

Annual General Meeting of Investor AB on April 3, 2008

Agenda Item 15

Regarding proposal from the Board of Directors on guidelines for salary and other remuneration for the President and other members of the Management and on a Long-term Variable Remuneration Program for Management and other Employees

Information concerning the decisions of the Annual General Meeting

Reasons for the proposal by the Board of Directors

In order to achieve long-term competitive return for the shareholders, Investor strives to offer its staff remuneration in line with market conditions which makes it possible to recruit the most suitable executives and employees and to retain them in the company.

Investor conducts investment activities on markets in Asia, Northern Europe and the USA and competes for staff with primarily private equity firms, investment banks, hedge funds and consultant companies, which all have different remuneration structures and levels. Benchmarking studies of relevant industries and markets are carried out yearly in order to determine what constitutes remuneration in line with market conditions and to evaluate current remuneration levels. The studies are taken into account when determining Investor's remuneration policy and, as a consequence, when determining the total remuneration for the Management and other employees.

The total remuneration - which consists of basic salary, variable salary, long-term variable remuneration programs, pensions and other remuneration and benefits - is considered when determining the salaries to Investor's staff. The combination of the foregoing remuneration components means that the company has appropriate instruments to control and evaluate the employees' performance during the year as well as to establish a common interest between the company and the owners to run the business towards long-term competitive return on the shares.

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 qualification;
- that the remuneration shall establish a common interest between shareholders and employees through connection to the company's long-term development;
- 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 conditions.

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 in order to reward good performance and achieved objectives. As the long-term variable remuneration is effected by the long-term share price development, the relevant employees are expected to act in harmony with the interests of the long-term shareholders. As the remuneration is variable, the company's costs will also be correspondingly variable meaning that less good performance which will entitle to a lower remuneration also will result in 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 case the positive effects and incentives which Investor's model strives to establish would not be achieved.

The Board of Directors considers the proposal presented to the Annual General Meeting 2008, and which in its fundamental principles is identical to what was decided on the 2007 Annual General Meeting, to be balanced between basic salary, yearly cash based variable salary, long-term variable remuneration and pension terms and other remuneration and benefits. The proposal strengthens the Management's incentive to work towards the same objectives as the shareholders.

15A. Guidelines for salary and other remuneration to the President and other members of the Management

"Management" and "executives" refer to the President and the other members of the Management Group. The Management Group consists of the President Börje Ekholm, Johan Bygge, Johan Forssell, Henry E Gooss, Petra Hedengran and Lennart Johansson.

The Board of Directors' proposal below complies in all material respects with the guidelines for remuneration previously given to the Management and is based on agreements entered into between Investor and each executive. Fees received for board work in core investments may be retained by the employee, but will be taken into account in the determination of the employee's total remuneration.

Preparation of decisions on remuneration

The preparation of decisions on remuneration will adhere to the following procedures. In so far as the President is concerned, the Remuneration Committee, after the Chairman and the President have discussed the matter, will propose salary, criteria for the variable salary and other terms of employment to be confirmed by the Board. For other executives the President will, after having discussed the matter with the relevant executive, suggest corresponding terms, to be confirmed by the Remuneration Committee and reported to the Board.

Guidelines

Investor shall strive to offer competitive remuneration which will enable the company to recruit and retain executives. The total remuneration shall be based on factors such as position, performance and individual qualification.

The total compensation for the Management shall consist of

- basic salary;
- variable salary;
- long-term variable remuneration;
- pension; and
- non-monetary benefits and other compensation.

Basic salary, variable salary and long-term variable remuneration together comprise the total remuneration for an employee.

Basic salary

Basic salary will normally be reviewed every other year and constitute the basis for calculation of the variable salary.

- The basic salary paid out to the President during 2007 amounted to SEK 7.5 million.
- The basic salary paid out to the other members of the current management group during 2007 amounted to SEK 12.3 million.

Variable salary

Variable salary is dependent upon the individual's capacity to meet annually set goals. The outcome of the variable salary is reviewed annually. For the Management the variable salary can fluctuate pursuant to position and employment agreements and generally amounts to 40-65 per cent (in exceptional cases 80 per cent) of the basic salary. The total variable salary for the current management group can vary between SEK 0 and 12.1 million during 2008, depending on whether the goals have been met. In accordance with the terms for 2007, the outcome should only be related to the fulfillment of the individual's goals, whereby it becomes clearer that remuneration is related to the work contributions and performance of the individual. The goals are both qualitative and quantitative and shall be based on factors which support the company's long-term strategy.

- The variable salary paid out to the President during 2007 amounted to SEK 2.8 million.
- The basic salary paid out to the other members of the current management group during 2007 amounted to SEK 6.5 million.

Executives in certain business areas may participate in profit-sharing and parallel investment programs and be entitled to variable remuneration based on the development of a certain investment or an entire business area.

Long-term variable remuneration

The long-term variable remuneration is presented in detail under item 15B below.

Pension

Pension benefits shall, as earlier years consist of a defined benefit pension plan based on premiums on parts of salary up to 30 basic income amounts and a defined contribution plan on parts of salary above 20 basic income amounts. The ratio of pension provisions to basic salary depends on the age of the executive. In respect of employees working abroad adjustments may be made in line with local pensions practice. The age of retirement for the President and other executives shall be 60 years.

Non-monetary benefits and other remuneration

Non-monetary benefits and other remuneration shall be on market terms and shall contribute to facilitating the executive's discharge of his or her tasks.

Termination and severance pay

The company and executives may mutually terminate the contract of employment at six months' notice and severance pay shall not exceed 24 months of basic salary.

The Board of Directors may, if special circumstances are at hand in a certain case, decide to deviate from the guidelines.

The Board of Directors proposes that the Annual General Meeting approve the above reported guidelines for salary and other remuneration for the President and other members of the Management Group.

15B. Background and description in respect of Long-term Variable Remunerations

As concerns the long-term variable remuneration program, it is the Board of Directors' ambition to create a structure where the employees are committed through an own investment in and a direct ownership of Investor shares as well as through a performance-related remuneration based on the long-term development of Investor. Hereby one part of the remuneration of the employees is related to the long-term development of Investor and the Investor share and the employee is exposed to share price increases and decreases.

1. Earlier Long-term Variable Remuneration Programs

During the years 1999-2007, Investor has introduced long-term variable remuneration programs in the form of employee stock option programs which, from 2000, have comprised all staff. The Board of Directors has decided on this. As from 2004 the long-term variable remuneration programs have also been approved by the Annual General Meeting. Prior to the Annual General Meeting 2006 the Board of Directors, in consultation with representatives for a number of Investor's shareholders and with the help of Kepler Associates ("Kepler"), a consultant firm specialized on incentive programs, developed a new proposal for a long-term incentive program. In summary the program is built on a Stock Matching Plan under which the employees, for each Investor share in which they invest, receive two options and the right to purchase one share in accordance with the Stock Matching Plan. In addition, the President and some members of Senior Management may participate in a Performance-Based Share Program. Under the program opportunities are given to purchase more Investor shares. The number of shares is depending on the development of Investor during a three year period as

concerns growth of the net asset value and total return. The program 2007 corresponds in all material respects to the program 2006.

Long-term Variable Remuneration Program 2008

2. The program in short, Decision Procedure, Majority Requirements etc

The Board of Directors has decided to propose to the Annual General Meeting 2008 a program for long-term variable remuneration, which in its structure is basically identical with the program from 2007. The value of the long-term variable remuneration program is in line with the program from last year. The Board of Directors' decision was preceded by the Remuneration Committee's preparation of the matter. The implementation of the programs presupposes that the General Meeting approves the scope and key guidelines of the programs with a simple majority.

The proposals for Investor's long-term variable remuneration program for 2008, which is connected to Investor shares of series B, similar to the program of 2007, have the following two components.

3. Stock Matching Plan

A **Stock Matching Plan** according to which all employees, for each Investor share ("Participation Share") which they acquire at market price during a certain period, to be determined by the Board of Directors, after the announcement of Investor's first quarterly financial report for 2008 (the "Measurement Period"), will receive two options ("Matching Options") and the right to purchase one Investor share ("Matching Share") after a three-year vesting period. The Matching Share can be acquired for SEK 10 during a four-year period after the vesting period. During the same period, each Matching Option entitles the holder to purchase one Investor share at an exercise price corresponding to 120 per cent of the price of the Investor share during the Measurement Period.

The President, the other executives and approximately 15 other senior employees within Investor ("Senior Management") are obligated to invest at least 5 per cent of their basic salary in Investor shares according to the Stock Matching Plan. 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 20 per cent of their respective basic salary, depending on position, performance, etc. Other employees are not obligated to invest but have a right to invest to such an extent that the value of the allotted Matching Options and Matching Shares amounts to maximum 10 or 15 per cent of basic salary of the employees concerned depending on position, performance, etc.

In order to participate fully in the Stock Matching Plan, the President has to invest approximately 21 per cent of basic salary before taxes in Investor shares. This is equivalent to the maximum quota of the basic salary of which the President has the right to invest under the Stock Matching Plan. 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 20 per cent of the basic salary.

The theoretical value of the Stock Matching Plan have been estimated by Kepler in regard to the value of the options, the investment risk, the risk that the employment ends and the price

(SEK 10) paid for every Matching Share. At a stock price of SEK 120 the estimated value amounts to 95 per cent of the amount the employee invest in Investor shares.

4. Performance-Based Share Program

According to the proposal, Senior Management, in addition to participating in the Stock Matching Plan, also participates in a **Performance Share Program**. Under the Performance Share Program, Senior Management, after a three-year vesting period, has the right during four years to acquire additional Investor shares (“Performance Shares”) for a price per share corresponding to 50 per cent of what is paid for a Participation Share (the “Acquisition Price”). This acquisition right is conditional upon whether certain financial goals relating to the development of Investor’s net asset value and the total return on the Investor shares are met during the vesting period. The Performance Share Program has been amended in relation to the program approved by the Annual General Meeting 2007 in so far that the price at which Performance share can be acquired has been increased from SEK 10 per share to the Acquisition Price. As the price at which shares can be acquired is increased, the theoretical value of the possibility to receive a Performance Share is lower, and, accordingly, the number of Performance Shares that can be received is increased so that it corresponds to the same value as was the result of the program 2007.

The fulfillment of goals is to two thirds dependent on Investor’s development of the net asset value. Investor’s average yearly development of the net asset value including reinvested dividends must exceed the interest on the 10-year government bonds with more than 8 percentage points to give the Senior Management the right to acquire the highest amount of Performance Shares, which are dependent on the development of the net asset value. There will be no allotment Performance Shares related to the development of the net asset value if the development of the net asset value does not exceed the 10-years interest on government bonds with at least 2 percentage points. If the development is between the 10-years interest on government bonds plus 2 percentage points and the 10-years interest on government bonds plus 8 percentage points a proportional (linear) allotment will occur. The development of the net asset value during the three year vesting period is measured as the average during three quarters in the beginning compared with the average during three quarters in the end of the period.

The fulfillment of goals is to one third of dependent upon the total return on the Investor share. Investor’s yearly running total return including reinvested dividends must exceed the development of the share index called SIX RX Total Return with more than 4 percentage points to give Senior Management the right to acquire the highest amount of Performance Shares, which are dependent on the total return. There will be no allotment of Performance Shares related to the total return if the total return does not develop at least in parity with SIX RX Total Return index. If the total return is between SIX RX Total Return and SIX RX Total Return plus 4 percentage points a proportional (linear) allotment will occur. The total return will be measured quarterly on running 12-month basis over a three years period. The outcome is estimated as the average during three years based on the 12 measurement points.

To obtain a total maximum outcome regarding the Performance Shares it is required that Investor exceeds the upper limit for both the development of the net asset value as well as the total relative return.

The theoretical value of the opportunity to receive Performance Shares for Senior Management amounts to between 20 and 40 per cent of the respective basic salary for 2008.

The theoretical value of a Performance Share is estimated by external expertise (Kepler) and considers, inter alia, the likelihood for meeting the performance criteria and is based on the Black & Scholes valuation model. Provided a stock price of SEK 120 the value of every Performance Share amounts to 58 per cent of SEK 60 i.e. SEK 35. The likelihood, calculated based on historical data, to meet the performance criteria has then been calculated to 49 per cent.

The final number of Performance Shares obtained is dependent on the outcome of the performance requirements, but cannot exceed the preset highest number at allotment 2008 (limit).

At the acquisition of the Matching Shares and Performance Shares, the employees are entitled to remuneration for dividends paid during the vesting period and up to the acquisition. Such remuneration will be made in the form of additional shares in order for the program not to be affected by dividends.

Assuming a stock price of SEK 120 during the Measurement Period the highest number of shares which can be acquired by the employees as a result of the Matching Options will be 280,000. The highest number of Matching Shares that the employees can have the right to acquire, including estimated remuneration for dividends, amounts to 180,000. The highest number of Performance Shares that Senior Management can have the right to acquire, including estimated remuneration for dividends, amounts to 440,000. The highest number of shares that can be acquired under the long-term variable remuneration is, in order to maintain the value given above, dependent upon the stock price for the Investor share over the Measurement Period and can thus increase or decrease.

5. Costs and Hedging Arrangements

The cost for the 2008 long-term variable remuneration program as shown on the income statement is based on the accounting principles in accordance with IFRS-2 and amounts, with a stock price of SEK 120 for the shares during the Measurement Period, to approximately SEK 25 (of which the Management Group 6) million for the Stock Matching Plan and approximately SEK 15 million (of which the Management Group SEK 10) for the Performance Share Program. Estimated costs for social security charges are included in these amounts. The costs will be allocated over the three-year vesting period.

In order to limit the costs inclusive of social security charges for the long-term variable remuneration, the Board of Directors considers to hedge the exposure by entering into total return swaps with third parties and/or provided that the Annual General Meeting so decides under item 16 on the agenda to purchase its own shares, which can be transferred to the employees under the Stock Matching Plan and the Performance Share Program. The hedging measures and the future handling of these will have the effect that the costs mentioned above will not be affected by an increasing share price, but the costs may decrease if the goals for the Performance Shares are not fully met.

The intention is that no new shares shall be issued as a result of the Stock Matching Plan or the Performance Share Program. In case of hedging through the acquisition of own shares, already existing shares may however first be repurchased and then be delivered to the employees, as well as be sold in the market place in order to cover social security charges.

6. Miscellaneous

The long-term variable remuneration program 2008 is expected to result in only marginal dilutive effects for the company and its shareholders since the program is limited and as already existing shares will be used. Under the given assumptions above, the program may lead to delivery of not more than 900,000 Investor shares, corresponding to approximately 0.1 per cent of the total number of outstanding shares and approximately 0.03 per cent of the number of votes in the company and together with long-term variable remuneration programs previously resolved upon, which comprise approximately 3.8 million shares, the variable remuneration programs of Investor include approximately 0.6 per cent of the total number of outstanding shares and approximately 0.1 per cent of the number of votes in the company. Further information regarding variable remuneration programs for previous years can be found in the Annual Report of Investor or at the company's web-site.

With reference to the presentation above the Board of Directors propose that the Annual General Meeting approve the scope and main guidelines for the Stock Matching Plan and the Performance Share Program for 2008.

Investor AB
The Board of Directors
February 2008