

Annual General Meeting of Investor AB on March 31, 2009

Agenda Item 16

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.

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 control instruments and that a common interest to run the business towards long-term competitive return on the shares is created between the company's employees and owners.

Comparative studies of relevant industries and markets are carried out annually in order to determine what constitutes a total remuneration in line with market conditions and to evaluate current remuneration levels. The result of such studies is an important variable when determining Investor's remuneration policy and, as a consequence, when deciding on the total remuneration for the Management and other employees. 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.

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. 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. The long-term variable remuneration is effected 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. 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 2009, and which in its fundamental principles is identical to what was decided on the 2008 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.

16A 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, Stephen Campe (as of December 1, 2008), Johan Forssell, Petra Hedengran and Lennart Johansson. Henry E Gooss was a part of the Management Group during the period from January 1, to November 30, 2008.

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 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 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

The basic salary will be reviewed annually. Earlier, the basic salary was reviewed every other year. The basic salary constitutes the basis for calculation of the variable salary.

- The basic salary before tax to the President during 2008 amounted to SEK 7.5 million.
- The basic salary before tax to the other members of the management group during 2008 amounted to SEK 15.7 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 45-65 per cent (in exceptional cases up to 100 per cent) of the basic salary. The total variable salary before tax for the current management group can vary between SEK 0 and SEK 15.8 million during 2009, depending on whether the goals have been met. In accordance with the terms for 2008, 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 before tax to the President during 2008 amounted to SEK 2.7 million.
- The basic salary before tax to the other members of the management group during 2008 amounted to SEK 8.8 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 16B below.

Pension

Pension benefits shall, as earlier years consist of a defined benefit pension plan based on parts of salary up to 30 basic income amounts and a premium based pension 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.

16B 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 which provides a balance between the employees' risk – by the requirements to make own investments in Investor shares in order to participate in the program – and the employees' possible reward – through performance-related allocation of Investor shares. The own investment further makes the employees committed to Investor. Thereby one part of the remuneration to 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 and the employee thereby has goals equivalent to those of Investor's shareholders.

1. Earlier Long-term Variable Remuneration Programs

During the years 1999-2008, 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, 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 programs 2007 and 2008 correspond in all material respects to the program 2006.

Long-term Variable Remuneration Program 2009

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

The Board of Directors has decided to propose to the Annual General Meeting 2009 a program for long-term variable remuneration, which in its structure is basically identical with the program from 2008. The value of, and the cost for, the long-term variable remuneration program is in line with the program from last year. During the year, a project group, which was put together by the Remuneration Committee, has made a thorough evaluation of the long-term variable remuneration program for the management and the employees which was adopted at the Annual General Meeting 2008. The evaluation has been made from three perspectives: the employees' motivation, the control effects of the program and the effects of the program on the shareholder value. The evaluation has resulted in that the fundamental principles set forth in the programs 2006-2008 nevertheless remain unchanged and that the program proposed to the Annual General Meeting 2009 has only been modified in two respects in comparison with the program for 2008. The modifications are described below under Performance-Based Share Program and results in a program with a structure which is easier to explain and which creates a more clear connection to the long-term shareholder value. 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 2009, which is connected to Investor shares of series B, similar to the program of 2008, 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 2009 (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 maximum 20 other employees within Investor ("Senior Management") are obligated to invest at least 5 per cent of their basic salary before taxes 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 approximately 27 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 30 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 approximately 27 per cent of the basic salary. The President is entitled to exercise Matching Shares and Matching Options during a period 12 months from the earlier of (i) 7 years from the date of allocation in 2009 and (ii) 2 months from the expiry of the year during which the President terminates his employment.

The theoretical value of the Stock Matching Plan have been calculated considering the value of the options, the investment risk, the risk that the employment ends and the price paid for every Matching Share. At an estimated stock price of SEK 90 the calculated value amounts to approximately 90 per cent of the amount the employee invests 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 the price the Senior Management has paid for a Participation Share (the "Acquisition Price"). The President is entitled to exercise Performance Shares during a period 12 months from the earlier of (i) 7 years from the date of allocation in 2009 and (ii) 2 months from the expiry of the year during which the President terminates his employment. This acquisition right is conditional upon that the total return on the Investor shares exceeds certain goals during the vesting period. The Performance Share Program has been amended in two respects in relation to the program approved by the Annual General Meeting 2008. Firstly, the price at which Performance Share can be acquired has been increased from 50 to 100 per cent of 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 2008. Secondly, the two financial goals, which in the programs for 2006-2008 have determined the number of Performance Shares which the Senior Management may be entitled to purchase in the future, have been replaced by one goal, the total return on the Investor share.

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

The theoretical value of the opportunity to acquire Performance Shares for Senior Management shall amount to between 20 and approximately 53 per cent of the respective basic salary for 2009.

The theoretical value of a Performance Share considers, inter alia, the likelihood for meeting the performance criteria and is based on the Black & Scholes valuation model. At an estimated stock price of SEK 90, the value of every Performance Share amounts to SEK 12. The likelihood, calculated based on historical data (verified by external advisors), to meet the performance criteria has then been calculated to nearly 50 per cent.

The final number of Performance Shares that may be acquired is dependent on the outcome of the performance requirements, but cannot exceed the preset highest number at allotment 2009 (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. This in order for the program not to be affected by dividends and not to risk that a decision on dividends is affected by the long-term variable remuneration program.

Assuming a stock price of SEK 90 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 460,000. The highest number of Matching Shares that the employees can have the right to acquire, including estimated remuneration for dividends, amounts to 300,000. The highest number of Performance Shares that Senior Management can have the right to acquire, including estimated remuneration for dividends, amounts to 1,540,000. 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. The maximum number of shares can also change following a recalculation due to a rights issue, split, bonus issue or similar action.

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 90 for the shares during the Measurement Period, to approximately SEK 29 (of which the Management Group 8) million for the Stock Matching Plan and approximately SEK 20 (of which the Management Group SEK 13) million 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 17 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 2009 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 2,300,000 Investor shares, corresponding to approximately 0.3 per cent of the total number of outstanding shares and approximately 0.06 per cent of the number of votes in the company and together with long-term variable remuneration programs previously resolved upon, which comprise approximately 4.3 million shares, the variable remuneration programs of Investor include approximately 0.9 per cent of the total number of outstanding shares and approximately 0.2 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 2009.

Stockholm, February 2009

Investor AB (publ)
The Board of Directors