

## Corporate Governance Report

Effective and clear corporate governance helps secure the confidence of Bong's stakeholder groups while also increasing focus on business benefits and shareholder value in the company.

Bong's Board of Directors and management strive, by means of great transparency, to make it easier for the individual shareholder to follow the company's decision pathways and to clarify where in the organisation responsibilities and powers lie.

### Corporate governance

Corporate governance within Bong AB ("Bong") is based on applicable legislation, the regulatory framework for NASDAQ OMX Stockholm and various internal guidelines. The most recent version of the Swedish Code of Corporate Governance ("the Code") was published in February 2010 and covers all listed companies as from 1 February 2010.

Bong applies the Code, and in those cases the company has chosen to disregard the rules of the Code, a reason is given in the appropriate section of the Corporate Governance Report.

Bong is a Swedish limited liability company listed on the Stockholm Stock Exchange

Bong is a Swedish public limited liability company whose shares are traded on the OMX Nordic Exchange Stockholm in the Small Cap segment. Bong has around 1,300 shareholders. The operation is European with subsidiaries in fourteen countries. The number of employees is approximately 2,500.

Responsibility for management and control of Bong is divided between the shareholders at the General Meeting of Shareholders, the Board of Directors, its elected committees and the President/CEO, according to the Swedish Companies Act, other acts and ordinances, the Code and other applicable rules governing listed companies, the Articles of Association and the Board's internal policy instruments.

The purpose of corporate governance is to define a clear division of responsibilities and roles between owners, Board of Directors, executive management and appointed control bodies.

### Corporate governance report 2010

#### Owner influence

Governance of Bong is exercised via the General Meeting of Shareholders, the Board of Directors and the President. The highest decision-making body in Bong is the General Meeting of Shareholders.

The Annual General Meeting (AGM) elects the company's Board of Directors. The duties of the AGM also include adopting the company's financial statements, deciding how to distribute the earnings, and deciding whether or not to discharge the members of the Board and the CEO from liability. The AGM also elects Bong's auditors.

About 30 shareholders, representing 76 per cent of the total number of shares and votes in the company, participated in Bong's Annual General Meeting on 18 May 2010 in Kristianstad. All Board members and the company's auditors were present at the AGM.

### Board of Directors

Bong's Board of Directors decides on the Group's overall strategy and on the acquisition and disposal of business entities and real property.

The work of the Board is regulated by the Swedish Companies Act, the Articles of Association and the rules of procedure adopted by the Board for its work.

According to the Articles of Association, the Board of Directors shall consist of at least four and at most nine members. Since the 2010 Extraordinary General Meeting of Shareholders, Bong's Board of Directors has consisted of seven EGM-elected members without deputies and two employee members with two deputies. The Chairman of the Board is Mikael Ekdahl. The statutory meeting of the Board of Directors was on 12 November 2010. The other members of the Board are Alf Tönnesson (Deputy Chairman), Christian W Jansson, Ulrika Eriksson, Stéphane Hamelin, Eric Joan and Anders Davidsson, President and CEO.

### Remuneration of the Board

The Chairman of the Board received a fee of SEK 300 thousand for 2010 (300). The amount comprises part of the total director's fee determined by the AGM. No other fee was paid. There is no agreement on pension, severance pay or other benefits.

Information about remuneration of the Board of Directors, as resolved by the 2010 AGM and the EGM on 22 October 2010 can be found in note 4.

### Board members elected by the AGM or EGM

#### Mikael Ekdahl (born 1951)

Member since 2001 and Chairman of the Board since 2003.

L.L.M., graduate economist, Lund University.

**Other appointments/positions:** Attorney and partner in Mannheimer Swartling Advokatbyrå. Chairman of the Board of Marco AB, Absolent AB and EM Holding AB, vice chairman of Melker Schörfling AB, board member of AarhusKarlskrona AB and Konstruktions-Bakelit AB.

**Terminated board appointments/partnerships over the past five years:** Börje Jönsson Åkeri AB.

**Shareholding in Bong (private and via related party):** 40,000 shares

#### Ulrika Eriksson (born 1969)

Board member since 2008.

Graduate economist

**Other appointments/positions:** Director for Apoteket Konsument. Board member of ProPac International AB.

**Terminated board appointments/partnerships over the past five years:** –

**Previous positions:** Several executive positions in Apoteket AB, CEO of Retain Service-handel Sverige AB/AB Svenska Pressbyrå 2001–2005.

**Shareholding in Bong (private and via company):** 20,000 shares

#### Anders Davidsson (born 1970)

Board member since 2004.

Graduate economist.

**Other appointments/positions:** President and CEO of Bong AB Board. Member of AarhusKarlskrona AB.

**Terminated board appointments/partnerships over the past five years:** –  
**Shareholding in Bong:** 182,600 equities

#### Christian W. Jansson (born 1949)

Board member since 2007.

Graduate economist.

**Other appointments/positions:** Managing director of KappAhl AB. Chairman of the Board of Apoteket AB, board member of Confederation of Swedish Enterprise, Svensk Handel AB, Kontanten AB, Fata Morgana AB and Vivoline Medical AB.

**Terminated board appointments/partnerships over the past five years:** Doro AB

**Shareholding in Bong (private and via company):** 745,246 shares

#### Alf Tönnesson (born 1940).

Board member since 1989.

Engineering and business education.

**Other appointments/positions:** Chairman of International Masters Publishers AB (IMP AB), Aktiebolaget Cydonia, NE Nationalencyklopedin AB, Stabenfeldt AB, Fyrklövern AB and Postpac AB, board member of Fleur de Santé AB, Purity Vodka AB and Bra Böcker AB.

**Terminated board appointments/partnerships over the past five years:** –  
**Shareholding in Bong (via Aktiebolaget Cydonia):** 3,825,339 shares

#### Stéphane Hamelin (born 1961).

Elected at the Extraordinary General Meeting on 22 October 2010, effective 12 November 2010.

**Other appointments/positions:** Chairman of the Hamelin board since 1989.

**Terminated board appointments/partnerships over the past five years:** –

**Previous positions:** Active at Borloo law firm from 1984–1989.

**Shareholding in Bong (private and via company):** 4,352,768

#### Eric Joan (born 1964).

Elected at the Extraordinary General Meeting on 22 October 2010, effective 12 November 2010.

Graduate of Ecole Polytechnique Universitaire de Lille and Harvard Business School.

**Other appointments/positions:** MD and CEO for Hamelin.

**Terminated board appointments/partnerships over the past five years:** –  
**Shareholding in Bong (private and via company):** 0

#### Employee representative

##### Peter Harrysson (born 1958).

Board member since 1997.

**Other appointments/positions:** Repairman at Bong Sverige AB.

**Terminated board appointments/partnerships over the past five years:** –  
**Shareholding in Bong (private and via company):** 0

#### Christer Muth (born 1954).

Board member since February 2009.

**Other appointments/positions:** Internal sales, customer service, Bong Sverige AB.

**Terminated board appointments/partnerships over the past five years:** –  
**Shareholding in Bong (private and via company):** 0