

# Corporate Governance Report

## Overall structure of governance at Investor



Primary external regulations affecting Investor's governance:

- Swedish Companies Act
- Accounting legislation, such as the Swedish Accounting Act and Swedish Annual Accounts Act
- Listing Rules/Agreement of the Stockholm Stock Exchange
- Swedish Code of Corporate Governance

Examples of internal documents affecting Investor's governance:

- Articles of Association
- Instructions, formal work plans
- Policies and guidelines
- Process descriptions for each business area

Corporate governance practices define the decision-making systems through which owners, directly or indirectly, control a company. In a stock corporation like Investor, authority, management and control are distributed between the shareholders, the board of directors, the president and the management group in accordance with current legislation, regulations and instructions. Investor is a Swedish public stock corporation with shares listed on the Stockholm Stock Exchange. The company thus applies the Swedish Code of Corporate Governance, which was used to prepare this Corporate Governance Report. The Corporate Governance Report describes how the work of corporate governance has been conducted at Investor during the 2007 financial year. The report has not been reviewed by Investor's auditors.

### Corporate governance at Investor

Investor's corporate governance practices are regulated partly by Swedish legislation, above all the Swedish

Companies Act, and partly by the Stockholm Stock Exchange's listing rules/agreement, of which the Swedish Code of Corporate Governance forms part.

In addition to legislation, regulations and recommendations, Investor's Articles of Association constitute a central document for the company's governance. The Articles of Association establish, for example, the company's name, where the board is registered, the focus of Investor's business activities and information concerning the share capital. Investor's Articles of Association are available on Investor's corporate website, [www.investorab.com](http://www.investorab.com), in the section on Corporate Governance.

The company's highest decision-making authority is the Annual General Meeting (AGM), where Investor's shareholders exercise their influence over the business. The AGM is convened no less than once a year to decide how the Nomination Committee is to be appointed, among other matters. The Nomination Committee proposes, for example, the composition of the board for resolution by the AGM.

Investor deviated from the Code in two respects in 2007:

- Independence of the Audit Committee
- Independence of the Remuneration Committee

Deviations from the Code are reported and explained in greater detail in each section of the Corporate Governance Report.

More information about laws and Swedish corporate governance practices is available at the following websites:

- [www.bolagsstyrning.se](http://www.bolagsstyrning.se), Swedish Corporate Governance Board – see "Special features of Swedish corporate governance"
- [www.omxgroup.com](http://www.omxgroup.com), Stockholm Stock Exchange (Stockholmsbörsen)
- [www.fi.se](http://www.fi.se), Swedish Financial Supervisory Authority

On behalf of Investor’s owners, the board oversees management of the company’s affairs. Investor’s board is headed by Jacob Wallenberg, who is chairman. The board appoints the president, who is responsible for day-to-day management of the company in accordance with the directions of the board. The division of responsibilities between the board and president is detailed clearly in instructions and formal work plans approved by the board. To increase the efficiency and depth of the board’s work on certain issues, the board has established three committees: the Audit Committee, the Remuneration Committee and the Finance and Risk Committee.

Major support functions are Internal Control, Risk Control and Compliance. The Internal Control function serves as an objective support function for the board in verification of internal control. The role of Risk Control is to provide support in identifying and managing risks. The Compliance function identifies legal risks and ensures that laws and regulations are observed.

Internal policies and guidelines constitute important control documents in all parts of the company, since they clarify responsibilities and powers within particular areas, such as information security, compliance and risk.

External auditors, appointed by the AGM, audit the board and the president’s administration of the company, as well as the company’s financial reports.

The management group is made up of the president and the heads of Core Investments, Operating Investments, Investor Growth Capital, Active Portfolio Management, Operations and Legal, Corporate Governance and Compliance.

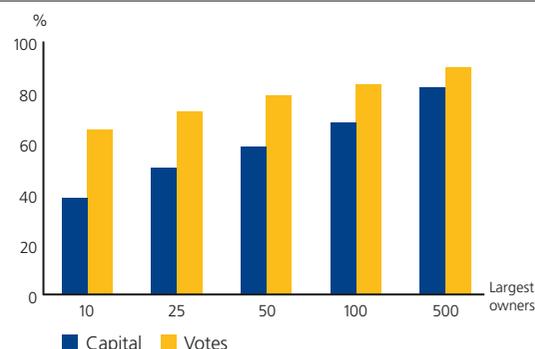
The actions of management and personnel are also governed by Investor’s corporate culture. A strong, clearly defined corporate culture plays an important role in enabling the company to achieve its vision and goals. The management group focuses actively on engaging all employees in developing the corporate culture and living by the values expressed through it. Our corporate culture is based on four core values: Create value, Continuous improvement, Contribute your view and Care for people. For more information, see the section on “Employees and Network” in the annual report.

### Shares and ownership in Investor

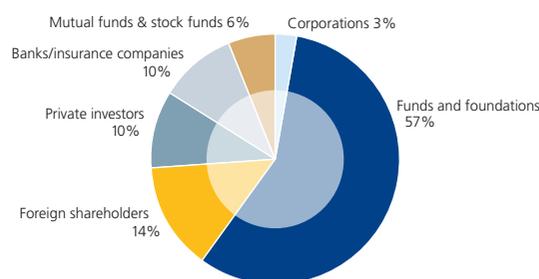
At year-end 2007, Investor had 134,321 shareholders according to the register of shareholders maintained by VPC AB. In terms of ownership share, institutional owners dominate. Foundations constitute the biggest single shareholder category in terms of ownership stake. Investor’s share capital totaled SEK 4,795 m., represented by a total of 767 million shares, of which 312 million are class A-shares and 455 million class B-shares. A-shares carry one vote while B-shares carry 1/10th vote, although both types of share carry the same dividend entitlement.

Investor’s dividend policy requires that a high proportion of dividends received from Core Investments be redistributed and that a distribution from other net assets be made to

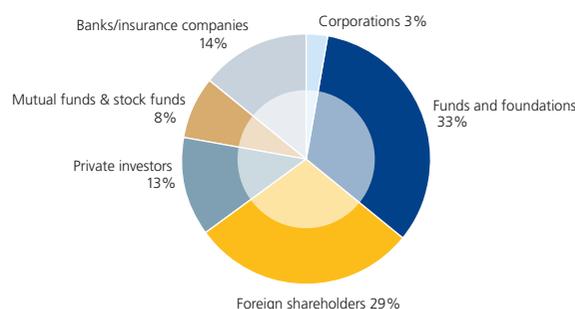
### Shareholder structure



### Distribution of shareholders, percentage of votes



### Distribution of shareholders, percentage of capital



### Investor’s 10 largest shareholders listed by voting rights on December 31, 2007<sup>1)</sup>

	% of votes	% of capital
Knut and Alice Wallenberg Foundation <sup>2)</sup>	40.0	18.6
SEB Foundation	4.9	2.3
Marianne and Marcus Wallenberg Foundation <sup>2)</sup>	4.4	2.1
Skandia Liv	4.0	2.3
Swedbank Robur Mutual Funds	4.0	3.0
Third Avenue Value and Funds Series	3.0	1.4
Marcus and Amalia Wallenberg Memorial Fund <sup>2)</sup>	2.8	1.3
Alecta	2.4	3.6
Öresund	1.2	0.6
JP Morgan Chase Bank	1.2	1.8

1) Directly registered, or registered in the name of nominees, with VPC.  
 2) The three largest Wallenberg foundations own a total of 47.2 percent of the votes and 22.0 percent of the capital.



shareholders, corresponding to a direct return in line with the stock market. Another goal is to achieve a dividend that shows consistent growth over time.

### Annual General Meeting

Investor's AGM is held in the Stockholm area during the first half of the year. The date and location of the meeting are announced publicly, no later than to coincide with the release of the company's third-quarter report. Shareholders are also informed, no later than at the time the third-quarter report is published, about their right to have business discussed at the AGM and the deadline for submitting requests to this effect to the company so that such business may be included in the notice of the AGM. The notice of the AGM is published no earlier than six weeks, but no later than four weeks, before the date of the AGM. The business of the AGM is to report on the company's development over the past fiscal year and to make decisions on a number of central issues, such as changes to the company's Articles of Association, the election of auditors, discharging the board from liability for the fiscal year, remuneration for the board and auditors, approval of the number of board members and the board for the period up to the close of the next AGM, and the dividend. Investor always strives to ensure that the board, the management group and the auditor are present at the AGM.

To be entitled to participate in and vote at the AGM, shareholders must be recorded in the register of shareholders and must report their intention to attend by a certain date. Shareholders who cannot attend the AGM in person may appoint a proxy. To enable non-Swedish-speaking shareholders to participate, the AGM's proceedings are simultaneously interpreted into English. All information material is available in both Swedish and English.

Decisions at the meeting usually require a simple majority vote. However, for certain items of business taken up at the AGM, the Swedish Companies Act requires that a proposal be approved by a higher percentage of the shares and votes represented at the AGM.

### INVESTOR'S 2007 ANNUAL GENERAL MEETING

The 2007 AGM was held at the City Conference Centre in Stockholm on March 27. The meeting was attended by around 1,000 shareholders, including proxies, representing 72.5 percent of the votes and 53.5 percent of the capital. Investor's board and management, as well as the company's two auditors, were present at the meeting.

The president's presentation at the AGM was published

#### Votes and capital represented at Investor AGMs

Year	% of votes	% of capital
2007	72.5	53.5
2006	72.7	52.8
2005	73.1	55.5
2004	73.2	53.5

on Investor's website on the day after the AGM. The minutes from the AGM are available on the website in Swedish and English. The website also provides access to all documents required for the AGM, including a report on the work of the Nomination Committee and its proposals in full.

### INVESTOR'S 2008 ANNUAL GENERAL MEETING

Investor's 2008 AGM will take place on April 3 at the City Conference Centre in Stockholm. All shareholders wishing to have business taken up at the meeting may deliver their proposal to the chairman of the board, or, alternatively, contact the Nomination Committee with any proposed nomination. Information on the AGM is published on Investor's website.

### Nomination Committee

The AGM decides how Investor's Nomination Committee will be appointed. At the 2007 AGM, it was decided that the company shall have a Nomination Committee consisting of one representative of each of the four shareholders or groups of shareholders controlling the largest number of votes, plus the chairman of Investor's board of directors. The composition of the Nomination Committee is based on the register of recorded shareholders and shareholder groups supplied by VPC AB as of the last business day in August 2007.

The four largest shareholders (taking into account shareholder groups) appointed the following representatives, with the chairman, to constitute Investor's Nomination Committee prior to the 2008 AGM: Johan Stålhånd (Wallenberg foundations, Investor's largest shareholder in terms of votes controlled), Lars Isacsson (SEB Foundation), Caroline af Ugglas (Skandia Liv) and Mats Lagerqvist (Swedbank Robur Mutual Funds). The composition of the Nomination Committee was made public on September 25, 2007. The Nomination Committee represents altogether just over 60 percent of the votes in Investor. At the first meeting of the Nomination Committee, Johan Stålhånd was appointed chairman.

#### Nomination Committee members for 2008 AGM

Nomination committee member	Representing	8/31 2007 % of votes	12/31 2007 % of votes
Johan Stålhånd	Wallenberg foundations	47.2%	47.2%
Lars Isacsson	SEB Foundation	4.9%	4.9 %
Caroline af Ugglas	Skandia Liv	3.9%	4.0 %
Mats Lagerqvist	Swedbank Robur Mutual Funds	4.0%	4.0 %
Jacob Wallenberg	Chairman of Investor AB		

### ROLE OF NOMINATION COMMITTEE

According to a decision taken at Investor's 2007 AGM, the role of the Nomination Committee is to prepare and present proposals for submission to the 2008 AGM as to the chairman at the AGM, board and chairman of the board,

board remuneration (apportioned among chairman, board members and committees), audit fees and proposals for rules concerning the nomination process for the 2009 AGM.

#### **WORK OF THE NOMINATION COMMITTEE FOR 2008 AGM**

Since the 2007 AGM, the Nomination Committee has held four meetings during which minutes were taken and has maintained informal contacts between meetings.

To determine the extent to which the current board meets the demands to which the board will be subject as a consequence of the company's current position and future direction, the Nomination Committee discussed the size and composition of the board in terms of industry experience and expertise. One important criterion is the principle that the composition of the board should reflect and allow scope for the different areas of expertise and experiences that are required for the implementation of Investor's philosophy of active ownership and long-term ownership commitment. As a basis for its work, the Nomination Committee studied the evaluation of the board and its work and reviewed of the chairman's report on the company's activities, goals and strategies.

The Nomination Committee also studied the evaluation of auditing activities for the year and the proposal presented by the Audit Committee regarding fees payable for the auditing activities.

The proposals of the Nomination Committee, the report on the committee's work for the 2008 AGM and supplementary information about the proposed board members are published in conjunction with the notice of the AGM and presented to the 2008 AGM.

#### **Board of Directors**

The board is elected by the shareholders to serve a mandate period beginning at the AGM and ending at the close of the AGM in the following year. On behalf Investor's owners, the board administers the company by establishing goals and strategies, evaluating the operational management and ensuring that systems are in place for following up and checking established goals. The board is also responsible for ensuring that accurate information is released to the company's stakeholders, that laws and regulations are complied with and that ethical guidelines and internal policies are in place. Investor's board forms a quorum when more than half of the members are present. The board's role to assure the quality of Investor's financial reporting is described in the section "Board of Directors' report on internal control of financial reporting".

The Articles of Association state that Investor's board shall consist of no less than three and no more than 11 directors. The AGM decides the exact number of members. The board is assisted by a secretary who is not a member of the board. Board members are to devote the time and attention to Investor that their assignment demands. Each

board member is responsible for requesting any supplementary information that he/she might feel is necessary for making well-based decisions. New board members learn about Investor's business operations by attending a comprehensive internal orientation course involving, for example, meetings with all of Investor's departmental managers. Board members are continuously updated on new regulations, practices and statutory requirements that may affect the business.

#### **CHAIRMAN OF THE BOARD**

The AGM appoints the chairman of the board. The duties of the chairman include organizing and leading the work of the board and ensuring that the board regularly updates and improves its knowledge of the company, communicating views from the owners and serving as support for the president. The chairman and the president produce proposals for the agenda of board meetings. The chairman verifies that that board's decisions are implemented efficiently and is also responsible for ensuring that the work of the board is evaluated annually and that the Nomination Committee is informed of the result of this evaluation.

In addition to his active involvement in Investor, board chairman Jacob Wallenberg is also involved in a number of other companies and is a member of a number of international organizations. He has built up an extensive international network and participates in work on various policy issues, for example within the European Round Table (ERT), The Peterson Institute and The World Economic Forum's Business Council.

#### **FORMAL WORK PLAN FOR THE BOARD**

In addition to laws and recommendations, the work of the board is governed by a formal work plan. The board reviews its formal work plan annually and adopts it via a decision of the board. The formal work plan is divided into five sections in order to define clearly and regulate the practices and tasks of the board. The five sections consist of the board's formal work plan and instructions to the president, the Remuneration Committee, the Audit Committee and the Finance and Risk Committee.

The formal work plan also describes which points shall always be included on the agenda for every board meeting and on the agenda for the statutory board meeting. The formal work plan states clearly that at every meeting minutes shall be kept by the board's secretary, who may not be a member of the board. Furthermore, the formal work plan states how the minutes are to be prepared and distributed to members and how the board is to be informed in connection with the issue of press releases, for example. The work plan also includes guidelines on which decisions the board may delegate to the president.

### EVALUATION OF THE WORK OF THE BOARD

Once a year, the chairman initiates an evaluation of the work of the board, in accordance with the board's formal work plan, by having board members answer a detailed questionnaire anonymously. The questionnaire is divided into six separate sections dealing, for example, with climate of cooperation, breadth of knowledge and how the work of the board has been performed. The intention behind the evaluation is to obtain an idea of opinion among the board members about how the work of the board is performed and any measures that may be taken to improve the efficiency of this work. Another aim is to gain an understanding of the type of issues that the board considers should be afforded greater scope and the areas in which additional expertise is possibly needed within the board. The replies to the questionnaire are compiled by the secretary to the board. The results of the evaluation are discussed by the board. In addition, the chairman holds individual discussions with each member about the work of the board during the year. The Nomination Committee is informed of results of the evaluation.

Investor's board continuously evaluates the work of the president by monitoring the development of the business in relation to established goals. A formal performance review is carried out once a year and discussed with the president.

### INVESTOR'S BOARD IN 2007

As of the 2007 AGM, the board has consisted of ten members and no deputies during the year. At the 2007 AGM, Jacob Wallenberg, Anders Scharp, Sune Carlsson, Börje Ekholm, Sirkka Härmäläinen, Håkan Mogren, Grace Reksten Skaugen, O. Griffith Sexton and Peter Wallenberg Jr were re-elected. Björn Svedberg declined re-election and

Lena Treschow Torell was elected as a new member. Börje Ekholm, president, is the only board member who is a member of the company's management. The AGM elected Jacob Wallenberg as chairman for the period up to the next AGM. The board appointed Anders Scharp vice chairman at the statutory meeting. For a more detailed presentation of the board, see page 50.

### INDEPENDENCE OF THE BOARD MEMBERS

The composition of Investor's board meets the independence criteria of both the Stockholm Stock Exchange and the Swedish Code of Corporate Governance.

Some of the board members are directors of companies that form part of Investor's Core Investments and receive board fees from these companies. In the view of the Nomination Committee and the company, these board fees do not mean that these persons are dependent on Investor or its management. It has been judged important that Investor, with its active ownership philosophy and long-term ownership involvement, has board members who have extensive experience and who are closely associated with Investor AB and its business model. The independence of each board member is indicated in the table below.

### BOARD WORK IN 2007

2007 was characterized by a high level of activity at Investor, and this was also reflected in the work of the board. During the year, the board held 14 meetings, including eight regular, one statutory and five extraordinary meetings. The attendance record of each board member is shown in the table on page 41. The secretary at the board meetings was attorney Hans Wibom. Before meetings, board members were provided with comprehensive written information on the issues that were to be discussed.

Composition of the board in 2007

Board member	Elected	Position	Born	Nationality	Independent of the company and its management	Independent of the company's major owners
Jacob Wallenberg	1998	Chairman	1956	Swedish	Yes	No <sup>4)</sup>
Anders Scharp	1988	Vice Chairman	1934	Swedish	No <sup>1)</sup>	Yes
Sune Carlsson	2002	Member	1941	Swedish	Yes	Yes
Börje Ekholm	2006	Member	1963	American/Swedish	No <sup>2)</sup>	Yes
Sirkka Härmäläinen	2004	Member	1939	Finnish	Yes	Yes
Håkan Mogren	1990	Member	1944	Swedish	No <sup>1)</sup>	Yes
Grace Reksten Skaugen	2006	Member	1953	Norwegian	Yes	Yes
O. Griffith Sexton	2003	Member	1944	American	Yes	Yes
Lena Treschow Torell	2007	Member	1946	Swedish	Yes	Yes
Peter Wallenberg Jr	2006	Member	1959	Swedish	No <sup>3)</sup>	No <sup>5)</sup>

1) Has been a member of the company's board for more than 12 years.

2) President and Chief Executive Officer.

3) Has been employed as the president of an associated company over the past three years and employed in an associated company for the past five years.

4) Member of the Knut and Alice Wallenberg Foundation.

5) Vice Chairman of the Knut and Alice Wallenberg Foundation.

Matters on which the board spent a great deal of time included the acquisition of Mölnlycke Health Care, carried out jointly with Morgan Stanley Principal Investments, MAN's bid for Scania, which was subsequently withdrawn, and last but not least, Nasdaq's bid – followed by one from Borse Dubai – for OMX. The acquisition of Mölnlycke Health Care, one of the biggest corporate acquisitions in the Swedish market in 2007, was preceded by extensive planning, and both preparations for and implementation of the acquisition were discussed by the board. As for the bids for OMX, in which Investor is the largest shareholder, the board was required to address a number of bid-related issues of a financial and strategic nature on the basis of information provided by Investor's management.

Among other issues that the board had to address and decide on were the sale (approved by the board at the 2007 AGM) of part of the shares in EQT Partners AB to a company owned by partners within EQT and Investor's involvement in EQT's Infrastructure Fund, established in 2007.

During the year, the company's management presented value-creating plans for the Core Investments, including analyses of the business and development potential of the Core Investments in the business areas in which they operate. These analyses and their implications were discussed and assessed by the board both with the focus on individual companies and in the context of overall strategic discussions. Similar presentations and discussions also took place with regard to companies in Operating Investments: Gambro, Mölnlycke Health Care and 3 Scandinavia.

In Operating Investments, the board dealt with the

completed acquisition of Mölnlycke Health Care, received detailed presentations and considered a number of potential acquisitions.

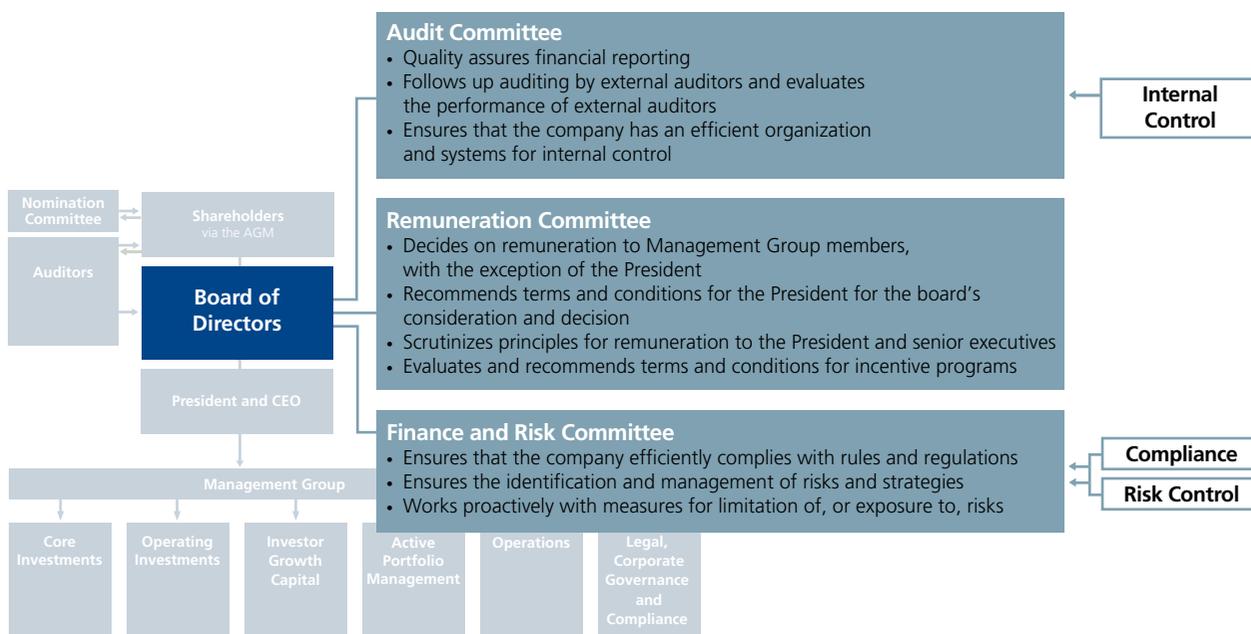
A report, which was also discussed by the board, was also presented regarding the composition of the portfolio and developments in the Private Equity business area.

The financial reports presented at every regular board meeting, including those prior to the year-end and quarterly reports, are an important aspect of the board's work. The board also receives monthly reports on the company's financial position. At regular board meetings, reports are also delivered on the ongoing operations in the business areas, together with in-depth analysis and proposed actions regarding one or more associated companies. In such cases, the board examines the developments in the financial markets, both in specific countries and from a global perspective.

Committee work is an important part of the board's role. At each meeting, the board receives reports from the Remuneration Committee, Audit Committee and Finance and Risk Committee concerning decisions, recommendations and other matters that the committees have presented regarding remuneration, tax and accounting issues and finance and risk policies.

Changes in the market and legislation also led to stricter requirements for the treatment of corporate governance issues, compliance issues and issues relating to the nomination process and board remuneration, above all with regard to Core Investments but also in relation to companies in the other business areas.

**Overall structure of governance for the board**



In addition to participating in meetings of the Audit Committee, the company's auditor also attended a board meeting during which board members had the opportunity to pose questions to the auditor without representatives of the company's management being present. In 2007, the board's work was also evaluated to provide information as a basis for the work of the Nomination Committee and the ongoing work of the board.

#### **BOARD COMMITTEES AND COMMITTEE WORK IN 2007**

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, the Remuneration Committee and the Finance and Risk Committee. The committees function above all in a preparatory and administrative role. They are empowered to take decisions on business that the board, under the instructions issued to the committees, has delegated to them and on other issues in their respective areas of responsibility that are not matters of principle. The committees are required to inform the board subsequently of any such decisions. The issues considered and the decisions taken at meetings of the committees are to be recorded in the minutes of the meeting and reported on at the following board meeting. However, the overall responsibility of the board can never be delegated.

The members of the committees are appointed at the statutory board meeting for one year at a time and their work is governed by the instructions, which are subject to annual approval, to the committees.

#### **AUDIT COMMITTEE**

The Audit Committee is an important channel of communication between the board and the company's auditors. Via in-depth analysis of specific areas, the Audit Committee supports the board in its work to assure the quality of the company's financial reporting, as well as in following up the results of the audit by the external auditors. One support function provided by the Audit Committee is the Internal Control function.

#### **MEMBERS OF THE AUDIT COMMITTEE**

As of the 2007 AGM, the Audit Committee has consisted of four board members: Sune Carlsson (chairman), Jacob Wallenberg, Peter Wallenberg Jr and Håkan Mogren.

In terms of the Swedish Code of Corporate Governance, two of the committee's members are considered not to be independent of the company and the company's management: Håkan Mogren and Peter Wallenberg Jr. Investor therefore deviates from the Code's rule that the majority of the Audit Committee's members should be independent of the company and its management. However, the board, which appoints the members of the committee, took the view that these persons were the best

suited to serve as Investor's Audit Committee in 2007 with regard to the continuity of the committee's work, experience and interests. The other rules on audit committees, as stated in the Code, were complied with.

#### **WORK OF THE AUDIT COMMITTEE IN 2007**

During the year, the committee held six meetings at which minutes were taken. The members also discussed issues on a day-to-day basis as needed. All meetings were attended by the company's auditor and the CFO.

The Audit Committee's work on continuous quality assurance of financial reporting at Investor is carried out in the form of analysis of the auditors' reports on the year-end financial statements and continuous auditing activities. Minutes are taken at every meeting.

Every year, the Audit Committee evaluates the audit process and informs the Nomination Committee of the results of the evaluation. In the beginning of 2007, the Audit Committee completed procurement of auditing services and recommended to the board and Nomination Committee that KPMG Bohlins AB should be appointed auditor for the next four-year period, with Carl Lindgren as auditor in charge, until further notice. In 2007, the Audit Committee also engaged in an in-depth study of the valuation principles for investments, and spent time investigating both structural and specific tax issues.

The Internal Control function is a support function for the committee in its task of keeping continuously updated on and evaluating how the company's systems of internal control operate. At every meeting of the committee during the year, the Internal Control function reported continuously on evaluations of processes and on the specific auditing actions taken. For example, in 2007, audits were performed on some of the company's foreign subsidiaries, as well as a review of specific aspects of the Private Equity process.

#### **REMUNERATION COMMITTEE**

The main task of the Remuneration Committee is to prepare issues relating to remuneration and other terms and conditions of employment, on behalf of both management and other employees. The committee carries out thorough and independent analysis of all aspects of Investor's overall remuneration program and presents a comprehensive picture of the financial consequences of the remuneration program.

#### **MEMBERS OF THE REMUNERATION COMMITTEE**

The Remuneration Committee is appointed each year by the board. At its statutory meeting in 2007, the board appointed the following persons as members of the Remuneration Committee: Jacob Wallenberg (chairman), Anders Scharp and O. Griffith Sexton. Anders Scharp has been a member of the company's board for more than 12

years, and according to the Code, is considered not to be independent of the company and its management. Investor therefore deviates from the Code's rule that the members of the Remuneration Committee shall be independent of the company and its management. However, in the opinion of the board, it is important for the committee to have a member who has extra long experience of remuneration issues and Investor's business.

#### WORK OF THE REMUNERATION COMMITTEE IN 2007

In 2007, the committee had six meetings at which minutes were taken, and continuous informal contacts between these meetings. All meetings were attended by the company's head of Human Resources.

During the year, the committee followed up and evaluated the share program for management and employees that was adopted at the 2007 AGM. The committee also reviewed and approved the remuneration structures for employees, and remuneration amounts for management. The president's goals for 2007 were evaluated and assessed. On behalf of the Remuneration Committee, the Human Resources Department conducted salary reviews and benchmarking studies, which were presented to and discussed within the Remuneration Committee.

The Remuneration Committee also discusses strategically important personnel-related issues, such as leadership development and succession issues. In 2007, the Remuneration Committee was especially involved in strategic personnel-related issues arising from the changes that took place in the management group during the year.

#### FINANCE AND RISK COMMITTEE

In addition to complying with the requirements of the Code, the board appoints a Finance and Risk Committee

each year. The role of the committee is to ensure effective compliance with regulations and to assure effective and reliable processes to identify, manage, control and monitor risks. The Finance and Risk Committee deals with operational, IT, security and financial risks, including market, credit and liquidity risks. The Finance and Risk Committee is supported by the Compliance and Risk Control functions.

#### MEMBERS OF THE FINANCE AND RISK COMMITTEE

Since the 2007 AGM, the Finance and Risk Committee has consisted of board members Sirkka Hämiläinen (chairman), Grace Reksten Skaugen and Jacob Wallenberg.

#### WORK OF THE FINANCE AND RISK COMMITTEE IN 2007

During the year, the committee held six meetings at which minutes were taken and informal contacts were maintained between these meetings as needed. Representatives of management and the specialist functions attended the meetings. At each meeting, the Risk Control function reports on the current risk situation in, and follow ups on limits for, each area of operation. The Compliance function reports on changes in legislation and regulations, together with any updates of the Compliance policy that may be required.

During 2007, the work of the Finance and Risk Committee included revising parts of the Treasury policy concerning principles of leverage and parts of the maturities of loans in the Treasury portfolio, and parts of the Compliance policy, owing to changes to disclosure regulations. The mandate for Active Portfolio Management was also analyzed and revised during the year. In addition, the Finance and Risk Committee focused considerably on information security in both internal and external information management. The project aims to further improve information security within Investor.

#### Attendance record and board remuneration in 2007

Name	Audit Committee	Remuneration Committee	Finance and Risk Committee	Attendance record, board meetings	Attendance record, committee meetings	Board fee SEK 000s	Audit Committee fee SEK 000s	Remuneration Committee fee SEK 000s	Finance & Risk Committee fee SEK 000s	Total fee SEK 000s
Jacob Wallenberg	■	■	■	100%	94%	1,875.0	125.0	125.0	62.5	2,187.5
Anders Scharp		■		100%	100%	500.0		62.5		562.5
Sune Carlsson	■			100%	100%	500.0	187.5			687.5
Börje Ekholm				100% <sup>1)</sup>		–				–
Sirkka Hämiläinen			■	100%	100%	500.0			125.0	625.0
Håkan Mogren	■			100%	100%	500.0	125.0			625.0
Grace Reksten Skaugen			■	93%	100%	500.0			62.5	562.5
O. Griffith Sexton		■		100%	100%	500.0		62.5		562.5
Lena Treschow Torell				90%		500.0				500.0
Peter Wallenberg Jr	■			93%	60%	500.0	125.0			625.0
						5,875.0	562.5	250.0	250.0	6,937.5

■ Chairman ■ Member

1) Not including the meeting at which remuneration for the President was discussed.

## Remuneration paid to the board of directors 2005-2007

SEK	2007	2006	2005
Chairman	1,875,000	1,875,000	1,500,000
Vice Chairman	500,000	500,000	400,000
Director	500,000	500,000	400,000
Chairman Audit Committee	187,500	187,500	150,000
Member Audit Committee	125,000	125,000	100,000
Chairman Remuneration Committee	125,000	125,000	100,000
Member Remuneration Committee	62,500	62,500	50,000
Chairman Finance and Risk Committee	125,000	125,000	100,000
Member Finance and Risk Committee	62,500	62,500	50,000

## Remuneration

## BOARD REMUNERATION

Remuneration to the board for the coming fiscal year is decided each year by the AGM and is paid to board members not employed by the company. For 2007, the AGM approved remuneration totaling SEK 6,937,500. The distribution of board fees is shown in the table above and on page 41, and in Note 5 to this annual report. The chairman receives a higher fee than other board members, which reflects the extra work duties that this position involves. Members of the board who are not employed by the company do not participate in Investor's share-based remuneration programs.

At its statutory meeting, the board adopted a share ownership policy for the board's members under which policy board members are required each year to use 25 percent of the board fee, net after tax, to buy shares in Investor. Acquired shares are to be retained as long as the member remains on the board.

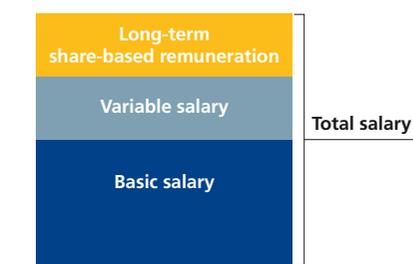
## REMUNERATION TO MANAGEMENT AND OTHER EMPLOYEES

Investor's remuneration policy aims to offer employees total remuneration in line with the market to enable the right senior executives and other personnel to be recruited and retained. To be able to decide what market-level total remuneration involves and to evaluate prevailing rates, benchmarking studies are carried out every year on behalf of the Remuneration Committee in relevant sectors and markets.

The total remuneration for the president is determined by the board. Remuneration issues concerning other members of the management group are decided by the Remuneration Committee, with the board being informed of the decision afterwards. Investor applies, throughout the organization, the principle that the immediate superior of every manager must always be informed of and must approve the recruitment and remuneration of any replacement for an employee. The components of total remuneration are:

- basic salary,
- variable salary,
- long-term share-based remuneration,
- pension, and
- other remuneration and benefits.

Basic salary, variable salary and long-term share-based remuneration together represent the employee's total salary.



## Management remuneration 2006-2007

SEK 000s	Year	Basic salary	Variable salary	Theoretical value of granted long-term share-based remuneration	Total salary	Pension costs excluding payroll tax	Other remuneration and benefits	Total remuneration
President Börje Ekholm	2007	8,260	2,781	4,500	15,541	2,565	636	18,742
	2006	6,763	2,533	3,300	12,596	2,055	438	15,089
Other members of the Management Group	2007	16,331	7,763	7,242	31,336	4,217	487	36,040
	2006	17,682	11,661	7,478	36,821	4,623	591	42,035

The amounts are calculated according to the accruals concept, including any changes to the reserve for vacation pay provisions, etc. See Note 5 to this annual report for more information on remuneration for the company's management and other employees and the different programs for long-term share-based remuneration.

The basic salary component is reviewed annually for all Investor employees, except in the case of the management group, where salaries are normally reviewed every other year. The basic salary is the basis on which the variable salary is calculated.

The majority of employees benefit from a variable salary component. This is based on goals that are set each year and followed up at the end of the year. The annual variable salary is thus clearly connected to the work input and performance of the individual. The goals, which may be both quantitative and qualitative, link into the company's long-term strategy. The president's overall goals for the year are established by the president and the chairman jointly. The actual goals are proposed by the Remuneration Committee subject to the board's approval. The goals for other members of personnel are set by the individual's immediate superior. The variable salary component for 2007 varies from one business area to another. In the case of the president, it represents no more than 40 percent of the basic salary. The variable salary component for other employees makes up between 0 and 80 percent of the basic salary, although for an extremely limited number of key individuals, the variable component may amount to 100 percent of the basic salary. If the president considers that an employee of the company has made an exceptional contribution during the year, the president may decide to award the employee an extra variable salary component. However, any such award is conditional on specific approval by the Remuneration Committee. In such cases, the variable salary component may exceed 100 percent of the basic salary.

Members of personnel employed in Active Portfolio Management participate in a profit-sharing program in which they are paid a variable salary component corresponding to 20 percent of the profits of the business, which may result in the variable salary component exceeding 100 percent of the basic salary. For more information, please see Note 5 in this annual report.

Over the years 1999-2007, Investor operated a program of long-term share-based remuneration in the form of an employee stock option program, which from the year 2000 was offered to all employees. This program has been approved by the Investor board. As of 2004, the programs have also been approved by the AGM. The board's ambition is to establish a structure that secures the commitment of personnel, in which their remuneration is based on Investor's long-term growth. Through the program, part of the total remuneration to individual employees is linked to the long-term development of the company and the Investor share, and employees are also exposed to both rises and falls in the company's share price.

Prior to the 2006 AGM, the board developed a new program, in consultation with representatives of a number of the company's owners, for long-term share-based remuneration.

The program was developed with the assistance of Kepler Associates, international specialists in incentive programs. The 2007 program basically has the same structure as the 2006 program. The long-term share-based remuneration program consists of two components:

- a share-based savings plan, and
- a performance-based share program.

The 2007 AGM approved a resolution to establish guidelines for salaries and other remuneration to management, as well as programs for long-term share-based remuneration for management and other employees. For more information on salaries and other remuneration, see Note 5 to this annual report.

### President, management and organization

The president Börje Ekholm, also Chief Executive Officer (CEO), is responsible for Investor's day-to-day operations. Written instructions establish how responsibilities are divided between the board and president. The president's responsibilities cover ongoing investments and divestments, personnel, finance and accounting issues, regular contacts with the company's stakeholders (such as public authorities and the financial markets) and ensuring that the board receives the information it needs to make well-founded decisions. The president reports to the board. The president is also a member of the Investor board and attends all board meetings, other than the meeting when the board evaluates his performance and when the board meets the auditors without the presence of persons from the company's management.

The president has appointed a management group that has day-to-day responsibility for different parts of Investor's business. In 2007, two new members joined the group. The management group has a scheduled meeting once a week to conduct and follow up current projects and issues in the organization. In addition to the weekly meetings, the management group holds regular meetings four to five times a year to discuss overall strategic issues, and daily interaction takes place between the members. For a more detailed presentation of the president and management group, see page 49 of this report.

Each member of the management group is responsible for one or several units: Core Investments, Operating Investments, Investor Growth Capital, Active Portfolio Management, Operations and Legal, Corporate Governance and Compliance.

The Core Investments business area, headed by Johan Forssell, employs ten analysts, each responsible for one or more of the Core Investments. The analysts continuously research every holding, its sector and competitors, in order to identify value-creating initiatives and to determine their return potential. Investor takes an active role in nominating representatives for its Core Investments. Normally, one or

two representatives of Investor or the company's network sit on the boards of the companies, enabling Investor to participate actively in the development of the companies.

Work on building up the Operating Investments, under the leadership of Lennart Johansson, began in 2006. The business area consists of a team of investment managers, but also uses other relevant parts of the organization in conducting its investments. Investment managers sit on the board of holdings and take a driving role in developing the business.

Investor Growth Capital is managed by Henry E. Gooss, who is also in charge of the New York organization. Managers have been appointed for the operations of Investor Growth Capital offices in Europe, the United States and Asia. Each office has investment professionals with knowledge of the local market and expertise in the sectors they manage. Investor Growth Capital is normally represented by its investment professionals on the boards of holdings. The business flow follows a standardized process comprising decision-making and implementation, as well as documentation, evaluation and follow-up of holdings.

Decisions on commitments made to EQT funds are taken by the board. The president and the CFO are responsible for day-to-day commitments and their follow-up in EQT funds. Decisions on other financial investments are taken by the president or person appointed by the president.

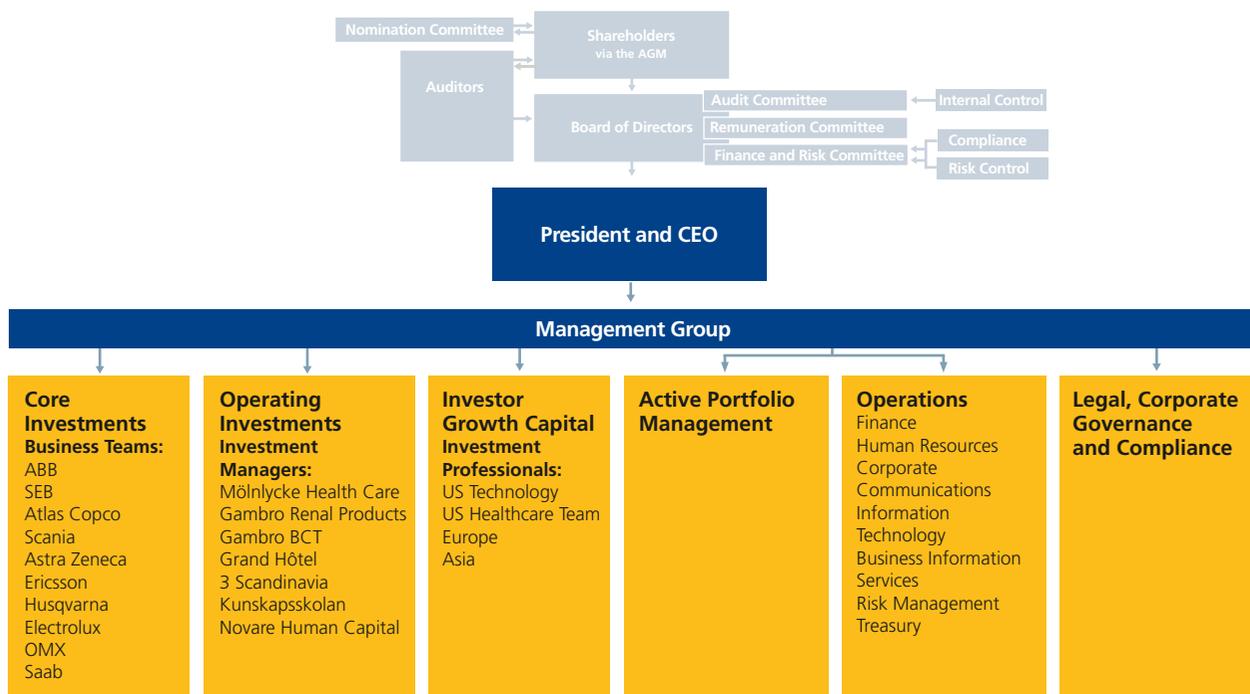
Johan Bygge, Investor's CFO, heads Active Portfolio Management and Operations. Active Portfolio Manage-

ment is controlled by mandates and limits set by the board. The department comprises both traders and analysts.

Activities are supervised and monitored daily by the Risk Control function. The Operations unit includes the Finance, Human Resources, Corporate Communications, Business Information Services, IT, Risk Control and Treasury functions. Each function's responsibilities and processes are governed by set policies and guidelines. Operations has its own management group with representatives of the various departments, which meets weekly.

In 2007, a close focus was placed on the Corporate Governance and the Compliance function, for which Petra Hedengran has overall responsibility. In Corporate Governance, the department is partly engaged in actively dealing with corporate governance issues for Investor and its holdings and partly in monitoring changes in corporate governance legislation and regulations. Work on corporate governance issues includes developing procedures for the nomination process and analysis and monitoring of shareholders' rights. The Compliance function strives to provide an effective process for identifying changes in legislation and regulations and to raise awareness of legal risks. The Compliance function strives to ensure that the company meets the requirements of laws and contractual conditions, prevents the development, or minimizes the extent, of undesired situations and their effects and maintains internal regulatory systems to this end. The Compliance policy is revised and updated regularly, subject to approval by the board.

#### Overall structure of governance for the Management Group



## Auditors

The company's auditors are appointed by the AGM. Their term of the audit engagement is until the close of the AGM held in the fourth – or, in some cases, the third – fiscal year after the auditors' election. The task of the auditors is, on behalf the shareholders, to audit the company's annual accounts, accounting records and the administration by the board and the president. The auditor in charge also presents an audit report to the AGM. The shareholders are welcome to put questions to the auditor at the AGM.

Under its Articles of Association, Investor is required to have one or two auditors, with at most two deputies. A registered firm of auditors may also be appointed as the company's auditor. At the 2007 AGM, the registered firm of accountants KPMG Bohlins AB was appointed auditor until the close of the 2011 AGM, with authorized public accountant Carl Lindgren to serve as auditor in charge until further notice.

### Investor's auditor: KPMG Bohlins AB

#### Auditor in charge: Carl Lindgren

- Born 1958
- Authorized public accountant, KPMG Bohlins AB
- Board member, KPMG Bohlins AB
- Auditor in charge for Investor since 2003
- Other auditing assignments: Arla, Brummer & Partners, Intrum Justitia, MTG and Nordea
- Holds 0 shares in Investor AB

Over the past three years, auditing firms have conducted a limited number of other assignments on behalf of Investor, other than auditing services. These have mainly consisted of in-depth reviews in connection with auditing. The independence of the auditor vis-à-vis the company is assured by allowing selected auditors only to conduct services other than auditing to a limited extent. See the table below for more information on remuneration to the auditors over the past three years. Fees paid to the auditors are also specified in Note 6 to this annual report.

### Remuneration paid to auditors 2005–2007

SEK m.	2007	2006	2005
<b>For auditing services:</b>			
KPMG Bohlins AB	6	9	8
Ernst & Young AB	0	0	0
<b>For other services:</b>			
KPMG Bohlins AB	1	1	2
Ernst & Young AB	0	0	0
<b>Total, Group:</b>	<b>7</b>	<b>10</b>	<b>10</b>

## Corporate Social Responsibility and sustainable enterprise

Corporate Social Responsibility (CSR) is the active commitment by and responsibility of companies for developing society at large. Investor interprets the concept of CSR as covering a number of issues, such as the environment, human rights and working conditions. We have a long tradition of behaving as a responsible company and owner. For some years, we have had a policy in place that controls our work in CSR. Investor's basic principle is that companies that take account of the interests of their stakeholders and society at large improve their potential for healthy long-term profitability. Our activities are based on two separate perspectives: our role as an owner and investor, and our role as an employer.

### CORPORATE SOCIAL RESPONSIBILITY AS AN OWNER

In the companies where Investor has an influence, we strive to ensure that operations are conducted in a responsible and ethical manner. Just as with every other issue relating to our holdings, our influence is mainly exercised via our work on the board. Part of the evaluation process for new investments includes an assessment of the risks, or opportunities, related to CSR issues.

Since CSR risks and challenges will differ between companies, industries and countries, each company must identify and address the CSR issues relevant to its particular operations. Compliance with legislation and regulations is a basic requirement. In addition, we recommend the companies to draw up policies and goals for the CSR issues that are most relevant and important to them. Several of Investor's holdings work actively on CSR issues and have made great progress in this area. Here are some examples:

- In 2007, ABB was awarded an environment prize for the environmental benefits of its new combination disconnecter and circuit breaker called "Combined". A major Swedish pension fund manager also nominated ABB as "CSR Company of the Year", alongside SKF.
- For the third year in a row, Atlas Copco was named one of the 100 most successful companies in the world in a sustainability perspective. Atlas Copco's production units are certified to ISO 14001 and the company also requires the same of its suppliers. As early as ten years ago, the company developed an energy-efficient compressor that is variable speed driven (VSD). Atlas Copco's goal is to reduce the energy consumption of sold compressors by 1 percent per year.
- Electrolux's goal is to reduce the Group's energy usage by 15 percent by the end of 2009 in relation to 2005 levels. In 2007, Electrolux received the Sustainable Energy Europe Award, an environment prize awarded by the European Commission, and has also been ranked the leading white-goods company globally by the Dow Jones Sustainability Indexes.

- Ericsson has committed to improve the energy efficiency of its 3G base stations by up to 80 percent between 2001 and 2008. Ericsson has also introduced a number of new product innovations, including the Ericsson Tower Tube and the Village Solar Charger.
- In 2008, Husqvarna is launching the Automower Solarhybrid, a new version of the automatic lawnmower which is powered by a combination of solar cells and batteries. On a sunny day, the solar cells double the cutting time on a single charge, resulting in reduced energy consumption and longer battery life. New chainsaws were also launched with Husqvarna's patented X-TORQ engine that reduces fuel consumption by 20 percent and exhaust emissions by up to 60 percent.
- Scania has sharply cut exhaust emissions from its truck and buses whose fuel economy is also much higher than 15 years ago. During the year, Scania was the first truck maker in the world to launch engines that meet the Euro 5 emissions standards, without any need for after-treatment of the exhaust gases, two years before the standards will come into force.
- SEB has signed up to and observes "The Equator Principles", an important international set of guidelines for avoiding the financing of major international environmentally hazardous projects. SEB has also raised its ambitions and will publish a sustainability report in 2008.

Activities in the CSR field are under constant development. The climate debate of recent years has further accentuated the importance of companies continuing to focus on the perspective of sustainability.

#### **CORPORATE SOCIAL RESPONSIBILITY AS A COMPANY AND EMPLOYER**

Investor supports the OECD Guidelines for Multinational Enterprises, which contain recommendations on employment, human rights, the environment, the disclosure of information and other areas of responsible business conduct. Investor applies an environmental policy that strives to minimize environmental impact through recycling and other measures. Investor's direct impact on the environment is regarded as minor, in that the company conducts office-based activities on a very limited scale in a handful of locations worldwide. In late 2007, a review of Investor's environmental activities was initiated at the company's headquarters. The program, led by an external partner, aims to identify opportunities for development and measures capable of further reducing the company's environmental impact. Investor's sponsorship activities normally include some form of social engagement. Youth, education and entrepreneurship are prioritized areas. Investor sponsors, for example:

- Young Enterprise Sweden (Ung Företagssamhet), entrepreneurship training in the form of a competition at upper secondary school level;
- Venture Cup, entrepreneurship training in the form of a competition at university level;
- SIFE (Students for Free Enterprise), social entrepreneurship at university level; and
- Zon Moderna, an educational art outreach project for upper secondary school students, offered at Moderna Museet in Stockholm.

#### **Board of Directors' Report on internal control over financial reporting**

This report on internal control over financial reporting<sup>1)</sup> has been submitted by Investor's board of directors and has been prepared in compliance with the Swedish Code of Corporate Governance. In accordance with the application instructions of the Swedish Corporate Governance Board, the report describes how internal control over financial reporting is organized, without making any statement on how well it has functioned. The report has not been reviewed by the company's auditors.

Investor's system of internal control over financial reporting is designed to manage risks involved in the processes related to financial reporting and to assure a high level of reliability in external reporting. Investor's main business is the management of financial transactions and the company's internal control over financial reporting is focused primarily on ensuring efficient and reliable management of and accounting for purchases and sales of securities and accurate valuation of holdings of securities.

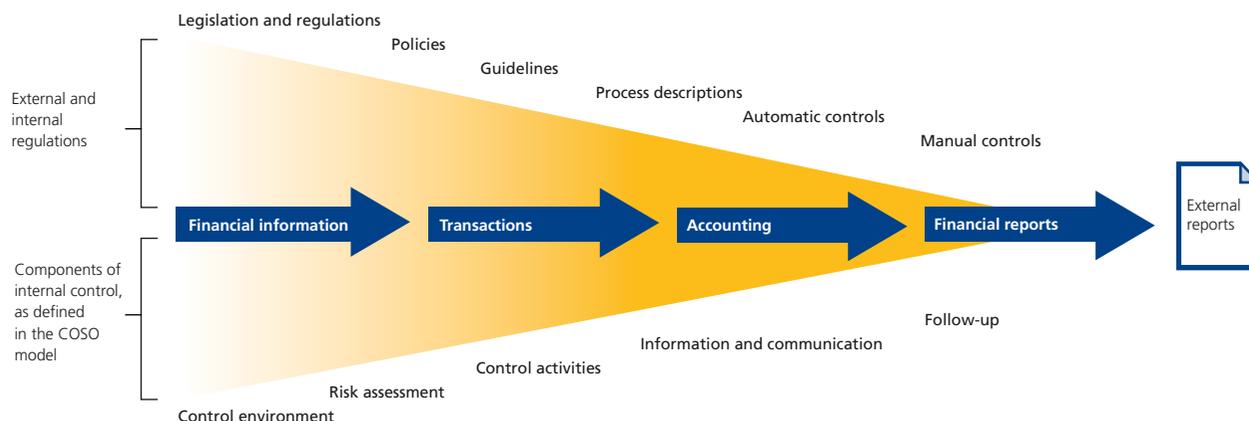
The system of internal control is normally described as defined in the framework for internal control issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). According to this framework, internal control is described as comprising the control environment, risk assessment, control activities, information and communication and monitoring.

#### **CONTROL ENVIRONMENT**

The overall control environment forms the basis of internal control over financial reporting. An effective control environment is founded on an organization with clear decision-making channels and defined powers and responsibilities, clear guidelines and a corporate culture based on shared values. Investor's ambition is that values such as professionalism and integrity should permeate the organization. This places great demands on the competence and moral sense of Investor's employees, as well as on their awareness of their role in maintaining effective internal control over the process of financial reporting.

1) "Financial reporting" refers to interim reports, the year-end report and the annual report.

### Assurance process for information in financial reporting



The diagram provides an overview of how legislation, regulations, guidelines and controls together assure accurate and comprehensive information in financial reporting.

Each business area has policies, guidelines and detailed process descriptions for the various phases of the business flow, from transaction management to bookkeeping and the preparation of external reports. These documents establish rules on who is to bear responsibility for a specific task, which mandate and powers are to be included and how validation is to be carried out. The governing documents are updated as required to ensure they always reflect current legislation and regulations and changes in processes. For example, Investor's Compliance and Risk Policy was updated in 2007.

#### RISK ASSESSMENT

The Finance and Risk Committee and the Audit Committee are responsible for identifying and managing significant financial risks and any risks of material weaknesses in financial reporting.

Every year, a risk assessment is performed to identify risks concerning financial reporting in each business area. The assessment, conducted by those responsible for the business areas with the Internal Control function, comprises analysis of the business flow, taking into account systems, key individuals and existing controls.

On the basis of the risks assessed for each business area, the Audit Committee determines which of the risks identified should be prioritized by the Internal Control function during the year. Focus is placed on risks of material weaknesses in the financial reporting for significant income statement and balance sheet items that are, relatively speaking, higher because of the complexity of the process, or where there is a risk that the effects of potential weaknesses may become significant because of the high transaction values involved. As a result of the assessments made, actions such as improved control routines are taken in order to further ensure accurate financial reporting.

In the Operating Investments business area, which showed continued growth in 2007, a policy was developed

and work started on designing the risk assessment process. Work on assessing risk in this business area will continue in 2008.

#### CONTROL ACTIVITIES

To ensure that the business is conducted efficiently and that financial reporting gives a true and fair picture at any one time, every process incorporates a number of control activities. These involve all levels of the organization from board and company management to other employees. The purpose of control activities is to prevent, detect and rectify weaknesses and deviations. At Investor, control activities include approval of business transactions, reconciliation with external counterparts, monitoring of risk exposure, daily bank and custody reconciliations, follow-up of outcomes and analytical follow-up of decisions. The organization strives to separate duties in such a way that different individuals perform different aspects of control.

The financial reports are analyzed and validated by the company's financial controllers. The validation process consists of both automatic checks, including deviation reporting, and manual checks such as reasonability assessment of the values found. The effectiveness of the automatic checks in the IT systems is monitored regularly on the basis of information received from system administrators in the business process and is evaluated on an ongoing basis.

In 2007, the Finance Department reviewed and adjusted the validation process relating to production of the financial reports. This required the department to work more closely with the head of each business area in validating reported values for the holdings and their results. In association with the Internal Control function, the Finance Department also developed and documented routines and control activities for the new consolidation system implemented in 2007.

### INFORMATION AND COMMUNICATION

To ensure that information provided externally is accurate and comprehensive, the board has approved a communications policy defining the way in which (by whom, what and how) this information must be issued. To assure effective and accurate distribution of information internally and externally, guidelines and routines are in place governing how financial information is communicated between management and other personnel. In 2007, work started on a project to review information security in the company.

Investor regularly publishes up-to-date information on its website so that shareholders and stakeholders can follow Investor's operations and performance. Interim and annual reports are released in Swedish and English. News and events that are considered likely to have an impact on Investor's share prices are also announced in press releases.

#### Financial information is regularly released via:

- Investor's annual report
- Interim reports and the year-end report
- Press releases about events that may have a significant impact on the company's share price
- Investor's corporate website

### FOLLOW-UP

Compliance and effectiveness of the company's internal controls are followed up on an ongoing basis. Investor's financial situation and strategy regarding the company's financial position are discussed at every board meeting, where the board receives detailed monthly reports on the financial situation and development of the business. Each quarterly report is analyzed by the Audit Committee and discussed with the CFO and the auditors for comprehensiveness and accuracy. The Audit Committee plays an

important role in ensuring that the required control activities are in place for important areas of risk in the processes for financial reporting. The Audit Committee, management and Internal Control function regularly follow up reported shortcomings.

The Internal Control function serves as an objective support resource to the board with regard to the internal control structure, partly by investigating major areas of risk and partly by performing follow-ups and specific investigative auditing assignments in selected areas. The function works proactively by proposing improvements in the control environment. The Internal Control function plans its work in consultation with the Audit Committee, management and external auditors, and regularly reports on its work during the year to the Audit Committee.

In 2007, one of the tasks of the Internal Control function was to perform a specific audit of a few of Investor's foreign subsidiaries. These audits focused on evaluating control activities in the processes used in monthly financial reporting, but also included analysis of the comprehensiveness and accuracy of balance sheet and income statement items. In 2007, an audit was also performed on selected parts of the Private Equity business area. As part of the process, the outcomes of audits in previous years were followed up to determine whether the relevant actions had been taken.

The head of Active Portfolio Management reports regularly to management and the Risk Control function. In view of external events in 2007, a review of Investor's Active Portfolio Management was conducted during the autumn. The review indicated that processes to ensure independent day-to-day risk measures, evaluation and follow-up of outcomes are complying with policies and process descriptions established and are supportive of operations in a satisfactory manner.



# Management Group

## **Börje Ekholm**

born 1963  
Director since 2006  
President and  
Chief Executive Officer since 2005  
Member of the  
Management Group since 1997,  
employed in 1992

### **Board assignments**

Chalmersinvest AB, Husqvarna AB,  
KTH Holding AB, Scania AB and  
Telefonaktiebolaget LM Ericsson

### **Work experience**

Head of New Investments,  
Investor AB  
CEO: Novare Kapital,  
Investor AB  
Analyst: Core Holdings, Investor AB  
Associate: McKinsey & Co. Inc.

### **Education**

M.B.A., INSEAD, Fontainebleau  
and M.Sc. in Engineering,  
Royal Institute of Technology,  
Stockholm

### **Shares in Investor**

258,047

## **Johan Bygge**

born 1956  
Chief Financial Officer  
Member of the Management  
Group since September 2007,  
employed in 2007

### **Board assignments**

The Association of Exchange-  
Listed Companies,  
The Association for Generally  
Accepted Principles in the  
Securities Market, Getinge AB,  
Hi3G (3 Scandinavia, as of 2008),  
Isaberg Rapid AB, Novare Human  
Capital (as of 2008), The Swedish  
Industry and Commerce Stock  
Exchange Committee

### **Education**

Degree in Economics and  
Business Administration,  
Stockholm School of Economics

### **Shares in Investor**

3,000

## **Johan Forssell**

born 1971  
Core Investments  
Managing Director and member  
of the Management Group since  
2006, employed in 1995

### **Board assignments**

SSE MBA Research Foundation

### **Education**

M.Sc. in Finance,  
Stockholm School of Economics

### **Shares in Investor**

22,393

## **Henry E. Gooss**

born 1941  
Investor Growth Capital  
Managing Director and member  
of the Management Group since  
1998, employed in 1998

### **Board assignments**

Goodwill Industry of Greater  
New York and Northern New  
Jersey, Mainstream Data Inc., The  
Swedish-American Chamber of  
Commerce, Inc. and William T.  
Grant Foundation

### **Education**

M.B.A. in Investments, New York  
University and B.A. in Economics,  
Rutgers University

### **Shares in Investor**

14,106

## **Petra Hedengran**

born 1964  
General Counsel,  
Corporate Governance and  
Compliance  
Managing Director and member  
of the Management Group since  
March 2007, employed in 2007

### **Board assignments**

Allmänna Änke- och Pupillkassan

### **Education**

Bachelor of Laws,  
University of Stockholm

### **Shares in Investor**

2,198

## **Lennart Johansson**

born 1955  
Operating Investments  
Managing Director and member  
of the Management Group since  
2006, employed in 2003

### **Board assignments**

Gambro Holding,  
Gambro Renal Products, IBX  
Group, Mölnlycke Health Care  
and Saab AB

### **Education**

Degree in Economics and  
Business Administration,  
Stockholm School of Economics

### **Shares in Investor**

8,280

See Note 5 for employee stock options held by Management Group members. Lars Wedenborn was a member of the Management Group until September 16, 2007.



Börje Ekholm



Henry E. Gooss



Johan Forssell



Lennart Johansson



Johan Bygge



Petra Hedengran

# Board of Directors

## Jacob Wallenberg

born 1956  
Chairman since 2005  
Vice Chairman 1999-2005  
Director since 1998  
**Other board assignments**  
Vice Chairman: Atlas Copco AB, SAS AB and SEB Skandinaviska Enskilda Banken AB (SEB)  
Director: ABB Ltd, The Coca-Cola Company (as of 2008), the Stockholm School of Economics, The Knut and Alice Wallenberg Foundation and The Nobel Foundation  
**Work experience**  
Chairman: W Capital Management AB and SEB  
Director: Thisbe AB  
President and CEO: SEB Executive Vice President and Head of Enskilda Division, SEB  
Adviser to the President and CEO of SEB, Executive Vice President and CFO: Investor AB  
**Education**  
B.Sc. in Economics and M.B.A., Wharton School, University of Pennsylvania  
Reserve Officer, Swedish Navy  
**Independent/Dependent<sup>1)</sup>**  
Independent in relation to the company and its management  
Dependent in relation to the company's major shareholders  
**Committees**  
Chairman: Remuneration Committee  
Member: Audit Committee and Finance and Risk Committee  
**Shares in Investor**  
335,924



Jacob Wallenberg

## Anders Scharp

born 1934  
Vice Chairman since 2005  
Director since 1988  
**Other board assignments**  
Chairman: Alecta's National Board, AB Ph. Nederman & Co and AB SKF  
Member: The Royal Swedish Academy of Engineering Sciences (IVA)  
**Work experience**  
President, CEO and Chairman: AB Electrolux  
Chairman: Saab AB, Atlas Copco AB, The Swedish Employers' Confederation, Scania AB, Incentive AB and Saab-Scania AB  
Director: The Federation of Swedish Industries and The Association of Swedish Engineering Industries  
**Education**  
M.Sc. in Engineering, Royal Institute of Technology, Stockholm  
**Independent/Dependent<sup>1)</sup>**  
Dependent in relation to the company and its management  
Independent in relation to the company's major shareholders  
**Committees**  
Member: Remuneration Committee  
**Shares in Investor**  
75,000



O. Griffith Sexton

## Sune Carlsson

born 1941  
Director since 2002  
**Other board assignments**  
Chairman: Atlas Copco AB  
Director: Autoliv Inc.  
**Work experience**  
Vice Chairman: Scania AB  
President and CEO: AB SKF  
Executive Vice President: ASEA AB and ABB Ltd  
**Education**  
M.Sc. in Engineering, Chalmers University of Technology, Gothenburg  
**Independent/Dependent<sup>1)</sup>**  
Independent in relation to the company and its management  
Independent in relation to the company's major shareholders  
**Committees**  
Chairman: Audit Committee  
**Shares in Investor**  
20,000  
**Börje Ekholm**  
born 1963  
Director since 2006  
See also information on page 49  
**Independent/Dependent<sup>1)</sup>**  
Dependent in relation to the company and its management  
Independent in relation to the company's major shareholders

## Börje Ekholm

born 1963  
Director since 2006  
See also information on page 49  
**Independent/Dependent<sup>1)</sup>**  
Dependent in relation to the company and its management  
Independent in relation to the company's major shareholders

## Sirkka Hämäläinen

born 1939  
Director since 2004  
**Other board assignments**  
Chairman: Finnish National Opera  
Vice Chairman: KONE Corporation  
Director: HKKK Holding and SanomaWSOY  
**Work experience**  
Economist and Head of Department: Bank of Finland  
Director General: Economics Department, Finnish Ministry of Finance  
Governor and Chairman: Bank of Finland  
Member of the Executive Board: European Central Bank  
**Education**  
D.Sc. in Economics, Helsinki School of Economics  
**Independent/Dependent<sup>1)</sup>**  
Independent in relation to the company and its management  
Independent in relation to the company's major shareholders  
**Committees**  
Chairman: Finance and Risk Committee  
**Shares in Investor**  
1,350



Sune Carlsson

## Håkan Mogren

born 1944  
Director since 1990  
**Other board assignments**  
Non-Executive Deputy Chairman: AstraZeneca PLC  
Director: Groupe Danone and The Marianne and Marcus Wallenberg Foundation  
Member: The Royal Swedish Academy of Engineering Sciences (IVA)  
**Work experience**  
Chairman: Affibody AB, The Swedish-American Foundation, Reckitt Benckiser plc and The Sweden-Japan Foundation  
Director: Norsk Hydro ASA and Rémy Cointreau SA  
President and CEO: Astra AB and AB Marabou  
**Education**  
D.Sc. in Applied Biochemistry, Royal Institute of Technology, Stockholm  
**Independent/Dependent<sup>1)</sup>**  
Dependent in relation to the company and its management  
Independent in relation to the company's major shareholders  
**Committees**  
Member: Audit Committee  
**Shares in Investor**  
4,958



Håkan Mogren



Grace Reksten Skaugen

<sup>1)</sup> Independent/Dependent in accordance with the Swedish Code of Corporate Governance.

**Grace Reksten Skaugen**

born 1953  
Director since 2006

**Other board assignments**  
Chairman: Entra Eiendom AS and Ferd Holding AS  
Director: Atlas Copco AB and StatoilHydro ASA

**Work experience**  
Consultant: Argentum Fond-investerings AS  
Director: Corporate Finance Enskilda Securities, Oslo  
Special Project Adviser: AS Aircontractgruppen, Oslo  
Venture Capital Consultant: Fearnley Finance Ltd, London  
Microelectronics Research Officer: Columbia University, New York

**Education**

M.B.A., BI Norwegian School of Management, Careers in Business Program, New York University, Ph.D., Laser Physics, Imperial College of Science and Technology, London University, B.Sc., Honours, Physics, Imperial College of Science and Technology, London University

**Independent/Dependent<sup>1)</sup>**

Independent in relation to the company and its management  
Independent in relation to the company's major shareholders

**Committees**

Member: Finance and Risk Committee

**Shares in Investor**  
700

**O. Griffith Sexton**

born 1944  
Director since 2003

**Other board assignments**

Director:  
Morgan Stanley  
**Work experience**  
Advisory Director and Managing Director:  
Morgan Stanley

**Education**

M.B.A., Stanford University  
Graduate School of Business and B.S.E., Princeton University

**Independent/Dependent<sup>1)</sup>**

Independent in relation to the company and its management  
Independent in relation to the company's major shareholders

**Committees**

Member: Renumeration Committee

**Shares in Investor**  
1,350

**Lena Treschow Torell**

born 1946  
Director since 2007

**Other board assignments**  
Director: Micronic Laser Systems AB, Saab AB, AB SKF, The Chalmers University of Technology Foundation and AB Ångpanneföreningen (ÅF)

**Work experience**

Director: Getinge AB, Imego AB, IRECO Holding AB, Gambro AB and Telefonaktiebolaget LM Ericsson  
Research Director: Joint Research Centre, European Commission, Brussels  
Vice President: Chalmers University of Technology, Gothenburg  
Professor: Materials Physics, Chalmers University of Technology  
Professor: Solid State Physics, Uppsala University, Uppsala

**Education**

Ph.D., Physics, University of Gothenburg  
Docent, Physics, Chalmers University of Technology

**Independent/Dependent<sup>1)</sup>**

Independent in relation to the company and its management  
Independent in relation to the company's major shareholders

**Shares in Investor**  
15,700

**Peter Wallenberg Jr**

born 1959  
Director since 2006

**Other board assignments**  
Chairman: Foundation Asset Management<sup>2)</sup>, The Grand Hôtel Holdings and The Marcus and Amalia Wallenberg Memorial Fund

**Vice Chairman:**

The Knut and Alice Wallenberg Foundation, The Royal Swedish Automobile Club and The Stockholm Chamber of Commerce

Director: General Motors Norden AB, Scania AB, SEB Kort AB and Stockholm International Fairs

**Work experience**

President and CEO:  
The Grand Hôtel Holdings  
General Manager:  
The Grand Hôtel  
President: Hotel Division Stockholm-Saltsjön AB  
General Manager: The Grand Hôtel, Saltsjöbaden, and Hotel Skansen, Båstad

**Education**

BSBA Hotel Administration, University of Denver, International Bacheloria, American School, Leysin, Switzerland

**Independent/Dependent<sup>1)</sup>**

Dependent in relation to the company and its management  
Dependent in relation to the company's major shareholders

**Committees**

Member: Audit Committee

**Shares in Investor**  
57,598

**Honorary Chairman  
Peter Wallenberg**

born 1926

Honorary Chairman since 1997  
Chairman 1982–1997  
Director 1969–1982

**Other board assignments**

Chairman: The Knut and Alice Wallenberg Foundation  
Honorary Chairman:  
Atlas Copco AB

**Education**

Bachelor of Laws, University of Stockholm

1) Independent/Dependent in accordance with the Swedish Code of Corporate Governance.

2) Previously Thisbe AB.



Börje Ekholm



Anders Scharp



Sirkka Hämäläinen



Lena Treschow Torell



Peter Wallenberg Jr