

CORPORATE GOVERNANCE REPORT 2010

CellaVision complies with the Swedish Code of Corporate Governance as of the date its shares started to be traded on NASDAQ OMX Stockholm, May 31, 2010.

Corporate governance in CellaVision

CellaVision's corporate governance is regulated both by external rules such as Swedish legislation, and internal documents such as the Articles of Association. The Articles of Association stipulate for example the location of the registered office of the company, the share capital and where the Annual General Meeting is to be held. Under the Articles of Association the members of the Board of Directors are elected annually at the Annual General Meeting. The Articles of Association do not include any restrictions concerning the appointment and dismissal of Board members. Decisions concerning amendments to the Articles of Association are taken by the General Meeting of Shareholders. The Articles of Association and documentation from the latest Annual General Meetings can be found on the company's website www.cellavision.se.

The highest decision-making body in CellaVision is the General Meeting of Shareholders that is convened at least once a year and decides among other things on how the Nomination Committee is to be appointed.

The main task of the Nomination Committee is to propose to the Annual General Meeting the composition of the Board of Directors, which is then decided by the Annual General Meeting.

The Board of Directors and ultimately the President/CEO administers the affairs of the company on behalf of the shareholders. The Board of Directors appoints the President/CEO, who is responsible for the day-to-day management of the company. The division of duties and responsibilities between the Board of Directors and the President/CEO is clarified in the Board's Rules of Procedure and the Instructions to the President/CEO.

The main external regulatory framework that affects the governance of CellaVision:

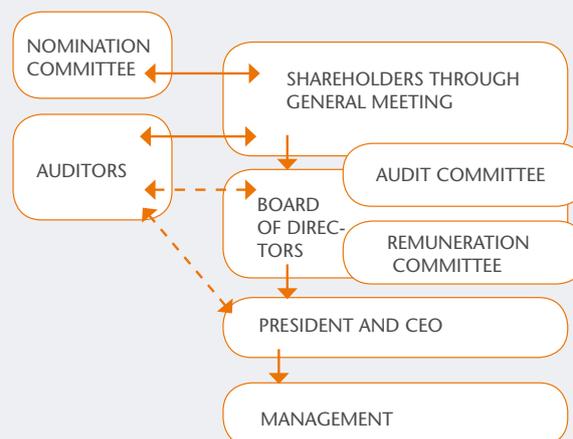
- The Companies Act
- NASDAQ OMX Stockholm Rule Book for Issuers
- Applicable accounting legislation
- The Swedish Code of Corporate Governance

www.bolagsstyrning.se, www.nasdaqomx.com

Examples of internal documents that affect the governance of CellaVision:

- The Articles of Association
- Instructions and Rules of Procedure for the President/CEO and Board of Directors
- Policies and guidelines

Overall governance structure for CellaVision



Shareholding

Share capital in CellaVision as at December 31, 2010 amounted to SEK 3,577,732, distributed among 23,851,547 shares. Each share entitles the holder to one vote and each person entitled to vote at a general meeting of shareholders may vote the full number of shares owned and represented by her or him without limit to the voting right. All shares confer an equal right to share in the company's assets and profits. No shares are held by the company itself.

CellaVision had 1,444 shareholders on the closing date. Of these, the following shareholders have direct and indirect holdings that constitute more than ten per cent of the voting rights of all shares in the company;

- Stiftelsen Industrifonden represents 15 per cent of the votes.
- Metallica Förvaltnings AB represents 11.6 per cent of the votes.
- Christer Fåhraeus, who directly and indirectly through family and corporations represents 10.1 per cent of the shares.

For more information about CellaVision's shareholders, please refer to page 57.

BOARD OF DIRECTORS' REPORT

General Meeting of Shareholders

The shareholders' right to take decisions regarding the affairs of the company is exercised at general meetings. It is the General Meeting that decides on amendments to the Articles of Association, new share issues and the election of the Board of Directors. The company is obliged to convene a General Meeting, the Annual General Meeting, at least once a year at which a number of central items of business must be dealt with, including the appropriation of the company's profits, adoption of the income statement and balance sheet, discharge from liability of the Board of Directors and President/CEO, election of the Board of Directors and auditor and fees to the Board of Directors and auditor. The Annual General Meeting of CellaVision is held in Lund during the first half of every year. In connection with the third quarterly report in 2010 CellaVision's shareholders were informed of the time and place of the Annual General Meeting in 2011 and of their right to bring a matter before the Meeting. A notice to attend the Annual General Meeting is published no earlier than six and no later than four weeks before the Meeting.

To be entitled to participate and vote their shares at the Annual General Meeting, shareholders must be entered in the share register and give notice of attendance within a certain time limit. Shareholders unable to participate in person can do so via a proxy. How to notify attendance at the Annual General Meeting is explained in the notice to attend and in information on the website.

Annual General Meeting in 2010

CellaVision's Annual General Meeting was held on Thursday, April 29, 2010 at CellaVision's premises at Ideon in Lund. All shareholders directly entered in the share register and who had notified their attendance in time were entitled to participate in the 2010 Annual General Meeting and vote their shares. Shareholders unable to attend had the opportunity to be represented by proxy. The Board of Directors, Nomination Committee and auditor of the company were present at the Meeting. Essentially, the following resolutions were passed:

- The parent company and consolidated income statements and balance sheets for the 2009 financial year were adopted,
- The Board of Directors and President/CEO's proposal that the profits at the disposal of the Meeting of SEK 70,716,284 be carried forward was approved,
- The Board of Directors and President/CEO were discharged from liability,
- The Meeting resolved that the Board of Directors shall be increased by one member to six members and no alternates. Niels Freiesleben, Christer Fåhraeus, Lars Gatenbeck, Sven-Åke Henningson and Torbjörn Kronander were reelected as Board members. Anna Malm Bernsten was elected as a Board member. Lars Gatenbeck was reelected as the Chairman of the Board
- Remuneration to the Chairman of the Board shall be SEK 200,000

(140,000). Remuneration to the other members of the Board shall be SEK 100,000 (70,000) per member, a total to the Board of SEK 700,000 (420,000), and remuneration to the auditor will be payable in accordance with the approved invoice,

- The Board's proposal for authorizing the Board of Directors to decide on issues of shares, warrants or convertibles up to the next Annual General Meeting was approved ,
- The Board's proposal for a conditional amendment of the Articles of Association concerning the provision on convening a general meeting was approved.

The minutes of the Annual General Meeting were presented on the website within a week of the Meeting. Material from the Meeting, such as the notice to attend, the minutes and information on the Nomination Committee is available to read on CellaVision's website www.cellavision.se. The full resolutions of the Meeting as above are available from the Company at the address Ideon Science Park in Lund and will be sent to any shareholder who so requests.

Annual General Meeting 2011

The 2011 Annual General Meeting will be held on Tuesday, April 26, 2011 at 17.00 at Ideon in Lund. Information concerning the date on which a request from a shareholder to have a matter brought before the Meeting must have been received for inclusion in the notice to attend is published on the company's website.

The Nomination Committee before the Annual General Meeting 2011

The Annual General Meeting in 2010 resolved to appoint a Nomination Committee consisting of four members, one of whom shall be the Chairman of the Board and three of whom shall represent the company's largest shareholders by voting power. In accordance with the AGM resolution a Nomination Committee was appointed after consultation with the company's three largest shareholders by voting power. Information on the members of the Nomination Committee was given in conjunction with the interim report for January-September 2010. The Nomination Committee has subsequently, due to changes in the composition of the company's largest shareholders, found it appropriate to co-opt a representative of the fourth largest shareholder by voting power. When this shareholder did not wish to appoint a representative, the fifth largest shareholder by voting power was asked. This shareholder's representative was co-opted to the Nomination Committee. Information about the new composition of the Nomination Committee was given in conjunction with the year-end bulletin of February 15, 2011.

The following members are included:

Lars Gatenbeck, Chairman of the Board (convener)

- Lennart Hansson, chairman of the Nomination Committee
- (Stiftelsen Industrifonden)
Anders Frick (Metallica Förvaltnings AB)
- Christer Fåhraeus (Christer Fåhraeus including companies)
- Ulrika Slåne (AP3 Third National Swedish Pension Fund) co-opted.

The task of the Nomination Committee is to prepare and submit to the Annual General Meeting proposals for:

- Election of a chairman for the Meeting,
- election of a Chairman of the Board and other members of the company's Board of Directors,
- remuneration to the Board of Directors and any remuneration for committee work,
- election of and remuneration to the auditor.

The Nomination Committee proposals are presented in the notice to attend the 2011 Annual General Meeting and are also available on the company's website together with an explanatory statement concerning the proposed Board.

Board of Directors

The Board of Directors is appointed by the shareholders at the Annual General Meeting with a term of office up to and including the next Annual General Meeting. The Board of Directors administers the company on behalf of the shareholders by establishing goals and strategy, evaluating the operative management and ensuring that there is an effective system for follow-up and control of the established goals. It is also the responsibility of the Board to ensure correct provision of information to the company's stakeholders. CellaVision's Board of Directors forms a quorum when more than half of its members are present. Under the Articles of Association the Board of Directors of CellaVision must consist of a minimum of three and a maximum of nine members with a maximum of two alternates. The Board holds an inaugural meeting directly after the Annual General Meeting.

Chairman of the Board

CellaVision's Board of Directors has been chaired since 2002 by Lars Gatenbeck. The Chairman of the Board is appointed by the Annual General Meeting. The Chairman of the Board must organize and lead the work of the Board, ensure that the Board regularly develops its knowledge of the company, communicate shareholders' views to the Board and be a support to the President/CEO. The Chairman of the Board and the President/CEO prepare proposed agendas for the Board meetings. The Chairman of the Board verifies that the Board's decisions are effectively implemented and is responsible for ensuring annual evaluation of the work of the Board and that the Nomination Committee is informed of the results of this evaluation.

*Lars Gatenbeck represented the Life Equity Group, which was the exclusive adviser to the venture capital funds H&B Capital and Life Equity Sweden, which in 2010 together owned 569,992,2 shares in CellaVision. The funds were wound up in the second half of 2010 and most of their shares were distributed to the fund investors. Lars Gatenbeck has been independent of the company's major shareholders since December 2010.

The Board's Rules of Procedure

The Board's Rules of Procedure were adopted on April 29, 2010 and are to be revised annually at the inaugural Board meeting. In addition to that, the Rules of Procedure are revised as necessary. The Rules of Procedure include the responsibilities and duties of the Board, the duties of the Chairman of the Board, audit issues and specification of the reports and financial information that the Board must receive before each ordinary Board meeting.

Evaluation of the work of the Board

The Board of Directors evaluates its work annually, using a systematic and structured process in which the Board members must respond to a detailed questionnaire. The purpose is to gain an understanding of the members' views on the working methods of the Board and any measures that can be taken to make the work more effective. It is the responsibility of the Chairman to ensure that the evaluation is carried out. In accordance with the Swedish Code of Corporate Governance, relevant parts of the results are made available to the Nomination Committee.

The Board continuously evaluates the work of the President/CEO by following operations in relation to the goals set. Once a year a formal evaluation is made, which is discussed with the President/CEO.

CellaVision's Board of Directors 2010

As of the 2010 Annual General Meeting the Board of Directors consisted of six members with no alternates. At the 2010 Annual General Meeting Niels Freiesleben, Christer Fähræus, Lars Gatenbeck, Sven-Åke Henningsson and Torbjörn Kronander were reelected as Board members. Anna Malm Bernsten was elected as a Board member. Lars Gatenbeck was reelected as the Chairman of the Board. The members of the Board have great experience and competence in medicine and science as well as business and international operations. A more detailed presentation of the members of the Board can be found on page 52 and on the company website.

The independence of the members in relation to the company, the company management and the major shareholders is presented below. The composition of the Board complies with the provisions of NASDAQ OMX Stockholm and the Swedish Code of Corporate Governance concerning independent members.

Composition of the Board 2010

Name	Elected	Function of the Board	Born	Independence to the company	Independent to the company's major shareholders
Lars Gatenbeck	2000	Chairman	1956	Yes	Yes*
Niels Freiesleben	2004	Member	1951	Yes	Yes
Christer Fähræus	1994	Member	1965	Yes	Noj
Sven-Åke Henningsson	2006	Member	1940	Yes	Yes
Torbjörn Kronander	2007	Member	1957	Yes	Yes
Anna Malm Bernsten	2010	Member	1961	Yes	Yes

BOARD OF DIRECTORS' REPORT

Work of the Board in 2010

During the financial year the Board has devoted particular attention to the company's structure and areas of focus, material risks and risk management and other strategic issues. A two-day meeting was devoted to long-term strategic planning, focusing on growth areas for digital microscopy in healthcare.

The company's President/CEO and CFO participate regularly in the Board meetings. Other executives participate in the Board meetings as necessary. The company's auditor participates in at least one of the ordinary meetings during the year.

In 2010 the Board held a total of 11 minuted meetings.

Board committees and committee work in 2010

CellaVision has applied the provisions of the Companies Act concerning audit committees and the provisions of the Swedish Code of Corporate Governance concerning audit and remuneration committees since May 31, 2010, when the company's share was first admitted to trading on a regulated market, NASDAQ OMX.

Audit Committee

In 2010 the Board set up an Audit Committee consisting of three members who are independent in relation to the company management: Lars Gatenbeck, Niels Freiesleben and Sven-Åke Henningsson. Sven-Åke Henningsson chairs the Committee.

The main task of the Audit Committee is to support the Board in its quality assurance of financial reporting. In 2010 the Audit Committee held two meetings. Questions discussed and dealt with were mainly audit planning and risk assessment, reports from the company's auditors concerning audits of the Group, new accounting policies, changes in the Swedish Code of Corporate Governance and management and follow-up of operations. The company's auditor and CFO participate regularly at the Audit

Committee meetings. The Audit Committee has no decision-making authority, it prepares and reports matters to the Board as a whole.

Remuneration Committee

According to its Rules of Procedure the Board appoints a Remuneration Committee from among its members to deal with remuneration issues for senior management in the Group. In 2010 the Board set up a Remuneration Committee consisting of the Board members Lars Gatenbeck, Christer Fåhraeus and Torbjörn Kronander. Lars Gatenbeck chairs the Committee.

The Remuneration Committee submits proposals to the Board concerning the salary and other conditions of employment of the President/CEO. The Remuneration Committee is also to establish salaries and other conditions of employment for the Executive Group Management.

The Remuneration Committee is also to assist the Board before each Annual General Meeting in drawing up proposed guidelines for remuneration to senior management for the coming year, in accordance with the Companies Act, Chapter 8, Section 51. The guidelines shall refer to determination of salary and other remuneration (including pensions, severance pay, transfer of securities, etc) to the President/CEO and other senior management of the Company.

In 2010 the Remuneration Committee was in contact by mail and telephone on several occasions, as well as holding individual discussions and meetings in conjunction with Board meetings. Questions dealt with and discussed were a new program for performance-based salary to senior management of the company and guidelines and principles for remuneration to the President/CEO and other senior management and the general salary level in the company.

Attendance and remuneration to the Board in 2010

Name	Audit Committee	Remuneration Committee	Attendance at Board meetings	Attendance at Committee meetings	Board fee, SEK thousands	Board fee, SEK thousands Committee	Total, SEK thousands
Lars Gatenbeck	•	•	100%	100%	200	0	200
Niels Freiesleben	•		100%	100%	100	0	100
Christer Fåhraeus		•	100%	100%	100	0	100
Sven-Åke Henningsson	•		100%	100%	100	0	100
Torbjörn Kronander		•	91%	100%	100	0	100
Anna Malm Bernsten*			67%		100		100
Total					700	0	700

• Chairman of the board

• Member of the board

* Elected at the 2010 Annual General Meeting.

Remuneration

Remuneration to the Board

Remuneration to the Board for the coming financial year is determined every year by the Annual General Meeting. In 2010 the Annual General Meeting resolved that remuneration to the Chairman of the Board for the current year should be SEK 200,000. Remuneration to the other members of the Board is to be SEK 100 000 per member, a total to the Board of SEK 700 000.

Guidelines for remuneration to senior management in 2010

These guidelines are to be applied when determining salary and other remuneration to the President/CEO and other senior management of CellaVision. The guidelines were adopted by the Annual General Meeting on April 29, 2010. Remuneration to the President/CEO and other senior management consists of basic salary, variable remuneration, other benefits and pension. Altogether the above components constitute the individual's total remuneration.

The total remuneration must be commercially based and competitive, as well as being in relation to the position, performance, responsibility and authority. The basic salary is to take account of the individual's areas of responsibility and experience and be reviewed annually. Variable remuneration depends on the individual's fulfillment of quantitative and qualitative goals linked to the development of the business. The maximum variable remuneration to the President/CEO is 33 per cent of basic salary. For other senior management the variable remuneration varies depending on position and contract and may be a maximum of 25 per cent of basic salary.

In 2010 the Board of Directors decided on an incentive program for senior management that is in part related to the share price. The share-price related component consists of a comparison between the company's share price and the general index on NASDAQ OMX Stockholm, in which the company's share price must have exceeded the general index by at least 30 per cent from Q4 2009 to Q4 2012 in order to generate any right to remuneration. The maximum outcome of the share-price based component of the incentive program for each member of management is 3 months salary, with a supplement of a further month's salary for the President/CEO. The maximum outcome for the entire incentive program lies within the framework of the guidelines for remuneration to senior management decided by the Annual General Meeting.

Decisions on share-price related programs to company management must be made by the General Meeting under the provisions of the Code. The reason for deviating from this provision is that the Board, considering the limited scope of

the program in question, principally the amounts that may be payable and the fact that the program is only in part share-price related, has made the assessment that it was not warranted to present the incentive program to the General Meeting. For a detailed description of remuneration for 2010, see Note 5.4.

Proposed guidelines for remuneration to senior management in 2011

These guidelines refer to remuneration and other conditions of employment for senior management of CellaVision AB. The guidelines apply to employment and consultant contracts entered into after approval of the guidelines by the Annual General Meeting and to amendments to existing employment contracts made thereafter.

The company is to offer commercially based total remuneration that enables the recruitment and retention of senior management. The remuneration to company management is to consist of fixed salary, variable remuneration and pension. Fixed salary plus variable salary together constitute the individual's target salary. Altogether the above components constitute the individual's total remuneration.

The fixed salary is to take account of the individual's areas of responsibility and experience and be reviewed annually. The distribution between the fixed salary and variable remuneration must be in proportion to the responsibility and authority of the person holding the position. The variable remuneration must always be subject to predetermined limits and be linked to predetermined and measurable performance criteria. The variable remuneration to the President/CEO must be based on individual goals established by the Board. Such goals may for example be linked to performance, sales and/or cash flow. For other senior management the variable remuneration must be based on individual goals and/or the outcome in the individual's relevant area of responsibility.

Apart from the variable remuneration described above, the Board must review annually whether a share or share-price related incentive program should be proposed to the General Meeting or not.

Pension conditions must be commercial in relation to market conditions applicable to others holding equivalent positions and must be based on defined contribution plan solutions. The retirement age is to be 65 years. Severance pay for a member of the management can be payable in an amount equivalent to a maximum of 12 months' salary. No separate board fee is payable to a member of management holding a position as member or alternate in a group company board of directors.

The Board of Directors may deviate from these guidelines if there are special grounds for this in an individual case.

BOARD OF DIRECTOR'S REPORT

President and CEO

The President and Chief Executive Officer, Yvonne Mårtensson, is responsible for the day-to-day business operations. In the Instruction to the President/CEO, adopted by the Board, the division of duties between the Board and the President/CEO is laid down. The most recent Instruction to the President/CEO was adopted by the Board on April 29, 2010. The President/CEO has appointed a management team to be responsible for various parts of the business. The Executive Group Management holds minuted meetings at which operative issues are discussed. In addition the Executive Group Management draws up a business plan annually, which is adopted by the Board. The business plan is followed up via monthly reports from the respective functions in the company, in which the examination focuses on growth and cost control. All the members of the Executive Group Management are at the company's head office in Lund, Sweden. A more detailed presentation of the President/CEO and the management team is given on page 53 in the 2010 Annual Report.

Auditors

The auditors are elected by the Annual General Meeting. Deloitte AB was elected in 2008 as auditor of the parent company for the period up to and including the Annual General Meeting in 2012. The task of the auditors is to audit CellaVision's annual accounts, accounting records and the administration by the Board of Directors and President/CEO. Besides the annual audit, the auditor examines at least one quarterly report per year. The auditor in charge is authorized public accountant Per-Arne Pettersson, who has been the auditor in charge of CellaVision since 2000. Remuneration to the auditor is payable in accordance with the approved invoice.

The Board's report on internal controls and risk management referring to financial reporting

This report on internal controls referring to financial reporting is submitted by the Board of CellaVision and has been drawn up in accordance with the Swedish Code of Corporate Governance.

Background

According to the Companies Act and the Swedish Code of Corporate Governance the Board is responsible for internal controls.

Control environment

The basis of internal controls is the overall control environment. A good control environment builds on an organization with clear decision lines where responsibility and authority is clearly defined. In CellaVision there are policies, guidelines and process descriptions for the different parts of the business flow from transaction management to bookkeeping and preparing external reports. In the company's financial and accounting manual, Administrative Guidelines, which is updated annually, these process descriptions are presented in all essentials.

Risk assessment

The Board and Audit Committee are responsible for identifying and managing all material financial risks and risks of errors in the external reporting. The Audit Committee evaluates the risk management requirements annually and draws up written principles both for overall risk management and for specific areas, such as currency risk, interest rate risk, credit risk and investment of surplus liquidity. These principles are then adopted by the Board.

Control activities

The main purpose of control activities is to prevent and discover errors as soon as possible in order to rectify any deficiencies. Procedures and activities have been designed to discover and deal with the most material risks related to financial reporting. Group companies are followed up by the CEO and CFO through regular reports and personal meetings with the management of the respective subsidiary. The Board receives monthly reports in which the CEO and CFO give an account of the past period regarding the Group's and each respective business area's results and financial position. The work on monthly closings and annual accounts is well-defined and reporting is in accordance with standardized reporting templates including comments regarding all material income and balance sheet items. There are CFOs and controllers with functional responsibility for accounting, reporting and analysis at both parent company and subsidiaries. In this way the company's financial reports are checked several times, which reduces the risk of error.

At present neither the size of the company nor its risk exposure warrant a separate internal audit function. The Board assesses that with the procedures in place for follow-up and control there is currently no necessity for this.

BOARD OF DIRECTOR'S REPORT

Information and communication

The Board has adopted an information policy that specifies what is to be communicated, by whom and in what way the information is to be published to ensure that external information is correct and complete.

To enable CellaVision's shareholders and stakeholders to follow operations and their development, financial reports and press releases are published regularly on the website. Interim reports and annual reports are published in Swedish and English. Events estimated to be price-sensitive are made public through press releases.

Follow-up

Compliance and effectiveness of internal controls are followed up regularly. The company's financial situation and strategy regarding its financial position is dealt with at each Board meeting, when the Board receives detailed monthly reports regarding the financial position and development of operations. Each interim report is analyzed by the Audit Committee, discussed with the CFO and then approved by the Board before publication.

Important events after the close of the financial year

On January 12, 2011 CellaVision reported that the company's management team was being reinforced with Stefan Bengtsson as Chief Operating Officer (COO) with responsibility for the company's product supply, from development to delivery. Stefan Bengtsson has held leading positions in Gambro, Getinge and Pharmacia and has extensive knowledge and experience of production and product development.

Outlook for 2011

CellaVision is planning for continued international market expansion and continued product development in 2011. To continue growing and improving its market position the company is continuing to work with several global distributors. With well-established global distributors in hematology, together with the company's own sales organization in the Nordic countries, North America and Japan, the company has good chances of accelerating its market penetration. The challenge of adapting the company's production to the growing demand will continue in 2011. The production disruptions of the second half of 2010 for the DM1200 will also affect the company's delivery capacity in the first half of 2011. The focus is now on strengthening product supply. The growing demand for CellaVision's products also means that the company has invested in its own organization, including a COO with responsibility for product development and production. Within the company there are a number of ongoing development projects aimed at enhancing the customer benefit of the analyzers through increased functionality and more areas of use. CellaVision's products, that save time and consequently money, target markets with high growth potential and stand up well in competition for laboratory investments. All in all, the company is looking ahead with confidence to 2011.

Proposed appropriation of profits

PARENT COMPANY	(SEK)
<i>The following profits are at the disposal of the Annual General Meeting:</i>	
Profit brought forward	70,716,284
Net profit/loss for the year	42,161,238

The Board of Directors and President/CEO propose that the profits at the disposal of the Meeting of SEK 112,877, 522 be carried forward.