	Independent <sup>1)</sup>	Holdings	Presence		Remuneration	
				Board	Audit committee	Board	Audit committee
Patrik Tigerschiöld, Chairman	2009	no	–	13/13		3/3	500,000
Anders Jonsson	2011	yes	63,836	13/13		3/3	200,000
Magnus Lindquist <sup>2)</sup>	2007	yes	–	13/13	5/5		200,000
Katarina Bonde	2010	yes	2,000	12/13	5/5		200,000
Ulla-Britt Fräjdin-Hellqvist	2012	yes	10,000	13/13		3/3	200,000
Eva Lindqvist	2012	yes	–	11/13	5/5		200,000

1) According to the Swedish Code of Corporate Governance

2) Chairman of the audit committee

agers for various central functions. Development, sourcing and production are conducted mainly in Sweden, where operations are ISO certified. Finance and the controller function support the organization in streamlining the efficiency of its operations. Responsibility for creating processes with a high degree of internal control is assigned to the head of each department. Evaluation of internal control is conducted according to a plan which is approved annually by the audit committee.

#### Risk assessment

The company has a process for risk assessment to ensure that those risks to which the company is exposed are managed. A review of risk areas from a broader perspective is conducted in conjunction with the annual strategy work. Business processes are evaluated in terms of effectiveness and risk. The most critical business processes, and the most significant values, are found within the Swedish operations.

A risk assessment is conducted annually of those risks which affect internal control as regards financial reporting on the basis of impact and probability. This assessment is conducted at Group and company level. Risks are graded and linked to processes. Critical processes include development, sourcing, production, sales, and installation, as well as support processes such as financial closings and IT. Processes for administration of salaries and pensions are also considered critical and included in the evaluation. Risk assessment also includes the risk of irregularities.

The risk for significant errors or deficiencies

in the financial reporting are reported to the audit committee.

#### Control activities

Control activities aim to prevent, detect and resolve discrepancies. The control structure is built on established powers, roles and responsibilities, and management's ongoing review of financial information. Control activities may be automated and built into IT systems, for example, access structures. They can also be manually conducted, for example double checks when making payments. Reoccurring analysis of results complement daily controls. The controller function, which consists of controllers within both business areas and operations, is an essential part of the control structure.

#### Information and communication

The board and executive management have established information and communication channels to ensure complete and accurate financial reporting. Internal communication channels include a quality system, intranet, monthly newsletter and regular meetings at various levels within the Group. During 2013 work continued to develop analysis tools and the information system. Micronic Mydata's communication policy regulates communication with external parties, including the financial market.

#### Monitoring

Micronic Mydata has no separate audit function for internal auditing. The board has determined that monitoring of the internal control

shall be conducted through self-assessment. Which processes are evaluated is decided following a risk assessment. The processes are documented and assessed according to identified risks and controls. Self-assessment means that each respective department evaluates its processes. The work methodology involves employees and increases understanding for the importance of internal control. Responsibility for developing processes lies within each respective unit. Every year at the request of the board, an external assessment of certain processes is also conducted. During 2013, the external audit focused on routines for remuneration of employees.

Personnel from headquarters' finance and controller function visit subsidiaries regularly. During these visits, financial analyses are conducted, processes are reviewed, and internal controls and spot checks are done to ensure that controls are working as intended. When there are personnel changes within the finance function, ensuring continuity as regards internal control is essential.

During 2013, an analysis tool was implemented to provide fast and uniform monitoring and control throughout the entire Group. Efforts to prepare a financial manual have been ongoing during the year.

The audit committee monitors the internal control work and has ongoing contact with the external auditor, which contributes to the board's overall picture of the internal control with regard to financial reporting.

## Auditor's report on the Corporate Governance Statement

To the annual meeting of the shareholders of Micronic Mydata AB (publ), corp. id. 556351-2374

It is the board of directors who is responsible for the corporate governance statement for the year 2013 on pages 24–27 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 audit 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, 11 March 2014  
Ernst & Young AB  
Heléne Siberg Wendin  
Authorized Public Accountant



# Board of directors and auditors



From the left: Anders Jonsson, Eva Lindqvist, Magnus Lindquist, Patrik Tigterschiöld, Peter Sundström, Katarina Bonde and Ulla-Britt Fräjdin-Hellqvist  
Absent: Johan Densjö.

## Board members elected by the AGM 2013

### **Patrik Tigterschiöld**, born 1964

Chairman since 2012, Director since 2009

*Education:* M.Sc. in Business and Economics

*Other board assignments:* Chairman of Bure Equity AB and PartnerTech AB.

Board member of Stockholms University

*Previous positions:* CEO Bure Equity AB 2010-2013,

CEO Skanditek Industriförvaltning 1999-2010,

CEO SEB Allemansfonder 1995-1999

*Shareholding in Micronic Mydata:* 0

### **Magnus Lindquist**, born 1963

Director since 2007

Investment adviser Triton Advisers AB

*Education:* Economist

*Other board assignments:* Board member of Ambea AB, Ovako AB and Polygon AB

*Previous positions:* CFO Autoliv 2001-2008,

CFO Perstorp 1996-2001, CFO Stora Cell Group 1993-1996

*Shareholding in Micronic Mydata:* 0

## Auditor

### **Heléne Siberg Wendin**, born 1965

Auditor in Micronic Mydata since 2013

Authorised accountant, Ernst & Young AB

*Other assignments:* IKEA, Ovako, Papyrus, Scania

### **Anders Jonsson**, born 1950

Director since 2011

Industrial adviser Triton Advisers Ltd.

*Education:* Master of Engineering and

IFL Handelshögskolan, Stockholm

*Other board assignments:* Chairman of Alimak Hek

Group AB and Talis GmbH. Board member of

Rejler Group and Battenfield Cincinnati AG.

Vice chairman of Swedish Swiss Chamber of Commerce in Zürich

*Previous positions:* Member of ABB executive manage-

ment Zürich, manager Robot Division ABB, manager

ABB Automation Segment China 2005-2006, global

management positions within ABB Zürich 1988-2005,

various management positions in ABB Sweden 1979-

1987

*Shareholding in Micronic Mydata:* 63,836

### **Katarina Bonde**, born 1958

Director since 2010

President Kubi LLC

*Education:* Master of Engineering

*Other board assignments:* Chairman of Propellerhead

Software AB. Board member of Sjötte AP-fonden,

Microsystemation AB, Image Systems AB, eBuilder AB

and Aptilo Networks AB.

*Previous positions:* CEO UniSite Software Inc 2000-

2003, CEO Captura International 1997-2000,

Marketing director Dun & Bradstreet Software Inc

1996-1997, vice President Timeline Inc 1994-1995,

CEO Programator Industri AB 1989-1992

*Shareholding in Micronic Mydata:* 2,000

### **Eva Lindqvist**, born 1958

Director since 2012

*Education:* Master of Engineering, M.Sc Business and Economics

*Other board assignments:* Board member of Assa Abloy,

Bodycote, Episerver, Tieto, Transmode, Innovations-

bron and Blekinge Tekniska Högskola

*Previous positions:* CEO Xelerated Holding 2009-2011,

CEO TeliaSonera International Carrier 2002-2007,

Sr VP Telia Equity 2000-2002, leading positions in

Ericsson 1981-1999

*Shareholding in Micronic Mydata:* 0

### **Ulla-Britt Fräjdin-Hellqvist**, born 1954

Director since 2012

Fräjdin&Hellqvist AB

*Education:* Master of Engineering

*Other board assignments:* Chairman of Kongsberg

Automotive and SinterCast. Board member of

Castellum, DataRespon, e-man, Fouriertransform,

Fräjdin&Hellqvist, Tällberg Foundation and

Vindora Holding

*Previous positions:* Leading positions Svenskt

Näringsliv 2001-2006, leading positions Volvo

Personvagnar AB 1979-2001

*Shareholding in Micronic Mydata:* 10,000

## Board members appointed by Unionen:

### **Johan Densjö**, born 1971, Director since 2012

*Shareholding in Micronic Mydata:* 0

### **Peter Sundström**, born 1976, Director since 2012

*Shareholding in Micronic Mydata:* 0

# Executive management



From the left: Lars Sundberg, Robert Göthner, Lena Olving, Per Ekstedt, Magnus Råberg, Silke Ernst and Niklas Edling.

**Lena Olving**, born 1956

CEO and President since 2013

*Education:* Master of Engineering

*Board assignments:* Board member of SJ AB and Novozymes A/S (Denmark)

*Previous positions:* Vice President and COO Saab AB (publ), leading positions and member of executive management Volvo Personvagnar AB, CEO Samhall Högland AB

*Shareholding in Micronic Mydata:* 70,000

**Per Ekstedt**, born 1964

Sr vice President CFO, employed since 2012

*Education:* Bachelor of Business administration

*Previous positions:* CFO Selecta, CFO Group4 Securicor, CFO Siemens Business Services

*Shareholding in Micronic Mydata:* 0

**Robert Göthner**, born 1959

Sr vice President, General Manager business area SMT, employed since 2007

*Education:* Master of Engineering, MBA

*Previous positions:* Vice President Marketing MYDATA automation AB, Partner Nordic Venture Partners and InnovationsKapital, executive positions IBM Corporation.

*Shareholding in Micronic Mydata:* 0

**Silke Ernst**, born 1967

Sr vice President HR, employed since 2013

*Education:* Fil mag lingvistik and MBA

*Previous positions:* VP HR Business Division Asset Optimisation & Trading Vattenfall, Vice HR-manager Vattenfall BG Nordic, HR-manager BU Distribution Vattenfall

*Shareholding in Micronic Mydata:* 0

**Lars Sundberg**, born 1971

Sr vice President Research & Development, employed 2001

*Education:* Master of Engineering

*Previous positions:* Several positions Micronic Laser Systems AB and Micronic Mydata AB.

*Shareholding in Micronic Mydata:* 900

**Magnus Råberg**, born 1966

Sr vice President, General Manager business area PG, employed 1996

*Education:* Master of Engineering

*Previous positions:* Head of global support, Head of system sales semiconductor applications and other positions Micronic Laser Systems AB.

*Shareholding in Micronic Mydata:* 0

**Niklas Edling**, born 1963

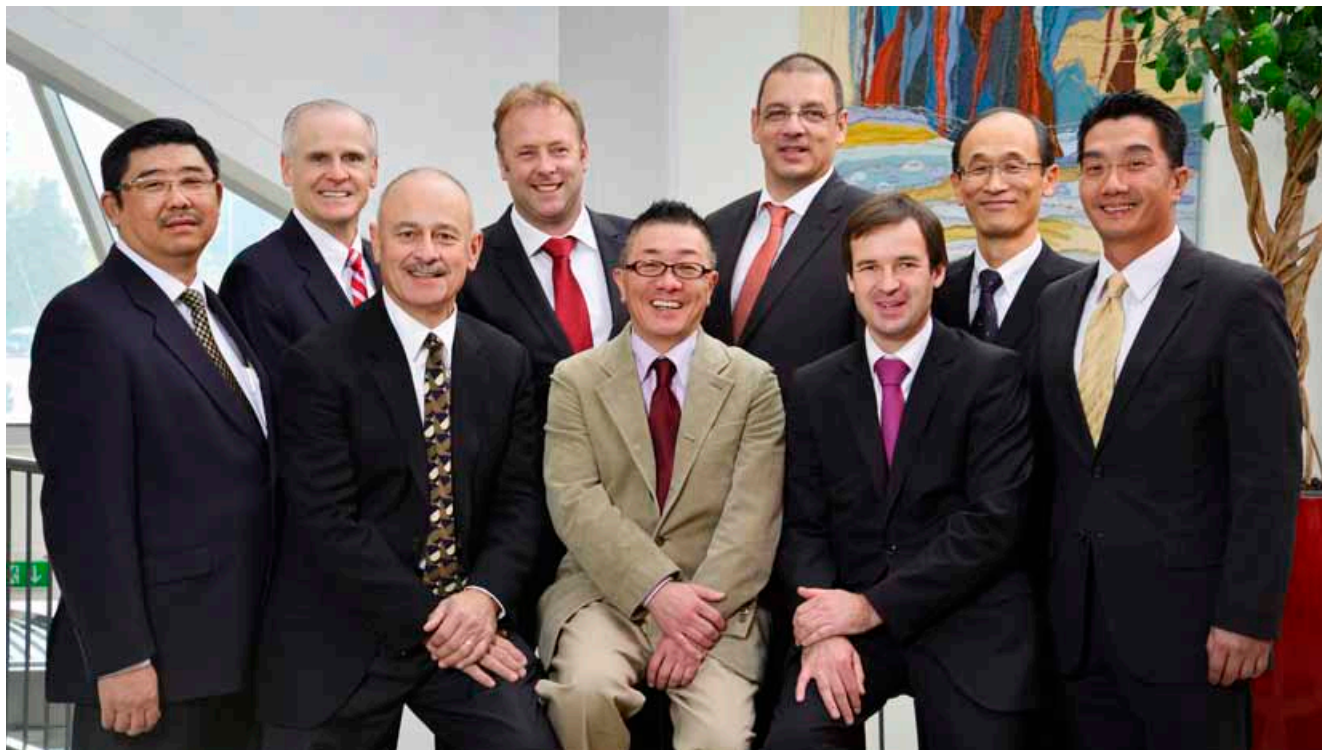
Sr vice President Strategy and Product management, and Head of sourcing, production and quality, employed since 2011

*Education:* Master of Engineering and MBA

*Previous positions:* VP Supply Chain & Manufacturing Laerdal Medical, VP Operations Hudson RCI.

*Shareholding in Micronic Mydata:* 30,000.

# Global sales organization



From the left: David Koh, Brian Duffey, Manny Ferreira, Paul Rooimans, Masahiko Shimada, Pierre de Menech, Cyrille Bidet, Takehiko Tsujimura and KK Wong.  
Absent: Charles Lee, Fredrik Öberg and Jason Wong

**Benelux and UK**

Paul Rooimans, business area SMT

**China**

KK Wong, business area SMT  
Jason Wong, business area PG

**France**

Cyrille Bidet, business area SMT

**Japan**

Takehiko Tsujimura, business area SMT  
Masahiko Shimada, business area PG

**Germany**

Pierre de Menech, business area SMT

**North America**

Brian Duffey, business area SMT  
Manny Ferreira, business area PG

**Singapore**

David Koh, business area SMT

**South Korea**

Charles Lee, business area PG

**ROW (rest of world)**

Fredrik Öberg, business area SMT