



Statement from the Chairman Göran Carlson

During my five years on the Board of Directors, I have observed closely how Haldex has been transformed from a company with several business areas that had developed in different directions, to a focused operation with a clear road map for the future. The Board consists of members with an extensive background, from the vehicle industry as well as other relevant areas. Management has undergone a series of changes, making the company even better equipped to face the challenges that lie ahead. Considering the size of Haldex and the intense competition in the vehicle industry, having the right knowledge at all levels of the company and daring to focus on value generation are vital.

Over the past year, the Board of Directors has worked together with management to put the final parts of the new strategy in place. We visited customers in the US and Europe, so we as Board members receive first-hand information about how we are perceived in the market. And we further enhanced Haldex's sustainability efforts, enabling us to take more social responsibility and be a better employer. In 2014, we promised to put profitable growth on the agenda and our earnings for the year are clear proof that we succeeded. With the strategy and business plan that are now in place, Haldex is well-positioned to continue winning market share and seriously challenging the big players, through both organic growth and acquisitions. However, growth must not come at the expense of profitability, and both the Board of Directors and the management are in complete agreement on that point.

Finally, I would like to thank Bo Annvik and all of his employees for their hard and focused work during 2014, which resulted in the highest profitability shown by Haldex in recent decades. I look forward with confidence to working together to address our future challenges.

Landskrona, Sweden, March 2015

Göran Carlson
Chairman of the Board

Corporate Governance Report

Haldex AB is a publicly traded Swedish limited liability company with its registered office in Landskrona. The company is listed on Nasdaq Stockholm in the Nordic Mid Cap segment. Haldex applies the Swedish Corporate Governance Code and hereby presents its 2014 Corporate Governance Report. The Report has been reviewed by the company's auditors.



Responsibility for management and control of the Haldex Group is divided between shareholders, the Board of Directors, its elected committees and the President, as shown in the illustration above.

Deviations from the Code

In 2014, Haldex complied with the Swedish Code of Corporate Governance in all respects except for item 2.4, which concerns the composition of the Nomination Committee. The Swedish Corporate Governance Code stipulates that "neither the company chair nor any other member of the Board may chair the Nomination Committee." According to a resolution at the 2014 Annual General Meeting, the four largest shareholders have appointed representatives to the Nomination Committee and the member representing the largest shareholder in terms of votes is to be appointed Chairman of the Committee, unless otherwise agreed.

The Chairman of Haldex, Göran Carlson, was appointed Chairman of the Nomination Committee for 2014, since he is the company's largest shareholder. The Nomination Committee has stated that the reason for this is that Göran Carlson was considered best suited to lead the Committee's work by the Nomination Committee.

Shareholders and Annual General Meeting

The shareholders' influence is exercised at the Annual General Meeting (AGM), which is Haldex's supreme decision-making body. The AGM adopts the Articles of Association and at the AGM, which is the annual ordinary general meeting, the shareholders elect Board members, the Chairman of the Board and auditors, and determine their fees. The AGM also decides on the adoption of the income statement and balance sheet, on allocation of the company's profit and on discharge from liability for the Board members and President. The AGM also resolves on the Nomination Committee's appointment and duties, and the principles for remuneration and employment for the President and other senior executives. Haldex normally holds its AGM in April.

At year-end, the number of shareholders was 13,821. The largest shareholder was Göran Carlson (through companies) with 5.9 percent of the shares and votes. Swedish ownership totaled 41 percent at year-end. Each share carries entitlement to one vote at the AGM. For more information about shareholders and the Haldex share, see pages 74-75 and www.haldex.com/investors.

2014 Annual General Meeting

The 2014 AGM was held on April 29, 2014 at Haldex's premises in Landskrona, Sweden. Some 48 shareholders attended the Meeting, either in person or through a representative, as well as several assessors and visitors.

The shareholders in attendance represented 32.5 percent of the total voting rights. The Chairman of the Board, Göran Carlson, was elected

Chairman of the Meeting, according to the Nomination Committee's proposal. All Board members elected by the Annual General Meeting were present.

The full minutes and information about the AGM are available on www.haldex.com/investors. The AGM adopted resolutions on:

- Dividend according to the Board's proposal of SEK 2.00 per share for the 2013 fiscal year.
- Reelection of Board members Göran Carlson, Stefan Charette, Magnus Johansson, Staffan Jufors, Arne Karlsson and Annika Sten Pärson.
- New election of Cecilia Löf.
- Reelection of Göran Carlson as Chairman of the Board.
- Determination of remuneration of the Board in accordance with the Nomination Committee's proposal.
- Adoption of the Board's proposed guidelines for remuneration of senior executives.
- Approval of the Board's proposal to establish a long-term incentive program, LTI2014, as well as hedging measures in view of the program.
- In accordance with the Board's proposal, authorize the Board to decide on the acquisition/transfer of own shares on one or more occasions during the period until the 2015 AGM.
- Process for the Nomination Committee's appointment and duties.

2015 Annual General Meeting

Haldex will hold its AGM on Tuesday, April 28, 2015 at 4.00 p.m. at Haldex, Instrumentgatan 15 in Landskrona, Sweden. At 3.00 p.m., shareholders will also be invited to participate in a brief introduction of the company, and a guided tour of the plant. Light refreshments will be served after the Meeting.

Nomination Committee

The Nomination Committee represents the company's shareholders and nominates Board members and auditors, and proposes their fees.

Prior to the 2015 AGM, the Meeting decided that the Chairman of the Board would contact representatives of the largest shareholders based on shareholdings immediately prior to publication of the Nomination Committee's composition. The Nomination Committee is to comprise four members. Prior to the 2015 AGM, the Nomination Committee consists of Göran Carlson (through companies), Frank Larsson (Handelsbanken Fonder), Anders

The Board's work in 2014



Algotsson (AFA Försäkring) and Nils Bolmstrand (Nordea Investment funds). The Nomination Committee has appointed Göran Carlson as Chairman. Combined, they represent about 17,1 percent of the voting rights in Haldex AB at December 31, 2014.

The Nomination Committee's proposal will be presented in the notice convening the AGM. No remuneration is paid to the Nomination Committee's members. The Chairman of the Board is responsible for informing the Nomination Committee of the Board's future competence profile, working methods and the results of the evaluation of the Board's work.

The company's shareholders are able to make comments and proposals to the Nomination Committee by e-mail or phone, since the members' contact details have been published on the company's website.

Board of Directors

The Board is responsible for the organization of Haldex and management of the company's affairs. According to the Articles of Association, the Board is to consist of at least three and not more than eight members, with a maximum of three deputies. Board members are elected annually at the AGM for the period until the end of the next AGM.

Following the 2014 AGM, the Board consisted of seven members elected by the AGM. The employees appointed two representatives and one deputy to the Board. The Group's President and CEO, Bo Annvik, and CFO, Andreas Ekberg, attend Board meetings. Other employees participate during the meetings when required to report on particular matters. For further information about Board members, refer to pages 68-69 and note 10 for the Group.

Board of Director's independence

The Swedish Corporate Governance Code states that the majority of Board members elected by the AGM should be independent in relation to the Group and the Group Management, and that at least two of the independent members must also be independent in relation to the company's major shareholders. All members of Haldex's Board are considered independent.

The Board's work

In 2014, the Board of Directors held eleven meetings. The main issues discussed were financial and market position, establishment of the Board's working methods, instructions for the President, and strategy and organizational issues. Attendance at Board and Committee meetings is presented on pages 68-69.

Evaluation of the Board's work

Annual evaluations are conducted of the Board's collective work. The Chairman is evaluated on his ability to prepare and lead the Board's work and his ability to motivate and cooperate with the President. The evaluation of the Board's combined activities is conducted via a shared internal review of its

activities. The results of the evaluation process for 2014 were discussed in conjunction with the Board meeting in December 2014.

Board Committees

The Board has established two internal committees – the Audit Committee and Compensation Committee. The work of the committees cannot be delegated by the Board, but is viewed as preparatory work upon which the Board, in its entirety, subsequently resolves on.

Audit Committee

The Audit Committee prepares matters that concern accounting, financial reporting, auditing and internal control. The Committee reviews the principles for accounting and financial control and establishes guidelines for purchasing services other than auditing from the company's auditors.

In 2014, the Audit Committee consisted of Arne Karlsson, Göran Carlson and Stefan Charette. Arne Karlsson was the Chairman of the Committee. The Audit Committee held seven meetings in 2014.

Compensation Committee

Based on the guidelines adopted by the AGM, the Compensation Committee submits a proposal to the Board regarding remuneration and other terms of employment for the President and other senior executives, based on a proposal from the President.

In 2014, the Compensation Committee consisted of Magnus Johansson, Staffan Jufors and Annika Sten Pärson. Magnus Johansson was the Chairman of the Committee. The Compensation Committee held two meetings in 2014.

Remuneration of Board members

Remuneration of Board members elected by the AGM is approved by the AGM based on proposals from the Nomination Committee. In 2014/15, remuneration will be paid in accordance with an AGM resolution, as set out in the table on pages 68-69. Payment for 2014 is reported in note 10 for the Group. Remuneration of the Board comprises fixed payment only (no variable remuneration is paid). No remuneration is paid to members who are also employed by the Group.

Auditors

The AGM appoints auditors who examine annual reports, accounting and consolidated accounts, the management of the Board and the President, as well as the annual reports and accounting of subsidiaries, and provide an audit opinion.

At the 2014 AGM, authorized public accountants Ann-Christine Häggglund and Bror Frid from Öhrlings PricewaterhouseCoopers AB were re-elected and

elect, respectively, as the company's auditors for the period until the end of the 2015 AGM. Authorized auditors Christine Rankin Johansson and Cesar Moré were re-elected as deputy auditors.

Ann-Christine Hågglund is an Authorized Public Accountant and is the elected auditor of such companies as NCC Construction Sweden, Lernia AB and NCC Housing Group.

Bror Frid is an Authorized Public Accountant, and elected auditor of such companies as Bufab, Elos, Framtiden, Nordic Tankers, Jula, Mio, Vätterledens Invest and Västsvenska Handelskammaren.

The Board of Directors, in its entirety, meets the auditors once a year, at the Board meeting in February, where the auditors present their findings directly to the Board, without the presence of the President and the CFO. At least one auditor attends the AGM and briefly describes the audit process and summarizes its recommendations in the Auditor's Report for shareholders.

AUDITORS



Ann-Christine Hågglund
Authorized Public Accountant
Öhrlings PricewaterhouseCoopers AB
Auditor at Haldex since 2010.



Bror Frid
Authorized Public Accountant
Öhrlings PricewaterhouseCoopers AB
Auditor at Haldex since 2014.

REMUNERATION OF AUDITORS, SEK M

| PwC | 2014 | 2013 |
|-------------------|----------|----------|
| Audit assignments | 4 | 3 |
| Tax advice | 4 | 4 |
| Other assignments | 0 | 1 |
| Total | 8 | 8 |

Group Management

The President and CEO are responsible for ongoing management of the Haldex operations within the framework established by the Board. The President is assisted by Group Management, comprising the business area managers and staffs.

At the end of 2014, Group Management consisted of ten individuals. During the year, Pramod Mistry stepped down from Group Management. In 2014, Group Management held 18 meetings, of which 11 were teleconferences. The meetings focus on the Group's strategic and operational development, and monitor performance. For further information about Group Management, refer to pages 70-71.

Internal control

The Board's responsibility for internal control is regulated by the Swedish Companies Act and in Swedish Corporate Governance Code. Internal control at Haldex is a process that is regulated by the Board of Directors and the Audit Committee and performed by the President and Group Management.

Internal control is designed to ensure, to the maximum extent possible, that Haldex's reporting is appropriate and reliable and that the company complies with applicable laws and other regulations. The process is based on a control environment that provides structure for other parts of the process, including risk assessment, control activities, information, communication and monitoring. It is based on the framework for internal control issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Haldex already applies COSO 1992, but is now conducting a mapping exercise in relation to its existing control systems on the basis of the 17 principles of the COSO 2013 framework. The updated COSO framework is expected to be applied in full as of 2015.

This report on internal control and risk management was prepared in accordance with the Swedish Annual Accounts Act and the Swedish Corporate Governance Code and is thus limited to a description of the material elements of Haldex's systems for internal control and risk management with regard to financial reporting.

The Board oversees and ensures the quality of external financial reporting in the manner documented in the Operating Procedures for the Board of Directors, and the Instructions for the President and the Group's Treasury Policy.

It is the responsibility of the President together with the CFO to review and quality-assure all external financial reporting, such as interim reports, year-end reports, annual reports, press releases containing financial information and presentation material in conjunction with meetings with the media, shareholders and financial institutions. The President and CFO presents all interim reports, year-end reports and annual reports to the Audit Committee for review. The Board is responsible for ensuring that the company's financial statements are prepared in accordance with applicable laws, accounting standards and other requirements for listed companies.

The Board of Directors' instructions for the President also include requirements that the Board of Directors must be continuously provided with internal summary reports on financial conditions. These reports, which must include income statements, balance sheets, valuation issues, assessments, forecasts, any changes and their consequences, possible amendments to accounting rules, legal matters and disputes, are reviewed by the Audit Committee and thereafter submitted to the Board.

Control environment

The Board has adopted a number of governance documents for the company's internal control and governance. Within the Board of Directors, there is an Audit Committee. The Audit Committee, which prepares matters for the Board considers such issues as the internal control process, monitors reporting issues and discusses accounting policies and the consequences of changes in these policies.

Furthermore, the Audit Committee maintains regular contact with the external auditors. The Committee is responsible for evaluation of the audit process and the auditors' efficiency, qualifications, fees and independence. In addition, the Audit Committee assists the Nomination Committee with proposals for the election of auditors and the procurement of audit services.

Risk assessment

Haldex's risk assessment with respect to financial reporting, meaning the identification and evaluation of the most significant risks in the Group's companies and processes in relation to financial reporting, forms the basis for risk management. The risks may be managed by accepting the risks or by reducing or eliminating them, subject to the controls and control levels within the framework established by the Board of Directors, the Audit Committee, the President and Group Management. During the year, Haldex carried out a new assessment of the risks faced by the Group. This initiative was carried out in the form of a number of workshops and yielded a Group-wide document.

Policy instruments

Policy instruments that form the basis for corporate governance in Haldex primarily include the Swedish Companies Act, the Annual Accounts Act, applicable regulations for publicly traded companies on Nasdaq Stockholm, the Swedish Corporate Governance Code and other relevant legislation and regulations.

Internal policy instruments include the Articles of Association adopted by the AGM, and documents approved by the Board including Operating Procedures for the Board of Directors of Haldex, instructions for the Compensation and Audit Committees, instructions for the President of Haldex, the Communication Policy and Treasury Policy. In addition to the above, the Group has a number of policies and manuals containing regulations and recommendations, with principles and guidance for the Group's operations and employees.

The Operating Procedures for the Board of Directors regulate the Board's internal division of duties, decision-making procedures within the Board, the Board's meeting procedures and the Chairman's duties. The Board's work follows a fixed procedure aimed at ensuring that its information requirements are met.

The Instructions for the President establishes the President's responsibility for ongoing operations, forms for reporting to the Board and the content thereof, requirements for internal policy instruments and matters that require Board decisions or that should be addressed to the Board.

Control activities

Efforts to further develop internal control and governance are ongoing, including continuous documentation, evaluation, implementation of new controls and improvement of existing controls.

Information and communication

The company has a system for information and communication that is

Continued on page 72

Board of Directors



Göran Carlsson



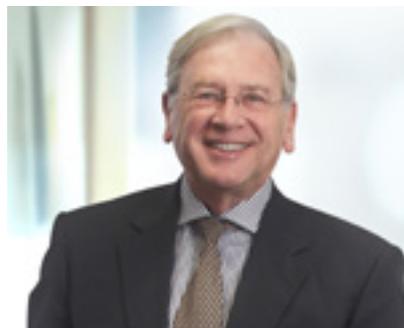
Stefan Charette



Magnus Johansson



Staffan Jufors



Arne Karlsson

| Name | Göran Carlsson | Stefan Charette | Magnus Johansson | Staffan Jufors | Arne Karlsson |
|--|--|---|---|--|---|
| Role on the Board | Chairman of the Board since 2011. | Board member | Board member Chairman of the Compensation Committee. | Board member | Board member Chairman of the Audit Committee. |
| Current employment | Investor | CEO of Athanase Industrial Partner. | Advisor and Director, Mejex AB. | Board assignment | Board assignment |
| Education | MBA. | Master's Degree in Mathematical Finance, Master of Science in Electrical Engineering. | B.Sc. Degree from Behavioral Science Program. | MBA | MBA |
| Elected | 2010 | 2009 | 2011 | 2013 | 2003 |
| Born | 1957 | 1972 | 1955 | 1951 | 1944 |
| Resident | Sweden | Sweden | Sweden | Portugal | Sweden |
| Other assignments | Vice Chairman of Svenskt Tenn AB. | Chairman of the Board of Concentric AB. Board member of Transcom SA, Lindab International AB and Creades AB. | Chairman of the Board of Elektroautomatik AB and Lurn AB. | Board member of ÅF. | Member of the Board and Chairman of the audit committee in Bulten AB. |
| Dependent | No | No | No | No | No |
| Previous experience | Previously President of Ur & Penn, CEO and owner of c/o Departments & Stores and founder of pharmacy chain Medstop AB. | Previously President of several investment companies, including Creades AB, Investment AB Öresund, AB Custos as well as CEO of the industrial conglomerate Brokk Group. Corporate advisor for multinational corporations at Lehman Brothers and Salomon Smith Barney. | Human Resources Director SKF, President of SKF Sweden, Human Resources Director Volvo Car Corporation, President of SKF China, Business Development Director for the SKF Group. | Previously Chairman of the Board of Volvo Buses, President of Volvo Trucks, President of Volvo Penta as well as senior management positions at Volvo Cars. | Has held several leading positions in Scania including Exec. Vice President of Scania Commercial Systems, Exec. Vice President of Scania CFO, Senior Vice President of Scania Vehicle Sales Overseas Markets, Vice President of Scania, President of Bus Division, President of Scania do Brazil, President of Scania Argentina SL. |
| Shareholding (alone and with related party) | 2,506,365 | 9,682 | 0 | 0 | 2,000 |
| Audit Committee | 7/7 | 7/7 | No | No | 7/7, Chairman |
| Compensation Committee | No | No | 2/2, Chairman | 2/2 | No |
| Attendance at Board meetings | 10/11 | 11/11 | 11/11 | 11/11 | 10/11 |
| Remuneration 2014/15 | 575,000 SEK | 260,000 SEK | 260,000 SEK | 235,000 SEK | 310,000 SEK |
| <i>of which Board work</i> | 525,000 SEK | 210,000 SEK | 210,000 SEK | 210,000 SEK | 210,000 SEK |
| <i>of which Committee work</i> | 50,000 SEK | 50,000 SEK | 50,000 SEK | 25,000 SEK | 100,000 SEK |



Annika Sten Pärson



Cecilia Löf



Fredrik Hudson



Michael Collin



Per Holmqvist

| Name | Annika Sten Pärson | Cecilia Löf | Fredrik Hudson | Michael Collin | Per Holmqvist |
|--|---|--|--|--|---|
| Role on the Board | Board member | Board member | Employee representative for IF Metall. | Employee representative for IF Metall, deputy. | Employee representative for Federation of Salaried Employees in Industry and Service clubs. |
| Current employment | Advisor to digital media startups in the US. | Vice Chairman of Atteviks Bil AB. | Tooling engineers Senior safety delegate, Landskrona. | Local Chairman of IF Metall. | Global responsibility for technical production issues. |
| Education | Degree in Strategic Marketing from Berghs School of Communication. | MBA | Technical high school, electro-mechanics. | Economic high school. | Technical high school. |
| Elected | 2012 | 2014 | 2011 | 2013 | 2014 |
| Born | 1963 | 1966 | 1974 | 1974 | 1961 |
| Resident | US | Sweden | Sweden | Sweden | Sweden |
| Other assignments | - | - | - | - | - |
| Dependent | No | No | - | - | - |
| Previous experience | Previously Sales and Marketing Director and head of the consumer division of Com Hem, commercial head of Coop Forum with responsibility for an organization with nearly 4,000 employees and SEK 14 bn in sales. Board member of Svensk Bilprovning. | Family business owner of Atteviks Bil AB, which has conducted sales and service of passenger cars and heavy vehicles since 1945. Worked for Scania for several years in both Germany and France, and from the head office in Södertälje with exports of spare parts and trucks. Previously CEO of Atteviks Bil AB, and responsible for the company's property management operations. | - | - | - |
| Shareholding (alone and with related party) | 0 | 0 | 0 | 0 | 0 |
| Audit Committee | No | No | - | - | - |
| Remuneration Committee | 2/2 | No | - | - | - |
| Attendance at Board meetings | 11/11 | 8/11 Elected in April. | 11/11 | 10/11 | 8/11 Elected in April. |
| Remuneration 2014 | 235,000 SEK | 210,000 SEK | - | - | - |
| <i>of which Board work</i> | 210,000 SEK | 210,000 SEK | - | - | - |
| <i>of which Committee work</i> | 25,000 SEK | - | - | - | - |

Management Group



| Name | Bo Annvik ⁴ | Pete Lazar ¹ | AiChang Li ² | Andreas Richter ³ | Staffan Olsson ⁵ | Catharina Paulcén ⁶ |
|--|--|--|--|---|---|---|
| Current position | President and CEO | Senior Vice President Human Resources | Senior Vice President Asia Pacific | Senior Vice President Europe and ROW sales | Senior Vice President Global Operations | Senior Vice President, Corporate Communications |
| Education | M.Sc in Business and Economics | B.Sc., Business Administration and Political Science | M.Sc. Mechanical Engineering | Deegre in Mechanical Engineering | M.Sc. Industrial engineering and management | B.Sc., Business Administration |
| Born | 1965 | 1953 | 1960 | 1965 | 1967 | 1973 |
| Nationality | Swedish | American | German | Swedish | Swedish | Swedish |
| Other assignments | Board member of AB Handel & Industri | – | – | Ålabodarnas Hamnaktiebolag Chairman and President. | – | Deputy Director Compilator AB |
| Previous experience | Executive Vice President of Specialty Stainless, Outokumpu 2007-2011; President of SKF Sealing Solutions 2002-2007, Senior positions at Volvo Car Corporation, 1994-2002; Management consultant for Arthur D. Little and other companies, 1990-1994. | Vice President of Global HR for Haldex Commercial Division 2007-2011, Human Resources Director Haldex Hydraulics Division 2000-2007, Human Resources Director for Operations Dr. Pepper/Seven Up Bottling Group 1998-2000. | President of NORMA in China 2006, President of Wabco in China 1996-2006. | Senior Vice President Sales and Marketing 2011-2012, Business Unit manager Disc Brakes 2007-2011, Vice President of Business Development and Marketing Foundation Brake 2005-2007 and other senior positions at Haldex. | Project Director at Scania CV AB 2012-2013, Plant Manager Engine Production at Scania CV AB 2007-2012, Production Director Powertrain Production at Scania Latin America 2002-2007. | Senior Vice President of Marketing and Communications at Enea 2009-2014, Director of Marketing at IBM 2008-2009, Executive Vice President of Marketing & Communications at Telelogic 2004-2008. |
| Shareholding (alone and with related party) | 6,000 | 3,000 | 0 | 9,000 | 0 | 2,000 |
| Accrued shares in LTI programs | 13,694 | 3,578 | 5,428 | 3,860 | – | – |
| Employed | 2012 | 2000 | 2006 | 1993 | 2014 | 2014 |
| In current position since | 2012 | 2011 | 2011 | 2012 | 2014 | 2014 |



| Name | Andreas Ekberg 7 | Bjarne Lindblad 8 | Per-Erik Kronqvist 9 | Ed Meador 10 |
|--|--|--|--|---|
| Current position | CFO | Senior Vice President, Global Sourcing & Logistics | Senior Vice President R&D | Senior Vice President, North American Sales |
| Education | M.Sc in Business and Economics | Business Administration | M.Sc. Mechanical Engineering | B.Sc. Business Management |
| Born | 1969 | 1956 | 1962 | 1962 |
| Nationality | Swedish | Swedish | Swedish | American |
| Other assignments | Teknikföretagen Syd, Teknik-college Skåne | – | – | – |
| Previous experience | Business Unit Manager Foundation Brake 2008-2012 and Division controller CVS 2005-2008 at Haldex. Controller at Tarkett. | Sourcing director Nolato AB 2002-2003, President Nolato Gejde AB 1995-2001, CFO Nolato AB 1987-1994, Controller Haldex AB 1984-1986. | Development Director at ADB and ABA at Haldex 2010-2013, Program Manager Volvo Car 2001-2010, Development Director at WACO AB 1997-2001, Development Director at Getinge AB 1996-1997. | President and CEO of Motor Wheel Commercial Vehicle System Inc. 2005-2012. Vice President and General Manager of Commercial Business Operations Hayes Lemmerz International Inc. 1999-2005. |
| Shareholding (alone and with related party) | 3,500 | 2,000 | 0 | 0 |
| Accrued shares in LTI programs | 5,512 | 4,006 | 3,697 | 6,875 |
| Employed | 1998 | 2004 | 2010 | 2012 |
| In current position since | 2013 | 2012 | 2013 | 2012 |

intended to result in complete and correct financial reporting. The company has a reporting system in which all Group companies report monthly according to an established format and fixed accounting policies. In conjunction with reporting, the reporting units perform risk assessments and decide on the need for any provisions. The central finance department produces reports from the Group-wide system, which is structured according to the Group's established reporting format. Responsible managers and controllers at various levels within the Group have access to the information in this system relating to their areas of responsibility.

All of the Group's policy documents for internal control and governance are available on the Group's intranet.

Monitoring

The company's financial reporting is continuously monitored, in part by management at various levels of the company and in part by the finance organization and controllers in the various business units. Monitoring takes place each month in conjunction with reporting and comprises both analysis and reviews by the relevant controllers and meetings between the relevant business managers and reporting units.

The Audit Committee communicates on a regular basis with the company's external auditors and the CFO, both during and between meetings. The Board receives a monthly report on the operation's performance. More detailed reporting is provided primarily by the President at all Board meetings. The Board regularly assesses the risks relating to financial reporting based on significant and qualitative factors.

Each year, the Board of Directors evaluates the need to establish a special internal audit function. In 2014, the Board did not consider this necessary. The Board considered that internal control is primarily exercised by:

- operative managers at various levels
- local and central finance functions
- through the supervisory control of Group Management

Given the company's size, this means that the Board does not currently consider another function financially viable.

Remuneration of senior executives

Principles for remuneration of senior executives adopted by the AGM are:

- Remuneration of the President and CEO and other senior executives shall consist of a well-balanced combination of fixed salary, annual bonus, long-term incentive programs, pension and other benefits and conditions concerning termination of employment/severance payment.
- The total remuneration shall be competitive and based on performance.
- The fixed remuneration shall be determined individually and based on each individual's responsibility, role, competence and position.
- The annual bonus shall be based on outcomes of predetermined financial and individual objectives and not exceed 50 percent of the fixed annual salary.
- In exceptional situations, special remuneration may be paid to attract and retain key competence or to induce individuals to move to new places of service or accept new positions. Such remuneration may not be paid for periods exceeding 36 months and shall be capped at the equivalent of twice the remuneration the executive would otherwise have received.
- The Board may propose that the AGM resolve on long-term incentive programs.
- Pension benefits shall be based on defined-contribution plans and, for employees in Sweden, provide entitlement to pension at the age of 65.

Upon termination of employment by the company, the notice period for the President and CEO is 12 months and for other senior executives up to six

months. The Board shall be entitled to depart from the guidelines if there are specific reasons for doing so in individual cases.

For additional information concerning remuneration of senior executives, refer to note 10, page 43.

Remuneration in 2014

President

In 2014, the President and CEO received fixed and variable salary as detailed in the table below. In addition to a reciprocal 12-month period of notice, the President will, in the event of termination of employment by the company, receive severance pay equivalent to 12-months' salary. Upon termination by the President, no severance pay may be claimed. The President's pension benefits are premium-based and comprise an ITP scheme and an annual provision for 25 percent of fixed salary exceeding 20 "basic amounts". Retirement age is 65.

Other senior executives

According to the guidelines approved by the AGM, the President, in consultation with the Board's Compensation Committee, prepares remuneration issues concerning Group Management, which are subject to resolution by the AGM. Remuneration consists of a fixed and a variable salary portion. The variable portion is based on goals established by the President and the Compensation Committee on a yearly basis and may amount to 50 percent of the fixed annual salary. All members of Group Management have up to a reciprocal six-month period of notice and, in the event of termination of employment by the company, will receive severance pay equivalent to between 6-12 months' salary. Pension benefits are regulated in pension plans adapted to local practice in the countries in question, with a retirement age starting at 65.

Incentive programs

The AGMs in 2013 and 2014 resolved to implement incentive programs for senior executives and key personnel, LTI2013 and LTI2014. In brief, LTI means that if certain performance targets are achieved during the fiscal year, the participants in LTI are awarded a variable remuneration at the beginning of the following year, of which 60 percent will be distributed in cash and 40 percent in the form of employee stock options which are conditional, non-transferable deferred rights to receive one ordinary share in Haldex for each performance right, automatically after four years, free of charge.

The term of the LTIs is four years. After the expiry of the performance year, allotment of any performance amount will occur. Settlement of any cash amount is expected to occur during the spring of the new fiscal year. Subsequent to the allotment of any share amount, performance rights will be awarded to the participant followed by a deferral period of three years, before final transfer of performance shares to the participant is expected to occur after the AGM at the end of the term (2017 and 2018, respectively), and before the end of June in the same year. Deferred variable remuneration under LTI is not pensionable income.

REMUNERATION OF GROUP MANAGEMENT 2014, SEK K

| | Fixed salary incl. benefits | Variable remuneration | Pension |
|--|--------------------------------|--------------------------|--------------|
| President Bo Annvik | 4,436 | 1,350 | 996 |
| Other senior executives, 10 persons | 15,140 | 4,090 | 3,315 |
| Total | 19,576 | 5,440 | 4,311 |

Auditors' statement on the Corporate Governance Report

To the Annual General Meeting of Haldex AB (publ), corporate identity number 556010-1155

The Board of Directors is responsible for the 2014 Corporate Governance Report on pages 65-72, and that it has been prepared in accordance with the Annual Accounts Act.

We have read the Corporate Governance Report and based on that reading and our knowledge of the company and the Group, we believe we have a sufficient basis for our opinions. This means that our statutory examination of the Corporate Governance Report 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.

In our opinion, a Corporate Governance Report has been prepared, and its statutory content is consistent with the annual accounts and the consolidated accounts.

Landskrona, Sweden, March 17, 2015

Ann-Christine Häggglund
Authorized Public Accountant
Öhrlings PricewaterhouseCoopers AB

Bror Frid
Authorized Public Accountant
Öhrlings PricewaterhouseCoopers AB