

Note 8. Revenues

Accounting policies

Revenues included in operating profit are dividends, other operating income and net sales.

Dividends received are recognized when the right to receive payment has been established. Other operating income consists primarily of interest on shareholder loans to associates and it is calculated using the effective interest rate method.

Net sales

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer. Services provided as part of healthcare activities are sold via multi-year operating contracts and, in some cases, framework agreements. Revenue from services is recognized based on the stage of completion on balance sheet date. Completion is determined by an assessment of the work done, on the basis of performed examinations.

Revenue is not recognized if it is probable that economic benefits will not flow to the Group. No revenue is recognized if there is significant uncertainty regarding the payment, associated costs or the risk of returns. Neither is revenue recognized if the seller remains involved in day-to-day management activities that are typically associated with ownership. Revenue is recognized at the fair value of consideration received or expected to be received, less any discounts. Revenue shall be recognized when the amount of revenue can be measured reliably.

A provision is made for the risk of loss if the total directly attributable costs during the entire term of the contract are expected to exceed the total revenues, including indexation.

Net sales

By category:	2015	2014
Sales of products	16,125	12,801
Sales of services	9,077	8,276
Other income	162	123
IS Total	25,365	21,200
By field of operation:	2015	2014
Health care equipment	16,125	13,066
Health care services	8,621	7,580
Hotel	597	538
Real estate	22	16
IS Total	25,365	21,200
By geographical market:	2015	2014
Sweden	6,082	5,516
Scandinavia, excl. Sweden	4,684	4,174
Europe, excl. Scandinavia	7,309	6,682
U.S.	5,780	3,715
North America, excl. U.S.	330	288
South America	64	43
Africa	188	42
Australia	446	377
Asia	482	363
IS Total	25,365	21,200

External revenues are presented on the basis where the customer is resident. Net sales are attributable to operating subsidiaries. No customer exceeds 10 percent of total net sales.

Note 9. Employees and personnel costs

Accounting policies

Accounting policies on employee benefits such as short-term benefits, termination benefits and share-based payment transactions are presented below. Post-employment benefits are presented in note 25, Provisions for pensions and similar obligations.

Short-term benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related services are provided. A provision is made for the anticipated cost of variable cash salary and profit-sharing contracts when the Group has a current obligation to make such payments (because services have been provided by employees) and when the obligation can be reliably estimated.

Termination benefits

The cost of termination benefits is recognized only if the company is demonstrably committed (without any realistic possibility of withdrawing the commitment) by a formal plan to prematurely terminate an employee's employment.

Share-based payment transactions

Investor AB has issued equity-settled stock option and share programs and cash-settled (synthetic) shares.

Accounting for equity-settled programs

The fair value of stock options and share programs issued is determined at the grant date in accordance with the Black & Scholes valuation model, taking into consideration the terms and conditions that are related to the share price. The value is recognized in the income statement as a personnel cost allocated over the vesting period with a corresponding increase in equity. The amount charged to the income statement is reversed in equity each time of the income statement charge. The recognized cost corresponds to the fair value of the estimated number of options and shares that are expected to vest. This cost is adjusted in subsequent periods to reflect the actual number of vested options and shares. However, no adjustment is made when options and shares expire only because share-price related conditions do not reach the level needed for the options to vest.

When equity-settled programs are exercised, shares are delivered to the employee. The delivered shares are treasury shares that are repurchased when needed. When exercised, the payment of the exercise price that was received from the employee is reported as an increase in equity.

Equity-settled programs issued to employees in Group companies

In the Parent Company, the value of equity instruments, which is offered to employees of other companies belonging to the Group, is reported as a capital contribution to subsidiaries. The value of participations in subsidiaries increases simultaneously to the Parent Company's reporting of an increase in equity. The costs related to employees in companies concerned are invoiced to the subsidiaries. The cash settlement of the invoices then neutralizes the increase of participations in subsidiaries.

Accounting for cash-settled programs

Cash-settled (synthetic) shares result in an obligation that is valued at fair value and recognized as an expense with a corresponding increase in liabilities. Initial fair value is calculated and the grant value is recognized over the vesting period as a personnel cost, which is similar to the recognition of equity-settled programs. However, cash settled programs are revalued at fair value every balance sheet date and at final settlement. All changes in the fair value as a result of changes in share price are recognized in the financial net with a corresponding change in liabilities.

When cash-settled programs are exercised, the liability to the holder of the synthetic shares is settled.

Accounting for social security attributable to share-based payment transactions

Social security expenses attributable to share-based remuneration are recognized and amortized in accordance with the same policies as the costs for synthetic shares.

Note 9. cont'd Employees and personnel costs

Average number of employees in the Group

	2015		2014	
	Total	Of which women	Total	Of which women
Parent Company, Sweden	71	38	75	41
Sweden, excl. Parent Company	6,023	4,611	5,688	4,303
Europe excl. Sweden	5,337	3,644	5,021	3,418
North- and South America	1,464	462	957	338
Asia	3,663	2,758	3,757	2,771
Australia	144	70	62	43
Total Group	16,702	11,583	15,560	10,914

Gender distribution in Boards and Senior management

	2015		2014	
	Men	Women	Men	Women
<i>Gender distribution in percent</i>				
Board of the Parent Company	64	36	77	23
Management Group of the Parent Company incl. the President	60	40	60	40
Boards in the Group ¹⁾	71	29	75	25
Management Groups in the Group	60	40	65	35

1) Based on all Group companies including small, internal companies with minor activity.

Guidelines for remuneration to members of the Management Group and other employees in Investing activities

Investor's Remuneration Committee is appointed each year by the Board. The Committee's main purpose is "to enable an independent and thorough review of all aspects of Investor's total remuneration program and to make decisions about executive remuneration in the company". The Remuneration Committee submits a recommendation to the Board concerning the President and Chief Executive Officer's remuneration and decides on the remuneration for the other members of the Management Group.

Remuneration to the President and other members of the Management Group is based on the Guidelines adopted at the AGM.

The Management Group consists of President Johan Forssell (who became President May 13, 2015), Helena Saxon (who became a member March 1, 2015), Daniel Nodhäll (who became a member May 13, 2015), Petra Hedengran and Stefan Stern (who became a member May 13, 2015). Susanne Ekblom was a member of the Management Group during the period January 1 – February 28, 2015 and Börje Ekholm and Lennart Johansson were members of the Management Group during the period January 1 – May 12, 2015.

Investor strives to offer a total remuneration that is competitive and in line with market conditions, thereby enabling it to attract (and retain) the right type of expertise to the company. The total remuneration should be based on factors such as position, performance and individual qualifications.

The total remuneration for the Management Group shall consist of: basic salary, variable cash salary, long-term share-based remuneration, pension and other remuneration and benefits.

Basic salary

Basic salary is reviewed annually for all Investor employees. Basic salary constitutes the basis for calculating variable salary.

Variable cash salary

Investor's employees have a portion of their salary as variable cash salary. The variable portion of salary differs between business areas. For the President Johan Forssell, it amounts to a maximum of 30 percent of basic salary (the former President had a maximum variable cash salary of 10 percent of basic salary). For other employees, the maximum variable salary ranges between 10 and 80 percent of their basic salary, although for a very limited number of key personnel, the variable portion of salary can be a maximum of 100 percent of their basic salary. The President may award additional variable salary to company employees who he feels have made an exceptional contribution during the year. However, any such additional variable salary must be approved by Investor's Remuneration Committee.

The established goals must also be reached in order to receive the variable salary. Goals are reviewed at the end of the year. The focus of the President's goals for the year is determined through a dialog between the President and the Chairman of the Board. The goals for the President are proposed by the Remuneration Committee and later approved by the Board. Goals for other employees are established by each employee's manager.

Long-term share-based remuneration

For long-term variable remuneration programs, it is the Board's ambition to create a structure that results in employee commitment and is based on the long-term development of Investor. As a result, part of the remuneration to employees is related to the long-term performance of Investor and the Investor share, which exposes the employee to both increases and decreases of the share price. In 2006, a Stock Matching Plan was introduced for Investor employees, as well as a performance based share program for Senior Management. "Senior Management" is defined as the President, other members of the Management Group and a maximum of 20 other senior executives. The structure of the programs for 2007-2015 correspond in all material aspects to the program for 2006. The employee is required to invest his or her own funds, or commit shares, in order to participate in the program. For more details regarding the programs, see page 57.

Pension

The pension and insurance plan for the Parent Company and four smaller subsidiaries within investing activities has been revised in order to modernize and better adapt the plan to market conditions. The main consequence of the revision is that the defined benefit BTP plan has been replaced with a defined contribution pension and insurance plan. In the long term, this change will lead to predictable and lower costs for the included companies as well as the same or better insurance coverage and pension earnings for the employees.

The pension for the President and Management Group had during 2015 two components:

- A pension plan and insurance for all employees on parts of salary up to 30 basic income amounts (SEK 1,743 t.).
- A pension and insurance plan for certain senior executives ("Pension and Insurance Plan for certain senior executives"), where the pension provision is 20 percent on parts of the salary below 20 basic income amounts, and the provision on parts of the salary above 20 basic income amounts depends on age and is 25 percent until the age of 40, 30 percent between the ages of 41 and 50 and 35 percent for those who are over the age of 50. Only basic salary is used to establish the annual pension premium. The retirement age is 60 years for the President and Management Group.

Other remuneration and benefits

Profit-sharing program for the trading operation

This program includes participants both from the trading organization and the investment organization. The participants in this program receive, in addition to their base salary, a variable salary equivalent to 20 percent of the trading function's net result. The program includes a clawback principle by which 50 percent of the variable salary allotment is withheld for one year and will only be paid out in full if the trading result for that year is positive. In order to receive full allotment, two consecutive profitable years are thus required. Approximately 10-15 employees in total participate in the program.

Severance pay

A mutual six-month term of notice applies between the President and the Company. If the Company terminates the employment, the President will receive severance pay corresponding to 12 months of basic salary. If no new employment has been obtained after one year, the President is entitled to a maximum of 6 months' additional severance pay. The terms and conditions regarding notice and severance pay for other members of the Management Group are the same, provided that the employment contract for that person was entered into before the 2010 Annual General Meeting. If the employment contract was entered into subsequent to the 2010 Annual General Meeting, then the fixed cash salary during the notice period plus the severance pay may not exceed two years' fixed cash salary.

Fees received for Board work

Investor allows Management Group members to keep any fees that they have received for work done on the Boards of the Company's Listed Core Investments. One reason for allowing this practice is that the employee assumes personal responsibility by having a Board position. Fees received for Board work are taken into account by Investor when determining the employee's total remuneration.

Other benefits

Investor offers Management Group members and other employees a variety of non-monetary benefits, including corporate health service, health insurance, subsidized lunches, employee fitness programs and the possibility to rent vacation homes. Managers and employees with young children are also offered in-home services in the form of cleaning and baby-sitting.



Note 9. cont'd Employees and personnel costs

Remuneration and benefits to Johan Forssell, President and Chief Executive Officer (SEK t.)

Year	Basic salary	Vacation remuneration	Variable salary for the year	Total cash salary	Change of vacation pay liability	Pension premiums	Benefits	Long-term share-based remuneration value at grant date	Total	Own investment 2015 in long-term share based remuneration	Own investment, % of CEO basic salary pre-tax
2015 ¹⁾	4,251	62	1,116	5,429	-227	1,698	91	4,224	11,215	1,608	37.8

1) Johan Forssell was appointed President and CEO May 13, 2015. Remuneration and benefits from this date is specified in the table.

Expensed remunerations

The amounts in the table below are calculated according to the accruals concept, in which the terms basic salary and variable salary refer to expensed amounts, including any changes to the reserve for variable salary, vacation pay provisions, etc. Variable salary refers to the approved variable salary for the current financial year, unless specified otherwise.

Expensed remuneration to the President and other members of the Management Group in the Parent Company

Total remuneration 2015 (SEK t.)	Basic salary	Vacation remuneration	Change of vacation pay liability	Variable salary for the year	Cost of long-term share-based remuneration ¹⁾	Total	Pension costs ²⁾	Other remuneration and benefits	Total expensed remuneration
Current President and CEO ⁴⁾	4,251	62	-227	1,116	3,348	8,550	1,698	91	10,339
Former President and CEO ⁵⁾	3,301	6,744	-6,020	325	1,530	5,880	1,423	899	8,202 ³⁾
Management Group, excl. the President	11,840	170	-789	4,860	4,504	20,586	7,890	420	28,896
Total	19,392	6,976	-7,036	6,302	9,382	35,016	11,011	1,410	47,437

Total remuneration 2014 (SEK t.)	Basic salary	Vacation remuneration	Change of vacation pay liability	Variable salary for the year	Cost of long-term share-based remuneration ¹⁾	Total	Pension costs ²⁾	Other remuneration and benefits	Total expensed remuneration
President and CEO	8,650	125	1,028	744	10,977	21,524	3,560	1,522	26,606 ³⁾
Management Group, excl. the President	13,960	202	429	6,200	9,171	29,962	7,650	1,113	38,725
Total	22,610	327	1,457	6,944	20,148	51,486	11,210	2,635	65,331

1) There is a deviation from the value at grant date according to the previous table, in the table above the cost is calculated based on the principles in IFRS 2 and allocated over the vesting period. The calculation is also adjusted for the actual outcome of allotted performance shares, whereas in the previous table the value is based on an assumed allotment.

2) There are no outstanding pension commitments for the Management Group.

3) Of which expensed in subsidiaries; basic salary SEK 542 t. (1,218), pension SEK 25 t. (42), as well as other remuneration and benefits SEK 333 t. (697).

4) Johan Forssell was appointed President and CEO May 13, 2015. Salaries and other remuneration for the period before May 13, 2015 are included in the row Management Group, excl. the President.

5) Börje Ekholm resigned as President and CEO May 12, 2015. The salaries and other remunerations stated are what Börje Ekholm received in his capacity as President and CEO.

Total remuneration - expensed salaries, Board of Directors fees and other remuneration and social security costs

Total remuneration (SEK m.), Group	2015							2014						
	Basic salary ¹⁾	Variable salary	Long-term share-based remuneration	Pension cost	Cost for employee benefits	Social security contributions	Total	Basic salary ¹⁾	Variable salary	Long-term share-based remuneration	Pension cost	Cost for employee benefits	Social security contributions	Total
Parent Company	91	20	31	-24	9	51	178	86	19	39	31	12	92	279
Subsidiaries	6,368	517	7	529	186	1,361	8,968	5,482	382	2	457	152	1,267	7,742
Total	6,459	537	38	505	195	1,412²⁾	9,146	5,568	401	41	488	164	1,359²⁾	8,021

1) Includes vacation remuneration and change of vacation pay liability.

2) Of which SEK 81 m. refers to social security contribution for long-term share-based remuneration (68).

Expensed wages and remuneration distributed between senior executives, Presidents and Boards in subsidiaries and other employees

Remuneration (SEK m.), Group	2015				2014			
	Salary Senior executives, Presidents and Boards in subsidiaries ^{1,2)}	Of which variable salary ¹⁾	Other employees	Total	Salary senior executives, Presidents and Boards in subsidiaries ^{1,2)}	Of which variable salary ¹⁾	Other employees	Total
Parent Company	34	6	77	111	39	7	66	105
Subsidiaries	56	21	6,829	6,885	37	14	5,827	5,864
Total	90	27	6,906	6,996	76	21	5,893	5,969

1) The number of people in the Parent Company is 15 (17) and in subsidiaries 43 (27).

2) Pension costs relating to senior executives, Presidents and Boards in subsidiaries amount to SEK 18 m. and are in addition to the amounts presented in the table (16).

Long-term share-based variable remuneration – program descriptions

Through the long-term variable remuneration programs, part of the remuneration to employees becomes linked to the long-term performance of the Investor share. The program consists of the following two components:

1) Stock Matching Plan

Through the Stock Matching Plan, an employee could acquire or commit shares in Investor at the market price during a period (determined by the Board) subsequent to the release of Investor's first quarterly report for each year, respectively (the "Measurement Period"). After a three-year vesting period, two options (Matching Options) are granted for each Investor share acquired or committed by the employee, as well as a right to acquire one Investor share (Matching Share) for SEK 10. The Matching Share may be acquired during a four-year period subsequent to the vesting period. Each Matching Option entitles the holder to purchase one Investor share, during the corresponding period, at a strike price corresponding to 120 percent of the average volume-weighted price paid for Investor shares during the Measurement Period.

The President, other members of the Management Group and a maximum of 20 other senior executives ("Senior Management") are obligated to invest at least 5 percent of their basic salary in Investor shares according to the Stock Matching Plan. Other employees are not obligated to invest, but they are still entitled to invest to the extent that the value of the allotted Matching Options and Matching Shares amounts to a maximum of either 10 or 15 percent of their basic salary. Senior Management has the right to invest to such an extent that the value of the allotted Matching Options and Matching Shares amounts to a maximum between 10 and 27 percent of their respective basic salary. In order to participate fully in the Stock Matching Plan for 2015, the President had to invest or commit approximately 31 percent of his basic salary in Investor shares. 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 27 percent of the basic salary.

2) Performance-Based Share Program, in which Senior Management participates in addition to the Stock Matching Plan

Senior Management has, in addition to the Stock Matching Plan, the right (and obligation) to participate in a Performance-Based Share Program. Under this program, which presumes participation in the Stock Matching Plan, Senior Management, after a three-year vesting period, has the right during four years to acquire additional Investor shares ("Performance Shares") for a price that corresponds to, in 2015 year's program, 50 percent of the price of the shares acquired by the employee ("Acquisition Price"). This right is conditional upon whether certain financial goals related to the total return of the Investor share are met during the vesting period.

Total return is measured over a three-year qualification period. The average annual total return (including reinvested dividends) must exceed the interest on 10-year government bonds by more than 10 percentage points in order for Senior Management to be entitled to acquire the maximum number of Performance Shares that they were allotted. If the total return does not exceed the 10-year interest on government bonds by at least 2 percentage points, Senior Management is not entitled to acquire any shares. If the total return is between the 10-year interest on government bonds plus 2 percentage points and the 10-year interest on government bonds plus 10 percentage points, a proportional (linear) calculation of the number of shares that may be acquired is made. The total return is measured quarterly on running 12-month basis during the qualification period, where the total outcome is estimated as the average total return during the three-year period based on 9 measurement points.

Adjustment for dividend

At the time when Matching Shares and Performance Shares are acquired, employees are entitled to remuneration for dividends paid during the vesting period and up until the acquisition date. This is done so that the program will not be affected by dividends and to avoid the risk that a decision on dividends is affected by the long-term variable remuneration program.

Hedge contracts for employee stock option and share programs

Investor's policy is to implement measures to minimize the effects on equity from the programs in the event of an increase in Investor's share price. For programs implemented in 2006 and later, Investor has been repurchasing its own shares in order to guarantee delivery.

Other programs in subsidiaries

Participation/incentive programs in Investor Growth Capital (IGC)

Within IGC, selected senior staff and other senior executives are, to a certain extent, allowed to make parallel investments with Investor, or else receive profit-sharing. For more information regarding the programs see note 31, Related party transactions.

Management Participation Programs

Board members and senior executives in unlisted investments, including Mölnlycke Health Care (Mölnlycke), Aleris, Permobil and BraunAbility are offered the opportunity to invest in the companies through management participation programs. For more information regarding the programs see note 31, Related party transactions.

Summary of long-term share-based variable remuneration programs 2006-2015

Matching Shares 2006-2015

Year issued	Number of Matching Shares granted	Number at the beginning of the year	Adjustment for dividend	Matching Shares forfeited in 2015	Matching Shares exercised in 2015	Weighted average share price on exercise	Number of Matching Shares at year-end	Theoretical value ¹⁾ , SEK	Fair value ²⁾ , SEK	Strike price, SEK	Maturity date	Vesting period (years) ³⁾
2015	37,671						37,671 ⁴⁾	293.33	326.18	10.00	12/31 2021	3
2014	55,451	53,879	1,532	723	517	324.99	54,171 ⁴⁾	219.51	244.29	10.00	12/31 2020	3
2013	72,378	69,795	1,984	225	1,806	322.43	69,748 ⁴⁾	167.90	187.33	10.00	12/31 2019	3
2012	120,160	110,596	2,297		33,100	312.93	79,793	109.60	122.17	10.00	12/31 2018	3
2011	88,959	48,794	1,235		7,754	326.29	42,275	127.15	141.66	10.00	12/31 2017	3
2010	124,543	40,090	1,073	1,887	5,466	321.23	33,810	114.91	128.33	10.00	12/31 2016 ⁵⁾	3
2009	134,540	31,253	729		7,719	320.61	24,263	97.64	109.01	10.00	12/31 2015 ⁵⁾	3
2008	88,075	14,513	421		14,934	332.83	–	116.71	130.40	10.00	12/31 2014	3
2007	70,194	11,276	327				11,603	150.91	168.48	10.00	12/31 2013 ⁵⁾	3
2006	95,497	12,065	350				12,415	109.19	121.34	10.00	12/31 2012 ⁵⁾	3
Total	887,468	392,261	9,948	2,835	71,296		365,749					

1) The value of Matching Shares on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.
 2) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized value. See page 58 for specification of the basis of calculation.
 3) Under certain circumstances, in conjunction with the end of employment, Matching Shares can be exercised before the end of the vesting period. Matching Shares that have already vested must be exercised within three months from the end of employment if the employment lasted less than four years and 12 months if the holder has been employed longer.
 4) Matching Shares not available for exercise at year-end.
 5) The former President Börje Ekholm is entitled to exercise Matching Shares during the period from March 1, 2016 through February 28, 2017.



Note 9. cont'd Employees and personnel costs

Matching Options 2006-2015

Year issued	Number of Matching Options granted	Number at the beginning of the year	Matching Options forfeited in 2015	Matching Options exercised in 2015	Number of Matching Options exercised in 2015	Weighted average share price on exercise	Number of Matching Options at year-end	Theoretical value ¹⁾ , SEK	Fair value ²⁾ , SEK	Strike price, SEK	Maturity date	Vesting period (years) ³⁾
2015	75,342						75,342 ⁴⁾	38.77	44.76	403.30	12/31 2021	3
2014	110,902	107,757	1,432		1,035	325.47	105,290 ⁴⁾	29.86	34.41	304.50	12/31 2020	3
2013	144,756	135,098	526		3,492	318.42	131,080 ⁴⁾	22.63	24.97	236.10	12/31 2019	3
2012	240,320	205,680			55,776	312.09	149,904	14.70	16.87	157.80	12/31 2018	3
2011	177,918	98,206			7,706	315.98	90,500	19.78	22.82	180.30	12/31 2017	3
2010	249,086	93,532			22,252	322.51	71,280	17.44	19.73	164.60	12/31 2016 ⁵⁾	3
2009	269,080	65,428			26,254	317.74	39,174	14.52	16.68	141.50	12/31 2015 ⁵⁾	3
2008	176,150	23,088			23,088	354.03	–	16.41	18.98	166.20	12/31 2014	3
2007	140,388	17,304					17,304	22.80	18.84	212.00	12/31 2013 ⁵⁾	3
2006	190,994	17,984					17,984	15.62	12.47	155.90	12/31 2012 ⁵⁾	3
Total	1,774,936	764,077	1,958	139,603			697,858					

- 1) The value of Matching Options on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.
- 2) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values. See below for specification of the basis of calculation.
- 3) Under certain circumstances, in conjunction with the end of employment, Matching Options can be exercised before the end of the vesting period. Matching Options that have already vested must be exercised within three months from end of employment if employment lasted less than four years and within 12 months if the holder has been employed longer.
- 4) Matching Options not available for exercise at year-end.
- 5) The former President Börje Ekholm is entitled to exercise Matching Options during the period from March 1, 2016 through February 28, 2017.

Performance Shares 2006-2015

Year issued	Maximum number of Performance Shares granted	Number at the beginning of the year	Adjustment for dividend	Performance Shares, forfeited in 2015	Performance Shares exercised in 2015	Weighted average share price on exercise	Number of Performance Shares at year-end	Theoretical value ¹⁾ , SEK	Fair value ²⁾ , SEK	Strike price, SEK	Maturity date	Vesting period (years) ³⁾
2015	163,585						163,585 ³⁾	80.59	89.84	168.07	12/31 2021	3
2014	258,017	258,017	7,107	706			264,418 ³⁾	62.79	70.03	126.89	12/31 2020	3
2013	320,473	328,035	9,036	668			336,403 ³⁾	49.33	54.26	95.42	12/31 2019	3
2012	457,517	467,442	11,377		59,084	310.60	419,735	32.69	36.41	61.55	12/31 2018	3
2011	663,784	577,239	13,279		94,633	313.20	495,885	20.56	23.14	134.48	12/31 2017	3
2010	799,197	527,497	12,311		119,581	329.28	420,227	18.34	20.34	118.74	12/31 2016 ⁵⁾	3
2009	870,373	333,878	8,876		26,121	318.07	316,633	15.45	17.26	99.11	12/31 2015 ⁵⁾	3
2008	269,640 ⁴⁾	15,755	565		16,320	313.80	–	40.04	42.98	69.29	12/31 2014	3
2007	139,380 ⁴⁾	7,020	204				7,224	77.78	82.55	10.00	12/31 2013 ⁵⁾	3
2006	187,198 ⁴⁾	8,630	250				8,880	52.35	57.03	10.00	12/31 2012 ⁵⁾	3
Total	4,129,164	2,523,513	63,005	1,374	315,739		2,432,990					

- 1) The value of Performance Shares on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.
- 2) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values. See below for specification of the basis of calculation.
- 3) Performance Shares not available for exercise at year-end.
- 4) Refers to the maximum number of granted performance shares, regardless of the program's vesting outcome.
- 5) The former President Börje Ekholm is entitled to exercise Performance Shares during the period from March 1, 2016 through February 28, 2017.

The difference between the theoretical value and fair value is mainly due to the fact that the anticipated personnel turnover is taken into consideration when determining the theoretical value. When estimating the fair value in

accordance with IFRS 2, personnel turnover is not taken into account; instead the anticipated number of vested shares or options is adjusted. The adjustment is based on average historical outcome.

The calculation of the fair value on the grant date, according to IFRS 2, was based on the following conditions:

	2015			2014		
	Matching Share	Matching Option	Performance Share	Matching Share	Matching Option	Performance Share
Averaged volume-weighted price paid for Investor B shares	336.13	336.13	336.13	253.77	253.77	253.77
Strike price	10.00	403.30	168.07	10.00	304.50	126.89
Assumed volatility ¹⁾	30%	30%	30%	30%	30%	30%
Assumed average term ²⁾	5 years	5 years	5 years	5 years	5 years	5 years
Assumed percentage of dividend ³⁾	0%	3.0%	0%	0%	3.5%	0%
Risk-free interest	0.09%	0.09%	0.09%	1.07%	1.07%	1.07%
Expected outcome ⁴⁾			50%			50%

- 1) The assumed volatility was based on future forecasts based on the historical volatility of Investor B shares, in which the term of the instrument is an influencing factor. The historical volatility has been in the interval of 15 to 30 percent.
- 2) The assumption of average term for the instruments at grant is based on historical exercise patterns and the actual term of the instruments within each remuneration program.
- 3) The dividend for Matching Shares and Performance Shares is compensated for by increasing the number of shares.
- 4) Probability to achieve the performance criteria is calculated based on historic data and verified externally.



Note 9. cont'd Employees and personnel costs

Summary of Long-term Restricted Stock Programs 2004–2005

Year issued	Number of granted Shares	Number of shares at the beginning of the year	Fair value, SEK ¹⁾	Number of Shares exercised 2015	Number of Shares at year-end	Maturity date ²⁾	Vesting period (years)
2005	58,331	9,612	97.04	–	9,612	1/21 2010	5
2004	74,000	3,200	77.00	–	3,200	1/20 2009	5
Total	132,331	12,812		–	12,812		

1) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values.

2) The former President Börje Ekholm is entitled to exercise Restricted Stocks during the period from March 1, 2016 through February 28, 2017.

Remuneration to the Board of the Parent Company

At the 2015 Annual General Meeting (AGM), it was decided that Board remuneration should total SEK 9,021 t., of which SEK 7,965 t. would be in the form of cash and synthetic shares and SEK 1,056 t. would be distributed as cash remuneration for committee work done by the Board of Directors.

Synthetic shares 2008–2015

As of 2008, Board members may choose to receive a part of their gross remuneration, excluding committee fees, in synthetic shares. AGM's decision regarding synthetic shares 2015 is essentially identical to the decision of the AGM 2014. In 2015, Board Members were entitled to receive 50 percent of the proposed remuneration before tax, excluding remuneration for committee work, in the form of synthetic shares and 50 percent in cash (instead of receiving 100 percent of the remuneration in cash). A synthetic share carries the same economic rights as a class B Investor share, which means that the value of the Board of Director's remuneration in synthetic shares, just like for class B shares, is dependent upon value fluctuations as well as the amount of dividends during the five-year period until 2020, when each synthetic share entitles the Board member to receive an amount corresponding to the share price, at the time, of a class B Investor share.

At the statutory meeting in May 2015 the Board approved, as in 2014, establishment of a policy pursuant to which members of the Board (who do not already have such holdings) are expected to, over a five-year period, acquire ownership in Investor shares (or a corresponding exposure to the Investor share, for example in synthetic shares) for a market value that is expected to correspond to at least one year's remuneration for board work, before taxes and excluding remuneration for committee work.

The Director's right to receive payment occurs after the publications of the year-end report and the three interim reports, respectively, during the fifth year following the general meeting which resolved on the allocation of the Synthetic Shares, with 25 percent of the allocated Synthetic Shares on each occasion. In case the Director resigns as Board Member prior to a payment date the Director has a right, within three months after the Director's resignation, to request that the time of payment shall be brought forward, and instead shall occur, in relation to 25 percent of the total number of allocated Synthetic Shares, after the publications of each of the year-end report and the three interim reports, respectively, which are made during the year after the year when such request was received by the Company.

Expensed remuneration to the Board 2015

Total remuneration for 2015 (SEK t.)	Cash Board fee	Value of Synthetic Shares as at grant date	Commit-tee fee	Total Board fee as at grant date	Effect from change in market value of previous years Synthetic Shares	Effect from change in market value of Synthetic Shares issued 2015	Effect from exercised 2015	Total fee, actual cost	Number of Synthetic Shares at the beginning of the year	Number of Synthetic Shares granted 2015 ¹⁾	Adjust-ment for dividend	Exercised Synthetic Shares, 2015	Number of Synthetic Shares on December 31, 2015
Jacob Wallenberg	2,340		320	2,660	553		394	3,607	23,125		630	8,144	15,612
Marcus Wallenberg	625			625				625					
Josef Ackermann	313	313		625	167	-17		776	4,597	946	125		5,668
Gunnar Brock ²⁾	313	313	165	790	247	-17	105	1,126	8,909	946	243	2,172	7,926
Sune Carlsson ³⁾					148		105	253	6,167		168	2,172	4,163
Börje Ekholm ⁴⁾													
Johan Forssell ⁴⁾													
Magdalena Gerger	313	313	165	790	42	-17		815	1,160	946	32		2,138
Tom Johnstone, CBE	313	313	78	703	247	-17	105	1,039	8,909	946	243	2,172	7,926
Carola Lemne ³⁾					205		105	310	7,749		211	2,172	5,788
Grace Reksten Skaugen	625		250	875				875					
O. Griffith Sexton ⁵⁾													
Hans Stråberg	313	313		625	247	-17		856	6,795	946	185		7,926
Lena Treschow Torell	313	313	78	703	247	-17	105	1,039	8,909	946	243	2,172	7,926
Peter Wallenberg Jr. ³⁾					247		105	352	8,909		243	2,172	6,980
Sara Öhrvall ⁴⁾	313	313		625		-17		608		946			946
Total	5,778	2,188	1,056	9,021	2,353	-118	1,024	12,279	85,230	6,620	2,321	21,174	72,997

1) Based on weighted average stock price for Investor B in the period May 15 to May 21 2015: SEK 330.45.

2) Additional remunerations of SEK 1,703 t. to Gunnar Brock have been expensed in the subsidiaries.

3) Member of the Board until 5/6 2014.

4) Member of the Board as of 5/13 2015.

5) Member of the board until 5/12 2015.



Note 9. cont'd Employees and personnel costs

Expensed remuneration to the Board 2014

Total remuneration for 2014 (SEK t.)	Cash Board fee	Value of Synthetic Shares as at grant date	Commit-tee fee	Total Board fee as at grant date	Effect from change in market value of previous years Synthetic Shares	Effect from change in market value of Synthetic Shares issued 2014	Effect from exercised 2014	Total fee, actual cost	Number of Synthetic Shares at the beginning of the year	Number of Synthetic Shares granted 2014 ¹⁾	Adjust-ment for dividend	Exercised Synthetic Shares, 2014	Number of Synthetic Shares on December 31, 2014
Jacob Wallenberg	2,175		358	2,533	1,624		264	4,421	31,629		1,012	9,516	23,125
Sune Carlsson	580		215	795	434		70	1,299	8,434		270	2,537	6,167
Josef Ackermann	290	290		580	241	40		861	3,330	1,160	107		4,597
Gunnar Brock ²⁾	290	290	72	652	545	40	70	1,307	9,967	1,160	319	2,537	8,909
Börje Ekholm													
Magdalena Gerger ³⁾	290	290		580		40		620		1,160			1,160
Tom Johnstone, CBE	290	290		580	545	40		1,165	7,508	1,160	241		8,909
Carola Lemne ⁴⁾					545			545	7,508		241		7,749
Grace Reksten Skaugen	580		286	866				866					
O. Griffith Sexton	580		72	652				652					
Hans Stråberg	290	290		580	396	40		1,016	5,460	1,160	175		6,795
Lena Treschow Torell	290	290	72	652	545	40	70	1,307	9,967	1,160	319	2,537	8,909
Marcus Wallenberg	580			580				580					
Peter Wallenberg Jr. ²⁾	290	290	143	723	545	40	70	1,378	9,967	1,160	319	2,537	8,909
Total	6,525	2,030	1,218	9,773	5,420	282	546	16,017	93,770	8,122	3,001	19,664	85,230

1) Based on weighted average stock price for Investor B in the period May 8 to May 14, 2014: SEK 249.93.

2) Additional remunerations of SEK 970 t. to Gunnar Brock and SEK 303 t. to Peter Wallenberg Jr. have been expensed in the subsidiaries.

3) Member of the Board as of 5/6 2014.

4) Member of the board until 5/6 2014.

Accounting effects of share-based payment transactions

Costs relating to share-based payment transactions, SEK m. 2015 2014

Group

Costs relating to equity-settled share-based payment transactions	33	32
Costs relating to cash-settled share-based payment transactions	5	9
Social security and other costs relating to share-based payment transactions	81	68
Total	119	109

Parent Company

Costs relating to equity-settled share-based payment transactions	25	30
Costs relating to cash-settled share-based payment transactions	5	9
Social security and other costs relating to share-based payment transactions	78	66
Total	108	105

Other effects of share-based payment transactions, SEK m. 2015 2014

Group and Parent Company

Effect on equity relating to Stock-Options exercised by employees	57	61
Carrying amount of liability relating to cash-settled instruments	30	31