

Annual General Meeting of Investor AB on June 17, 2020

Monitoring and evaluation of Investor AB's remuneration to the President and other members of the Extended Management Group

(Report according to The Swedish Corporate Governance Code)

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

Objectives

Investor shall strive to offer competitive total remuneration which will enable Investor to recruit and retain the right senior executives. The remuneration components give Investor appropriate control instruments, and a common interest to run the business towards long-term value creation is created between Investor's employees and owners.

Short-term variable remuneration

The short-term variable remuneration is connected to individual criteria that are set annually. The criteria can be financial or non-financial, qualitative or quantitative, and are based on factors which support Investor's business strategy and long-term interests, including its sustainability, by for example being clearly linked to value creation, engaged long-term ownership and Investor's development.

Monitoring and evaluation of short-term variable remuneration is carried out in the end of each year. To which extent the criteria for awarding short-term variable remuneration have been satisfied is evaluated when the measurement period has ended. The Remuneration Committee is responsible for the evaluation. For the President, the short-term variable remuneration is then confirmed by the Board of Directors.

Long-term variable remuneration

Programs for long-term variable remuneration have been implemented in Investor. For all employees within Investor there is a Stock Matching Plan and for Senior Management there is a Performance-Based Share Program. The performance criteria used for the Performance-Based Share Program is the total return on the Investor share during a three-year period as this provides a clear link to Investor's business model and thus to the shareholders' long-term value creation. As from 2017, a new program was introduced for employees within Patricia Industries, meaning that employees within Patricia Industries since then are not included in Investor's

program for long-term variable remuneration. The performance criteria used for the long-term variable remuneration program within Patricia Industries are related to the value growth of Patricia Industries' portfolio. This provides exposure to both value increases and value decreases within existing and future investments made by Patricia Industries. Accordingly, there is a clear link to Investor's business model and thus to the shareholders' long-term value creation. Both Investor's and Patricia Industries' programs for long-term variable remuneration are conditional upon the employee's own investment in Investor shares and holding of three years.

The development of the programs is evaluated on a continuous basis throughout the year. The Remuneration Committee also carries out a more thorough evaluation of the programs, usually every third year.

Guidelines for remuneration

The guidelines for remuneration to the President and other members of the Extended Management Group are evaluated continuously throughout the year. In order to carry out the valuation, the Remuneration Committee collects information from, among others, the President, the Head of Corporate Governance, the Head of Human Resources 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 Management and other employees.

The Remuneration Committee's conclusion

The Remuneration Committee's overall conclusion is that the currently applied structures and levels of remuneration in Investor are well suited to fulfil the objectives of the remuneration. The Remuneration Committee has therefore recommended the Board of Directors to propose that the 2020 Annual General Meeting shall approve guidelines for remuneration that corresponds in substance to the guidelines decided by the Annual General Meeting 2019, as well as programs for variable long-term remuneration which substantially are the same as the programs from 2019.

Stockholm, May 2020

Investor AB (publ)
The Board of Directors