

## Note 5 cont'd Employees and payroll costs

The principles for total remuneration for Investor's employees are;

- that employees in Investor's different operations shall receive a total remuneration that is competitive and in line with market conditions,
- that the allocation between basic salary, variable salary and long-term variable remuneration shall be in proportion to the employee's position and to what is customary on the market for such positions,
- that the remuneration shall be based on factors such as position, performance and individual qualifications,
- that the remuneration shall establish a common interest between shareholders and employees through connection to the company's long-term value development,
- to encourage an entrepreneurial method of working,
- that the remuneration shall attract the top competence, which is necessary to develop the business in accordance with Investor's strategy to be "best-in-class",
- that the remuneration shall not discriminate on the basis of gender, ethnic background, national origin, age, disability or any other circumstance and,
- that the remuneration shall encourage each individual employee to establish a significant ownership of Investor shares in relation to the employee's financial situation.

Investor strives to establish a model where the possible variable salary and long-term variable remuneration constitutes a considerable part of the calculated total remuneration. Clear individual goals for the variable salary create appropriate opportunities for Investor to clarify the expectations on performance of individual employees and therefore provide the possibility to reward good performance and achieved goals. Long-term variable remuneration is affected by the long-term share price development, and the relevant employees are thus expected to act in harmony with the interests of the long-term shareholders. Because the remuneration is variable, the company's costs will also be correspondingly variable, meaning that under-performance will result in lower remuneration and thereby lower costs for the company. The alternative to variable salary and long-term variable remuneration would be to only offer basic salary, but in such a case the positive effects and incentives which Investor's model strives to establish would not be achieved.

### Basic salary

Basic salary is reviewed annually for all Investor employees. The annual review of basic salary takes into account the employee's performance, any changes that have been made to the employee's areas of responsibility, the company's development and salary trends in the market. In cases where significant changes have been made to the employee's areas of responsibility during the year, basic salary could be reviewed when such changes are made. Basic salary constitutes the basis for calculating variable salary.

### Variable salary

The majority of Investor's employees have variable salary. Variable salary is based on annually set goals, the outcome of which is reviewed on a yearly basis. The variable portion of salary in 2010 differs between business areas and for the President, it amounts to a maximum of 10 percent of basic salary. For other employees, variable salary ranges between 0 and 80 percent of their basic salary, although for a very limited number of key personnel, the variable portion of salary can be a maximum of 100 percent of their basic salary. The President may award additional variable salary to company employees who he feels have made an exceptional contribution during the year. However, any such additional variable salary must be specifically approved by Investor's Remuneration Committee. When additional variable salary is awarded, the variable portion of salary could, in individual cases, exceed 100 percent of basic salary.

The established goals must be reached in order to receive the variable salary and the annual variable salary is thereby clearly linked to an individual's work efforts and performance. Goals are both quantitative and qualitative and they are based on factors that are in agreement with Investor's long-term strategy. Goals are reviewed at the end of the year. The focus of President's goals for the year is determined through a dialog between the President and the Chairman of the Board. The specific goals for the President are proposed by the Remuneration Committee and later approved by the Board. Goals for other employees are established by each employee's manager.

### Long-term share-based remuneration

For long-term variable remuneration programs, it has been the Board's ambition to create a structure that results in employee commitment and is based on the long-term development of Investor. As a result, part of remuneration to employees is related to the long-term performance of Investor and the Investor share, which exposes the employee to both increases and decreases of the share price. In 1999, Investor introduced the principle of linking part of an employee's remuneration to the company's long-term share price development. This principle has applied to all employees since 2000. During the period 1999 through 2005, this has primarily been carried out through employee stock option programs<sup>1)</sup>.

A combined employee stock option and restricted stock program was introduced for the Management Group for 2004 and 2005. In 2006, a Stock Matching Plan was introduced for all Investor employees, as well as a performance based share program for Senior Management. "Senior Management" is defined as the President, other members of the Management Group and a maximum of 20 other senior executives in the company. The programs for 2007, 2008, 2009 and 2010 correspond in all material respects to the program for 2006. For all programs introduced as of 2004, the Board's decision has been conditional on the Annual General Meeting approving the scope and basic principles for each program. As of 2006, the employee is required to invest his or her money in order to participate in the program. For more details regarding the programs, see the section Long-term share-based remuneration - program descriptions.

### Pension

The pension for the President and the Management Group consists of two parts:

- a pension plan based on premiums in accordance with the BTP plan (Swedish pension plan for the banking sector) on parts of salary up to 30 basic income amounts (SEK 1,533 t.) and the option to choose BTP's alternative special pension plan for managers with an annual salary above 10 basic amounts,
- a pension plan based on special pension regulations ("Särskilt Pensionsreglemente") on parts of salary above 20 basic amounts. The amount of the pension provision depends on age and is currently 25 percent until the age of 40, 30 percent between the ages of 41 and 50 and 35 percent for those who are over the age of 50. Only basic salary is used to establish the annual pension premium. Each person who will receive a pension decides on a suitable type together with his or her employer, based on current pension practice. The retirement age is 60 years for the President and the Management Group. Stephen Campe, who is employed by Investor's subsidiary in the United States, is covered by a pension plan that has been prepared in accordance with a model applied in the U.S. The costs for this plan do not exceed those of an equivalent plan in Sweden.

Other Investor employees are covered by pension agreements in accordance with the BTP Plan and they have the option of choosing BTP's alternative special pension plan for employees with an annual salary above 10 basic amounts.

### Other remuneration and benefits

#### Profit-sharing program for Active Portfolio Management

For Investor's Active Portfolio Management there is a profit-sharing program in which employees receive 20 percent of the unit's profit, after the deduction for financial and administrative expenses. The program is conditional upon positive profit growth over a two-year period, during which any losses are taken into account in the following financial year. The calculation of the result which is the platform for the profit-sharing is based on the fair value of the security holdings.

Profits are shared in the form of salary or pension insurance. The choice of payment method is neutral for Investor in terms of cost. During the year, SEK 43 m. (95) was expensed for the profit-sharing program and SEK 13 m. (30) for social security contributions in addition to what has been reported in the table on page 98. The expensed amount for the profit-sharing programs in 2010, totaling SEK 43 m., should be compared to the profit-sharing based trading result totaling SEK 213 m. for the fiscal years. Since profit-sharing is a direct function of value generation, costs are included under the heading "Changes in value" in the income statement.

#### Participation program in Operating Investments

Board members and senior executives in unlisted investments, including Mölnlycke Health Care and Aleris, are offered the opportunity to invest in the companies through management participation programs. The terms of the programs are based on market valuations and are designed to yield lower return to the participants than that of the owners if the investment plan is not reached but higher return to the participants than that of the owners if the

<sup>1)</sup> Employee stock options refer to commitments in accordance with Chapter 10, Paragraph 11, Section 2 of the Income Tax Act.

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plan is exceeded. Board members employed by Investor AB are not offered to invest in the programs.

### Participation program in Private Equity Investments

In the Private Equity Investments business area, selected senior staff and other senior executives are to a certain extent, allowed to make parallel investments with Investor, or else receive profit-sharing. The programs are linked to realized growth in the value of the holdings, after having deducted costs and any unrealized decline in value, which are viewed as a portfolio. The maximum share that can be credited to program participants is 15 percent, which is in line with practice in the venture capital market.

During the year, a total of SEK 191 m. has been paid out from these programs (5). Provision, not paid out, on unrealized gains amounted to SEK 145 m. at year-end (263). Expensed amounts has been reported in the item "Changes in Value" in the income statement. Employees within Investor do not have the possibility to invest in EQT funds.

### Severance pay

A mutual six-month term of notice applies between the President and the company. If the company terminates employment, the President will receive severance pay corresponding to 12 months of basic salary. If no new employment has been obtained after one year, the President is entitled to a maximum of 12 months' additional severance pay. The terms and conditions regarding notice and severance pay for other members of the Management Group are the same, provided that the employment contract for that person was entered into before the 2010 Annual General Meeting. If the employment contract was entered into subsequent to the 2010 Annual General Meeting, then the fixed cash salary during the notice period plus the severance pay may not exceed two years' fixed cash salary. Other employees in Investor have no contracted right to severance pay.

### Fees received for Board work

For many years Investor has allowed employees to keep any fees that they have received for work done on the Boards of the Core Investments and of the Operating Investments. One reason for allowing this practice is that the

### Remuneration and benefits 2007-2010 to Börje Ekholm, President and Chief Executive Officer (SEK t.)

Year	Fixed basic salary	Vacation remuneration	Variable salary for the year	Total salary, cash	Change of vacation pay liability	Pension premiums	Benefits <sup>1)</sup>	Long-term share-based remuneration value at grant date	Total remuneration <sup>2)</sup>	Own investment in long-term share-based remuneration	Own investment, % of basic salary, pre-tax
2010	7,000	102	0	<b>7,102</b>	440	2,515	1,105	8,050	<b>19,170</b>	3,033	43.3%
2009	7,500	94	1,356	<b>8,950</b>	450	2,671	805	6,000	<b>18,876</b>	2,310	30.8%
2008	7,500	94	2,706	<b>10,300</b>	660	2,627	750	4,500	<b>18,837</b>	1,600	21.3%
2007	7,500	94	2,781	<b>10,375</b>	666	2,565	636	4,500	<b>18,742</b>	1,537	20.5%

1) In addition, value of benefits of exercised options during 2010 granted in 2004 amounts to SEK 554 t. For options exercised during 2009 granted in 2003 the value was SEK 642 t.

2) As a result of realized gains in parallel investment programs and co-investment plans in the Private Equity Investments business area Börje Ekholm has received SEK 37,165 t. (99).

The payment during 2010 related to the 2005 agreement to buy-out Börje Ekholm's interest in Investor Growth Capital's parallel investment program (carried interest plans) when he took over as President and CEO of Investor AB. For more information on the buy-out, see the press release issued on December 20, 2010.

### Expensed remunerations

#### Expensed remuneration paid to the President, other members of the Management Group as well as former presidents

The amounts in the table are calculated according to the accruals concept, in which the terms basic salary and variable salary refer to expensed amounts, including any changes to the reserve for variable salary, vacation pay provisions, etc. Variable salary refers to the approved variable salary for the current financial year, unless specified otherwise.

Total remuneration for 2010 (SEK t.)	Fixed basic salary	Vacation remuneration	Change of vacation pay liability	Variable salary for the year	Cost of long-term share-based remuneration <sup>1)</sup>	Total salary	Pension costs <sup>2)</sup>	Other remuneration and benefits	Total expensed remuneration
Börje Ekholm, President and CEO	7,000	102	440	0	5,005	<b>12,547</b>	2,515	1,105	<b>16,167</b>
Management Group, excluding the President <sup>3)</sup>	19,084	208	725	10,400	5,248	<b>35,665</b>	6,273	945	<b>42,883</b>
Former presidents	–	–	–	–	–	–	–	663	<b>663</b>
<b>Total<sup>4)</sup></b>	<b>26,084</b>	<b>310</b>	<b>1,165</b>	<b>10,400</b>	<b>10,253</b>	<b>48,212</b>	<b>8,788</b>	<b>2,713</b>	<b>59,713</b>

1) Cost booked according to IFRS 2.

2) There are no outstanding pension commitments for the Management Group.

3) Johan Bygge, Stephen Campe, Johan Forssell, Petra Hedengran and Lennart Johansson.

4) Of which expensed in subsidiaries; basic salary SEK 5,795 t., variable salary SEK 3,243 t., pension SEK 112 t., as well as other remunerations and benefits SEK 748 t.

As a result of realized gains in parallel investment programs and co-investment plans in the Private Equity Investments business area, members of the Management Group have received SEK 49,581 t. (205), of which Börje Ekholm SEK 37,165 t. (99). The payment to Börje Ekholm during 2010 related to the 2005 agreement to buy-out Börje Ekholm's interest in Investor Growth Capital's parallel investment program (carried interest plans) when he took over as President and CEO of Investor AB. For more information on the buy-out, see the press release issued on December 20, 2010. Expensed remuneration from the profit-sharing programs for Active Portfolio Management to members of the Management Group totaled SEK 33 t. for the year (438). These remunerations are in addition to the amounts presented in the table above.

Total remuneration for 2009 (SEK t.)	Fixed basic salary	Vacation remuneration	Change of vacation pay liability	Variable salary for the year	Cost of long-term share-based remuneration <sup>1)</sup>	Total salary	Pension costs <sup>2)</sup>	Other remuneration and benefits	Total expensed remuneration
Börje Ekholm, President and CEO	7,500	94	450	1,356	5,355	<b>14,755</b>	2,671	805	<b>18,231</b>
Management Group, excluding the President <sup>3)</sup>	18,600	171	678	10,330	6,661	<b>36,440</b>	6,277	614	<b>43,331</b>
Former presidents	–	–	–	–	–	<b>0</b>	–	663	<b>663</b>
<b>Total<sup>4)</sup></b>	<b>26,100</b>	<b>265</b>	<b>1,128</b>	<b>11,686</b>	<b>12,016</b>	<b>51,195</b>	<b>8,948</b>	<b>2,082</b>	<b>62,225</b>

1) Cost booked according to IFRS 2.

2) There are no outstanding pension commitments for the Management Group.

3) Johan Bygge, Stephen Campe, Johan Forssell, Petra Hedengran and Lennart Johansson.

4) Of which expensed in subsidiaries; basic salary SEK 5,820 t., variable salary SEK 3,307 t., pension SEK 578 t., as well as other remunerations and benefits SEK 466 t.

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Total remunerations – expensed wages, salaries, Board of Director fees and other remuneration, as well as social security contributions

Total remuneration (SEK m.)	2010							2009						
	Fixed basic salary <sup>1)</sup>	Vari-able salary	Long-term share-based remuneration	Pension costs	Costs for employee benefits	Social security contributions <sup>2)</sup>	Total	Fixed basic salary <sup>1)</sup>	Vari-able salary	Long-term share-based remuneration	Pension costs	Costs for employee benefits	Social security contributions <sup>2)</sup>	Total
<i>Investing activities</i>														
Parent Company	94	18	22	22	17	53	226	86	20	24	27	14	55	226
Subsidiaries	74	34	6	8	3	12	137	70	35	4	9	3	12	133
<b>Total, investing activities</b>	<b>168</b>	<b>52</b>	<b>28</b>	<b>30</b>	<b>20</b>	<b>65</b>	<b>363</b>	<b>156</b>	<b>55</b>	<b>28</b>	<b>36</b>	<b>17</b>	<b>67</b>	<b>359</b>
<i>Operating activities</i>														
Subsidiaries <sup>3)</sup>	933	7	0	62	13	217	1,232	88	–	–	5	3	26	122
<b>Total, Operating activities</b>	<b>933</b>	<b>7</b>	<b>0</b>	<b>62</b>	<b>13</b>	<b>217</b>	<b>1,232</b>	<b>88</b>	<b>–</b>	<b>–</b>	<b>5</b>	<b>3</b>	<b>26</b>	<b>122</b>
<b>Total</b>	<b>1,101</b>	<b>59</b>	<b>28</b>	<b>92</b>	<b>33</b>	<b>282</b>	<b>1,594</b>	<b>244</b>	<b>55</b>	<b>28</b>	<b>41</b>	<b>20</b>	<b>93</b>	<b>481</b>

1) Includes vacation remuneration and change of vacation pay provision.

2) Of which SEK 9 m. refers to social security contributions for long-term share-based remuneration (11). The cost of long-term share-based remuneration, including social security contributions, amounts to SEK 37 m., as reported in the Consolidated Income Statement (39).

3) Including Mölnlycke Health Care 1 month and Aleris 5 months.

Expensed wages and remuneration distributed between senior executives, Presidents and Boards in subsidiaries and other employees

Total remuneration (SEK t.)	2010				2009			
	Senior executives, Presidents and Boards in subsidiaries	Of which variable salary	Other employees	Total	Senior executives, Presidents and Boards in subsidiaries	Of which variable salary	Other employees	Total
<i>Investing activities</i>								
Parent Company (6 people)	36,455	7,166	75,539	111,994	37,592	8,380	68,641	106,233
Subsidiaries (4 people)	25,852	8,750	82,240	108,092	21,458	7,758	83,634	105,092
<b>Total, Investing Activities</b>	<b>62,307</b>	<b>15,916</b>	<b>157,779</b>	<b>220,086</b>	<b>59,050</b>	<b>16,138</b>	<b>152,275</b>	<b>211,325</b>
<i>Operating activities</i>								
Subsidiaries (18 people) <sup>1)</sup>	11,180	548	928,090	939,270	4,184	–	83,753	87,937
<b>Total, Operating Activities</b>	<b>11,180</b>	<b>548</b>	<b>928,090</b>	<b>939,270</b>	<b>4,184</b>	<b>–</b>	<b>83,753</b>	<b>87,937</b>
<b>Total</b>	<b>73,487</b>	<b>16,464</b>	<b>1,085,869</b>	<b>1,159,356</b>	<b>63,234</b>	<b>16,138</b>	<b>236,028</b>	<b>299,262</b>

1) Including Mölnlycke Health Care 1 month and Aleris 5 months.

## Note 5 cont'd Employees and payroll costs

employee assumes personal responsibility by having a board position. Fees received for board work are taken into account by Investor when determining the employee's total remuneration.

### Other benefits

In operations in Sweden, Investor offers employees a number of non-monetary benefits, including corporate health service, health insurance, subsidized lunches, employee fitness programs and the possibility to rent vacation homes. Managers and employees with young children are also offered in-home services in the form of cleaning and babysitting.

### Remuneration to the President and Chief Executive Officer

The fixed basic salary during the year was SEK 7,000 t. Vacation remuneration was SEK 102 t. The variable salary, the outcome of which is based on established goals, amounted to SEK 0 t. The maximum possible outcome was SEK 700 t. In addition to this, the holiday pay provision increased by SEK 440 t. to SEK 3,080 t. because only 10 vacation days were taken compared to the 32 days that were allowed. This increase therefore did not result in any payments during the year. Pension premiums excluding payroll tax amounted to SEK 2,515 t. and other compensation and benefits to SEK 1,105 t.

In order to participate fully in the long-term variable remuneration program, the President is required to invest approximately 43 percent of the basic salary (before tax). During 2010 the President invested SEK 3,033 t. in Investor shares. As a result of that investment the President received shares and options worth SEK 8,050 t. at the time when they were granted.

Total remuneration to the President during 2010 amounted to SEK 19,170 t., of which SEK 7,102 t. was paid out in cash. During 2010 the President also exercised options that were granted in 2004, maturing in January 2011, for which he received a benefit value that amounted to SEK 554 t. For more information see the table on page 97.

### REMUNERATION TO EMPLOYEES – OPERATING ACTIVITIES

The remuneration principles for employees working within the area of Operating Activities is based on the framework for each respective company.

### REMUNERATION TO THE BOARD OF THE PARENT COMPANY

At the 2010 Annual General Meeting, it was decided that Board remuneration should total SEK 7,313 t. Of that amount, it was decided to distribute SEK 6,375 t. as follows: SEK 1,875 t. to the Chairman and SEK 500 t. to each of the remaining nine members of the Board, (who are not employed by the company) in the form of cash and synthetic shares. It was decided that the remaining amount of SEK 938 t. would be distributed as cash remuneration for committee work done by the Board of Directors.

Expensed remuneration paid to former members of the Board during the year amounted to SEK 1,200 t. (1,589). At year-end total outstanding pension commitments including payroll tax for former members of the Board amounted to SEK 152,442 t. (163,833), of which SEK 97,412 t. pertained to Peter Wallenberg (104,138). Remuneration to Peter Wallenberg of SEK 15,367 t. was paid out during the year (15,367).

### Synthetic shares 2008-2010

As of 2008, Board members may choose to receive a part of their gross remuneration before payroll tax, excluding committee fees, in synthetic shares. In 2010, Board members were entitled to elect between receiving 50 percent of the proposed remuneration in the form of synthetic shares and 50 percent in cash, or receiving 75 percent of the remuneration in cash and 25 percent in the form of synthetic shares. For administrative reasons, members of the Board of Directors with a foreign tax domicile were entitled to receive 100 percent of the remuneration in cash. A synthetic share carries the same economic rights as a class B Investor share, which means that the value of the Board of Director's remuneration in synthetic shares, (just like for class B shares), is dependent upon value fluctuations as well as the amount of dividends during the five-year period until 2015, when each synthetic share entitles the Board member to receive an amount corresponding to the share price, at the time, of a class B Investor share.

The synthetic shares were valued in connection with allocation after the 2010 Annual General Meeting, to an amount that was based on an average of the market price for class B Investor shares during the five trading days immediately following the day when the class B shares were traded without the right to receive dividends in 2010. The synthetic shares carry the right to, during the fifth calendar year following the start of the term of office, receive a cash payment on four separate occasions. These payments relate to 25 percent of the synthetic shares that have been allocated on each occasion and the cash amount per share corresponds to the share price for a class B Investor share at each respective time of payment. The synthetic shares shall be regarded as continuously vested during the term of office, with 25 percent per quarter. During the period up until the time of payment, dividends on class B Investor shares shall be awarded to the Board member by allocating additional synthetic shares. There is no condition stating that a Board member must serve on the Board during the five-year period, which means that the amount will be settled even if the assignment is terminated before the end of the five-year period. In addition, it is possible in such a situation for the Board member to exercise his/her right to redemption twelve months after the assignment has been terminated.

### Expensed remuneration paid to the Board

Total remuneration for 2010 (SEK t.)	Value of synthetic shares as at grant date		Committee fee	Total Board fee as at grant date	Effect from change in market value of synthetic shares issued 2008	Effect from change in market value of synthetic shares issued 2009	Total fee, actual cost	Number of synthetic shares at the beginning of the year	Number of synthetic shares granted 2010 <sup>1)</sup>	Adjustment for dividend	Number of synthetic shares on December 31, 2010
	Cash										
Jacob Wallenberg	938	937	312	2,187	110	122	2,419	15,162	6,838	441	22,441
Anders Scharp <sup>2)</sup>	–	–	–	–	–	–	–	1,916	–	56	1,972
Gunnar Brock <sup>3)</sup>	250	250	–	500	29	32	561	2,127	1,823	62	4,012
Sune Carlsson	250	250	187	687	29	32	748	4,043	1,823	118	5,984
Börje Ekholm	–	–	–	–	–	–	–	–	–	–	–
Sirkka Hämäläinen	500	–	63	563	–	–	563	–	–	–	–
Tom Johnstone <sup>4)</sup>	250	250	–	500	–	–	500	–	1,823	–	1,823
Carola Lemne <sup>4)</sup>	250	250	–	500	–	–	500	–	1,823	–	1,823
Håkan Mogren <sup>5)</sup>	–	–	–	–	29	17	46	2,979	–	87	3,066
Grace Reksten Skaugen	500	–	125	625	–	–	625	–	–	–	–
O. Griffith Sexton	500	–	63	563	–	–	563	–	–	–	–
Lena Treschow Torell	250	250	63	563	29	32	624	4,043	1,823	118	5,984
Peter Wallenberg Jr. <sup>3)</sup>	250	250	125	625	29	32	686	4,043	1,823	118	5,984
<b>Total</b>	<b>3,938</b>	<b>2,437</b>	<b>938</b>	<b>7,313</b>	<b>255</b>	<b>267</b>	<b>7,835</b>	<b>34,313</b>	<b>17,776</b>	<b>1,000</b>	<b>53,089</b>

1) Based on weighted average stock price for Investor B in the period 4/16 - 4/22, 2010: SEK 137.10.

2) Member of the Board until 3/31 2009.

3) Additional remunerations of SEK 85 t. to Gunnar Brock and SEK 104 t. to Peter Wallenberg Jr. have been expensed in subsidiaries.

4) Member of the Board as of 3/31 2010.

5) Member of the Board until 3/31 2010.

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Total remuneration for 2009 (SEK t.)	Cash	Value of synthetic shares as at grant date	Committee fee	Total Board fee as at grant date	Effect from change in market value of synthetic shares issued 2008	Effect from change in market value of synthetic shares issued 2009	Total fee, actual cost	Number of synthetic shares at the beginning of the year	Number of synthetic shares granted 2009 <sup>1)</sup>	Adjustment for dividend	Number of synthetic shares on December 31, 2009
Jacob Wallenberg	938	937	312	2,187	142	123	2,452	6,950	7,975	237	15,162
Anders Scharp <sup>2)</sup>	–	–	–	–	38	–	38	1,853	–	63	1,916
Gunnar Brock <sup>3)</sup>	250	250	63	563	–	32	595	–	2,127	–	2,127
Sune Carlsson	250	250	187	687	38	32	757	1,853	2,127	63	4,043
Börje Ekholm	–	–	–	–	–	–	–	–	–	–	–
Sirkka Hämäläinen	500	–	125	625	–	–	625	–	–	–	–
Håkan Mogren	375	125	125	625	38	17	680	1,853	1,063	63	2,979
Grace Reksten Skaugen	500	–	63	563	–	–	563	–	–	–	–
O. Griffith Sexton	500	–	63	563	–	–	563	–	–	–	–
Lena Treschow Torell	250	250	–	500	38	32	570	1,853	2,127	63	4,043
Peter Wallenberg Jr.	250	250	125	625	38	32	695	1,853	2,127	63	4,043
<b>Total</b>	<b>3,813</b>	<b>2,062</b>	<b>1,063</b>	<b>6,938</b>	<b>332</b>	<b>268</b>	<b>7,538</b>	<b>16,215</b>	<b>17,546</b>	<b>552</b>	<b>34,313</b>

1) Based on weighted average stock price for Investor B in the period 4/16 - 4/22, 2009: SEK 117.56.

2) Member of the Board until 3/31 2009.

3) Member of the Board as of 3/31 2009.

### LONG-TERM SHARE-BASED REMUNERATION – PROGRAM DESCRIPTIONS

Through the long-term variable remuneration programs, part of the remuneration to employees becomes linked to the long-term performance of the Investor share. The portion of remuneration to the Board that is share-based through the issuance of synthetic shares is described in the section, Remuneration to the Board of the Parent Company.

#### 2006–2010

*The programs consist of the following two components:*

1) Stock Matching Plan in which all employees may participate. Through the Stock Matching Plan, an employee could acquire shares in Investor at the market price during a period (determined by the Board) subsequent to the release of Investor's first quarterly report for 2010, 2009, 2008, 2007 and 2006, respectively (the "Measurement Period"). After a three-year vesting period, two options (Matching Options) are granted for each Investor share acquired by the employee, as well as a right to acquire one Investor share (Matching Share) for SEK 10. The Matching Share may be acquired during a four-year period subsequent to the vesting period. Each Matching Option entitles the holder to purchase one Investor share, during the corresponding period, at a strike price corresponding to 120 percent of the average volume-weighted price paid for Investor shares during the Measurement Period.

The President, other members of the Management Group and a maximum of 20 other senior executives ("Senior Management") are obligated to invest at least 5 percent of their basic salary in Investor shares according to the Stock Matching Plan. Other employees are not obligated to invest, but they are still entitled to invest to the extent that the value of the allotted Matching Options and Matching Shares amounts to a maximum of between 10 and 15 percent of their basic salary. Senior Management has the right to invest to such an extent that the value of the allotted Matching Options and Matching Shares amounts to maximum between 10 and 38 percent of their respective basic salary. In order to participate fully in the Stock Matching Plan for 2010, the President had to invest approximately 43 percent of his basic salary in Investor shares. If the President, through the investment mentioned above, participates fully in the Stock Matching Plan, the theoretical value of the right to receive a Matching Share and two Matching Options per acquired share under the Stock Matching Plan is 38 percent of the basic salary. For these programs, the President is entitled to exercise Matching Shares and Matching Options during a period of twelve months from the earlier of (i) seven years (ten years for 2006 and 2007 year's programs) from the date of allocation and (ii) two months from the end of the year during which the President terminates his employment. The President invested a total of SEK 9.657 t. in the Stock Matching Plan for the period 2006-2010.

2) Performance-Based Share Program, in which Senior

Management participates in addition to the Stock Matching Plan. Under this program, which presumes participation in the above mentioned Stock Matching Plan, Senior Management, after a three-year vesting period, has the right during four years to acquire additional Investor shares ("Performance Shares") for a price that corresponds to the price of the shares acquired by the employee ("Acquisition Price"). This right is conditional upon whether certain financial goals related to the total return of the Investor share are met during the vesting period. The Performance-Based Share Program for 2010 is the same as it was in 2009. Two parts of the 2009 Performance-Based Share Program were amended compared to the program approved by the 2008 Annual General Meeting. Firstly, the price at which Performance Share can be acquired was increased from 50 to 100 percent of the Acquisition Price (for the 2006 and 2007 programs, the price per Performance Share was SEK 10). Due to that increase, the theoretical value of the possibility to receive a Performance Share fell below what it was before. For that reason, the number of Performance Shares that it was possible to receive needed to be increased in order to correspond to the same value that they had via the 2008 program. Secondly, the two financial goals, (which, in the programs for 2006-2008 determined the number of Performance Shares that Senior Management were entitled to purchase in the future), were replaced by one goal, the total return on the Investor share (for the programs during 2006-2008 the financial goals were related to the development of Investor's net asset value (NAV) and the relative total return (relative TSR) of the Investor share).

Total return is measured over a three-year qualification period. The average annual total return (including reinvested dividends) must exceed the interest on 10-year government bonds by more than 10 percentage points in order for Senior Management to be entitled to acquire the maximum number of Performance Shares, that they were allotted. If the total return does not exceed the 10-year interest on government bonds by at least 2 percentage points, then Senior Management is not entitled to acquire any shares. If the total return is between the 10-year interest on government bonds plus 2 percentage points and the 10-year interest on government bonds plus 10 percentage points, then a proportional (linear) calculation of the number of shares that may be acquired is made.

The theoretical value of a Performance Share takes into account, such things as the likelihood for meeting the performance criteria and it is based on the Black & Scholes valuation model. The likelihood, calculated from historical data (that has been verified by external advisors), of meeting the performance criteria has been estimated at nearly 50 percent. The final number of Performance Shares that may be acquired is dependent on the outcome of the performance requirements. However, it may not exceed the maximum number (limit) that had been decided for each respective allotment year. For these programs, the President is entitled to exercise Performance Shares during a period twelve months from the earlier of (i) seven years (ten years for 2006 and 2007 year's programs) from the date of allocation and (ii) two months from the expiry of the year during which the President terminates his employment.

## Note 5 cont'd Employees and payroll costs

At the time when Matching Shares and Performance Shares are acquired, employees are entitled to remuneration for dividends paid during the vesting period and up until the acquisition date. This is done so that the program will not be affected by dividends and to avoid the risk that a decision on dividends is affected by the long-term variable remuneration program.

### Employee stock option programs 2003-2005

In the employee stock option programs for the period 2003-2005, Investor issued call options giving the option holder the right to purchase an equivalent number of shares at a predetermined price. The term of each program was seven years and the vesting period was linked to continued employment for another three years. The employee stock options were granted free of charge, but they were part of the total remuneration package for employees. In general, the options can only vest and be exercised during the time the

holder is employed with the company and for a short period of time after employment has been terminated (with the exception of former employees who have a Board assignment from Investor). The principle applied when granting options was to keep the total number of options granted in proportion with the company's current total payroll amount. The Management Group then decided how the options would be distributed between each business area, after which each business area manager determined the number of options that each department should receive. In the final stage, each department manager evaluated and decided how the options would be distributed to each employee. For the program in 2005, the final number of granted stock options was determined after year-end, and it depended on the extent to which each employee had fulfilled the established goals, using the same criteria as described in "Variable Salary" above.

The calculation of the fair value on the grant date, according to IFRS 2, was based on the following conditions:

Share	2010			2009		
	Matching Share	Matching Option	Performance Share	Matching Share	Matching Option	Performance Share
Averaged volume-weighted price paid for Investor B shares	137.19	137.19	137.19	117.96	117.96	117.96
Strike price	10.00	164.60	137.19	10.00	141.50	117.96
Assumed volatility <sup>1)</sup>	30%	30%	30%	30%	30%	30%
Assumed average term <sup>2)</sup>	5 years	5 years	5 years	5 years	5 years	5 years
Assumed percentage of dividend <sup>3)</sup>	0%	3.84%	0%	0%	3.84%	0%
Risk-free interest	2.43%	2.43%	2.43%	2.23%	2.23%	2.23%

1) The assumed volatility was based on future forecasts based on the historical volatility of Investor B shares, in which the term of the instrument is an influencing factor. The historical volatility has been in the interval of 15 to 30 percent.

2) The assumption of average term for the instruments at grant is based on historical exercise patterns and the actual term of the instruments within each remuneration program.

3) The dividend for Matching Shares and Performance Shares is compensated for by increasing the number of shares.

### Summary of terms for the 2006–2010 long-term variable remuneration programs

#### Matching Shares 2006-2010

Year issued	Holder <sup>1)</sup>	Number of Matching Shares granted	Number at the beginning of the year	Adjustment for dividend	Matching Shares forfeited in 2010	Matching Shares exercised in 2010	Weighted average Share price on exercise	Number of Matching Shares on December 31, 2010	Theoretical value <sup>2)</sup>	Fair value <sup>3)</sup>	Strike price	Maturity date	Vesting period (years)
2006	MG	31,038	32,243	999	–	–	–	33,242 <sup>4)</sup>	109.19	121.34	10.00	12/31 2012	3
2006	OE	64,459	38,219	1,155	39	7,775	135.62	31,560 <sup>4)</sup>	109.19	121.34	10.00	12/31 2012	3
2007	MG	23,845	25,819	745	–	4,197	135.23	22,367 <sup>4)</sup>	150.91	168.48	10.00	12/31 2013	3
2007	OE	46,349	41,074	1,112	510	11,653	134.76	30,023 <sup>4)</sup>	150.91	168.48	10.00	12/31 2013	3
2008	MG	30,725	32,088	994	–	–	–	33,082 <sup>4)</sup>	116.71	130.40	10.00	12/31 2014	3
2008	OE	57,350	56,542	1,738	867	2,432	135.47	54,981 <sup>4)</sup>	116.71	130.40	10.00	12/31 2014	3
2009	MG	48,362	48,362	1,498	–	–	–	49,860	97.64	109.01	10.00	12/31 2015	3
2009	OE	86,178	86,178	2,670	2,413	1,209	138.11	85,226	97.64	109.01	10.00	12/31 2015	3
2010	MG	47,533	–	–	–	–	–	47,533	114.91	128.33	10.00	12/31 2016	3
2010	OE	77,010	–	–	–	–	–	77,010	114.91	128.33	10.00	12/31 2016	3
<b>Total</b>		<b>512,849</b>	<b>360,525</b>	<b>10,911</b>	<b>3,829</b>	<b>27,266</b>		<b>464,884</b>					

1) MG = Management Group, OE = Other employees.

2) The value of Matching Shares on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.

3) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values.

See above for specification of the basis of calculation.

4) Matching Shares available for exercise at year-end.

## Note 5 cont'd Employees and payroll costs

### Matching Options 2006–2010

Year issued	Holder <sup>1)</sup>	Number of Matching Options granted	Number at the beginning of the year	Matching Options forfeited in 2010	Number of Matching Options exercised in 2010	Number of Matching Options on December 31, 2010	Theoretical value <sup>2)</sup>	Fair value <sup>3)</sup>	Strike price	Maturity date	Vesting period (years)
2006	MG	62,076	62,076	–	–	62,076 <sup>4)</sup>	15.62	12.47	155.90	12/31 2012	3
2006	OE	128,918	99,046	6,992	–	92,054 <sup>4)</sup>	15.62	12.47	155.90	12/31 2012	3
2007	MG	47,690	47,690	–	–	47,690 <sup>4)</sup>	22.80	18.84	212.00	12/31 2013	3
2007	OE	92,698	76,586	4,530	–	72,056 <sup>4)</sup>	22.80	18.84	212.00	12/31 2013	3
2008	MG	61,450	61,450	–	–	61,450 <sup>4)</sup>	16.41	18.98	166.20	12/31 2014	3
2008	OE	114,700	108,885	4,479	–	104,406 <sup>4)</sup>	16.41	18.98	166.20	12/31 2014	3
2009	MG	96,724	96,724	–	–	96,724	14.52	16.68	141.50	12/31 2015	3
2009	OE	172,356	172,356	5,108	–	167,248	14.52	16.68	141.50	12/31 2015	3
2010	MG	95,066	–	–	–	95,066	17.44	19.73	164.60	12/31 2016	3
2010	OE	154,020	–	–	–	154,020	17.44	19.73	164.60	12/31 2016	3
<b>Total</b>		<b>1,025,698</b>	<b>724,813</b>	<b>21,109</b>	<b>–</b>	<b>952,790</b>					

1) MG = Management Group, OE = Other employees.

2) The value of Matching Options on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.

3) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values.

See above for specification of the basis of calculation.

4) Matching Options available for exercise at year-end.

### Performance Shares 2006–2010

Year issued	Component and holder <sup>1)</sup>	Maximum number of Performance Shares granted	Number at the beginning of the year	Adjustment for dividend	Performance Shares forfeited in 2010	Performance Shares exercised in 2010	Weighted average share price on exercise	Number of Performance Shares on December 31, 2010	Theoretical value <sup>2)</sup>	Fair value <sup>3)</sup>	Strike price	Maturity date	Vesting period (years)
2006	NAV MG	88,270	–	–	–	–	–	–	52.35	121.34	10.00	12/31 2012	3
2006	NAV OE	35,613	–	–	–	–	–	–	52.35	121.34	10.00	12/31 2012	3
2006	TSR MG	45,116	22,956	711	–	–	–	23,667 <sup>4)</sup>	52.35	57.03	10.00	12/31 2012	3
2006	TSR OE	18,199	6,285	182	740	1,667	135.26	4,060 <sup>4)</sup>	52.35	57.03	10.00	12/31 2012	3
2007	NAV MG	63,449	68,695	–	68,695	–	–	– <sup>4)</sup>	77.78	168.48	10.00	12/31 2013	3
2007	NAV OE	26,958	24,065	–	24,065	–	–	– <sup>4)</sup>	77.78	168.48	10.00	12/31 2013	3
2007	TSR MG	34,371	37,213	460	22,361	1,483	129.90	13,829 <sup>4)</sup>	77.78	82.55	10.00	12/31 2013	3
2007	TSR OE	14,602	13,034	131	8,997	542	141.30	3,626 <sup>4)</sup>	77.78	82.55	10.00	12/31 2013	3
2008	NAV MG	121,560	137,265	7,864	–	–	–	145,129	40.98	81.88	69.29	12/31 2014	3
2008	NAV OE	53,914	55,825	2,946	830	–	–	57,941	40.98	81.88	69.29	12/31 2014	3
2008	TSR MG	65,236	73,665	4,221	–	–	–	77,886	38.18	42.98	69.29	12/31 2014	3
2008	TSR OE	28,930	29,956	1,967	832	–	–	31,091	38.18	42.98	69.29	12/31 2014	3
2009	TSR MG	590,946	590,946	17,832	–	–	–	608,778	15.45	17.26	117.96	12/31 2015	3
2009	TSR OE	279,427	279,427	8,433	10,092	–	–	277,768	15.45	17.26	117.96	12/31 2015	3
2010	TSR MG	584,105	–	–	–	–	–	584,105	18.34	20.34	137.19	12/31 2016	3
2010	TSR OE	215,092	–	–	–	–	–	215,092	18.34	20.34	137.19	12/31 2016	3
<b>Total</b>		<b>2,265,788</b>	<b>1,339,332</b>	<b>44,747</b>	<b>136,612</b>	<b>3,692</b>		<b>2,042,972</b>					

1) MG = Management Group, OE = Other employees.

2) The value of Performance Shares on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.

3) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values. See above for specification of the basis of calculation.

4) Performance Shares available for exercise at year-end.

The difference between the theoretical value and fair value is mainly due to the fact that the anticipated personnel turnover is taken into consideration when determining the theoretical value. When estimating the fair value in accordance with IFRS 2, personnel turnover is not taken into account; instead the anticipated number of vested shares or options is adjusted. The adjustment is based on average historical outcome. According to the definition in IFRS 2 Share-based Payment, the NAV component is a so-called non-market condition and TSR component is a so-called market condition. There is a difference between the fair value (IFRS 2) and theoretical value of shares granted on the basis of the NAV component because the theoretical value takes into consideration the probability of full allocation in the valuation. When estimating in accordance with IFRS 2, the corresponding probability is taken into account by adjusting the anticipated number of vested shares.

## Note 5 cont'd Employees and payroll costs

### Summary of terms for long-term restricted stock programs 2004–2005

Year issued	Holder <sup>1)</sup>	Number of granted shares	Number at the beginning of the year	Fair value <sup>2)</sup>	Number of shares exercised in 2010	Weighted average share price on exercise	Number of shares on December 31, 2010	Maturity date <sup>3)</sup>	Vesting period (years)
2004	MG	74,000	3,200	77.00 <sup>4)</sup>	–	–	3,200	1/20 2014	5 <sup>5)</sup>
2005	MG	58,331	53,385	97.04 <sup>6)</sup>	43,773	132.90	9,612	1/21 2015	5 <sup>5)</sup>
<b>Total</b>		<b>132,331</b>	<b>56,585</b>		<b>43,773</b>		<b>12,812</b>		

1) MG = Management Group.

2) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values.

3) The President is entitled to exercise the Shares during a period twelve months from the earlier of (i) ten years from the date of allocation and (ii) two months from the expiry of the year during which the President terminates his employment.

4) Closing price for the Investor share the day after Investor's year-end report was released.

5) One-third of the number of granted shares are not considered vested until three years after the grant date, after which one-third vests during each of the two subsequent years. Shares granted on the grant date carry the right to receive and have access to the vested shares no sooner than five years after the grant date.

6) Average volume-weighted price paid for the Investor B share on the Stockholm Stock Exchange during the period 4/12 - 4/18, 2005.

### Summary of terms for long-term employee stock option programs 2003–2005

Year issued	Holder <sup>1)</sup>	Number of options granted	Number of options at the beginning of the year	Options exercised during 2010	Weighted average share price on exercise	Options expired during 2010	Number of options on December 31, 2010	Theoretical value <sup>2)</sup>	Fair value <sup>3)</sup>	Strike price	Maturity date	Vesting period (year) <sup>4)</sup>
2003	MG	1,081,000	–	–	–	–	–	8.21	7.00	52.50	2/11 2010	3
2003	OE	2,606,436	30,061	30,061	130.12	–	–	8.21	7.00	52.50	2/11 2010	3
2004	MG	221,900	65,234	65,234	136.51	–	–	15.80	13.74	84.70	1/20 2011	3
2004	OE	1,079,649	302,098	302,098	138.15	–	–	15.80	13.74	84.70	1/20 2011	3
2005	MG	164,565	145,997	–	–	–	145,997 <sup>5)</sup>	19.00	15.20	106.70	1/20 2012	3
2005	OE	1,008,469	535,904	116,525	137.70	–	419,379 <sup>5)</sup>	19.00	15.20	106.70	1/20 2012	3
<b>Total</b>		<b>6,162,019</b>	<b>1,079,294</b>	<b>513,918</b>		<b>–</b>	<b>565,376</b>					

1) MG = Management Group, OE = Other Employees.

2) The value of options on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.

The volatility parameter has been adjusted to take into account the special limitations to disposal rights that are valid for long-term employee stock option programs.

3) The fair value of options on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values.

4) One-third of the number of issued options is considered to be vested during each of the three years immediately following the years the options were granted.

Thus, of the options granted in 2005, one-third can be exercised after 1/21, 2006. If employment ends, options that have already vested must be exercised within three months from the date employment was terminated. As of the 2002 option program, the exercise period has been extended by 12 months if a holder has been employed more than four years.

5) Options available for exercise at year-end.

### Accounting effects of share-based payment transactions

(SEK t.)	2010	2009	(SEK t.)	2010	2009
<i>Group</i>			<i>Group and Parent Company</i>		
<i>Payroll costs relating to Share-based payment transactions</i>			Effect on equity relating to stock-options exercised by employees	–29,502	–40,999
Costs relating to equity-settled share-based payment transactions	24,794	25,196	Carrying amount of liability relating to share-based payment transactions	7,640	4,561
Costs relating to cash-settled share-based payment transactions	3,080	2,663	Effect on net financial items relating to share-based payment transactions	10,711	–1,178
Social security and other costs relating to share-based payment transactions	9,454	11,565	Weighted average price in outstanding hedging contracts	127.52	127.03
<b>Total</b>	<b>37,328</b>	<b>39,424</b>			

(SEK t.)	2010	2009
<i>Parent Company</i>		
<i>Payroll costs relating to Share-based payment transactions</i>		
Costs relating to equity-settled share-based payment transactions (IFRS 2)	19,091	21,369
Costs relating to cash-settled share-based payment transactions (IFRS 2)	3,080	2,663
Social security and other costs relating to share-based payment transactions	8,484	11,520
<b>Total</b>	<b>30,655</b>	<b>35,552</b>

### Hedge contracts for employee stock option and share programs

Investor's policy is to implement measures to minimize the effects of an increase in Investor's share price. For programs up to and including 2005, Investor has used share swaps and share options as hedging instruments that are recognized at fair value according to the rules for derivatives (IAS 39) because such swaps and share options do not qualify for hedge accounting. With the hedging solution, employee stock option and share programs do not affect the actual number of outstanding shares in Investor; instead, there is a theoretical dilution effect because of the programs.

For programs implemented in 2006 and later, Investor has been repurchasing its own shares in order to guarantee delivery.