

Annual General Meeting of Investor AB on April 17, 2012

Evaluation of Investor AB's remuneration to the President and other Members of the Management Group (Report according to The Swedish Corporate Governance Code, 9.1 and 10.3)

The Remuneration Committee annually monitors and evaluates on-going, and during the year completed, programs concerning variable salary. The Remuneration Committee also monitors and evaluates the current remuneration structure and levels of remuneration in the company, the application of the guidelines approved at the Annual General Meeting concerning salary and other remuneration to the President and other Members of the Management Group as well as programs for long-term variable remuneration.

Objectives

Investor shall strive to offer competitive total remuneration which will enable the company to recruit and retain the right senior executives.

Variable cash salary

The variable cash salary is connected to individual goals that are set annually. The goals are both quantitative and qualitative and aim at realising Investor's long-term strategy. In 2011, goals have for example been targets linked to projects and operations related to the portfolio companies and targets relating to streamlining internal processes, organisational changes, cost efficiency and execution processes.

Monitoring and evaluation of variable cash salary are carried out in the end of each year. Fulfillment of the goals set for the President is monitored and evaluated by the Remuneration Committee. The variable cash salary is proposed by the Remuneration Committee and thereafter established by the Board of Directors. Other Members of the Management Group are monitored and evaluated by the President, who reports to the Remuneration Committee, which makes the final decision.

Long-term variable remuneration

Investor's program for long-term variable remuneration has, from and including 2006, been composed of a Stock Matching Plan applicable to all employees and in addition to that a Performance Based Share Program applicable to senior management. The possibility to acquire shares under the Stock Matching Plan is connected to the employee's holding of shares in Investor under a certain period of time. During 2006-2008, the possibility to acquire shares under the Performance Based Share Program was with two thirds dependent on Investor's development of net asset value and with one third dependent on the relative total return of the Investor share during a three-year period. From 2009, the possibility to acquire Performance Shares has been tied to the total return of the Investor share under a period of three years. The number of shares that may be acquired is dependant on the performance criteria, but shall not exceed the maximum amount as determined at the time of allotment. The vesting periods for the Performance Based Share Program for 2006 until 2009 have lapsed. In accordance with the resolution at the time of allotment, senior management were entitled to acquire not more than 187,198 performance shares under the program for 2006, not more than 139,380 performance shares under the program for 2007, not more than 269,640 performance shares under the program for 2008, and not more than 870,373 performance shares under the program for 2009. The outcome of the performance criteria have resulted in senior management, with the right to acquire performance shares, being entitled to acquire approximately 16 per cent of the maximum number of performance shares under the program for 2006, approximately 14 per cent of the maximum number of performance shares under the program for 2007, and approximately 14 per cent of the maximum number of performance shares under the program for 2008. On those occasions, only the relative total return

component resulted in allotment. The outcome of the performance criteria under the program for 2009 have resulted in senior management, with the right to acquire performance shares, being entitled to acquire 100 per cent of the maximum number of Performance Shares.

The development of the programs is evaluated on a continuous basis throughout the year. A more detailed evaluation, where the programs' expected outcome are reported and discussed, is carried out two or three times a year.

The Remuneration Committee also carries out a more thorough evaluation of the programs, usually every third year. Prior to the Annual General Meeting in 2006 the Board of Directors prepared, in consultation with representatives of a number of Investor's shareholders, a new program for long-term variable remuneration. Kepler Associates, a consultant firm which specializes in incentive programs, was retained as advisor. Prior the Annual General Meeting in 2009 a project group, appointed by the Remuneration Committee, carried out a thorough evaluation of the long-term variable remuneration program for the Management and other employees which was adopted at the Annual General Meeting in 2008. The evaluation resulted in that the program that was proposed to the Annual General Meeting in 2009 was simplified and that a clearer connection was created to the long-term development of the value of the Investor share. During 2011, a project, initiated by the Remuneration Committee, 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 2011. The evaluation was made from four perspectives; the employees' motivation and alignment of interest with shareholders, the control effects, the effects of the program on the shareholder value and simplification. As a result of the evaluation, the Board has discussed and evaluated alternative changes to the long-term variable remuneration program. The Board has decided to propose to the Annual General Meeting 2012 a long-term variable remuneration program which is substantially identical to the program from 2011.

Guidelines for salary and other remuneration

The guidelines for salary and other remuneration to the President and other Members of the Management is evaluated continuously throughout the year. In order to carry out the valuation, the Remuneration Committee collects information from, among others, the President, the Chief Financial Officer, the Human Resources Manager and external advisors. The internal and external information facilitates to ensure that the remunerations in Investor are in line with market conditions and competitive. Further, comparative studies of relevant industries and markets are carried out annually in order to determine what constitutes a total level of remuneration in line with market conditions and in order to evaluate current remuneration levels. The result of such studies is an important variable when determining the total remuneration for the Management and other employees.

The Remuneration Committee's conclusion

The Remuneration Committee's overall conclusion is that the current applied structures and levels of remuneration in the Company are well suited to fulfil the objectives of the remuneration.

Stockholm, March 2012
Investor AB (publ)
The Board of Directors