

Comments on the proposed changes to the Code as a result of:

- New legislation for the implementation of changes in the Fourth and Seventh Company Law Directives etc.
- New legislation for the implementation of the Eighth Company Law Directive, and
- Removal of independence requirements from the Nasdaq OMX Stockholm's Rule Book for Issuers

2009-10-29

Present Code Rule	Proposed new wording	Comments
2 Appointment and remuneration of the board and auditors	2 Appointment and remuneration of the board and auditors	
<p>2.3 The nomination committee is to have at least three members, one of whom is to be appointed committee chair.</p> <p>The majority of the members of the nomination committee are to be independent of the company and its executive management.(3)</p> <p>Neither the chief executive officer nor other members of the executive management are to be members of the nomination committee.</p> <p>At least one member of the nomination committee is to be independent of the company's largest shareholder in terms of votes or any group of shareholders that act in concert in the governance of the company.</p> <p>Footnote 3: Definitions and criteria for assessment of independence can be found in the regulations of OMX Nordic Exchange Stockholm and NGM respectively.</p>	<p>2.3 The nomination committee is to have at least three members, one of whom is to be appointed committee chair.</p> <p>The majority of the members of the nomination committee are to be independent of the company and its executive management.(3)</p> <p>Neither the chief executive officer nor other members of the executive management are to be members of the nomination committee.</p> <p>At least one member of the nomination committee is to be independent of the company's largest shareholder in terms of votes or any group of shareholders that act in concert in the governance of the company.</p> <p>Footnote 3: For independence criteria, see 4.4.</p>	<p>The footnote has been changed and no longer refers to the stock exchange's independence requirements – the independence requirements now only exist in the Code. Otherwise, the rule is left unchanged.</p>
<p>2.4 Members of the board of directors may be members of the nomination committee but may not constitute a majority thereof. Neither the</p>	<p>2.4 Members of the board of directors may be members of the nomination committee but may not constitute a majority thereof. Neither the</p>	<p>The footnote has been changed and no longer refers to the stock exchange's independence requirements – the independence requirements now only exist in the</p>

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<p>company chair nor any other member of the board may chair the nomination committee.</p> <p>If more than one member of the board is on the nomination committee, no more than one of these may be dependent of a major shareholder in the company. (4)</p> <p>Footnote 4: Major shareholders are defined as those controlling at least ten per cent of the shares or votes in the company.</p>	<p>company chair nor any other member of the board may chair the nomination committee.</p> <p>If more than one member of the board is on the nomination committee, no more than one of these may be dependent of a major shareholder in the company.(4)</p> <p>Footnote 4: For independence criteria, see 4.5.</p>	<p>Code. Otherwise, the rule is left unchanged</p>
<p>3 The tasks of the board of directors</p>	<p>3 The tasks of the board of directors</p>	
	<p>3.3 At least once a year, the board is to meet the company's auditor without the chief executive officer or any other member of the executive management present.</p>	<p>The rule is unchanged, but has been moved here from chapter 10.</p>
	<p>3.4 The board of directors is to ensure that the company's six- or nine-month report is reviewed by the auditor.</p>	<p>The rule is unchanged, but has been moved here from chapter 10.</p>
	<p>3.5 For companies that do not have a separate internal audit function, the board of directors is to evaluate the need for such a function annually and to justify its decision in its report on internal controls in the company's corporate governance report.</p> <p>Footnote 5: The inclusion of a report on internal controls and risk management in the company's corporate governance report is a requirement stipulated in chapter 6, section 6, paragraph 2 of the Annual Accounts Act (1995:1554).</p>	<p>The rule is unchanged, but has been moved here from chapter 10, with the addition of a footnote that contains a clarification regarding where the board's justification is to be found.</p>

Present Code Rule	Proposed new wording	Comments
4 The size and composition of the board	4 The size and composition of the board	
<p>4.3 No more than one member of the board may be a member of the executive management of the company or a subsidiary. (5)</p> <p>Footnote 5: This rule is contained in the regulations governing the markets run by OMX Nordic Exchange Stockholm and NGM, respectively, and already applies to companies whose shares are traded there.</p>	<p>4.3 No more than one member of the board may be a member of the executive management of the company or a subsidiary. (6)</p> <p>Footnote 6: The chief executive officer and an executive chair of the board may thus not both be members of the board if the latter is also a member of the company's executive management. A member of the board may, however, be employed and receive remuneration from the company, e.g. a member of the board who is honorary chair of the board or who acts as an "ambassador" for the company or similar.</p>	<p>The substance of content of the footnote has been taken from the stock exchange's comment on the relevant but no longer applicable rule. The comment was as follows:</p> <p><i>"This requirement means, for example, that it is not possible for both the president and one or several other senior executives to simultaneously serve on the board of directors. Accordingly, this means that neither is it possible for both the president and a "working chairman" to be members of the Board, if the latter is also employed as a senior executive of the company.</i></p> <p><i>However, a member of the board may be employed and receive a salary from the company without being regarded as a senior executive. Examples of such board members are an honorary chairman and a board member who works as an ambassador for the company or who holds another similar function. In such a situation, it is up to the company to explain to the Exchange the role the board member plays in the company."</i></p>
<p>4.4 The majority of the directors elected by the shareholders' meeting are to be independent of the company and its executive management. At least two of these directors are also to be independent of the company's major shareholders.(6)</p> <p>Nominees are to provide the nomination</p>	<p>4.4 The majority of the directors elected by the shareholders' meeting are to be independent of the company and its executive management.</p> <p>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 executive</p>	<p>The rule entails a return to the Code rule on independence that was included in the original Code from 2005, with the amendment that the "12 year rule" has been removed. The fourth section of the previous Code rule, regarding customers of a bank, is unchanged but has been moved to a footnote.</p>

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<p>committee with sufficient information to enable an assessment of the candidate's independence as defined in the first paragraph of this rule.</p> <p>Footnote 6: Major shareholders are defined as those who control at least ten per cent of the shares or votes in a company. The first part of this rule is contained in the regulations governing the markets run by OMX Nordic Exchange Stockholm and NGM, respectively, and already applies to companies whose shares are traded there. These regulations also contain criteria for defining independence.</p>	<p>management. Such factors should include</p> <ul style="list-style-type: none"> • whether the individual is the chief executive officer or has been the chief executive officer of the company or a closely related company within the last five years, • whether the individual is employed or has been employed by the company or a closely related company within the last three years, • whether the individual receives a not insignificant remuneration for advice or other services beyond the remit of the board position from the company, a closely related company or a person in the executive management of the company, • whether the individual has or has within the last year had a significant business relationship or other significant financial dealings with the company or a closely related company as a client, supplier or partner, either individually or as a member of the executive management, a member of the board or a major shareholder in a company with such a business relationship with the company,(5) 	<p>In addition, it has been clarified that the assessment of whether a board member is dependent or independent is to be based on an overall picture of all relevant factors, and that the factors listed in the rule are criteria to be assessed rather than being categorically decisive.</p> <p>The stock exchange's corresponding comment was as follows:</p> <p><i>"The independence of a member of the board may be questioned in cases where the member, directly or indirectly, has extensive business contacts or other extensive financial dealings with the company. Such a situation may exist where the member of the board is an employee, supplier or customer, or provides services to the company. This also applies in cases where a related company employs a board member. There may also be other situations in which a member of the board cannot be regarded as independent of the company. Accordingly, an overall assessment of a board member's relationship to the company shall be made in each individual case. In this assessment, consideration must be given, among other factors, to the extent and nature of the board member's transactions or financial dealings, and those of the related company, with the company.</i></p> <p><i>The term "related company" means a company in which the listed company, directly or indirectly, holds at least 10 percent of the share capital or ownership interests or a financial interest that provides the right to</i></p>

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	<ul style="list-style-type: none"> • whether the individual is or has within the last three years been a partner at or employed by the company's or a closely related company's current or then auditor, • whether the individual is a member of the executive management of another company if a member of the board of that company is a member of the executive management of the company, or • whether the individual has a close family relationship with a person in the executive management or with another person named in the points above if that person's direct or indirect business with the company is of such magnitude or significance as to justify the opinion that the board member is not to be regarded as independent. <p>A closely related company is defined in this context as another company in which the company holds, directly or indirectly, at least ten per cent of the shares, ownership interest, or votes or a financial share that confers an entitlement of at least ten per cent of the yield. If the company owns more than 50 per cent of the shares, ownership interest or votes in another company, it is to be regarded as indirectly</p>	<p><i>receive 10 percent or more of the profits or where the company has a voting capital which amounts to 10 percent or more of the votes of all shares or participating interests in the company. A company that owns more than 50 percent of the share capital or voting capital of another company is deemed to indirectly control the latter company's ownership in other companies.</i></p> <p><i>The fact that an owner relationship, customer relationship, or supplier relationship exists need not, however, always mean that there is a relationship of dependence. For example, a member of the board of a bank need not be regarded as dependent on the sole ground that the member, directly or indirectly, has a credit engagement with the bank. The question of dependence must be analyzed from both the bank's and the board member's perspective. Another example is that a member of the board of company B, which is owned by company A, may serve as an independent member of company A's board of directors. However, the president of company B may not serve on company A's board of directors as an independent member in cases where A owns more than 10 percent of the share capital in B."</i></p>

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	<p>holding the latter company's ownership in other companies.</p> <p>Footnote7: This point is not to be regarded as applicable to a normal business relationship as a customer of a bank.</p>	
	<p>4.5 At least two of the members of the board who are independent of the company and its executive management are also to be independent in relation to the company's major shareholders.</p> <p>In order to determine a board member's independence, the extent of the member's direct and indirect relationships with major shareholders is to be considered. A member of the board who represents a major shareholder or who is employed by or a board member of a company which is a major shareholder is to be regarded as dependent.</p> <p>In this context, a major shareholder is defined as controlling, directly or indirectly, at least ten per cent of the shares or votes in the company. If a company owns more than 50 per cent of the shares, ownership interest or votes in another company, the former is regarded as having indirect control of the latter company's ownership in other companies.</p>	<p>The rule corresponds to the Code rule on independence that was part of the original Code from 2005.</p> <p>In addition, the new second section, stipulating that the scope of a board member's relationship with a major shareholder is to be part of the assessment, has been taken from the stock exchange's comment on its rule on independence. The stock exchange's corresponding comment was as follows:</p> <p><i>"Principal shareholders are shareholders who directly or indirectly control 10 percent or more of the shares or voting capital in the company. A company that owns more than 50 percent of the share capital or voting capital in another company is deemed to indirectly control the latter company's ownership in other companies. A member of the board is not deemed to be independent of principal shareholders if he or she represents a principal shareholder or is employed by or a member of the board of a company that is a principal shareholder. When assessing whether a member of the board has an independent position vis-à-vis a principal shareholder, consideration is given to the extent of the board member's direct or indirect</i></p>

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		<p><i>relationship with the principal shareholder.</i></p> <p><i>Example 1: company A is a principal shareholder in companies B and C. The president of company B, who is a member of the board of companies B and C, is not deemed to be independent vis-à-vis a principal shareholder in any of these companies.</i></p> <p><i>Example 2: company A owns 51 percent of company B. Company B owns 10 percent of company C. A member of the board of company C, who is also a member of the board of company A, is thus deemed not to be independent in relation to company A, since company A is regarded as a principal shareholder in company C.”</i></p>
	4.6 Nominees are to provide the nomination committee with sufficient information to enable an assessment of the candidate's independence as defined in 4.4 and 4.5.	The final sentence of current Code rule 4.4 now constitutes a separate rule.
4.5 Members of the board are to be appointed for a period extending no longer than to the end of the next annual general meeting.	4.7 Members of the board are to be appointed for a period extending no longer than to the end of the next annual general meeting.	The rule is unchanged, but its number has been changed.
10 The audit committee, financial reporting and internal controls	The chapter has been removed.	The remaining rules in this chapter deal with the tasks of the board and have therefore been moved to chapter 3.
<i>The board of directors is responsible for ensuring that the company has good internal controls and formalised routines that ensure that established principles for financial reporting and internal controls are followed. The board is also</i>	The preamble has been removed.	There is a risk that including (parts of) this introduction in the preamble to chapter 3 would give a distorted picture of the board's tasks and responsibilities.

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<p><i>responsible for ensuring that the company's financial reports are prepared in accordance with the law, relevant accounting standards and other requirements for listed companies.</i></p>		
<p>10.1 The board is to establish an audit committee consisting of at least three directors. The majority of the audit committee members are to be independent of the company and its executive management. At least one member of the committee is to be independent of the company's major shareholders. No board member who holds an executive management position is to be a member of the audit committee.</p> <p>If the board of directors feels it is appropriate, the entire board may perform the audit committee's tasks, providing that no director who is a member of the executive management participates in this work.</p>	<p>The rule has been removed.</p>	<p>Rules concerning the requirement to establish an audit committee, together with requirements regarding its composition, can now be found in chapter 8, section 49 a of the Companies Act, which reads as follows:</p> <p>49 a § In a limited liability company, the shares of which are admitted to trading on a regulated marketplace, the board of directors shall have an audit committee. The members of the committee may not be employees of the company. At least one member must be independent and have accounting or auditing proficiency.</p> <p>The company may resolve that the board of directors shall not have an audit committee, provided that the board of directors:</p> <ol style="list-style-type: none"> 1. performs the tasks set forth in section 49 b; and 2. satisfies the requirement set forth in the first paragraph, third sentence. <p>The Act stipulates that no member of the committee may be employed by the company. In addition, it is a requirement that at least one member is to be independent, (of both the company and its management, as well as major shareholders), and have accounting or auditing competence. The additional requirements that currently exist in the</p>

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		Code, which are more far-reaching than the requirements of the Companies Act, (namely that the majority of the members are to be independent of the company and its management and that the committee is to consist of at least three members), has not been considered important enough to keep in the Code.
<p>10.2 The audit committee is to</p> <ul style="list-style-type: none"> • be responsible for the preparation of the board's work to ensure the quality of the company's financial statements,(7) • meet the company's auditor regularly to remain updated on the aims and scope of the audit, as well as to discuss co-ordination between external and internal audits and views on the company's risks, • establish guidelines on services other than auditing that the company may procure from the company's auditor, • evaluate the auditing work and inform the company's nomination committee of the results of this evaluation, and • assist the company's nomination committee in preparing nominations for the post of auditor and recommendations on fees for auditing services. <p>Footnote 7: To ensure the quality of the financial statements, the committee normally has to consider all</p>	The rule has been removed.	<p>The tasks of the audit committee are stipulated in chapter 8, section 49 b of the Companies Act, which largely corresponds to the rules in the Code. The deviations that exist are not considered sufficient to justify a Code rule.</p> <p><i>49 b § The audit committee shall, without any impact otherwise on the responsibility and tasks of the board of directors:</i></p> <ol style="list-style-type: none"> <i>1. monitor the company's financial reporting;</i> <i>2. in respect of the financial reporting, monitor the efficiency of the company's internal controls, internal audits, and risk management;</i> <i>3. keep itself informed regarding audit of the annual report and group accounts;</i> <i>4. review and monitor the impartiality and independence of the auditor and, in conjunction therewith, pay special attention to whether the auditor provides the company with services other than auditing services; and</i> <i>5. assist in conjunction with preparation of proposals to the general meeting's resolution regarding election of</i>

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critical accounting issues and the financial reports presented by the company. The committee is expected to consider matters such as internal controls, regulatory compliance, material uncertainty in reported values, uncorrected errors, post-statement events, possible improprieties and other circumstances that may affect the quality of information in the financial statement.		<i>an auditor.</i>
10.3 At least once a year, the board is to meet the company's auditor without the chief executive officer or any other member of the executive management present.	The rule is unchanged but has been moved to chapter 3, see above.	
10.4 The board of directors is to ensure that the company's six- or nine-month report is reviewed by the auditor.	The rule is unchanged but has been moved to chapter 3, see above.	
10.5 The board is to submit an annual report on the key aspects of the company's systems for internal controls and risk management regarding financial reports.	The rule has been removed.	A mandatory rule with the same content as this Code rule is now part of chapter 5, section 6, paragraph 2, bullet 2 of the Annual Accounts Act. The Code rule has therefore been removed.
10.6 For companies that do not have a separate internal audit function, the board of directors is to evaluate the need for such a function annually and to justify its decision in its report on internal controls.	The rule is unchanged but has been moved to chapter 3 with the addition of a clarification regarding where the board's justification is to be found, see above.	
11 Information on Corporate Governance	10 Information on Corporate Governance	Since chapter 10 has been removed, the rules in this chapter have been renumbered.
<i>The board of directors is to inform shareholders and the capital market annually regarding</i>	<i>The board of directors is to inform shareholders and the capital market annually regarding</i>	No changes to the preamble of the text have been proposed. A reference to the relevant legal requirement

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<p><i>corporate governance functions in the company and how the company applies the Swedish Code of Corporate Governance. This information is to be published in a corporate governance report and on the company's web site.</i></p>	<p><i>corporate governance functions in the company and how the company applies the Swedish Code of Corporate Governance. This information is to be published in a corporate governance report and on the company's web site.</i></p> <p>Footnote 8: The requirement to produce a corporate governance report is stipulated in chapter 6, sections 8 and 9 of the Annual Accounts Act (1995:1554).</p>	<p>to produce a corporate governance report is made in the footnote.</p>
<p>11.1 The company is to produce a corporate governance report in conjunction with its annual accounts.(8)</p> <p>In the corporate governance report, the company is to state clearly which Code rules it has not complied with, describe the solution it has adopted instead and explain the reasons in each case.</p> <p>The report is to include a statement on which parts have been reviewed by the company auditor.</p> <p>Footnote 8: The corporate governance report may be included in the printed annual report or take the form of a separate document, but it is not a part of the formal annual accounts.</p>	<p>10.1 In its corporate governance report, the company is to state clearly which Code rules it has not complied with, explain the reasons for each case of non-compliance and describe the solution it has adopted instead.</p>	<p>The requirement to produce a corporate governance report is contained in the Annual Accounts Act and does need not be repeated as a Code rule.</p> <p>With regard to the instruction that the report is to be annexed to the annual report (with the associated footnote), the following should be noted. According to the Annual Accounts Act, the report may either:</p> <ul style="list-style-type: none"> • be included in the operating statement (normally as a separate section), • constitute a separate document from the annual report (and if so, this is to be stated in the annual report), which may be published together with the financial statements, i.e. be filed with the Companies Registration Office for registration, or • constitute a separate document from the annual report and only be published on the company's web site (and if so, this is to be stated in the annual report together with the

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		<p>URL) - this option is not available if the company is part of a group and the group's internal control report is also to be submitted in the document, but it is possible if the group's internal control report is included in the operating statement.</p> <p>In order to avoid the need to write an internal report for the group separately in the annual report, the most common procedure is likely to be, that the company prepares a separate corporate governance report to be submitted to the Companies Registration Office for registration together with the annual accounts. However, the Code should not prescribe how companies should handle their corporate governance report, which means that it is no longer appropriate to state that the report is to be annexed to the annual accounts.</p> <p>Regarding the section on descriptions of non-compliance, such a requirement exists in chapter 6, section 6, paragraph 3 of the Annual Accounts Act, whereby companies are only to state the parts of the Code from which it has deviated and the reasons for this. Firstly, the more detailed Code rule that any non-compliance must be presented and justified separately should therefore be retained. Secondly, in order to align the wording of the Code rule with the wording of the Act, it should be stated that it is the <i>reasons for non-compliance</i> that are to be specified and <i>not the reasons for the alternative solution chosen</i>.</p>

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		<p>A requirement that the auditor is to review parts of the content of the corporate governance report has been introduced.</p> <ul style="list-style-type: none"> • If the corporate governance report is included in the operating statement, the following applies. Firstly, the auditor is to state in the auditor's report whether a corporate governance report has been drawn up or not. As regards disclosure of internal control and risk management - both at the corporate and at the group level - the auditor is to state in the auditor's report whether the information is consistent with the rest of the annual report. The same applies to information about circumstances that could obstruct a takeover of the company's shares. • If the corporate governance report takes the form of a separate document from the annual report, irrespective of whether it is submitted to the Companies Registration Office or only posted on the company's web site, the following applies. The company's auditor is to submit a signed statement on whether a corporate governance report has been drawn up or not and whether the information on the company's, (and, where applicable, the group's), internal control, as well as information on circumstances that could obstruct a takeover of the company's shares if such information is not already included in the

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		<p>operating statement, is consistent with the rest of the annual report.</p> <p>In light of these rules, it is considered superfluous to mention audit review in the Code rule. However, see the comment at 11.3 below.</p>
<p>11.2 The following is to be included in the corporate governance report if it is not presented elsewhere in the annual report:</p> <ul style="list-style-type: none"> • The composition of the company's nomination committee. If any member of the committee has been appointed by a particular owner, the name of this owner is also to be stated, • the information on each member of the board that is required by Code rule 2.6, • the division of work among members of the board and a statement on how the work of the board was conducted during the most recent financial year, including the number of board meetings held and each member's attendance at board meetings, • the composition, tasks and decision-making authority of any board committees, and each member's attendance at the respective committee's meetings, 	<p>10.2 As well as the items stipulated by legislation,(9) the following information is to be included in the corporate governance report if it is not presented in the annual report:</p> <ul style="list-style-type: none"> • the composition of the company's nomination committee. If any member of the committee has been appointed by a particular owner, the name of this owner is also to be stated, • the information on each member of the board that is required by Code rule 2.6, • the division of work among members of the board and a statement on how the work of the board was conducted during the most recent financial year, including the number of board meetings held and each member's attendance at board meetings, • the composition, tasks and decision-making authority of any board committees, and each member's attendance at the respective 	<p>A change has been made to the introduction of the rule, where a reference to the relevant act has been included.</p> <p>According to chapter 6, section 6 of the Annual Accounts Act, the corporate governance report is to contain information regarding:</p> <ul style="list-style-type: none"> • which principles for corporate governance have been applied, beyond those which follow from law or other statutory instruments and where information regarding these principles is available; • the most important elements of the company's system for internal control and risk management in conjunction with the financial reporting; • information on circumstances that could obstruct a takeover of the company's shares (this information can be provided in the operating statement when the corporate governance report constitute a separate document from the annual report (and if so, this is to be stated in the annual report));

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<ul style="list-style-type: none"> • for the chief executive officer: <ul style="list-style-type: none"> – Age, principal education and work experience, – significant professional commitments outside the company, – holdings of shares and other financial instruments in the company or similar holdings by related natural or legal persons, as well as shareholdings and part ownership in enterprises with which the company has significant business relations, • any infringement of the stock exchange rules applicable to the company, or any breach of good practice on the securities market reported by the relevant exchange’s disciplinary committee or the Swedish Securities Council during the most recent financial year, • a separate section containing the board’s description of internal controls and risk management regarding financial reports, in accordance with Code rule 10.5. 	<p>committee’s meetings,</p> <ul style="list-style-type: none"> • for the chief executive officer: <ul style="list-style-type: none"> – age, principal education and work experience, – significant professional commitments outside the company, and – holdings of shares and other financial instruments in the company or similar holdings by related natural or legal persons, as well as shareholdings and part ownership in enterprises with which the company has significant business relations, • any infringement of the stock exchange rules applicable to the company, or any breach of good practice on the securities market reported by the relevant exchange’s disciplinary committee or the Swedish Securities Council during the most recent financial year. <p>Footnote 9: The information to be included in the corporate governance report is stipulated in chapter 6, section 6 of the Annual Accounts Act (1995:1554)</p>	<ul style="list-style-type: none"> • to the extent not made clear by law or other statutory instrument, the manner in which the general meeting functions, the general meeting’s primary authority to adopt resolutions, the shareholders’ rights and how these rights are exercised; • to the extent not made clear by law or other statutory instrument, the manner in which the board of directors and, where applicable, committees established within the company are composed and how they function. <p>There is no need to repeat the statutory content requirements in the Code, as this is only likely to lead to problems regarding the interpretation of their meaning. A reference to the Annual Accounts Act in the footnote must be regarded as sufficient.</p> <p>The last information point above is closely related to the Code’s requirements on reporting division of work in the Board and in its committees, but since the Code’s rules are more detailed, it is proposed that they remain unchanged.</p> <p>Regarding information on internal control and risk management, the removal of Code rule 10.5 means that the specific reference to that rule in the Code disappears.</p>
<p>11.3 The company is to have a section of its web site devoted to corporate governance</p>	<p>10.3 The company is to have a section of its web site devoted to corporate governance</p>	<p>As stated in the comment at Code rule 11.1 above, the law requires auditor review of the corporate</p>

Present Code Rule	Proposed new wording	Comments
<p>matters, where the company's most recent corporate governance report and its current articles of association are to be made available, along with any other information required by the Code. (9)</p> <p>The corporate governance section of the web site is also to include up to date information regarding</p> <ul style="list-style-type: none"> • members of the board, the chief executive officer and the auditor, • a detailed account of each outstanding share- and share-price-related incentive scheme. <p>Information that is updated within seven days of any changes made or becoming known to the company is to be regarded as up to date.</p> <p>Footnote 9: See Code rules 1.1, 1.7, 2.5 and 2.6.</p>	<p>matters, where the company's three most recent corporate governance reports are to be made available, together with that part of the audit report which deals with the corporate governance report or the auditor's written statement on the corporate governance report.(10)</p> <p>The corporate governance section of the web site is to include the company's current articles of association, along with any other information required by the Code.(11)</p> <p>The corporate governance section of the web site is also to include up to date information regarding</p> <ul style="list-style-type: none"> • members of the board, the chief executive officer and the auditor, • a description detailed account of the company's system of variable executive remuneration and of each outstanding share and share-price related incentive scheme. <p>Information that is updated within seven days of any changes made or becoming known to the company is to be regarded as up to date.</p> <p>Footnote 10: The requirement for an auditor review of the corporate governance report if it is included in the director's report or of the information that is otherwise found in the company's or group's director's report is</p>	<p>governance report - whether it has been drawn up or not, and whether the report's section on internal control (together with information on circumstances that could obstruct a takeover of the company's shares if this information is included in the report) is consistent with the rest of the annual accounts. The auditors' conclusions are either included as part of the audit report on the information provided in the operating statement or as a separate written statement on information that is provided outside the operating statement, which is to be annexed to the corporate governance report. However, as it ought to be important that shareholders are able to read the auditors' findings on the corporate governance section of the company's web site, such a requirement has been added.</p> <p>There is no requirement regarding how long the corporate governance report is to be available on the company's website. The Council on Legislation's report stipulates that it is left to the self-regulatory bodies and the development of generally accepted stock market practice to specify what is to apply in this regard.</p> <p>This has been taken on board by the Corporate Governance Board. In the event that the report is either included in the operating statement or is made public by being submitted to the Companies Registration Office, it will be available to the public through the Companies Registration Office without any specific time limits. According to Nasdaq OMX Stockholm's Rules for Issuers, paragraph 3.1.6,</p>

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	<p>stipulated in chapter 9, section 31 of the Companies Act (2005:551). The requirement for auditor review if the corporate governance report is published separately from the annual report is stipulated in chapter 6, section 9 of the Annual Accounts Act (1995:1554).</p> <p>Footnote 11: See Code rules 1.1, 1.7, 2.5 and 2.6.</p>	<p>companies must have a web site where all published information must be available for at least three years, with the exception of financial statements, (where the annual report is such a statement), which must be available for at least five years after publication.</p> <p>The corporate governance report is likely to be impacted by this rule, even if that is not immediately evident at first sight. To simplify this for companies, it is therefore stipulated that the last three most recent reports must always be available on the web site.</p>