

Corporate Governance Report 2015

The Corporate Governance Report for Axis Aktiebolag (publ) for 2015 is presented below, and has been reviewed by the company's auditor. The report describes the division of responsibilities within Axis and also how the company's three decision-making bodies – the annual general meeting, board of directors and President – operate and interact.

Corporate governance is the system whereby the owners, directly or indirectly, govern and control the company. In a stock corporation such as Axis, governance, management and control are distributed among the shareholders, the board of directors and the President in accordance with prevailing laws, regulations and instructions.

Axis Aktiebolag (publ) (hereafter "Axis") is a public Swedish stock corporation with its registered office in Lund, Sweden. Axis was floated on the Stockholm Stock Exchange in 2000 and is currently listed on Nasdaq Stockholm's main market. The company follows the provisions of the Swedish Companies Act as well as the stock exchange regulations for listed companies in Sweden. The company has not committed any breaches of Nasdaq Stockholm's rules and regulations or of best practice in the stock market.

Axis applies the Swedish Code of Corporate Governance (hereafter the "Code"). Axis does not deviate from the Code, with the exception of what is expressly stated below. Information about the Code may be found on www.bolagsstyrning.se.

Deviations from the Code

In light of the new ownership in Axis after completion of the public offer from Canon Inc. the Annual General Meeting 2015 did not appoint a nomination committee. The company thus deviates from the Code's rules with regard to a nomination committee. The duties of the nomination committee under the Code will be performed instead, where appropriate, by Axis' largest shareholder Canon Inc. or by the company's board of directors. As far as election and remuneration of auditors is concerned, the board has appointed a special group that prepares the procurement process. This group has special experience in questions relating to appointment and remuneration of auditors, which is considered to be of benefit to Axis and raises the quality of the procurement process.

Share capital, voting rights and ownership

Axis had 1,667 shareholders at the end of 2015 according to the share register maintained by Euroclear Sweden AB. The company's largest owner is Canon Inc. (85.1 percent). Foreign investors' equity interest was 99.4 percent. The five largest owners had total holdings corresponding to 96.4 percent of the share capital. For additional ownership data see pages 32–33 in the printed annual report. The company's share capital totaled SEK 0.7 M at year-end. The total number of shares on December 31, 2015 amounted to 69,461,250, all shares carry one vote and equal right to share in the company's assets and earnings.

Control model



Main owners

	Number of shares	Share of equity and votes
Canon Inc.	59,095,304	85.1 %
Barclays Capital Securities Ltd	3,352,094	4.8 %
Elliott International LLP	2,577,511	3.7 %
CBNY-Norges bank	998,152	1.4 %
Elliott Associates, L.P.	904,060	1.3 %
Other	2,534,129	3.7 %
Total	69,461,250	100.0 %

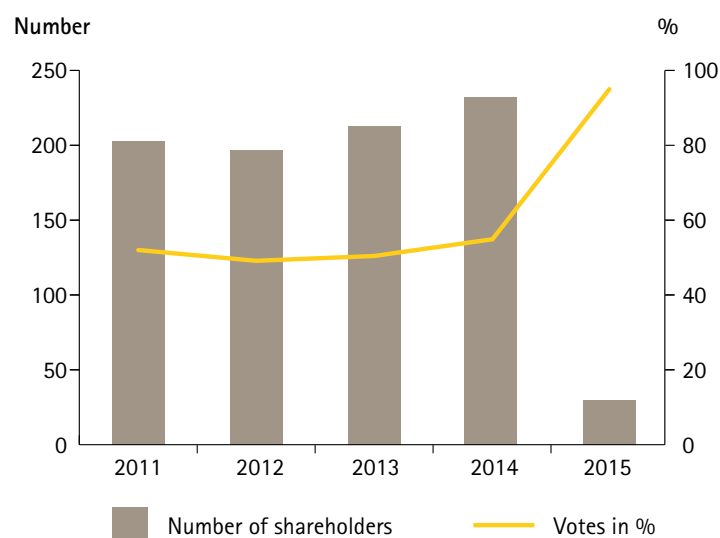
Provisions in Articles of Association

The company's articles of association do not contain any limitations in respect of how many votes each shareholder may cast at a general meeting of shareholders. There are no special provisions in the company's articles of association regarding appointment and dismissal of board members or regarding amendment of the articles of association.

Annual General Meeting

The general meeting is Axis' highest decision-making body, and the forum through which the shareholders can exercise their influence over the company. The ordinary general meeting where the board shall submit the annual report and consolidated financial statements is called the Annual General Meeting (AGM). The auditors submit the audit report and the audit report for the group at the AGM. The particulars of the AGM are governed by the Swedish Companies Act and by the articles of association. Axis' AGM is held annually in the Lund area during the first half of the year. The venue and date of the AGM will be announced in connection with the interim report for the third quarter in the preceding year. Information regarding the shareholders' right to have matters addressed at the AGM is available on the company's website from the time of the report's publication. The notice convening the AGM is published no later than four weeks prior to the AGM. At the AGM, information is provided about the company's performance during the past year and resolutions are passed on important questions. The shareholders are given the opportunity at the AGM to ask questions about the company and the results for the year in question. Apart from the legal requirements concerning the right of shareholders to participate in the AGM, preregistration for the AGM is required under Axis' articles of association within the period specified in the convening notice. When applicable, notification should also be provided if the shareholder intends to take

Attendance Annual General Meetings 2011–2015



along assistants. Those shareholders who cannot personally attend may be represented by proxy. The company does not apply any special arrangements as regards the running of the AGM, either on account of provisions in the articles of association or, as far as the company knows, shareholders' agreements.

The Annual General Meeting, June 15, 2015

The AGM, which was held in Lund on June 15, 2015 resolved as follows:

The AGM resolved in accordance with the principal owner's proposals, namely

- > to elect five ordinary board members without any deputy board members,
- > to re-elect the board member Martin Gren,
- > to elect Bert Nordberg, Biörn Riese, Håkan Kirstein and Toshizo Tanaka as new board members,
- > to elect Biörn Riese as chairman of the board, and
- > that directors' fees shall be paid of SEK 2,000,000 in total to be allocated as follows: SEK 800,000 to the chairman of the board and SEK 400,000 to each of the other members, however, fees shall not be paid to Toshizo Tanaka.

The AGM has not authorized the board to resolve that the company should issue new shares or acquire its own shares.

Nomination Committee

The AGM resolves on appointment of a nomination committee. However, in light of the new ownership in Axis after completion of the public offer from Canon Inc., no nomination committee was appointed at the AGM 2015.

Proposals and views from shareholders concerning the composition of the board may either be submitted in writing to the address: Axis AB, attn. Adrienne Jacobsen, Emdalavägen 14, 223 69 Lund, or by phone +46 46 272 18 00.

Board of Directors

During the period between AGMs, the board of directors of Axis constitutes the highest decision-making body in the company. The duties of the board are governed by the Swedish Companies Act and by the articles of association. The current articles of association were adopted at the AGM 2015 and are available in their entirety on www.axis.com. According to the company's articles of association, the board of directors shall consist of a minimum of three and a maximum of seven members, with a maximum of three deputy board members.

The following board members were present at the AGM on June 15, 2015. Gustaf Brandberg, Martin Gren, Olle Isberg and Roland Vejdemo. Charlotta Falvin and Göran Jansson did not attend. The following proposed board members were not present: Bert Nordberg, Håkan Kirstein and Toshizo Tanaka.

The board member Martin Gren was re-elected. Bert Nordberg, Biörn Riese, Håkan Kirstein and Toshizo Tanaka were elected as new members. Biörn Riese was elected as chairman of the board. The board of directors thus consists of five members elected by the AGM.

The board members Bert Nordberg and Håkan Kirstein are deemed to be independent in relation to Axis, the company management and to the major shareholders. Martin Gren is employed by the subsidiary Axis Communications AB and is thus not deemed to be independent in relation to Axis and the company management but is deemed to be independent in relation to the major shareholders. Biörn Riese and Toshizo Tanaka are deemed to be independent in relation to Axis and the company management but not independent in relation to the company's largest shareholder Canon Inc.

Information regarding the remuneration to board members approved by the AGM may be found in the table below and in Note 18, Personnel. Other information about the board members may be found on page 73 of the printed annual report. Information about the shareholdings of board members may be found on page 73 of the printed annual report and on the company's website.

The formal work plan of the Board of Directors

Under the Swedish Companies Act, the board is responsible for drawing up and evaluating Axis' overall, long-term strategies and goals, adopting the budget and taking decisions affecting the operations and major investments in Axis' organization and operations. The formal work plan of the board is adopted annually by the board. In the formal work plan, and the board's instructions to the President and CEO, the duties of the board and the division of work and responsibilities between the board and the President and CEO are described. It is incumbent on the President and CEO, in consultation

Composition of the Board of Directors

Name	Year elected	Independent	Total fees	Attendance		
				Remuneration Committee ¹⁾	Board meetings	Committee meetings
Roland Vejdemo (Chairman of the Board)	2010	Yes	500,000	Yes	8 (13) *	1 (1)
Martin Gren	1984	No	400,000	-	8 (13)	-
Olle Isberg	2006	No	-	Yes	5 (13) *	1 (1)
Charlotta Falvin	2006	Yes	250,000	-	7 (13) *	-
Göran Jansson	2007	Yes	250,000	-	8 (13) *	-
Gustaf Brandberg	2013	No	-	-	5 (13) *	-
Kalle Bergdahl (employee representative for IF Metall)	2013	-	-	-	8 (13) *	-
Cristian Ionescu-Ildbohrn (employee representative for SACO)	2013	-	-	-	5 (13)	-
Biörn Riese (Chairman of the Board)	2015	No	800,000	-	5 (13) **	-
Bert Nordberg	2015	Yes	400,000	-	5 (13) **	-
Håkan Kirstein	2015	Yes	400,000	-	5 (13) **	-
Toshizo Tanaka	2015	No	-	-	3 (13) **	-
Haris Mustafic (employee representative for IF Metall)	2015	-	-	-	0 (13) ***	-
Madhavi Kagganti (employee representative for SACO, deputy)	2015	-	-	-	5 (13) **	-
Marie Nässlind (employee representative for Unionen)	2015	-	-	-	1 (13) ***	-
Mats Friberg (employee representative for Unionen, deputy)	2015	-	-	-	1 (13) ***	-

¹⁾ The board in its entirety as of June 15, 2015

During 2015, 13 meetings were held in total. The board elected by the AGM 2014 held 8 meetings and the board elected by the AGM 2015 held 5 meetings.

* Resigned as of June 15, 2015 ** Board member since June 15, 2015 *** Board member since October 9, 2015

with the chairman of the board, to prepare the decision data, the notification and the agenda for each board meeting. The notification and decision data are to be circulated to the board members in advance. The minutes are to be circulated to the board members after the meeting, and a copy stored securely by the company.

The role of the chairman of the board of Axis AB, among other things, is to monitor the progress of the business, to organize and lead the work of the board and to be responsible for ensuring that the other directors continually receive the information they require to carry out the work of the board with maintained quality and in accordance with the Swedish Companies Act.

The work of the Board during 2015

During the period until the AGM 2015, Axis' then board, focused on questions relating to the public offer that Canon Inc. made to Axis' shareholders in early 2015.

The new board members elected at the AGM 2015 have received an introduction to Axis and its operations. During the period after the AGM 2015, the board worked on Axis' overall long-term strategies and goals as well as the budget. The board has continually followed and discussed Axis' performance based on monthly reporting of the company's financial situation and its operations. In addition, the board regularly received and discussed reports from the company's various lines of business.

The board continued to focus on the strategy for the network video field, and on the constant changes in external factors and competition. The geographical and product-related growth strategy was discussed in light of the opportunities generated by collaboration with and support from the company's largest owner Canon Inc., on market-related terms. The board has followed the progress in creating Axis' new office building in Lund.

The board discussed compliance with the Swedish Code of Corporate Governance and continually handled other questions, which are the responsibility of the board in order to ensure good governance and control in the company. The board conducts an annual evaluation of its work through the agency of the chairman. Such an evaluation was carried out within the board without the involvement of external parties. In the evaluation carried out for 2015, each board member answered a questionnaire in order to get an idea of the board members' opinions about how the board work has been conducted, what measures can be taken to improve the board work and what issues should be given more attention, among other things.

According to the formal work plan of the board, at least five ordinary meetings must be held annually in addition to the statutory meeting. In addition to this, the board may convene when circumstances so require. During 2015, the board held thirteen board meetings including the statutory meeting. See table on page 68 for meeting attendance.

A presentation of the board may be found on page 73.

Committees

Remuneration Committee

Questions relating to decisions and guidelines regarding salary and other terms of employment for the company management (including President) and other employees are handled by the board as a whole, and for this reason, a special remuneration committee has not been appointed.

The board follows and evaluates the application of the guidelines for determination of salaries and other remuneration to the President and other members of the company management, which have been adopted by the AGM and also follows and evaluates any ongoing and completed during the year programs for variable remuneration to the company management. The board also monitors remuneration structures and rates of compensation in the company.

Audit Committee

Questions relating to internal control and audit are handled by the board in its entirety and therefore no special audit committee has been appointed.

The President & CEO and Group Management

Axis' group management consists of nine members, and is led by the President and CEO, Ray Mauritsson (born 1962). Ray Mauritsson holds a Master of Science, Engineering physics from Lund University, and an Executive MBA from the Institute of Economics, at Lund University. He joined Axis in 1995, and took over as President and CEO in 2003. Prior to this, Mauritsson held leading positions at TAC (now Schneider Electric). He has a directorship in HMS Industrial Networks but has no other significant assignments outside of Axis. Neither Ray Mauritsson nor related parties to him have any substantial shareholding or partnership in companies that Axis has significant business relations with.

For information about the President's and Group Management's shareholdings see pages 74–75 of the printed annual report and the company's website.

The President and CEO manages the day-to-day work, and is responsible for keeping the board informed of the performance of the operations, and for ensuring that they are being conducted in accordance with the board's guidelines and instructions. The President keeps the board and the chairman continually informed of the company's and the group's financial position and performance. The group management team held eleven formal and a number of informal meetings during the year. Two of these were extended strategy meetings where areas dealt with included; the long-term innovation- and growth agenda, core values and their development, organization and employee development and efficient processes.

Remuneration to the Board, Auditor, President and Senior Executives

Board of Directors

Directors' fees of SEK 2,000,000 are payable, according to the resolution of the AGM on June 15, 2015. The chairman receives fees of SEK 800,000 and each of the other board members receives fees of SEK 400,000, however, no fees shall be paid to Toshizo Tanaka.

Auditor

Fees to auditors and minority auditors are payable according to approved invoice, pursuant to the resolution of the AGM on June 15, 2015.

President and Senior Executives

The principles for remuneration of the President and other persons in the company management were determined by the AGM on June 15, 2015. The principles essentially correspond to the principles that have been applied to date. The Board has been authorized to deviate from the principles if there are specific reasons in individual cases. Prior to the AGM 2015, two deviations were made from the principles adopted by the AGM 2014, whereby i) termination benefits offered to the members of the company management other than the President were

adjusted to correspond to 12 monthly salaries, and ii) a "stay on board" remuneration corresponding to three monthly salaries, conditional on continued employment on 30 June 2015, was introduced for the members of the management team. The adjustment of termination benefits was made in order to align management compensation with market standards. This was deemed particularly necessary due to the then outstanding public offer for the company made by Canon. The "stay on board" remuneration was introduced for the same reason, whereby specific reasons existed for the deviations. The deviation regarding termination benefits is in line with the principles subsequently adopted by the AGM on June 15, 2015.

Remuneration to the President and other members of the company management (that is, the eight persons who together with the President comprise the group management) may consist of basic salary, variable remuneration, "stay on board remuneration" and pension.

Basic salary

The basic salary should be determined on the basis that it should be competitive. The absolute level should depend on the specific position and the individual's performance.

Variable remuneration

Variable remuneration (bonus) to the President and other senior executives shall be based on the financial goals of the group and shall be calculated as a function of the sales growth and the operating margin for the year in question. The bonus to the President shall be maximized at 240 percent of the annual salary and for the other senior executives the highest individual bonus amount shall be maximized at 80 percent of the annual salary.

In connection with Canon Inc.'s public offer, the then board of directors decided to introduce "stay on board" remuneration of 3 monthly salaries each to all then members of the management team provided that the employment of each member had not been terminated at June 30, 2015. This remuneration has been paid. In September, the board decided to introduce new "stay on board" remuneration to the then members of the management team. For the President, the amount of remuneration is 100 percent of the gross annual salary. For the other senior executives concerned, the remuneration varies up to 100 percent of the gross annual salary. Payment of the remuneration will occur in two parts on June 30, 2016 and on June 30, 2017.

Each payment is conditional on the senior executive on each payment date still being employed, has not had his/her employment terminated or has not resigned from his/her position. This remuneration is not pension-qualifying.

Pension

The retirement age for the President shall be 65. The pension insurance premium shall amount to 35 percent of the pensionable salary up to a maximum of 28.5 basic amounts. For a salary in excess of 28.5 basic amounts, a premium of 25 percent shall be paid. The ITP agreement shall be applied for other senior executives, with a retirement age of 65.

Termination benefits

In the event of termination of employment, a six-month mutual notice period shall apply for the President. In the event of termination of the President's employment by the company, termination benefits corresponding to up to twelve cash monthly salaries may be paid after the end of the notice period. In the event of termination by the President, no termination benefits shall be payable. A mutual period of notice of three to six months shall apply between the company and the other senior executives. In the event of termination by the company, termination benefits corresponding to twelve cash monthly salaries can be paid. A decision was taken by the board of directors during spring 2015 to introduce termination benefits of 12 months for all members of the management team. In the event of termination by any of the senior executives, no termination benefits shall be payable.

Other benefits and other remuneration shall be received on the same basis as for other employees. Persons who are resident outside of Sweden may be offered notice periods and termination benefits that are competitive in the country where the persons are or have been resident or to which they have a substantial connection, preferably solutions equivalent to what applies for managerial employees resident in Sweden.

Deviations from the principles described above may be approved by the board of directors, if there are specific reasons in individual cases. Prior to the AGM 2015, two deviations were made from the principles adopted by the AGM 2014, whereby i) termination benefits offered to the members of the company management other than the President were adjusted to correspond to 12 monthly salaries, and ii) a "stay on board" remuneration corresponding to three monthly salaries, conditional on continued employment in the com-

Read more about Axis' corporate governance

Read more about Axis' corporate governance on our website under About Axis/Investor relations/Corporate governance where the following information may be found:

- > Corporate Governance Reports
- > Articles of Association
- > Information from previous AGMs (convening notices, minutes, resolutions)
- > Information about the nomination committee
- > Information about principles for remuneration to senior executives
- > The board's evaluation of guidelines for remuneration of variable remuneration programs
- > Report on variable remuneration schemes

Read more about how sustainability issues are a natural part of Axis' operations

Axis' sustainability report is available on our website under About Axis/Sustainability, and on pages 30–31 in the annual report you can read more about how Axis works with the following questions;

- > business ethics
- > social responsibility
- > environmental considerations

pany on June 30, 2015, was introduced for the members of the management team. The adjustment of termination benefits was made in order to ensure market-related compensation to the management team. This was deemed particularly necessary due to the then outstanding public offer for the company made by Canon Inc. The "stay on board" remuneration was introduced for the same reason, whereby specific reasons existed for the deviations. The deviation concerning termination benefits complies with the principles subsequently adopted by the Annual General Meeting on 15 June, 2015.

The company does not operate any outstanding share-related or share-price related incentive programs.

The company's system for variable remuneration to senior executives

The President and CEO and the company management are covered by the same bonus program as other employees. The program is based on financial targets for the group and is based on sales growth and operating margin. For the 2015 fiscal year, the bonus amounts were maximized at 240 percent of an annual salary for the President and CEO and the highest individual amount for the other senior executives was 80 percent of an annual salary.

Resolutions regarding bonus programs are passed by board for one year at a time.

Audit

Axis' auditors are elected by the AGM. At the AGM on June 15, 2015, the provision in the company's articles of association about the auditor's term was changed and the option to elect a deputy auditor was removed. The articles of association prescribe that the election of auditor should now occur for one year.

At the AGM 2015, PricewaterhouseCoopers AB was re-elected as auditor with Ola Bjärehäll as auditor in charge for the period until the end of the next AGM. Bjärehäll was born in 1974 and has been an Authorized Public Accountant since 2004. PricewaterhouseCoopers AB has been Axis' auditor since 1996 and Ola Bjärehäll has been the auditor in charge since 2011. At the same AGM, shareholders representing approximately 10.3 percent of the shares in the company, proposed that a minority auditor should be appointed by the Swedish Companies Registration Office, to participate in the audit together with the company's auditor for the period until the next AGM. The proposal was supported by owners representing approximately 10.3 percent of the shares in the company. Shareholders have subsequently made an application to the Swedish Companies Registration Office that a minority auditor should be appointed and the Swedish Companies Registration Office has subsequently appointed a minority auditor in December 2015.

The company's report on internal control over financial reporting 2015

Introduction

The present report has been prepared in accordance with the Swedish Companies Act and the Swedish Code of Corporate Governance and is limited to internal control over financial reporting. Axis' process for internal control over financial reporting is structured in accordance with the COSO framework (Committee of Sponsoring Organizations of the Treadway Commission), with the control environment as a base for other components and activities; risk assessment, control activities, information and communication as well as monitoring.

Control environment

The board of directors has overall responsibility for establishing and maintaining an effective system for risk assessment and internal control. The day-to-day work of maintaining an effective internal control environment and continuous risk assessment in respect of the financial reporting has been delegated to the President and CEO, who in turn has delegated function-specific responsibility to managers at appropriate levels in the group.

The basis of the control environment consists of a firmly-established corporate culture and a number of company-wide policies as well as the work of the internal control function.

A. Corporate culture

Axis has a strong and firmly-established corporate culture, which fundamentally encourages all employees to think creatively and innovatively, and to show respect for each other's diversity. Everyone is encouraged to question, take the initiative and take responsibility, and to strive at all times towards the common goals, guided by the core values – "Act as one", "Think big" and "Always open". The corporate culture is founded on confidence, trust and personal responsibility.

B. Various policies

Responsibility and authority are defined in the delegation plan adopted by the board, attestation instructions, handbooks, other policies and codes.

The group's most important policies relate to financial control, communications issues and business ethics. The basis for financial control and follow up consists of a company-wide finance and accounting policy. The aim of Axis' communications policy is to ensure that external and internal information disclosure is accurate and uniformly structured. Part of the communications policy deals with Investor Relations, (IR), and is intended to ensure compliance with the appropriate laws and stock exchange rules, and to provide a reliable and accurate view of Axis and its operations to financial market players. Axis operates a Code of Conduct. The purpose of the Code is to set out the approach, values and guidelines that Axis' employees shall apply in matters of business ethics and also the approach to human rights and freedoms. As part of the business ethics work, an anti-corruption policy has also been adopted and an internal channel has been established for questions about ethical business decisions or reporting of violations of the business ethics policy. This is handled by representatives from the management team and the group functions Legal and HR.

C. Internal control function

Axis' internal control function works on developing, improving and securing the internal control function in the group. This involves proactive efforts focused on the control environment as well as examining how the internal control works in practice. This work was intensified further during 2015.

Risk assessment

The Board carries out an overall risk inventory on a regular basis. This involves identifying, measuring and describing material risks related to the financial reporting and comparing them with established controls. Errors can arise in connection with bookkeeping or in the valuation of assets, liabilities, revenue and expenses. The risk assessment also includes risks of e.g. impropriety and favoritism to another party at the company's expense.

Control activities

The risks identified are handled by developing the control environment's various policies, but also by documenting and following up the most important business processes. There are both general and more detailed control activities, aimed at ensuring efficiency in the group's processes as well as preventing, discovering and correcting faults and deviations in the financial reporting. The activities include manual controls, IT-dependent controls, automated controls and controls in the underlying IT environment, known as IT general controls. Appropriate control activities have also been designed for operations that are conducted by third parties on behalf of the company.

The company's financial performance is monitored continuously by the board through comprehensive monthly report packages, and through reports by the CFO at all board meetings. Compliance with the company's finance policy is followed up monthly in the report package. A high level of transparency in the report material and financial processes enables any deficiencies in internal control to be identified and rectified.

Information and communication

Important guidelines, handbooks and similar information relating to the financial reporting are updated and communicated to the employees concerned on an ongoing basis. There are both formal and informal information channels to the company management and to the board for important information from the employees. The board meets regularly with representatives of the various central functions in the Axis Group when they attend board meetings as well as through individual meetings. The President and CEO and the CFO keep the board continuously informed of the group's financial position, performance and any areas of risk. There are guidelines for external communication, which ensure that the company meets demands for correct information.

Monitoring

Observance of internal policies, manuals and codes and of the appropriateness and functionality of the established control activities is continually

validated, through the financial reporting and control as well as through documented audits conducted by the internal control function. The annual risk assessment provides the basis for planning of follow-up activities. There is a special process for ensuring that reported deficiencies are remedied.

During 2015, the internal control function made seven visits to subsidiaries and to regional offices. The focus has been on ensuring that there is appropriate documentation for the processes that are critical for the financial reporting. Local process documentation has been compared to, and supplemented in relation to Axis' documented minimum requirements for each process. This work will continue during 2016. During 2016, Axis' internal control function will also start performing management testing, i.e. ensuring that key controls are performed in accordance with the prepared documentation. Companies that were not visited during the year participated in self-assessments.

The internal control function reports the result of the performed internal control activities in connection with the financial reporting to the CFO and to the board. The board of directors also approves the planning for the coming year based on the performed risk inventory and risk analysis.

The company's auditors attend at least two board meetings per year, at which the auditors give their assessment and observations on the business processes, accounts and reporting. The chairman of the board also maintains continuous contact with the auditors.

The controller organisation is evaluated on an ongoing basis by the Group Finance function and CFO with the aim of ensuring quality and efficiency. The CFO actively participates in the recruitment process of all qualified controllers.

Axis does not have a separate internal audit function. Based on a good control environment and external audits by auditors, the board has decided that there are no special operational circumstances or other factors which would justify setting up such a function.

AUDITOR'S STATEMENT REGARDING THE CORPORATE GOVERNANCE REPORT

To the Annual General Meeting of the shareholders of Axis AB (publ), corporate identity number 556241-1065.

The board of directors is responsible for the corporate governance report for 2015 on pages 66-72 and for ensuring that it is prepared in accordance with the Swedish Annual Accounts Act.

We have read the corporate governance report and based on this review and on our knowledge of the company and the group, we believe we have a sufficient basis for our opinion. This statutory review has another aim and direction, and is substantially less exhaustive in scope, than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing standards in Sweden.

We consider that a corporate governance report has been prepared and its statutory content is consistent with the annual accounts and the consolidated financial statements.

Stockholm, March 14, 2016
PricewaterhouseCoopers AB

Ola Bjärehäll
Authorized Public Accountant

Grant Thornton Sweden AB

Stefan Hultstrand
Authorized Public Accountant
Minority auditor