

CORPORATE GOVERNANCE REPORT

OPERATIONS

Corporate governance at BE Group is based on Swedish law, primarily the Swedish Companies Act, NASDAQ OMX Nordic Exchange Stockholm rules and regulations for issuers, including the Swedish Code of Corporate Governance (“the Code”), and rules and recommendations issued by relevant organizations. The Board of Directors of BE Group has prepared this corporate governance report in compliance with the Code.

SHAREHOLDERS

Ownership and share capital

BE Group had 10,218 shareholders on December 31, 2008. The principal shareholder was Nordic Capital Funds through Trenor Holding Ltd (20.6% of share capital). Foreign investors owned 39.3% of share capital.

The ten largest shareholders had a total shareholding equal to 42.3% of share capital. Please refer to page 9 of the annual report for further details concerning shareholders as of December 31, 2008. BE Group’s share capital on December 31 amounted to SEK 102,040,816 allocated among 50,000,000 shares. All shares in the company convey equal rights in every respect. Please refer to page 8 of the annual report for disclosures concerning the company’s holdings of treasury shares as of December 31, 2008.

Annual general meeting

The shareholders’ rights to take decisions regarding the affairs of BE Group are exercised at the Annual General Meeting. Shareholders who are listed in the share register on record date and have registered to attend by the deadline stated on the notice of meeting are entitled to participate in the AGM, in person or by proxy. Resolutions at the AGM are normally passed by simple majority. The Swedish Companies Act requires a specific attendance to achieve quorum or a qualified voting majority concerning certain business.

The Annual General Meeting must be held within six months of the end of the financial year. The AGM considers business including dividends; adoption of the income statement and balance sheet; discharge of liability for directors and the Chief Executive Officer; election of directors and, when applicable, appointment of auditors; adoption of executive remuneration policies; and, when applicable, adoption of principles for appointing the Nominating Committee. Shareholders are given the opportunity at the Annual General Meeting to ask questions about the company and business performance for the relevant year. All directors, management and the auditors are normally present at the meeting to answer such questions.

Annual general meeting 2008

The 2008 AGM was held May 23, 2008. Chairman of the Board Carl-Erik Ridderstråle was elected chairman of the meeting. The AGM resolved to adopt the income statement and balance sheet as presented, to adopt the consolidated financial statements and to distribute the company’s retained earnings and profit for 2007 so that SEK 3.50 per share was distributed to shareholders. The AGM discharged the directors and the CEO of liability for the financial year and passed a resolution on directors’ fees. As proposed by the Nominating Committee, the AGM elected the following persons to the Board: Chairman Carl-Erik Ridderstråle (re-elected) and directors Cecilia Edström (re-elected), Joakim Karlsson (re-elected), Lars Olof Nilsson (re-elected), Lars Sponberg (re-elected) and Roger Bergqvist (re-elected). The term of office for all directors will end at the close of the next Annual General Meeting. It was noted in the record that the local trade unions had appointed Thomas Berg and Kerry Johansson as employee representatives to the Board of Directors, and Susanne Olsson and Tord Bengtsson as the alternates, for a term to end at the close of the next AGM.

The AGM also resolved to adopt executive remuneration policies. Please refer to pages 36–37 of the annual report for a more detailed presentation of the policies. The AGM also voted to implement Share Savings Scheme 2008 for key Group personnel, and in that connection resolved to authorize the Board to acquire and transfer treasury shares in the open market and transfer acquired treasury shares to participants in Share Savings Scheme 2008. Further disclosures about Share Savings Scheme 2008 are provided on page 36 of the annual report. The AGM also resolved to authorize the Board of Directors to decide to transfer treasury shares by reason of the resolution on Share Savings Scheme 2007. Finally, the AGM resolved to authorize the Board of Directors to decide on the acquisition and transfer of treasury shares to allow BE Group to adjust the company’s capital structure and enable financing of acquisitions.

Nominating Committee

As resolved by the 2007 AGM, the Nominating Committee must consist of five members: the Chairman of the Board and one representative each of the four largest shareholders in BE Group, in terms of voting rights, as of August 31 each year. The names of the four shareholder representatives and the shareholders they represent shall be announced as soon as the Nominating Committee has been appointed and at least six months before the Annual General Meeting. Unless the members agree otherwise, the member who represents the largest shareholder in terms of voting rights shall be Chairman of the Nominating Committee.

If a member of the Nominating Committee resigns before the process is complete, a substitute nominated by the same shareholder may take that member's place. If there is a significant change in the ownership structure of the company after August 31, but before the date that falls two months prior to the next Annual General Meeting, and a shareholder who thus became one of the four largest shareholders in terms of voting rights requests a seat on the Nominating Committee, the Nominating Committee shall provide a seat to the shareholder, either by resolving that the shareholder shall replace the shareholder with the least percentage of voting rights after the change in ownership or by resolving to increase the Nominating Committee by one additional member, with the proviso that the Committee shall consist of no more than six members.

The members of the Nominating Committee prior to the 2009 AGM are: Ulf Rosberg (chairman), representing Nordic Capital; K.G. Lindvall, representing Swedbank Robur Fonder AB; Frank Larsson, representing Handelsbanken Fonder; Torbjörn Callvik, representing Livsförsäkringsaktiebolaget Skandia; and Carl-Erik Ridderstråle, chairman of BE Group AB.

The Nominating Committee is tasked with submitting to the Annual General Meeting its nominations for Chairman of the Board and other directors accompanied by a justified statement regarding the proposal; proposing fees and other remuneration for Board assignments for each director, including any remuneration for committee service; proposing nominations for independent auditors and their fees (if applicable); and nominating an individual to serve as the chairman of the Annual General Meeting. The Nominating Committee is also charged with assessing the independence of directors in relation to the company and major shareholders and with certain other tasks pursuant to the Code.

The Nominating Committee has met four times between its formation and publication of the notice of the 2009 Annual General Meeting. As a basis for its proposals to the 2009 AGM, the Nominating Committee assessed whether the current Board is suitable for its purpose and meets the requirements on the Board of Directors that follow on the company's position and future direction. The assessment was based on material including relevant sections of the evaluation of Board activities performed under the Chairman's guidance. New recruitments to the Board are based on a list of qualifications adopted by the Nominating Committee.

Shareholders who wish to contact the Nominating Committee may send e-mail to Carl-Erik Ridderstråle, crigger@telia.com (subject: "To Nominating Committee") or a letter to "BE Group Nominating Committee," Attention: Carl-Erik Ridderstråle, BE Group AB (publ), Box 225, SE-201 22 Malmö, Sweden.

THE BOARD OF DIRECTORS AND EXERCISE OF BOARD RESPONSIBILITIES

Membership

Under the Articles of Association, the Board of Directors of BE Group must consist of at least three and no more than ten

directors elected by the Annual General Meeting for a term that lasts until the first Annual General Meeting held after the year the director was appointed. The Articles of Association do not allow election of alternate directors.

BE Group's current Board is made up of six directors elected by the AGM held April 23, 2008: Carl-Erik Ridderstråle (chairman), Roger Bergkvist, Cecilia Edström, Joakim Karlsson, Lars Olof Nilsson and Lars Spongberg, along with two employee representatives, Thomas Berg and Kerry Johansson and their alternates, Tord Bengtsson and Susanne Olsson. Please refer to pages 86-87 of the annual report for a more detailed presentation of the directors.

All six directors elected by the AGM are independent in relation to BE Group and executive management in accordance with the Code and NASDAQ OMX Nordic Exchange Stockholm's current listing requirements. Roger Bergkvist, Cecilia Edström and Carl-Erik Ridderstråle may also be considered independent in relation to BE Group's principal shareholders.

Board charter

The Board adopts an annual written charter that defines Board responsibilities and regulates internal allocation of tasks for the Board and Board committees, including the role of the chairman, decision procedures, meeting schedule, notices of Board meetings, agendas and minutes and the Board's activities involving accounting and audit matters and financial reporting. The charter also governs how the Board will obtain information and documentation as a basis for exercising its responsibilities and so that it will be able to make well-founded decisions.

The Board has also adopted a charter for the CEO and a charter for financial reporting to the Board and has adopted other special policies.

The Board's responsibilities include monitoring the CEO's work by means of regular follow-up of operations during the year, checking that the organization, management and guidelines for managing BE Group's affairs are appropriate and ensuring the existence of adequate internal control. The Board is also responsible for adopting strategies and objectives, drafting special policies, taking decisions on significant business acquisitions and divestments, other significant investments and placements and loans in accordance with the finance policy, issuing financial reports, evaluating operational management and succession planning.

The Board assures the quality of financial reporting, in part through adopted guideline documents such as the charter for the CEO, the charter for financial reporting to the Board and the information and insider policy and in part by dealing with reports from the Audit Committee in the form of formal minutes and observations, recommendations and proposals for resolutions and measures. The Board also assures the quality of financial reporting through the careful examination of interim reports, the annual accounts and the year-end report at Board meetings. The Board has delegated to management responsibility for assuring the quality of press releases with financial content and presentation material used

at meetings with the media, shareholders and financial institutions.

The Chairman of the Board, Carl-Erik Ridderstråle, organizes and presides over the activities of the Board to ensure compliance with the Swedish Companies Act, other laws and regulations, regulations applicable to publicly traded companies (including the Code) and the Board's internal guidelines. The Chairman monitors operations through regular communications with the CEO and is responsible for ensuring that other directors are provided adequate information and decision input. The Chairman ensures that directors regularly update and deepen their understanding of BE Group and otherwise are given the training required for the efficient exercise of Board responsibilities. The Chairman also ensures that Board performance is evaluated annually and that relevant sections of the assessments are provided to the Nominating Committee. The Chairman represents BE Group in matters of governance.

The Board has a Remuneration Committee and an Audit Committee. The purpose of Board committees is to ensure in-depth and efficient Board performance and to prepare items of business in their respective areas. The committees have no decision authority. Committee members are appointed annually by the Board at the statutory meeting. Committee charters are included in the Board charter.

Board activities in 2008

According to the current charter, the Board must meet six times a year in addition to the statutory meeting. Beyond that, the Board must meet when required. There were thirteen Board meetings in 2008, including four held via teleconferencing.

Board activities during the year were oriented especially towards market communications, discussions of capital expenditures, investment processes, strategic discussions of the company's development over the next three years, and other issues consequent upon the market listing of the company. All resolutions were passed unanimously. The CEO attended all Board meetings and provided reports on Group development. In addition to the directors, other employees of BE Group attended Board meetings to provide reports on particular matters or if otherwise deemed appropriate. The CFO acted as recording secretary at Board meetings.

The following table provides a report of attendance by elected directors at five meetings prior to the AGM and eight meetings after the AGM. Attendance at Board meetings during the year was excellent, as shown.

Director	Meetings attended
Carl-Erik Ridderstråle	13
Roger Bergqvist	13
Cecilia Edström	13
Joakim Karlsson	11
Lars Olof Nilsson	13
Lars Spongberg	12

Audit Committee

The Audit Committee is tasked with supervising accounting, financial reporting and internal control procedures. The Committee drafts and revises an annual audit policy that is presented to the Board. Committee activities are oriented towards assuring the quality and accuracy of financial accounting and reporting, internal financial control efforts, Group compliance with applicable regulations and, where applicable, transactions between the Group and related parties. The Audit Committee also maintains regular contact with the independent auditors for BE Group AB and the Group with a view to generating a continual exchange of opinions and information between the Board and auditors concerning audit issues, assessing audit performance and adopting guidelines for services other than audits that BE Group is permitted to procure from BE Group's auditors.

The Audit Committee is made up of Joakim Karlsson (Chairman), Lars-Olof Nilsson and Cecilia Edström. Committee activities are governed by a special charter adopted by the Board as part of the Board charter. The Audit Committee met five times in 2008 and once in 2009. All members were present at the meetings. Audit Committee meetings are minuted and reported orally at Board meetings.

Remuneration Committee

The Remuneration Committee deals with matters related to pay and other terms of employment, pension benefits and the bonus system for the CEO and his direct reports, as well as remuneration issues of a policy nature. The Committee prepares decision input in certain other remuneration issues that are of a policy nature or otherwise of material significance, such as incentive schemes and profit sharing schemes. The Remuneration Committee is also tasked with drafting executive remuneration policies the Board will present to the AGM for resolution.

The Remuneration Committee is made up of Carl-Erik Ridderstråle (Chairman) and Lars Spongberg. Committee activities are governed by a special charter adopted by the Board as part of the Board charter. The Remuneration Committee met four times in 2008 and five times in 2009. Both members were present at the meetings. Committee members have also been in regular communication concerning new hires and other pay issues. Meetings of the Remuneration Committee are minuted and reported orally at Board meetings.

Board remuneration

Directors' fees for individual elected directors are resolved by the Annual General Meeting based on the Nominating Committee's proposal. Employee representatives to the Board of Directors do not receive directors' fees. A fee of SEK 400,000 was paid to the Chairman of the Board for the period from the 2008 AGM until the 2009 AGM. The other directors were each paid a director's fee of SEK 200,000 for the same term of office. Members of the

Remuneration Committee were paid a fee of SEK 20,000 each (40,000 total) for committee service. Members of the Audit Committee were paid fees of SEK 80,000 total, including SEK 40,000 to the Chairman and SEK 20,000 to each of the other members. Directors' fees were paid as resolved by the 2008 AGM. No directors' fees are paid to BE Group employees who sit on subsidiary Boards of directors.

REPORTING AND CONTROL

The Board and Audit Committee monitor the quality of financial reporting and BE Group's internal control system and follow up BE Group's risk situation. This is accomplished by various means including a charter for the CEO and the adoption of standards for the contents of reports on financial conditions regularly provided to the Board and in connection with reviews with management and the auditors. The Board and the Audit Committee review and assure the quality of financial reporting, such as the year-end report and annual accounts, and have delegated to management responsibility for assuring the quality of press releases with financial content and presentation material used at meetings with the media, shareholders and financial institutions.

GROUP MANAGEMENT

For the majority of 2008, Group management consisted of six individuals: Håkan Jeppsson, President and Chief Executive Officer; Torbjörn Clementz, Chief Financial Officer and Deputy CEO; Per Horstmann, Vice President, Purchasing and Production; Per Gullstrand, Business Area Manager CEE; Henrik Fries, Business Area Manager Sweden and President of BE Group Sverige AB; and Matti Tiira, Business Area Manager Finland and President of BE Group Oy Ab. Håkan Jeppsson has resigned his position as President and Chief Executive officer of BE Group effective February 15, 2009, to take up the equivalent position with Inwido AB, a company in the Ratos Group. Lars Bergström was appointed the new President and CEO of BE Group. He took over the position on March 11, 2009. Please see pages 88-89 of the annual report for a more detailed presentation of the CEO and other members of Group management.

The Chief Executive Officer manages operations in accordance with the Swedish Companies Act and guidelines adopted by the Board. In consultation with the Chairman of the Board, the CEO prepares the required information and decision input for Board meetings, provides reports on business on the agenda and justifies proposed resolutions. The CEO is responsible for BE Group's business, strategic and financial development and for managing and coordinating day-to-day operations in accordance with Board guidelines and decisions. The CEO appoints members of Group management after discussions and agreement with the Chairman of the Board.

BE Group management reviews operations at monthly meet-

ings presided over by the CEO. The Group management team also holds weekly conference calls to discuss operations.

INTERNAL AUDITS

BE Group has a simple legal and operational structure and an established governance and internal control system. The Board and the Audit Committee follow up BE Group's assessment of internal control by means including discussions with BE Group's auditors. In light of the above, the Board has chosen not to have separate internal audits.

AUDITORS

The 2007 AGM reappointed the registered auditing firm of KPMG Bohlins AB as the company's independent auditor for a term of four years. Alf Svensson, authorized public accountant, is the principal auditor. The auditor is in regular communication with the Chairman of the Board, the Audit Committee and Group management. BE Group's auditor is tasked with auditing the annual report and accounting records as well as the management of the company by the CEO and the Board of Directors. The auditor works according to an audit plan, into which the opinions of the Board have been incorporated, and has reported its observations to the Board. Reporting took place during the course of the audit, including a final report in connection with adoption of the year-end report for 2008 on February 4, 2009. The auditor participates in the Annual General Meeting to describe the audit process and discuss observations in the audit report. The auditor has had certain consulting assignments during the year in addition to the audit, primarily concerning advice on accounting questions.

The external audit is performed in accordance with generally accepted auditing principles in Sweden. Audits of annual accounts documents for legal entities outside Sweden are performed in compliance with legal standards and other applicable rules in the respective country and in accordance with generally accepted accounting principles. Audit reports are submitted for the legal entities when required by local law.

INTERNAL CONTROL AND RISK MANAGEMENT REGARDING THE FINANCIAL STATEMENTS FOR THE 2008 FINANCIAL YEAR

BE Group's Board of Directors complies with the Code. Accordingly, the Board provides a description of the key elements of the company's system for internal control and risk management with regard to financial reporting.

Aimed at giving the Board a basis for establishing the appropriate level of internal governance and control, BE Group carried out in 2007 an audit of internal control in a number of focus areas. External consultant services were used to perform the audit, which has been followed up at the Group and local levels. The follow-up resulted in a number of improvements to the internal control environment. The Board of Directors followed up in 2008 to ensure that improvements in the internal control environment were effective and will continually evaluate further reviews of

internal control and the future organization of the internal control function at the Group and local levels.

BE Group's internal control of financial reporting covers five main areas: establishment of a control environment, risk assessment, control activities, information and communications and follow-up.

Control environment

BE Group has a simple legal and operational structure and an established governance and internal control system, enabling the organization to react quickly to market changes. Operational decisions are taken at the Group or business area level, while decisions on strategy, business direction, acquisitions and general financial issues are taken by the Board of Directors and Group management of BE Group. Internal control of financial reporting at BE Group is designed to work within this organization.

Clear regulations on delegation of authority and responsibilities are followed within BE Group, which follow Group structure. The foundations for internal control of financial reporting are the control environment and its organization, decision paths, documented and communicated authority and responsibilities and the culture that is the basis for the communications and activities of the Board and Group management. There is an established Board charter and a charter for the CEO, which includes allocation of responsibilities within the Board as well as the responsibilities of the Chairman of the Board and the CEO. A charter has also been prepared for all business area managers and the presidents of all subsidiaries. Managers at various levels in the company are responsible for continual internal control within their areas of responsibility.

Risk assessment

Risk assessment is based on a comprehensive risk analysis performed in connection with preparations for applying for listing on the Stockholm Stock Exchange (now NASDAQ OMX, Stockholm). The general financial risks are defined and observed when the Group's financial targets are set.

Control activities

Identified risks associated with financial reporting are managed via corporate control activities such as authorization checks in IT systems and audits of payment authorizations.

Detailed economic analysis of business performance including follow-up against business plans and forecasts supplements operations-specific controls and provides an overall assessment of reporting quality.

Information and communications

The Group has information and communications paths designed to promote completeness and accuracy in financial reporting. Policies, manuals and job descriptions are available on the company intranet and/or in printed form.

Follow-up

The CEO is responsible for ensuring that internal control is organized and followed up in accordance with guidelines adopted by the Board. Financial management and control are performed by the Corporate Finance Department. Financial reporting is analysed monthly at the detailed level.

The Board has followed up financial reporting at Board meetings and BE Group's auditor has reported its observations to the Board. The Board has received monthly financial reports and the company's financial situation was discussed at every Board meeting.

The CEO is responsible for ensuring that independent, objective reviews are performed with a view to systematically evaluating and suggesting improvements to Group processes for management, internal control and risk management.

ARTICLES OF ASSOCIATION

The Articles of Association establish matters including the object of BE Group's business, the number of directors and auditors, how notice to attend the Annual General Meeting must be provided, how the agenda will be dealt with during the AGM and where meetings will be held. The current Articles of Association were adopted by the extraordinary meeting of shareholders held September 26, 2006 and are available on BE Group's website at www.begroup.com.

POLICY DOCUMENTS

The Board has adopted several guidelines and policies aimed at assuring internal control within BE Group, including the Information and Insider Trading Policy, Executive Remuneration Policy, Ethical Guidelines, Internet and IT Policy and the Treasury Policy.

APPLICATION OF THE SWEDISH CODE OF CORPORATE GOVERNANCE

The Code is based on the "comply or explain" principle, which means a company may depart from the provisions of the Code provided that such departures can be explained in a satisfactory manner.

BE Group fully applied the Code in 2008 and has not departed from Code rules in any respect.

REVIEW

This corporate governance report has not been reviewed by BE Group's auditors.