

Legal issues and supplementary information

Material agreements

Customers and suppliers

Concentric's customer and supplier agreements are entered into in the ordinary course of business. The Group operates in a number of market segments and has a large number of customers. Concentric does not consider itself dependent on any single customer or supplier agreement. A loss or replacement of an important supplier could, in the short term, result in increased costs and consequently a decline in sales, but is not deemed to result in any material consequences for the Group as a whole, since there essentially always are alternative suppliers. Generally, the Group sells and purchases products and goods on a purchase-order basis, and few material written agreements exist between companies within the Group and its customers and suppliers. The lack of written agreements is customary in the industry and Concentric's relations with its customers are generally strong and often date decades back in time.

Credit agreements

Concentric has previously had no external financing of its own, but has been part of the Haldex Group's financing arrangements (see "Financing" on page 76).

In February 2011, Concentric entered into a separate EUR 40 m (approximately SEK 360 m) multicurrency revolving credit facility agreement (the "**Facility Agreement**") with Skandinaviska Enskilda Banken AB (publ) and Nordea Bank Finland plc, London branch as lenders (the "**Lenders**") and a term of three years. Concentric's right to use the credit facility is subject to the contemplated distribution of the shares in Concentric having been approved by the shareholders at the Annual General Meeting in Haldex on June 8, 2011, and the Lenders having received evidence that all intra-group loans owed by Concentric to the Haldex Group will be repaid in full from the first advance under the Facility Agreement. Additionally, it is a so-called condition subsequent under the Facility Agreement that the Company is listed on NASDAQ OMX Stockholm by no later than July 30, 2011.

Under an issuance bond agreement between Concentric and Svensk Exportkredit entered into in May 2011 (the "**Issuance Agreement**"), Concentric will issue a bond to Svensk Exportkredit in the amount of SEK 175m in connection with the contemplated distribution.

The Facility Agreement and the Issuance Agreement contains event of default and change of control provisions which are customary to loan agreements, the occurrence of which entitles the Lenders and Svensk Exportkredit to require any outstanding loans to be repaid. The said agree-

ments also contain customary financial covenants in respect of the Group's total interest bearing liabilities in relation to its earnings before interest, taxes, depreciation and amortization (net debt-to-EBITDA ratio) and the Group's net debt in relation to its shareholders' equity (net debt-to-Equity ratio) that Concentric must adhere to, as well as other undertakings and conditions in line with market practice.

For more detailed information regarding the debts and borrowings of the Group, see "Capitalization, indebtedness and other financial information" on page 39.

Trademark license agreement

Concentric and Haldex have entered into a trademark license agreement in respect of Concentric's use of the trademark "HALDEX" during a transitional period following the separation from Haldex. For more information, see "Trademark license agreement" on page 76.

Acquisitions and divestments

During the past two years, Concentric has not carried out any significant acquisitions or divestments other than in connection with the restructuring of the Haldex Group for the purpose of separating Concentric from Haldex. See "The relationship between Concentric and Haldex" on page 75.

Legal and arbitration proceedings

The Group conducts operations in several countries and, in connection with ongoing operations, Group companies are from time to time subject to claims and disputes. To secure returns on its investments, for example, the Group actively claims its rights and monitors competitors' activities closely. In pursuit of this strategy, the Group is currently preparing to file an application of interference with one of its patents with the U.S. Patent and Trademark Office. However, Concentric has not been party to any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Concentric is aware), during a period covering the last twelve months which may have, or have had in the recent past, significant effects on the Company's or the Group's financial position or profitability.

Related party transactions

The Company is a related party to its subsidiaries. Transactions with subsidiaries occur on commercial market terms (see note 26 to the Group's combined financial statements for 2010) Intra-group transactions and balance sheet items are eliminated in connection with the consolidation of the Group's accounts.

During late 2010 and the first half of 2011, the Haldex Group was restructured for the purpose of separating Concentric from Haldex. The restructuring included a series of intra-group share transfers (including acquisitions, sales, shareholder's contributions and dividends) of the legal entities pertaining to the operations of Concentric, as well as an intra-group asset transfer, to Concentric. In conjunction therewith, a separation agreement and certain other agreements, were also entered into between Concentric and Haldex. For more information, see "The relationship between Concentric and Haldex" on page 75.

The Group's holdings in associated companies and receivables from and liabilities to associated companies are, and have during the period comprised by the historical financial information been, immaterial. There have been no significant transactions between Concentric and its associated companies.

For information on remuneration to the members of the Board of Directors and senior management, see "Board of Directors, senior management and auditor" on page 61.

Basic corporate information

Concentric's corporate ID number is 556828-4995 and the registered office of the Company is located in Örkelljunga Municipality. The Company was incorporated in Sweden on November 11, 2010 and was registered with the Swedish Companies Registration Office on November 30, 2010. The Company has conducted its business since then. The Company is a public limited liability company regulated by the Swedish Companies Act (*aktiebolagslagen (2005:551)*).

Organizational structure

The Company is the parent of the Group, which consists of 23 companies in 10 countries. The Group's holdings in associated companies are insignificant. The table below sets out the principal Group companies.

Significant subsidiaries

Subsidiary	Country	Holding of shares and votes
Haldex Concentric Inc.	United States	100%
Haldex Hydraulics Corp.	United States	100%
Concentric Pumps Ltd.	United Kingdom	100%
Haldex Hydraulics AB	Sweden	100%
Haldex Hydraulics GmbH	Germany	100%

Documents on display

The following documents can be downloaded on the Company's website, www.concentricab.com. Copies of the documents can also be obtained at the offices of Concentric at: Ringvägen 3 in Skånes-Fagerhult, Sweden, during the validity period of this prospectus (regular office hours on business days).

- Concentric's Articles of Association
- Annual report for 2010 (including auditor's reports)
- Concentric's interim report for the period January – March 2011