

## **The Board of Directors' of Investor AB report regarding proposal for resolution that certain key employees of Novare Human Capital AB shall be offered partnership in the company**

### **Agenda Item 18**

#### *Background and Reasons*

Novare Human Capital AB (the "Company") is a wholly owned subsidiary of Investor. The Company's business is focused on human resource services and advice. Most of the Company's clients are companies within Investor's portfolio, but approximately 20 percent of the clients are totally independent.

The Board of Directors of Investor considers that partnership would entail that the Company's key employees would be further connected to the Company. A broadened ownership would furthermore facilitate expansion of the Company's customer base. Hence, the Board proposes that the Annual General Meeting approves that key employees of the Company and its subsidiaries will be offered to become partners of the Company's business on market terms.

The Board has against this background resolved that Investor shall transfer all shares in the Company to a newly formed holding company. On condition of approval from the Meeting, Investor will transfer in total 50 percent of the shares in this newly formed holding company to three key employees of the Company and its subsidiaries. The remaining 50 percent of the shares will be held by Investor, which accordingly will be the largest shareholder of the Company and able to henceforth make use of the Company's services.

#### *Purchase Price*

The Board has obtained an independent valuation of the Company. PricewaterhouseCoopers has estimated the value of all shares in the Company to SEK 34,000,000. This value has been calculated primarily based on a return valuation. Such valuation has been computed by discounting expected future cash flows using required returns on terms in line with the market and also considering the Company's financial position as of 31 December 2005. Furthermore, the annual report and internal accounting information have formed the basis for the valuation.

The purchase price for the shares of the Company when transferred to the new holding company will be SEK 34,000,000 and three key employees of the Company and its subsidiaries will be offered to acquire 50 percent of the shares in the new holding company based on this amount. Should the Company's turnover during the years 2006-2011 exceed the estimated turnover figures in the valuation, an additional purchase price shall be paid by the holding company after the end of 2008 and 2011, respectively. The additional purchase price shall amount to 7.5 percent of such possible excess total consolidated net turnover.

The valuation obtained from PricewaterhouseCoopers is enclosed as Appendix A.

#### *Engagement Agreement etc.*

Investor intends to enter into three-year engagement agreements with the Company and its subsidiaries regarding the supply of, inter alia, recruitment services to the Investor Group against a total fix annual compensation of SEK 4,000,000.

---

The implementation of the proposal is subject to the approval at the Annual General Meeting with at least 9/10 of both the votes cast and of the shares represented at the Meeting.

---

Stockholm, February 2006

INVESTOR AB (publ)  
The Board of Directors