

Corporate Governance Report

This report was prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Code of Corporate Governance (the Code) and is part of the formal annual accounts.

INTRODUCTION

Crown Energy AB (Crown Energy) is a Swedish public company with its headquarters in Stockholm. The Company's shares are traded on NGM Equity.

Crown Energy's corporate governance is allocated among shareholders, the Board, the CEO, and senior management. Governance is regulated mainly by the Articles of Association, the Swedish Companies Act, NGM's rules for companies whose shares are traded on NGM Equity, the Code, good practice on the stock market, and internal guidelines and policies.

Companies whose shares are traded on a regulated market are required to implement the Code. The Code is part of self-regulation in the Swedish business community and is based on the principle of comply or explain. This means that a company applying the Code may deviate from individual rules but must explain the reason for each deviation and provide a description of the solution that was chosen instead. The Code is available at www.corporategovernanceboard.se. In accordance with the provisions of the Annual Accounts Act and the Code, Swedish companies whose shares are traded on a Swedish regulated market must also prepare a Corporate Governance Report. Crown Energy's 2015 corporate governance report was prepared accordingly and is part of the formal annual accounts.

Rules of the Code from which Crown Energy deviated in 2015 are indicated in this report. Explanations and solutions that were used instead are described in each respective section of the Corporate Governance Report.

The Company did not have any breaches of NGM's rules for companies whose shares are traded on NGM Equity or breaches of good practice on the stock market to report for the year.

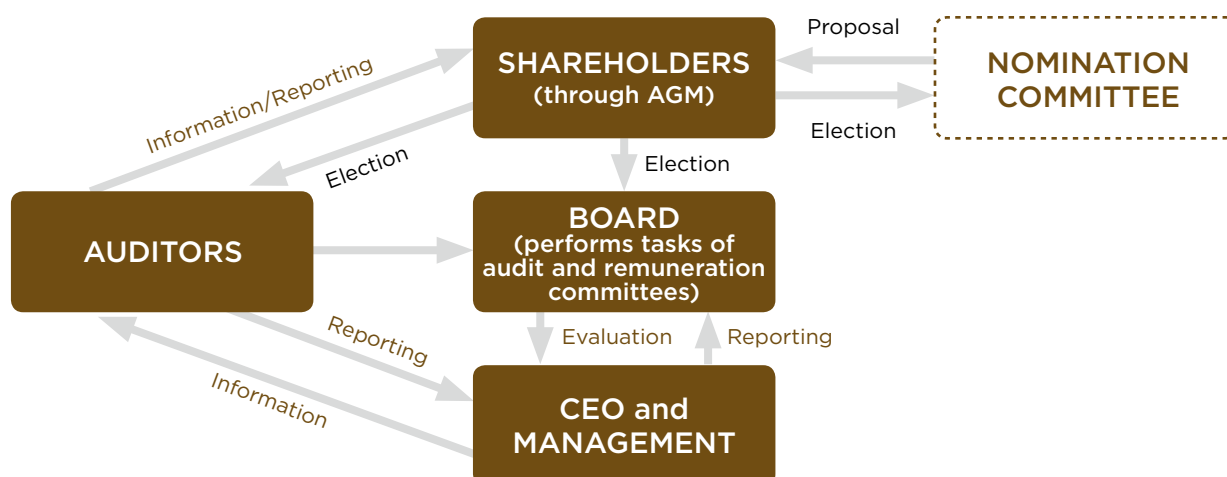
GOVERNANCE STRUCTURE AND ACCOUNTABILITY

The shareholders of Crown Energy exercise their influence on the annual general meeting, the Company's highest decision-making body, while the Board of Directors and the CEO are responsible for the Company's organisation and management of the Company's affairs in accordance with the Swedish Companies Act, other laws and regulations, applicable rules for listed companies, the Articles of Association and the Board's internal control instruments. Crown Energy's governance structure is described in the following organizational chart of the various governing bodies. A description of each governing body follows.

SHAREHOLDERS

As at 31 December 2015, Crown Energy had about 2,000 shareholders. The Company's three major shareholders are USB Investment BV, with about 43.6% of the capital and votes, Comtrack Ventures Ltd with about 14.3% and Alan Simonian with 6.2%. The five largest shareholders had combined holdings of 71.1% of the shares and votes at the end of 2015.

According to Chap. 6, Sec. 6, Par. 2 P. 3 of the Annual Accounts Act, the corporate governance report shall present direct or indirect shareholdings that represent at least one-tenth of the number of votes for all shares in the company. The two shareholders of this type at 31 December 2015 are USB Investment BV (43.6%) and Comtrack Ventures Ltd (14.3%). Further information about the share and shareholders can be found on pages 19–21 of this annual report.



GENERAL MEETING

The general meeting is Crown Energy's highest decision-making body. By law, the AGM must be held within six months of year-end. Decisions are made at the AGM on such issues as adoption of the income statement and balance sheet, allocation of profits, discharge of liability, and election of board members and auditors. Decisions are also made at the general meeting on the Articles of Association, dividends, and any changes to the share capital.

Notice of the AGM, as well as of EGMs where questions of amending the articles of association will be handled, shall be issued no earlier than six and no later than four weeks before the meeting through a press release, a public announcement in *Post och Inrikes Tidningar* (Post and Domestic Times), and on the Company's website. Notice of any other general meeting shall be issued no earlier than six and no later than three weeks before the meeting. In order to attend and vote at the AGM, shareholders must be entered in the register maintained by Euroclear Sweden AB on Crown Energy's behalf no later than five working days before the meeting and must have reported their participation to the Company as described in the meeting notice. Shareholders may be represented by proxy.

AGM

Crown Energy's 2015 AGM was held on 13 May 2015 in Stockholm. At the meeting, 30.8 per cent of the votes and share capital were represented. These items and others were resolved at the meeting:

- Adoption of the income statements and balance sheets for the Parent Company and the Group
- Discharge from liability for the Board and CEO
- Adoption of appropriation of profits, entailing that the Company's accumulated earnings of SEK 66,150,511 be brought forward
- Adoption of the number of board members (five) and election of board members (two additional members)
- Adoption of board fees of SEK 225,000, with SEK 150,000 to the chairman and SEK 75,000 to each non-employed board member
- Adoption of audit fees as per approved invoices
- Adoption of guidelines for remuneration of Group senior executives
- Resolution to amend the Company's Articles of Association (change in the maximum number of shares and share capital)
- Approval of the Board's two proposed (offset) issues of shares in derogation of shareholders' preferential rights, totalling a maximum of 21,924,830 and 3,903,903 shares
- Approval of the Board's proposed issue of shares with preferential rights for the shareholders, maximum 18,024,048 shares

The AGM will be held on 4 May 2015, at 10:00 in the Company's offices at Norrlandsgatan 18 in Stockholm. For information about the AGM, see the Company's website, www.crownenergy.se.

Other general meetings

No extraordinary general meetings were held in 2015.

NOMINATION COMMITTEE

A nomination committee's main tasks are to present proposals for election of the chairman of the board and board members, fees to board members, election of auditors, and auditor fees to the AGM. Principles for appointing a nomination committee are resolved at the AGM.

Historically, Crown Energy has not had a nomination committee, which is a deviation from the Code of Corporate Governance. The Board decided with the principal shareholders that a nomination committee is currently not necessary in view of the composition of shareholders. Depending on any future changes in shareholders, the issue of a nominations committee may need to be raised again and Crown Energy is planning to engage in an ongoing dialogue with the principal shareholders on this issue.

BOARD OF DIRECTORS

The Board's composition, functions, and rules of procedure

The Board's work is conducted in compliance with the Companies Act, the Code, and other applicable rules and regulations prescribed by the Company. The Board's overall function is to manage the Company's affairs and organisation.

According to the Articles of Association, Crown Energy's board is to consist of at least three and no more than ten members, with no more than five deputies. In 2015, the Board consisted of four members:

- Alan Simonian (Chairman of the Board)
- Andrew Harriman (member)
- Nick Johnson (member)
- Andreas Forssell (member and CEO)

Nick Johnson and Andreas Forssell were elected to the Board of Directors in conjunction with the 2015 AGM. Ulrik Jansson resigned from his post as board member in July 2015 at his own request. As a result, he was involved in the Board's work until that time.

No specific division of duties between board members exists. For additional information on the current board, see the "Board of directors, senior executives, and auditors" section on pages 11-13 of this report.

At the statutory board meeting after the AGM, the Board of Directors of Crown Energy sets out rules of procedure with instructions on the rules of procedure between the Board and the CEO as well as instructions for financial reporting. The rules of procedure are reviewed and approved annually. The Board holds at least four regular meetings in addition to the statutory meeting. The meetings are scheduled as far as possible to coincide with financial reporting and the AGM. Besides regular meetings, the Board gathers for additional meetings as required.

The work is led by the Chairman of the Board, who has a particular responsibility for ensuring that it is well organised and efficient. This includes ensuring that the Board has the relevant education to discharge its duties, ensuring that it receives sufficient information and supporting documents, and that it is evaluated annually. The Chairman also maintains frequent contact with the Company's CEO. The Chairman is appointed at the AGM. Alan Simonian was elected Chairman of the Board at the 2015 AGM.

The Board may establish committees to delegate certain tasks. Normally these committees consist of audit and remuneration committees. Board committees deal with issues that fall within their respective areas and submit reports and recommendations that form the basis of decisions made by the Board. The Board decides whether or not a committee should be established. The Board may, in accordance with the Swedish Companies Act, decide to perform the duties of a committee themselves, that is, address the issues within the regular Board. In 2015, Crown Energy did not have an audit committee or remuneration committee since the Board found it to be more appropriate to handle these types of issues within the regular Board. Accordingly, the Board performs the duties of each committee.

The Code requires that a majority of board members be independent of the company and its management. At least two of the independent board members must be independent in relation to the Company's major shareholders. Major shareholders are defined as owners who control ten per cent or more of the shares or votes in the Company. The Board composition changed in 2015 in summary. Until July 2015, the Board consisted of five members. Two of them were independent of the Company, its management, and major shareholders. After July 2015, the Board consisted of four members. Two of them were independent of the Company, its management, and major shareholders.

The work of the Board in 2015

Under the Board's rules of procedure, the Board is to convene at least four times per year in addition to the statutory meeting. The Board had 12 meetings in 2015, including one statutory meeting. In 2015, the Board worked on discussing strategies for developing the Company's assets. This included both farm-out campaigns and activities to find other types of partnerships. The Board resolved to sign a farm-out agreement for the Company's South Africa asset.

As a result of the Company's strained financial situation, the Board also worked extensively on monitoring cash flows, cutting costs, and looking into financing and refinancing options on an ongoing basis. This work resulted in a major refinancing package in spring 2015 and a proposed directed share issue in late 2015. In addition, the Board established internal frameworks and policies, such as the Board's rules of procedure, CEO instructions etc. applicable for governance of the Company. The Company's auditor participated in one of the Board's meetings, which, was held in March 2015.

Four meetings have been held in 2016 as well. One involved adoption of the 2015 year-end report, one debriefing from the Company's auditors with respect to the 2015 fiscal year and the last two, the Board resolution on entering the agreement with a new investor and send out a notice for the AGM 2016.

At the bottom of the page, follows a summary of Board meeting attendance.

Authorisation

Neither the AGM nor the EGM has given the Board any specific authorisation in 2015.

CEO AND MANAGEMENT

The CEO ensures that operations are conducted in accordance with the Companies Act, other laws and ordinances, applicable rules for listed companies, the articles of association, and the Board's internal control instruments, and in accordance with the Board's established goals and strategies. In consultation with the Chairman of the Board, the CEO compiles the necessary informational and supporting documents for board meetings, presents reports, and motivates decision proposals. The CEO is Andreas Forssell. Ulrik Jansson served as CEO until 3 July 2015. Ulrik Jansson chose to resign at his own request.

The management group is otherwise comprised of Jenny Björk, CFO, and Peter Mikkelsen, chief geologist and exploration manager. Peter Mikkelsen performs his duties as a consultant, not as an employee of Crown Energy.

See the presentation of the CEO and other senior executives on pages 17–18 of the Annual Report.

INTERNAL AUDITING

The Company currently has a simple legal and operational structure along with established management and internal control systems. As a result, the Board determined in 2015 that a separate internal audit function was not necessary. The Board regularly monitors the Company's assessment of internal control through contact with the Company's auditors and by other means.

AUDITOR

The auditor is appointed at the general meeting to review, on behalf of the shareholders, Crown Energy's Annual Report and accounts and the Board's and CEO's administration of the Company.

NAME	POSITION	INDEPENDENT OF COMPANY AND MANAGEMENT	INDEPENDENT OF COMPANY'S MAJOR SHAREHOLDERS	2015 BOARD MEETINGS
Alan Simonian	Chairman	No	Yes	12/12
Andrew Harriman ³⁾	Board member	Yes	Yes	12/12
Nick Johnson ¹⁾	Board member	Yes	Yes	8/12
Andreas Forssell ¹⁾	Board member and CEO	No	Yes	8/12
Resigned from Board in 2015				
Ulrik Jansson ²⁾	Board member and CEO	No	No	7/12

1) First elected to the Board on 13 May 2015. Has participated in eight meetings out of eight (8/8) possible meetings.

2) Resigned at his own request on 3 July 2015. Has participated in seven meetings out of seven (7/7) possible meetings.

3) Resigned from the board at his own request in conjunction with the EGM on 26 January 2016.

The 2015 AGM re-elected audit firm Öhrlings PricewaterhouseCoopers AB as Crown Energy's auditor until the end of the 2019 AGM. As chief auditor, authorised public accountant Peter Burholm was appointed to sign the auditor's report together with authorised public accountant Michael Winkvist.

The audit team had regular contact with the Company in 2015 in addition to the audit procedures performed. The Company's auditors reviewed the annual accounts and the Company's internal controls for 2015. Apart from this, the auditor also performed statutory reviews in conjunction with the year's share issues. The Company's financial six-month and nine-month reports have not been reviewed. This is a divergence from the Swedish Corporate Governance Code. Historically, the Company has had its auditor review its nine-month report. In autumn 2015, Crown Energy's organisation ended up being very busy with the farm-out transaction which was completed in December and the agreement with new investors, which was published on 4 April 2016. Given that the Company has a very small organisational structure, it was not possible to have the auditors review the interim report at that time to the extent required to be able to publish a reviewed report by the deadline under the stock exchange rules. Consequently, the Board justifies this divergence from the Corporate Governance Code as a result of being unable to have the auditors review the nine-month report due to a lack of time.

REMUNERATION

Remuneration guidelines

Guidelines for remuneration of senior executives at Crown Energy are approved at the AGM and currently cover the CEO and CFO, who are in senior management and who are employees of the Company. The policy is that remuneration should be commercially competitive. The remuneration level should be based on position, competence, experience, and performance.

Most recently approved remuneration guidelines – 2015 AGM

For the 2015 AGM, the Board proposed the following guidelines, which were later adopted at the AGM on 13 May 2015:

- The Board shall be entitled to deviate from the guidelines in individual cases if there are specific reasons for doing so. In the event of such a deviation, notice of the deviation and the reason for it must be reported at the next AGM.
- The remuneration of the CEO and other senior executives shall consist of a fixed, market-based salary. Any potential benefits shall constitute only a limited portion of the remuneration.
- The CEO and other senior executives shall have defined contribution pension plans, which means that vesting occurs through the Parent Company's annual payments of premiums. The pension contribution for the CEO must be 35% of the CEO's salary per year. Pensions for other senior executives must be in line with the ITP plan.
- Upon termination by the Company, severance pay for senior executives can be paid to a maximum of 24 monthly salaries, including fixed salary, during the notice period.
- Decisions on share and share price related incentive schemes for senior executives shall be taken at the AGM. Share and share price related incentive schemes shall be designed with the aim of achieving greater alignment of interests between the participating executives and the Company's shareholders. Schemes that involve the acquisition of shares shall be designed so that a personal shareholding in the company is promoted. The vesting period, or the period from the conclusion of the agreement until shares may be acquired shall not be less than three years. Board members who are not also employees of the Company shall not participate in schemes directed to management or other employees. Share options shall not be included in schemes directed to the Board.
- The Company's board members shall, in specific cases, be allowed to receive fees for services rendered within their respective areas of expertise that are not associated with board work. Fees for these services shall be market-based, approved by the Board, and disclosed at the AGM.

The Board's proposed remuneration guidelines for the 2016 AGM

The Board's proposed remuneration guidelines for the 2016 AGM are the same as the most recently adopted guidelines (see above) except for the point involving pensions for the CEO and senior executives. The proposal for pensions is as follows:

- The CEO and other senior executives shall have defined contribution pension plans, which means that vesting occurs through the Parent Company's annual payments of premiums. The pension contribution for the CEO per year must be 25% of the CEO's salary per year. Pensions for other senior executives must be in line with the ITP plan.

Remuneration of the Board of Directors

Resolutions on the remuneration of the Board are made at the AGM. At the AGM on 13 May 2015, it was decided that the Chairman of the Board's remuneration would be SEK 150,000 and that the remuneration of other board members not employed by the Company would be SEK 75,000 each.

Chairmen and board members who are not also employees of the Company do not receive a salary from the Company and are not eligible to participate in any of the Company's future incentive schemes.

BOARD FEES, AMOUNTS IN SEK THOUSAND	2015	2014
Chairman of the Board	150	150
Board member (per person)	75	75

Remuneration and benefits for senior executives in 2015

Decisions on the remuneration of the CEO are made by the Board.

In July 2015, Ulrik Jansson resigned from his post as CEO and was replaced by Andreas Forssell. Andreas Forssell had monthly remuneration of SEK 115,000 in his position as vice president and CFO. He received SEK 125,000 per month starting in July 2015 for his position as CEO. Between the Company and Andreas Forssell, there is a notice period of 12 months on the Company's side and 6 months on the CEO's side. Andreas Forssell also receives pension benefits, which, as far as the Board can determine, are comparable to CEOs of companies that are similar to Crown Energy.

Ulrik Jansson's monthly remuneration totalled SEK 95,000 during the period he was employed in 2015. Between the Company and Ulrik Jansson, there was a notice period of 12 months on the Company's side and 6 months on Ulrik Jansson's side. However, Ulrik Jansson opted to waive his right to severance pay from Crown Energy in conjunction with his own resignation as a result of Crown Energy's strained financial situation in late 2015. Ulrik Jansson also received pension benefits, which, as far as the Board can determine, are comparable to CEOs of companies that are similar to Crown Energy.

The other senior executives of Crown Energy are Jenny Björk, CFO and Peter Mikkelsen, Exploration Manager. Decisions regarding the remuneration of other senior executives are made by the CEO.

Jenny Björk took office as CFO in July 2015 and has been a member of the management group since then. Jenny Björk was on parental leave for part of 2015. Jenny Björk receives monthly remuneration of SEK 65,000. The mutual notice period between Jenny Björk and the Company is six months. Jenny Björk also receives pension benefits, which, as far as the Board can determine, are comparable to corresponding positions in companies that are similar to Crown Energy.

Apart from public pension plans, Crown Energy has no contracted pension benefits other than the pension benefits of the CEO and CFO. Unless otherwise stated above, the Company has not entered into any agreement with members of the Company's administrative, management, or supervisory bodies that entitle such members to any benefits after termination of their assignments.

Peter Mikkelsen performs his management obligations to the Company on a consultant basis and is hired as needed. In 2015, Peter Mikkelsen invoiced a total of GBP 21 thousand, which corresponds to SEK 257 thousand based on an average exchange rate for the year.

The remuneration of employed senior executives is summarised below:

SENIOR EXECUTIVES, AMOUNTS IN SEK THOUSAND	VARIABLE			PENSION EXPENSES	TOTAL 2015	2014
	BASE SALARY	REMUNERATION	OTHER BENEFITS			
Ulrik Jansson, CEO, resigned in July 2015	391	-	-	166	557	2,025
Andreas Forssell, CEO as of July 2015 (previously vice president/CFO)	1,454	-	-	345	1,799	1,266
Jenny Björk	547	-	-	85	632	-
Total	2,392	-	-	596	2,988	3,291

Remuneration of auditors

At the 2015 AGM, Öhrlings Pricewaterhouse Coopers AB was appointed as auditor with Peter Burholm acting as the chief auditor for Crown Energy ever since. Mr Burholm has been an authorised public accountant since 1995 and is a member of FAR SRS, Sweden's association for accountancy professionals. The remuneration of the auditor is paid on open account. Total remuneration paid to the auditor by the Group for fiscal year 2015 (2014) to-

talled SEK 464 thousand (346), of which SEK 444 thousand (330) pertained to audit engagements and SEK 20 thousand (16) was for other assignments. An audit involves reviewing the Annual Report and bookkeeping along with the administration of the Board of Directors and CEO, other tasks incumbent upon the auditor to perform, and advice or other assistance prompted by observations made during the audit or the performance of other tasks. Everything else is considered other assignments.

INTERNAL CONTROL AND RISK MANAGEMENT OF FINANCIAL REPORTING FOR THE 2015 FISCAL YEAR

The Board is responsible for the internal control of the Company and, according to the Annual Accounts Act, the Board must annually submit a description of the key elements of the Company's internal control and risk management regarding financial statements. Following is a brief description of how internal control and financial reporting works.

Control environment

The control environment forms the basis of internal control of financial reporting. The Company's internal control structure is based on a clear division of responsibilities and duties between the Board and CEO as well as within operational activities. In addition to guidance documents such as instructions for the Board and CEO, the disclosure policy and the financial reporting policy, there are also guidelines and policies for operating and administrative activities. All guidance documents and process descriptions are communicated within the organisation and are available and known to the staff concerned.

Risk assessment

The Company identifies, analyses, and makes decisions on managing the risk of errors in financial reporting. Currently, the business is relatively small and involves a limited number of persons. The Company has identified the operational processes and income statement and balance sheet items for which there is a risk that errors, omissions, or irregularities could occur if the necessary control elements were not built into routines. The Company's risk assessment analysed how and where errors may occur in the procedures. Issues that are important to risk assessment are things such as whether assets and liabilities exist on a given date, accurate valuation, whether a business transaction actually occurred, and whether items are recognised in accordance with laws and ordinances. Currently, the Company's biggest risk is linked to raising capital (liquidity risk).

Control activities

A number of control measures were established based on the Company's risk assessments. These are both of a preventive nature, meaning that they are designed to avoid reporting losses or errors, and of an investigative nature. The controls are also meant to ensure that errors are corrected.

Information and communication

Internal regulations, policies, and procedural descriptions are available on the Company's internal network. Internal communication to and from the Board and management takes place through regular meetings, either physically or by telephone.

To ensure that external communication with the stock market is accurate, there is a disclosure policy that regulates how investor relations are managed.

Follow-up

In 2015, follow-up of operations was mainly done in connection with regular board meetings. The Company's auditors regularly reviewed the internal controls during 2015.

The Company intends to update procedural descriptions, policies, and guidance documents as necessary, but at least annually. The Board shall receive quarterly financial results, including management's comments on operations. The Company's auditor participates in at least one board meeting to present their observations of the Company's internal routines and control systems

Auditor's report

To the annual meeting of the shareholders of
Crown Energy AB (publ), corp. id. 556804-8598

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Crown Energy AB (publ) for the year 2015 except for the corporate governance statement on pages 28–33. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 22–79.

Responsibilities of the Board of Directors and the CEO for the annual accounts and consolidated accounts

The Board of Directors and the CEO are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the CEO determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the CEO, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2015 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 28–33. The directors' report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the CEO of Crown Energy AB (publ) for the year 2015. We have also conducted a statutory examination of the corporate governance statement.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the CEO are responsible for administration under the Companies Act and that the corporate governance statement on pages 28–33 has been prepared in accordance with the Annual Accounts Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the CEO is liable to the company. We also examined whether any member of the Board of Directors or the CEO has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Furthermore, 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 auditing standards in Sweden.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the directors' report and that the members of the Board of Directors and the CEO be discharged from liability for the fiscal year.

A corporate governance statement has been prepared, and its statutory content is consistent with the other parts of the annual accounts and consolidated accounts.

Stockholm, 12 April 2016
Öhrlings PricewaterhouseCoopers AB

Peter Burholm
Authorised Public Accountant
Auditor in charge

Mikael Winkvist
Authorised Public Accountant