

Corporate Governance 2006/07

Elekta AB is a publicly traded Swedish limited liability company that operates under Swedish law. Corporate Governance of Elekta is based on Swedish legislation, primarily the Swedish Companies Act, the listing agreement with the OMX Nordic Exchange Stockholm AB, and other relevant rules and guidelines.

The Swedish Code of Corporate Governance (the Code) is part of the listing agreement with the Nordic Exchange.

Elekta has implemented and follows the Code with the following deviations:

- Elekta's Board of Directors has decided not to form any auditing committee. In Elekta, all Board members have the commitment and competence to address auditing issues and the full Board deals with accounting and auditing issues at its regular meetings.
- Elekta's Election Committee decided to appoint Laurent Leksell, who is a Board member, as Chairman of the Election Committee. This decision by the Election Committee was motivated by the fact that Laurent Leksell is a major shareholder and well suited to effectively lead the work of the Committee in order to achieve the best result for the Company's shareholders.
- Laurent Leksell is a member of Elekta's Executive Compensation Committee and, due to his ownership and employment, cannot be considered an independent Board member. The Board believes that Laurent Leksell's long experience with remuneration and personnel issues from his time as President of the Company motivates this decision.

This Corporate Governance report has not been reviewed by the Company's auditors.

Annual General Meeting

The shareholders' right of decision in Elekta AB's affairs is exercised at the Annual General Meeting (AGM). The AGM is held in Stockholm, Sweden in September. Notification of the AGM is provided not earlier than six and not later than four weeks in advance. All registered shareholders receive an invitation to the AGM together with a copy of the Annual Report.

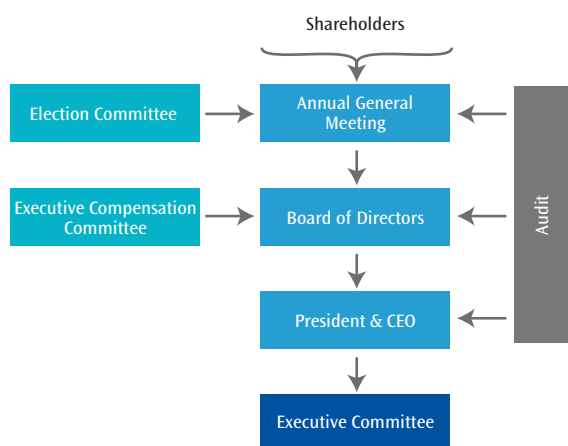
To be able to participate in decisions, shareholders must be present at the AGM personally or via a representative. Shareholders may register to participate by post, fax, telephone or e-mail. The language for the AGM is Swedish, and all documentation is available in Swedish and English. Matters considered at the AGM include dividend, adoption of the Annual Report, election of members of the Board of Directors as well as auditors if applicable, remuneration to the Board of Directors and auditors as well as other important issues resulting from laws or the articles of association.

Series A shares entitle the holder to ten votes, while Series B shares carry one vote. Decisions are normally taken by simple majority, with the exception of those instances when Swedish law requires a qualified majority.

All relevant documentation for the AGM is made available at the Company's head office and on Elekta's website, www.elekta.com.

At the AGM on September 20, 2006, 224 voting entitled shareholders participated, representing 52.10 percent of the votes in the Company. For more information about 2006 Annual General Meeting please visit www.elekta.com.

Corporate Governance at Elekta



Election Committee

In accordance with a decision at the Annual General Meeting on September 20, 2006, Elekta's Chairman of the Board Akbar Seddigh contacted the Company's largest shareholders in December and January for the purpose of forming an Election Committee. Shareholders that agreed to participate in the Election Committee work have, in turn, each nominated a representative.

As of November, 2006, these shareholders collectively represented 44 percent of the votes in Elekta AB.

The shareholders and representatives included on the Election Committee are:

- SEB Funds – Ann Ahlberg
- Swedbank Robur Funds – Åsa Nisell
- AFA Insurance – Anders Algotsson
- AMF Pension – Tor Marthin
- Laurent Leksell

The Election Committee has appointed Laurent Leksell as Committee Chairman and has held four recorded meetings. The Committee has had the assignment to prepare a proposal of Board of Directors to be presented to the Annual General Meeting for decision and to prepare other issues before the Meeting. Prior to the election process, an evaluation was conducted under the Chairman's leadership of the performance of all members of the Board of Directors. In addition, all Board members have also filled out a special evaluation form regarding Board work during the year. The result of this evaluation was then shared with the Election Committee and has formed the basis for the Election Committee's discussions.

Prior to the 2007 AGM, the Election Committee will submit proposals for meeting chairman, number of Board members, Chairman of the Board and Board members. The Election Committee will also submit proposals for remuneration to the chairman and other members, any Board committees and auditors. The Election Committee's assignment is valid until a new Election Committee has been named.

No remuneration was paid by Elekta to the members of the Election Committee.

Board of Directors

Elekta's Board of Directors is elected by the Annual General Meeting. The Board of Directors establishes Elekta's strategy and goals, ensures an effective evaluation of operations and controls the Company's development and financial position. During the 2006/07 fiscal year, the Board of Directors consisted of seven persons, who are presented on page 72. Five of the seven Board members are independent according to the definition in the Code, see the table on page 72.

During the 2006/07 fiscal year the Board held 12 recorded meetings, of which six were so-called per capsulam meetings.

As part of its work, the Board regularly visits Elekta's larger units around the world. During the year, the Board traveled to China to meet with both customers and Elekta management, including the newly acquired Elekta BMEI. Other meetings were held at the main office in Stockholm, all with Elekta's General Counsel or her alternate acting as secretary. Board member attendance is detailed in a table on page 72.

Representatives from executive management and other managerial representatives have, during the year, regularly participated in Board meetings to report on issues relating to their respective areas. The Board has also had reviews with the auditors without the presence of management.

Working instructions for the Board

Within the Board of Directors, there is no special distribution of responsibility among Board members. Apart from the

responsibilities assigned by the Swedish Companies Act, the Company's articles of association and the Code, the work of the Board of Directors is regulated by its working instructions, which stipulate that the Board should:

- Hold at least five ordinary meetings in addition to the statutory meeting
- Establish finance and currency policies
- Approve budgets and similar long-term plans including investment budgets
- Consider matters regarding investments and similar measures in amounts over SEK 4 M if such matters are beyond the scope of approved investment budgets
- Decide on acquisitions of fixed property, shares or the acquisition of operations in another company
- Decide on the establishment and capitalization of subsidiaries
- Establish the terms of employment for the CEO
- Approve the annual accounts, Board of Directors' report and interim reports

At each ordinary Board meeting, the following items should be considered:

- A report on the Group's operations including financial management
- A report on extraordinary measures or events that were implemented or occurred between Board meetings
- Development of major projects and anticipated business events
- A report on existing or potential legal disputes that may have a significant impact on the Group's business

Significant decisions during the year

In addition to decisions on plans and strategies, continuous follow-up of business operations and approval of interim and year-end reports, the Board of Directors during the 2006/07 fiscal year decided on matters including:

- Acquisitions of new entities
- Capital structure and share repurchase
- Issues relating to organization and planning for management succession
- Investments in China
- Initiation of major R&D programs

Board of Directors remuneration

Remuneration to the Board of Directors is determined by the AGM and is paid to those Board members who are not Company employees. Elekta has not implemented a share or share price related incentive program for Board members who do not hold employment with the Company. Remuneration to the respective members is detailed in a table on page 72.

Corporate Governance 2006/07 cont.

Board of Directors



AKBAR SEDDIGH

Chairman, born: 1943

Member of the Board since 1998

Holdings: 3,300 B shares

Graduate Chemist, Marketing Specialist

Other Board memberships:

Chairman of the Board: Hedson Technologies International AB, Mentice AB, Ortivus AB, Pricer AB, Innovationsbron AB and Blekinge Tekniska Högskola
Member of the Board: Affärsstrategerna AB and Biolight International AB



HANS BARELLA

born: 1943

Member of the Board since 2003

Holdings: —

Former President and CEO of Philips Medical Systems

Other Board memberships:

Member of the Board: Senator Group Consultancy and Investment B.V.



TOMMY H KARLSSON

born: 1946

Member of the Board since 2001

Holdings: 1,650 B shares

International Management Consultant, MSc and B.A.

Other Board memberships:

Chairman of the Board: Global Gardening Products S.A., MSC S.A. and U-POL Inc
Member of the Board: Nybron Flooring International S.A.



LAURENT LEKSELL

born: 1952

Member of the Board since 1972

Holdings: 3,562,500 A shares, 2,523,449 B shares and 98,239 employee options (incl. via companies)

Former President and CEO of Elekta AB, 1972-2005

Executive Director 2005–

PhD Economics

Other Board memberships:

Chairman of the Board: Stockholm's City Mission
Member of the Board: Ortivus AB, Karo Bio AB and American Chamber of Commerce



CARL G. PALMSTIERNA

born: 1953

Member of the Board since 1993

Holdings: 46,677 B shares

Managing Partner ABG Sundal & Collier AB,

MBA

Other Board memberships:

Chairman of the Board: Qbrick AB, Momail AB and MyFc AB

Member of the Board: Alltjöräbördrar AB, Natural Fragrances AB, PHG Inc and Viewserver AB



MAGNUS SCHMIDT

born: 1940

Member of the Board since 1998

Holdings: 10,000 B shares

International Consultant,

MBA

Other Board memberships:

Chairman of the Board: Einar Mattsson AB and Fastighets AB Stadshus

Member of the Board: E.On Trading Nordic AB and Pricer AB



BIRGITTA STYMNE GÖRANSSON

born: 1957

Member of the Board since 2005

Holdings: 900 B shares

VD Semantix AB

MSc and MBA

Other Board memberships:

Chairman of the Board: Fryshuset Foundation and Kontakt East Holding AB

Member of the Board: Arcus ASA, Net Insight AB, Orkla AS and Lernia AB

Attendance and remuneration for the Board of Directors in Elekta AB 2006/07

SEK 000s	Name	Independent ¹	Regular remuneration	Committee remuneration ²	Attendance
<i>Chairman:</i>	Akbar Seddigh	yes	500	60	12/12
<i>Members:</i>	Hans Barella	yes	250	—	11/12
	Tommy H Karlsson	yes	250	—	12/12
	Laurent Leksell	no	— ³	— ³	11/12
	Carl G. Palmstierna	yes/no ⁴	250	—	12/12
	Magnus Schmidt	yes	250	30	12/12
	Birgitta Stymne Göransson	yes	250	—	12/12
Total			1,750	90	

1. Independent in relation to company and management as well as to major shareholders

2. Remuneration to Chairman and member in Elekta's Executive Compensation Committee

3. No remuneration is paid to members of the Board who are employed by the Company

4. Independent both in relation to company and management as well as to major shareholders, but is considered according to the Swedish Code of Corporate Governance not to be independent due to the number of years on the Board

Executive Compensation Committee

Elekta's Executive Compensation Committee (ECC) is appointed by Elekta AB's Board of Directors. The purpose of the Committee is to provide clarity in the decision process for issues related to compensation of executive staff within Elekta as well as other incentive plans throughout the Elekta organization. The objective of the Committee is to achieve maximum shareholder and customer value through ensuring fairness and internal equality of the structure, scope and level of executive compensation in Elekta while maintaining market competitiveness.

ECC during the year consisted of the Chairman of the Board Akbar Seddigh, Board members Magnus Schmidt and Laurent Leksell. President Tomas Puusepp is present at the committee meetings and Group VP Human Resources Karin Isberg serves as secretary.

ECC provides the Board with recommendations regarding principles for formulating the Group's compensation system and remuneration to senior executives and senior managers. The recommendations cover formulation of the bonus system, distribution between fixed and variable remuneration as well as the level of salary increases. The ECC also proposes criteria for assessing performance of senior executives and senior managers, which are discussed and decided by the Board. The entire Board decides on remuneration to the President.

Note 24, "Salaries, remuneration and social costs," describes Elekta's outstanding share and share-related incentive programs in greater detail.

Auditing issues

In Elekta, all Board members have the commitment and competence to address auditing issues and the full Board deals with accounting and auditing issues at its regular meetings. Accordingly, Elekta's Board of Directors has not appointed a separate Audit Committee. At least at two meetings per fiscal year, the Company's external auditors present their observations from the audit, report their views on management and control systems and discuss and report on the Group's accounting principles. In conjunction with that meeting, the Board also has time with the auditors without the presence of someone from Company management. The Board also evaluates auditing efforts and supports the Election Committee in its effort to produce suggestions regarding the election of external auditors and compensation for those external auditors.

Auditors

At the Annual General Meeting on September 21, 2004, Deloitte AB was elected as the auditor of Elekta until the 2008 AGM with Lars Svantemark as senior auditor. Normally, auditors are elected every fourth year. The election of auditor was proposed by the Election Committee and preceded



Auditor

LARS SVANTEMARK
born 1949
Authorized Public
Accountant,
Deloitte AB
Senior auditor since 2000

by a tender process. Deloitte AB has been the auditor of Elekta AB since the 2002 AGM. Lars Svantemark, born 1949 and an authorized public accountant, has been senior auditor in Elekta AB since 2000. In addition to Elekta, Lars Svantemark's auditing assignments include Mekonomen, My Travel, Uniflex, Nicator Group and CVC Capital Partners and he also has experience as auditor of Sandvik and Poolia. He has no auditing assignments in companies related to Elekta's major owners or its President. The auditors' fees during the fiscal year are reported in note 26.

President

The President is appointed by the Board of Directors and shall oversee the operational management of the Company in accordance with the guidelines and directions stated in law, the articles of association and the internal operating instructions. Operational management includes all measures that are not – considering the scope and nature of the Company's operations – of an unusual nature or of major significance, or are expressly defined as being the responsibility of the Board of Directors.

Tomas Puusepp has served as President and CEO of Elekta since 1 May, 2005. Born 1955, he has a total of 23 years of experience in the international medical technology market. Following studies in engineering and physics and management training at IMD in Lausanne, Switzerland, Tomas Puusepp held various positions at the Research Institute for Atomic Physics, Scanditronix and Ericsson before being employed by Elekta in 1988. Since then, he has held various management positions within the Company, including head of Elekta's neurosurgery operations, President of Elekta's subsidiary in North America and global head of Elekta's sales, marketing and service operations. Tomas Puusepp is member of the Board of Bactiguard AB, but has no further significant assignments outside the Company. He has no shareholdings or ownership interests in companies with significant business relations with Elekta.

Executive Committee

Elekta has organized its operations with a strong functional focus with global areas of responsibility. Elekta's Executive Committee consists of the President and the managers of all business regions and major functions – a total of 12 members. The President oversees the work of the Executive Committee and makes decisions after consulting with those members. Executive Committee meetings are held one or two days each

Corporate Governance 2006/07 cont.

President & CEO



TOMAS PUUSEPP
born: 1955
President & CEO
Employed since 1988
Holdings: 159,000 B shares,
107,802 employee options

Executive Committee



**JOSEPH
K. JACHINOWSKI**
born: 1955
Region North America
Employed since 2005
(founded IMPAC in 1990)
Holdings: 3,000 B shares
38,250 employee options



OLOF SANDÉN
born: 1962
Region Europe
Employed 1993-1995 and
since 2002
Holdings: 3,901 B shares,
42,739 employee options



**GERRY
VAN OORTMARSEN**
born: 1943
Region Asia
Employed since 1997
Holdings: 163,700 B shares,
87,700 employee options



JOHAN SEDIÑ
born: 1965
Operations & IT
Employed since 1993
Holdings: 14,649 B shares,
56,791 employee options



JAMES P. HOEY
born: 1958
Product Creation
Employed since 2005
(founded IMPAC in 1990)
Holdings: 1,500 B shares,
28,687 employee options



HÅKAN BERGSTRÖM
born: 1956
Finance & Control
Employed since 2001
Holdings: 35,013 B shares,
87,700 employee options



SVERKER GLANS
born: 1944
**Quality &
Regulatory Affairs**
Employed since 1993
Holdings: 35,981 B shares,
48,358 employee options



VOLKER STIEBER
born: 1943
**Business Development
and Corporate Projects**
Employed since 1997
Holdings: 60,000 B shares,
98,239 employee options



ÅSA THUNMAN
born: 1969
Legal
Employed since 1999
Holdings: 1,201 B shares,
33,177 employee options

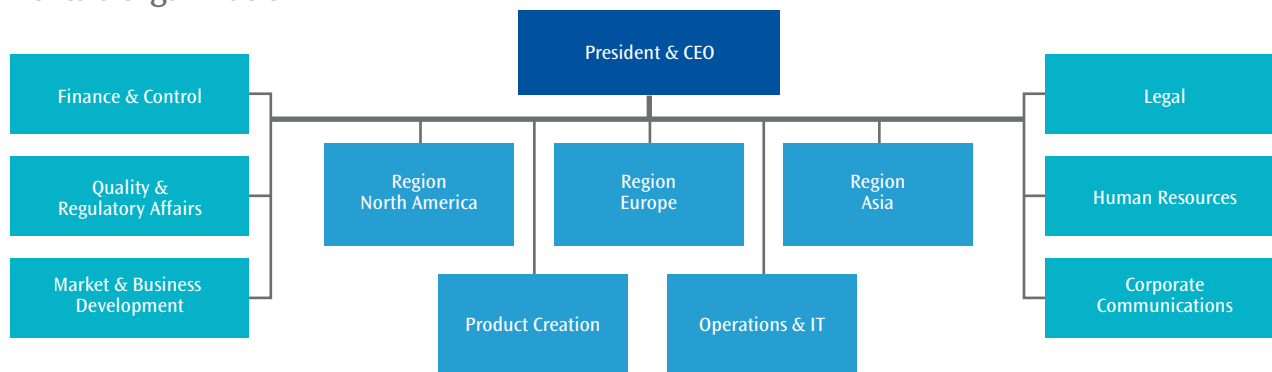


KARIN ISBERG
born: 1959
Human Resources
Employed since 2004
Holdings: 2,000 B shares,
33,177 employee options



PETER EJEMYR
born: 1964
Corporate Communications
Employed since 2003
Holdings: 1,250 B shares,
40,278 employee options

Elekta's organization



month. The meetings are often held in conjunction with visits to the Group's various units.

Details regarding remuneration for the President and Executive Committee are provided in note 24.

Financial reporting and information

Elekta provides the market with continuous information regarding the Company's development and financial position in accordance with the guidelines specified in the Board's financial information policy.

Financial information is published regularly in the form of:

- Interim reports
- Elekta's annual report
- Press releases on news and events that may significantly affect the Company's valuation and future prospects.

Elekta's policy is to disclose orders that are of strategic importance and/or have a value exceeding USD 10 M.

- Presentations and telephone conferences for financial analysts, investors and media
- Capital markets days arranged by the Company at one of its major units or in conjunction with major scientific conferences where Elekta is exhibiting
- Elekta's website - www.elekta.com - where the above information is made available

According to policy, Elekta has a "quiet period" of at least 30 days prior to each quarterly report, during which the Company does not present at investor seminars or conduct one-on-one meetings, in person or over telephone.

Internal control

Introduction

This report is established in accordance with "The Swedish Code of Corporate Governance" paragraph 3.7.2 stipulating that the Board is to submit an annual report on how that part of internal control dealing with financial reporting is organized.

In accordance with a recommendation by the Swedish Corporate Governance Board on the 5th September 2006, this report describes how the internal control over financial reporting is organized and has not been reviewed by the Company's auditors.

The Board's approach to internal control

Internal Control over financial reporting is defined as a process aiming to give reasonable assurance regarding the reliability of financial reporting. As guidance when describing Elekta's internal control, the Board apply the established framework for Internal Control issued by FAR (Swedish Institute of Authorized Public Accountants) and COSO.

According to this framework, internal control encompasses the following categories:

- Control Environment
- Information and Communication
- Risk Assessment
- Control Activities
- Follow up and monitoring

The Board's description of the internal control system

Control environment

The control environment is the foundation for internal control. It establishes the culture in which Elekta operates and sets standards for corporate behavior.

The control environment consists of documented guidelines, directives, manuals, and instructions that are communicated throughout the organization.

Corporate Governance 2006/07 cont.

The Elekta Code of Conduct serves as an overall directive to ensure all employees understand the corporate responsibility regarding, for example, business ethics and fraud. The Code of Conduct is complemented with a series of documented directives including the Financial Guide, with Accounting and Financial Policy, and an Information policy.

Elekta maintains a Quality Management System which includes procedures, instructions, and templates for relevant processes. In order to comply with requirements that supervisory authorities have established for medical technology companies, Elekta works continuously with improving processes and quality.

The organizational structure is transparent with defined roles and responsibilities communicated throughout the organization with documented working instructions for the Board of Directors, Board Committees, CEO, and Elekta Subsidiary Presidents. Evaluation of performance on functional and departmental level is conducted to ensure relevant competency regarding financial reporting within the organization.

Information and communication

Key steering documents related to financial reporting are updated regularly and communicated to relevant personnel via the Company's intranet, information letters, regular meetings etc. Elekta has established structures and channels to promote sound communication within the organization. For suspected violations of the Code of Conduct an anonymous communication line exists directly to the Corporate Social Responsibility Officer. Elekta has an information policy regarding communication with external parties and the financial market.

Risk assessment

The risk assessment process has the purpose to identify high risk areas within the business and controls needed to manage such risks. The risk assessment is performed by assessing the risk level, from both a quantitative and qualitative perspective, on account level and corresponding processes where the risk for fraud is also considered. Further, risk assessments are performed during the strategic and tactical planning process where risk areas are addressed and relevant actions are designed to ensure that the identified risks are properly managed. Specific guidelines exist to support the risk assessment process related to IT projects and the IT environment.

Control activities

The control structures have been designed to manage risk that the Board and management consider to be significant for the business operations, legal and regulatory compliance and financial reporting. Defined decision-making procedures, incl. authorization instructions, have been established related to for exam-

ple investments and agreements. In addition, analytical controls such as performance follow-up and trend analysis, reconciliations and, where appropriate, automated controls specifically related to financial reporting, have been established. Several control activities are integrated in key processes within the business, such as order booking and revenue recognition, investments, supplier contracts, and purchasing.

The IT structure is designed to mitigate potential IT-related risks with controls in IT-systems related to financial reporting. Further, during 2006/07 significant controls have been documented and reinforced at Elekta's major subsidiaries to specifically manage the financial reporting related to the processes order & revenue recognition, disbursement, tax, and Group reporting.

Follow-up and monitoring

Each local President/CEO has the responsibility to ensure an adequate internal control structure within the respective legal entity and the local controllers are responsible for adhering to global policies and directives related to financial reporting and applying them to the local entity.

The function Quality and Regulatory Affairs has a key role in the monitoring process and systematically performs internal audits related to the Quality Management System. In addition to this, the internal control structure is monitored by separate functions within the organization in a decentralized manner, for example, the Order Committee conducts continuous follow-up on the order booking procedure.

The Board considers the current Quality & Regulatory Affairs function, together with the separate functions' follow-up activities, to cover Elekta's significant risk areas, which does not currently motivate the establishment of a separate internal audit function. However, the need for enhancing monitoring over the internal control related to financial reporting will be further evaluated during 2007/08.

Internal control work during 2006/07

During the year, Elekta has conducted a project with the purpose to establish a common framework and work practice with regard to internal controls over financial reporting. Significant processes and common control requirements have been established at a group level. The common control requirements have been used as the basis for ensuring that locally defined controls are adequately documented and sufficient to ensure internal controls over financial reporting. The monitoring of these controls will be further ensured during 2007/08.

Responsible business and operations

For a global company active in the healthcare sector, it is important that all operations are conducted in a manner that is socially, environmentally and financially responsible. Managers and employees in Elekta, as well as the Company's external partners (suppliers, consultants, agents and distributors) are expected to adhere to strict ethical-behavior requirements, both professionally and personally in their work for and with Elekta.

The "Elekta Code of Conduct" describes the most important fundamental principles that Elekta expects all employees and partners to follow and maintain in their work. The code is based on Elekta's Vision, Mission and Values and constitutes an essential foundation in the work to create a strong and well-respected brand that supports a long-term and sustainable market presence and growth. The "Elekta Code of Conduct" is available at www.elekta.com.

The Elekta Code of Conduct in practice

Elekta works actively to ensure that the Elekta Code of Conduct is not merely a static document, but comprises a natural part of the daily work for all those working at or coming into contact with Elekta. During the fiscal year, Elekta has continued to arrange training sessions on the Code as well as Code related subjects of local interest at regular intervals in different parts of the organization.

Elekta will continue to train different parts of the organization at regular intervals, making sure that management is carrying and reinforcing the issues with all their staff regularly.

The work on including the Elekta Code of Conduct in existing partnership agreements has continued as old agreements are renewed or replaced. It is now part of all Group standard agreements for supplier as well as distributor relationships.

Follow-up and application within the Group

Bi-annually, Elekta conducts a survey to follow up how well the Code is implemented in the daily work throughout the organization. The latest survey was conducted in 2005/06 and the next is scheduled during 2007/08.

Environmental responsibility

Elekta has an explicit objective to be an environmentally conscious organization that continuously strives to reduce the adverse effects on the environment that may arise as a result of the Company's activities or its products. External observers consider Elekta to be a company with low environmental impact.

Elekta's products are technologically advanced medical equipments designed to provide a long useful life. Compared with other product sectors the manufactured volumes are

modest, ensuring that the consumption of natural resources and energy in manufacturing is relatively small. The long product life is often extendable via the provision of upgrades which not only enhance functionality to the benefit of the patient, but also conserve natural resources and energy. Software forms an increasingly significant part of Elekta's business, resulting in reduced environmental impact.

Elekta's Management and Board of Directors decide on the Company's Environmental Policy based on proposals from the Environmental Affairs and Quality & Regulatory Affairs departments, who are also responsible for assuring compliance with the policy. The Elekta Environmental Policy and management system is based on ISO 14001 and it prescribes that:

- All Elekta businesses and products shall comply with all relevant and applicable environmental protection laws
- Elekta shall consider the environmental issues when introducing and supporting clinical solutions, products, processes and packages
- The policy shall be applied to the whole organization

During product creation and manufacturing, the policy states that;

- Elekta must consider the environmental impact throughout the full product lifecycle
- Resources must be utilized in an effective manner
- Effective recycling and the use of recycled material are encouraged

The carbon dioxide emissions generated by Elekta's operations derive primarily from business travel. Investment in video and telephone conferencing has helped manage the business travel requirements, as have product innovations such as remote monitoring, where the performance of a customer's machine can be analyzed at the end users' request, via a communications link. Both are considered to be positive in this area.

It is reasonable to regard Elekta as a company with a minor environmental impact in relation to its size; nevertheless Elekta continues to strive to reduce the environmental impact of its business and products.