

The two most important issues that the board must decide on are the appointment of the President and CEO and the strategy for the company's business. Thus, the recruitment and appointment of Börje Ekholm as President and CEO after Marcus Wallenberg was an important item on the board's agenda in 2005. A substantial part of the board's ordinary work was devoted to discussing long-term and short-term strategy issues. In this context, corporate governance issues in core investments were also taken up by the board, as well as the activities of the Private Equity Investments business area, for which the board approved Investor's participation in the EQT Opportunity Fund. The board also decided to propose to the 2006 AGM that 50 percent of the shares in Novare Human Capital be sold to senior executives in Novare Human Capital.

Investor's management presented analyses of the performance of core investments and the markets and business areas in which the companies operates. These analyses and their consequences were discussed and assessed by the board. The board was also involved in Investor's role in connection with Scania's offering to shareholders in Ainax. The operations of 3 Scandinavia were analyzed thoroughly.

One subject of board work was to strengthen the company's balance sheet, which was achieved by making the decision to reduce Investor's ownership stake marginally in a number of core investments. As a result of these share sales and successful exits of companies in the Private Equity Investments business area, Investor was basically debt-free at the end of the year.

At each meeting, the board received reports on the company's financial position and reports from the Audit Committee, Compensation Committee and Finance and Risk Committee. The board discussed issues that these committees have dealt with, such as questions related to accounting, costs, taxes, financing structures, employment terms and compensation issues. The effects of introducing the new International Financial Reporting Standards (IFRS) were analyzed by the board. One of the company's auditors attended a board meeting where board members had the opportunity to pose questions to the auditor without representatives for the company's management being present.

Presentations were made to the board on the World Business Council for Sustainable Development and the new Swedish Companies Act, Corporate Governance Code and Market Abuse Penal Act. The board also performed an evaluation of board work as a basis for continuing its work.

BOARD COMMITTEES AND COMMITTEE WORK IN 2005

As part of the company's efforts to increase the efficiency and depth of the board's work on certain issues, the board has established three committees: the Audit Committee, Compensation Committee and Finance and Risk Committee. The committees are empowered to make decisions about business that the board has delegated to them and other issues concerning their respective areas of responsibility which are not matters of principle. Reports on the issues that each committee has dealt with and decided on at meetings are given at the next board meeting.

AUDIT COMMITTEE

Investor's Audit Committee is appointed annually by the board and has three members. The president is not permitted to be a member of the committee. The Audit Committee is the primary communication channel between the board and the company's auditors and is responsible for the board's work to assure the quality of the company's financial reporting.

Work of the Audit Committee in 2005

In fiscal 2005, the committee's members consisted of board members Sune Carlsson (chairman), Jacob Wallenberg and Håkan Mogren. Claes Dahlbäck was a member up to the 2005 AGM. In 2005, the committee had seven meetings during which minutes were taken. The members also discussed issues on a regular basis when needed. The meeting attendance record of each committee member is shown in the table below.

One of the company's auditors, the CFO or the head of finance participated in all meetings of the Audit Committee in 2005. The committee worked with quality assurance of the financial reporting system by conducting in-depth reviews of the auditors' reports on the year-end financial statements and regular audit work. In addition, the committee reviewed all of Investor's financial reports and discussed them with one of the company's auditors and the CFO. This work was focused on the accounting effects and process changes required by the transition to IFRS and associated risks. The Audit Committee also discussed the valuation of unlisted holdings in the Private Equity Investments business area and 3 Scandinavia, as well as the valuation of the debt portfolio in accordance with IFRS. The new Swedish Code of Corporate Governance was presented and the principles and focus of the new internal control function were established. The Audit Committee also established guidelines for other services that can be purchased from the auditors in addition to audit work.

Name	Elected	Position	Audit Committee	Compensation Committee	Finance and Risk Committee	Attendance board meetings	Attendance committee meetings	Fee in 2005 SEK 000s
Jacob Wallenberg	1998	Chairman	■	■		100%	100%	1,700
Anders Scharp	1988	Vice Chairman		■		100%	89%	450
Sune Carlsson	2002	Member	■			100%	100%	550
Sirkka Hämäläinen	2004	Member			■	100%	75%	450
Ulla Litzén	2003	Member			■	100%	100%	450
Håkan Mogren	1990	Member	■			80%	71%	500
O. Griffith Sexton	2003	Member		■		80%	78%	450
Björn Svedberg	1998	Member			■	80%	75%	500
								Total 5,050

■ Chairman ■ Member