

Note 6 Employees and payroll costs

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INTRODUCTION

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."

For decision-making, the Remuneration Committee continuously receives information from the President, the Head of Corporate Governance and the Head of Human Resources, among others. The committee also obtains reports and information for decision making from external advisers. Internal and external information used for decision-making purposes helps ensure that Investor's remuneration program is in line with market conditions and that it is competitive. Read more about the work of the Remuneration Committee in Investor's Corporate Governance Report. Investor follows the "grand-father" principle, which means that all salary revisions must be approved by the supervisor of the manager who has proposed the salary revision.

"Top management" is defined as;

- the Chairman of the Board
- Board members not employed by the company
- the Management Group including the President and Chief Executive Officer

The Management Group consists of President Börje Ekholm, along with Johan Forssell, Petra Hedengran, Lennart Johansson and Susanne Ekblom (who joined on August 15, 2011). Johan Bygge was a member of the Management Group during the period January 1 - May 18, 2011. Stephen Campe was a member of the Management Group during the period January 1 – June 30, 2011.

Personnel costs are reported in the Income Statement as: Costs of goods and services sold, sales and marketing costs, administrative, research and development and other operating costs, management costs and restructuring costs.

Average number of employees	2011		2010	
	Total	of which women	Total	of which women
<i>Group</i>				
Sweden	3,508	2,742	1,358	863
Europe excl Sweden	4,009	2,820	834	624
North and South America	383	178	52	22
Asia	3,351	2,457	290	209
Australia	52	43	12	6
Total	11,303	8,240	2,546	1,724
Of which:				
<i>Investing activities</i>				
Parent Company, Sweden	96	56	100	60
Sweden	8	3	17	4
Europe excl Sweden	2	1	8	5
North and South America	11	3	22	7
Asia	4	2	8	3
Total investing activities	121	65	155	79

Gender distribution in Boards and senior management

	2011		2010	
	Men	Women	Men	Women
<i>Gender distribution in percent</i>				
Board of the Parent Company	73	27	64	36
Management Group of the Parent Company	60	40	83	17
Boards in the Group	77	23	73	27
Management Groups in the Group	60	40	73	27

REMUNERATION TO EMPLOYEES – INVESTING ACTIVITIES

Remuneration principles

In order to achieve long-term competitive returns for its shareholders, Investor strives to offer its staff total remuneration in line with market conditions, which makes it possible to recruit the most suitable executives and employees and to retain them in the company.

Total remuneration (which consists of basic salary, variable salary, long-term variable remuneration programs, pensions, other remuneration and benefits) is considered when determining the salaries for Investor's staff. The combination of the foregoing remuneration components means that the company has appropriate control instruments and that a common interest to run the business towards long-term competitive return on the shares is created between the company's employees and owners.

Comparative studies of relevant industries and markets are carried out annually in order to determine what constitutes a total remuneration in line with market conditions and to evaluate current remuneration levels. The result of such studies is an important component when determining Investor's remuneration policy and, consequently, also when deciding on the total remuneration for Management and other employees. Investor conducts investment activities in markets located in Asia, Northern Europe and USA. It competes for staff primarily with private equity firms, investment banks, hedge funds and consultant companies. The principles for total remuneration for Investor's employees are;

- that employees at Investor shall receive a total remuneration that is competitive and in line with market conditions,
- that the allocation between basic salary, variable salary and long-term variable remuneration shall be in proportion to the employee's position and to what is customary on the market for such positions,
- that the remuneration shall be based on factors such as position, performance and individual qualifications,
- that the remuneration shall establish a common interest between shareholders and employees by linking it to the company's long-term value development,
- to encourage an entrepreneurial method of working,
- that the remuneration shall attract the top competence, which is necessary to develop the business in accordance with Investor's strategy to be "best-in-class",
- that the remuneration shall not discriminate on the basis of gender, ethnic background, national origin, age, disability or any other circumstance and,
- that the remuneration shall encourage each individual employee to establish a significant ownership of Investor shares in relation to the employee's financial situation.

Investor strives to establish a model where the potential variable salary and long-term variable remuneration constitute a considerable part of the calculated total remuneration. Clear individual goals for the variable salary create appropriate opportunities for Investor to clarify the expectations on performance of individual employees and therefore provide the possibility to reward good performance and achieved goals. Long-term variable remuneration is affected by the long-term share price development, so employees who receive such remuneration are thus expected to act in harmony with the interests of the long-term shareholders. Because the remuneration is variable, the company's costs will also be correspondingly variable, meaning that under-performance will result in lower remuneration and thereby lower costs for the company. The alternative to variable salary and long-term variable remuneration would be to only offer basic salary, but in such a case the positive effects and incentives which Investor's model strives to establish would not be achieved.

Note 6, cont'd Employees and payroll costs

Basic salary

Basic salary is reviewed annually for all Investor employees. The annual review of basic salary takes into account the employee's performance, any changes that have been made to the employee's areas of responsibility, the company's development and salary trends in the market. In cases where significant changes have been made to the employee's areas of responsibility during the year, basic salary could be reviewed when such changes are made. Basic salary constitutes the basis for calculating variable salary.

Variable salary

The majority of Investor's employees have variable salary. The variable portion of salary in 2011 differs between business areas and for the President, it amounts to a maximum of 10 percent of basic salary. For other employees the maximum variable salary ranges between 0 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 specifically approved by Investor's Remuneration Committee. When additional variable salary is awarded, the variable portion of salary could, in individual cases, exceed 100 percent of basic salary.

The established goals must be reached in order to receive the variable salary and the annual variable salary is thereby clearly linked to an individual's work efforts and performance. Goals are both quantitative and qualitative and they are based on factors that are in agreement with Investor's long-term strategy. 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 specific 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 has been 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 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 1999, Investor introduced the principle of linking part of an employee's remuneration to the company's long-term share price development. This principle has applied to all employees since 2000. During the period 1999 through 2005, this has primarily been carried out through employee stock option programs.

A combined employee stock option and restricted stock program was introduced for the Management Group for 2004 and 2005. In 2006, a Stock Matching Plan was introduced for all 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 in the company. The programs for 2007-2011 correspond in all material respects to the program for 2006. For all programs introduced as of 2004, the Board's decision has been conditional on the Annual General Meeting approving the scope and basic principles for each program. As of 2006, the employee is required to invest his or her own funds in order to participate in the program. For more details regarding the programs, see the section Long-term share-based remuneration - program descriptions.

Pension

The pension for the President and Management Group has two components: a pension plan based on premiums in accordance with the BTP plan (Swedish pension plan for the banking sector) on parts of salary up to 30 basic income amounts (SEK 1,563 t.) and the option to choose BTP's alternative special pension plan for managers with an annual salary above 10 basic amounts, a pension plan based on special pension regulations ("Särskilt Pensionsreglemente") on parts of salary above 20 basic amounts. The amount of the pension provision depends on age and is currently 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. Each person who will receive a pension decides on a suitable type together with his or her employer, based on current pension practice. The retirement age is 60 years for the President and Management Group. Stephen Campe, who is employed by Investor's subsidiary in the United States, is covered by a pension plan that has been prepared in accordance with a model

used in that country. The costs for this plan do not exceed those of an equivalent plan in Sweden.

Other Investor employees are covered by pension agreements in accordance with the BTP Plan and they have the option of choosing BTP's alternative special pension plan for employees with an annual salary above 10 basic amounts.

Other remuneration and benefits

Profit-sharing program for Active Portfolio Management and trading operation

Investor's Active Portfolio Management unit was wound down in 2011. For this unit there was a profit-sharing program in which employees could receive 20 percent of the unit's profit, less financial and administrative expenses. The program was conditional upon positive profit growth over a two-year period, during which any losses are taken into account in the following financial year. The calculation of the result which was the platform for the profit-sharing was based on the fair value of the security holdings.

A new, more limited trading operation was established in 2011. The new profit-sharing program, which did not result in any costs or distributions for 2011, is described in the proposal for the 2012 AGM.

Participation program in Investor Growth Capital

Within Investor Growth Capital, selected senior staff and other senior executives are, to a certain extent, allowed to make parallel investments with Investor, or else receive profit-sharing. The programs are linked to realized growth in the value of the holdings, after having deducted costs and any unrealized decline in value, which are viewed as a portfolio. The maximum share that can be credited to program participants is 16 percent, which is in line with practice in the venture capital market.

During the year, a total of SEK 35 m. was paid out from these programs (191). The provision (not paid out) on unrealized gains amounted to SEK 218 m. at year-end (145). Expensed amounts were reported in the item "Changes in Value" in the Income Statement. Investor employees may not invest in EQT funds.

Due to the restructuring of Investor Growth Capital during the year, a handful of employees have exchanged their participation in Investor Growth Capital's main program for parallel investments/profit-sharing for participation in a profit sharing program that is better adapted to reflect the decision to restructure Investor Growth Capital. The new program is linked to the realized proceeds of holdings in excess of a pre-defined threshold that was established in relation to the holding's market value. The total maximum share that can be credited to program participants is 10 percent of the proceeds above the threshold.

Severance pay

A mutual six-month term of notice applies between the President and the company. If the company terminates 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 12 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. Other Investor employees have no contracted right to severance pay.

Fees received for Board work

For many years, Investor has allowed employees to keep any fees that they have received for work done on the Boards of the company's 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

For operations in Sweden, Investor offers 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 6, cont'd Employees and payroll costs

Remuneration to the President and Chief Executive Officer

The fixed basic salary during the year was SEK 7,000 t. Vacation remuneration was SEK 102 t. Variable salary, the outcome of which is based on established goals, amounted to SEK 630 t. The maximum possible outcome was SEK 700 t. In addition to this, the holiday pay provision increased by SEK 140 t. to SEK 3,220 t. This increase did not result in any payments during the year. Pension premiums, excluding payroll tax, amounted to SEK 1,928 t. and other compensation and benefits to SEK 1,092 t.

In order to participate fully in the long-term variable remuneration program, the President is required to commit shares qualified for participation to value of approximately 42 percent of the basic salary (before tax). During 2011, the President committed shares qualified for participation to a value of SEK 2,921 t. in Investor shares. As a result of that investment, the President received shares and options worth SEK 8,050 t. at the time when they were granted.

Total remuneration to the President during 2011 amounted to SEK 18,802 t., of which SEK 7,732 t. was paid out in cash. During 2011 the Presi-

dent also exercised options that were granted in 2005, maturing in January 2012, for which he received a benefit value that amounted to SEK 721 t. For more information, see the table below.

REMUNERATION TO THE BOARD OF THE PARENT COMPANY

At the 2011 Annual General Meeting, it was decided that Board remuneration should total SEK 7,313 t. Of that amount, it was decided to distribute SEK 6,375 t. as follows: SEK 1,875 t. to the Chairman and SEK 500 t. to each of the remaining nine members of the Board, (who are not employed by the company) in the form of cash and synthetic shares. It was decided that the remaining amount of SEK 938 t. would be distributed as cash remuneration for committee work done by the Board of Directors.

Expensed remuneration paid to former members of the Board during the year amounted to SEK 1,200 t. (1,200). At year-end, total outstanding pension commitments including payroll tax for former members of the Board amounted to SEK 147,892 t. (152,442), of which SEK 90,977 t. pertained to Peter Wallenberg (97,412). Remuneration to Peter Wallenberg of SEK 15,367 t. was paid out during the year (15, 367).

Remuneration and benefits 2007-2011 to Börje Ekholm, President and Chief Executive Officer (SEK t.)

Year	Fixed basic salary	Vacation remuneration	Variable salary for the year	Total salary, cash	Change of vacation pay liability	Pension premiums	Benefits ¹⁾	Long-term share-based remuneration value at grant date	Total	Own investment in long-term share-based remuneration	Own investment, % of basic salary, pre-tax
2011	7,000	102	630	7,732	140	1,928	1,092	8,050	18,942	2,921	41,7
2010	7,000	102	–	7,102	440	2,515	1,105	8,050	19,212	3,033	43,3
2009	7,500	94	1,356	8,950	450	2,671	805	6,000	18,876	2,310	30,8
2008	7,500	94	2,706	10,300	660	2,627	750	4,500	18,837	1,600	21,3
2007	7,500	94	2,781	10,375	666	2,565	636	4,500	18,742	1,529	20,4

1) In addition, value of benefits of exercised options during 2011 granted in 2005 amounts to SEK 721 t. For options exercised during 2010 granted in 2004 the value was SEK 554 t.

Expensed remunerations

Remuneration to the President, other members of the Management Group as well as former presidents

The amounts in the table 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.

Total remuneration for 2011 (SEK t.)	Fixed 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
Börje Ekholm, President and CEO	7,000	102	140	630	8,434	16,306	1,928	1,092	19,326
Management Group, excluding the President ³⁾	18,511	165	–465	7,529	8,834	34,574	9,946	610	45,130
Former presidents	–	–	–	–	–	–	–	663	663
Total⁴⁾	25,511	267	–325	8,159	17,268	50,880	11,874	2,365	65,119

1) Cost booked according to IFRS 2.

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

3) Johan Forssell, Petra Hedengran, Lennart Johansson, Johan Bygge until 5/18 2011, Stephen Campe until 6/30 2011 and Susanne Ekblom since 8/15 2011.

4) Of which expensed in subsidiaries; basic salary SEK 3,437 t., variable salary SEK 1,871 t., pension SEK 195 t., as well as other remunerations and benefits SEK 450 t.

Expensed remuneration from the profit-sharing programs for Active Portfolio Management to members of the Management Group totaled SEK 46 t. for the year (33). These remunerations are in addition to the amounts presented in the table above.

Total remuneration for 2010 (SEK t.)	Fixed 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
Börje Ekholm, President and CEO	7,000	102	440	–	5,005	12,547	2,515	1,105	16,167
Management Group, excluding the President ³⁾	19,084	208	725	10,400	5,248	35,665	6,273	945	42,883
Former presidents	–	–	–	–	–	–	–	663	663
Total⁴⁾	26,084	310	1,165	10,400	10,253	48,212	8,788	2,713	59,713

1) Cost booked according to IFRS 2.

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

3) Johan Bygge, Stephen Campe, Johan Forssell, Petra Hedengran and Lennart Johansson.

4) Of which expensed in subsidiaries; basic salary SEK 5,795 t., variable salary SEK 3,243 t., pension SEK 112 t., as well as other remunerations and benefits SEK 748 t.

Note 6, cont'd Employees and payroll costs

Total remunerations – expensed wages, salaries, Board of Directors fees and other remuneration, as well as social security contributions

Total remuneration (SEK m.)	2011							2010						
	Fixed basic salary ¹⁾	Variable salary	Long-term share-based remuneration	Pension costs	Costs for employee benefits	Social security contributions ²⁾	Total	Fixed basic salary ¹⁾	Variable salary	Long-term share-based remuneration	Pension costs	Costs for employee benefits	Social security contributions ²⁾	Total
<i>Group</i>														
Parent Company	89	21	25	30	16	43	224	94	18	22	22	17	53	226
Subsidiaries	3,562	280	2	294	108	811	5,057	1,007	41	6	70	16	229	1,369
Total	3,651	301	27	324	124	854	5,281	1,101	59	28	92	33	282	1,595
Of which:														
<i>Investing activities</i>	116	39	25	39	17	57	293	168	52	28	30	20	65	363

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

2) Of which SEK 1 m. refers to social security contributions for long-term share-based remuneration (9). The cost of long-term share-based remuneration, including social security contributions, amounts to SEK 33 m. (37).

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

Total remuneration (SEK t.)	2011				2010			
	Senior executives, Presidents and Boards in subsidiaries ¹⁾	Of which variable salary	Other employees	Total	Senior executives, Presidents and Boards in subsidiaries	Of which variable salary	Other employees	Total
<i>Group</i>								
Parent Company	43,582	11,083	66,750	110,332	36,455	7,166	75,539	111,994
Subsidiaries	38,268	10,132	3,803,690	3,841,958	37,032	9,298	1,010,330	1,047,362
Total	81,850	21,215	3,870,440	3,952,290	73,487	16,464	1,085,869	1,159,356
Of which:								
<i>Investing activities</i>	54,639	15,225	238,520	293,158	62,307	15,916	157,779	220,086

1) Number of people in the Parent Company is 15 and in subsidiaries 29.

Synthetic shares 2008-2011

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 2011 is substantially identical to the decision of the AGM 2010. In 2011, Board Members were entitled to elect 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 2016, 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.

The synthetic shares were valued in connection with allocation after the 2011 Annual General Meeting, to an amount that was based on an average of the market price for class B Investor shares during the five trading days immediately following the day when the class B shares were traded without the right to receive dividends in 2011. The synthetic shares carry the right (during the fifth calendar year following the start of the term of office) to receive a cash payment on four separate occasions. These payments relate to 25 percent of the synthetic shares that have been allocated on each occasion and the cash amount per share corresponds to the share price for a class B Investor share at each respective time of payment. The synthetic shares shall be regarded as continuously vested during the term of office, with 25 percent per quarter. During the period up until the time of payment, dividends on class B Investor shares shall be awarded to the Board member by allocating additional synthetic shares. There is no condition stating that a Board member must serve on the Board during the five-year period, which means that the amount will be settled even if the assignment is terminated before the end of the five-year period. In addition, it is possible in such a situation for the Board member to exercise his/her right to redemption 12 months after the assignment has been terminated.

At the statutory meeting in April 2011, the Board approved (in accordance with the Nomination Committee's recommendation) establishment of a policy pursuant to which members of the Board (who do not already have such hold-

ings) 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).

LONG-TERM SHARE-BASED 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 portion of remuneration to the Board that is share-based through the issuance of synthetic shares is described in the section, Remuneration to the Board of the Parent Company.

2006–2011

The programs consist of the following two components:

1) Stock Matching Plan in which all employees may participate
Through the Stock Matching Plan, an employee could acquire shares (or commit shares as of 2011 year's program) 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 in 2011 year's program) 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 between 10 and 15 percent of their basic salary. Senior Management has the right to invest to such an

Note 6, cont'd Employees and payroll costs

extent that the value of the allotted Matching Options and Matching Shares amounts to maximum between 10 and 38 percent of their respective basic salary. In order to participate fully in the Stock Matching Plan for 2011, the President had to invest or commit approximately 42 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 38 percent of the basic salary. For these programs, the President is entitled to exercise Matching Shares and Matching Options during a period of 12 months from the earlier of (i) seven years (10 years for 2006 and 2007 year's programs) from the date of allocation and (ii)

two months from the end of the year during which the President terminates his employment. The President invested a total of SEK 12,567 t. in the Stock Matching Plan for the period 2006-2011.

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

Under this program, which presumes participation in the above mentioned 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 the price of the shares acquired by the employee ("Acquisition Price"). This right is conditional upon

Expensed remuneration to the Board

Total remuneration for 2011 SEK t.	Cash	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 issued	Effect from change in market value of synthetic shares issued 2011	Effect from exercised 2011	Total fee, actual cost	Number of synthetic shares at the beginning of the year	Number of synthetic shares granted 2011 ¹⁾	Adjust- ment for dividend	Exercised synthetic shares, 2011	Num- ber of synthetic shares on December 31, 2011
Jacob Wallenberg	937	938	312	2,187	-249	-104	-	1,834	22,441	6,468	774	-	29,683
Anders Scharp ²⁾	-	-	-	-	-23	-	-	-23	1,972	-	68	-	2,040
Gunnar Brock ³⁾	250	250	63	563	-44	-29	-	490	4,012	1,725	138	-	5,875
Sune Carlsson	250	250	187	687	-66	-29	-	592	5,984	1,725	206	-	7,915
Börje Ekholm	-	-	-	-	-	-	-	-	-	-	-	-	-
Sirkka Hämäläinen ⁴⁾	-	-	-	-	-	-	-	-	-	-	-	-	-
Tom Johnstone	250	250	-	500	-20	-29	-	451	1,823	1,725	63	-	3,611
Carola Lemne	250	250	-	500	-20	-29	-	451	1,823	1,725	63	-	3,611
Håkan Mogren ⁵⁾	-	-	-	-	-34	-	-10	-44	3,066	-	106	-3,172	-
Grace Reksten Skaugen	500	-	125	625	-	-	-	625	-	-	-	-	-
O. Griffith Sexton	500	-	63	563	-	-	-	563	-	-	-	-	-
Lena Treschow Torell	250	250	63	563	-66	-29	-	468	5,984	1,725	206	-	7,915
Hans Stråberg ⁶⁾	250	250	-	500	-	-29	-	471	-	1,725	-	-	1,725
Peter Wallenberg Jr. ³⁾	250	250	125	625	-66	-29	-	530	5,984	1,725	206	-	7,915
Total	3,687	2,688	938	7,313	-588	-307	-10	6,408	53,089	18,543	1,830	-3,172	70,290

1) Based on weighted average stock price for Investor B in the period April 14 to April 20, 2011: SEK 144,95.

2) Member of the Board until 3/31 2009.

3) Additional remunerations of SEK 994 t. to Gunnar Brock and SEK 104 t. to Peter Wallenberg Jr. have been expensed in subsidiaries.

4) Member of the Board until 4/12 2011.

5) Member of the Board until 4/14 2010.

6) Member of the Board as of 4/12 2011.

Total remuneration for 2010 SEK t.	Cash	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 issued	Effect from change in market value of synthetic shares issued 2010	Total fee, actual cost	Number of synthetic shares at the beginning of the year	Number of synthetic shares granted 2010 ¹⁾	Adjustment for dividend	Number of synthetic shares on December 31, 2010
Jacob Wallenberg	938	937	312	2,187	232	49	2,468	15,160	6,838	443	22,441
Anders Scharp ²⁾	-	-	-	-	-	-	-	1,916	-	56	1,972
Gunnar Brock ³⁾	250	250	-	500	61	12	573	2,127	1,823	62	4,012
Sune Carlsson	250	250	187	687	61	12	760	4,043	1,823	118	5,984
Börje Ekholm	-	-	-	-	-	-	-	-	-	-	-
Sirkka Hämäläinen	500	-	63	563	-	-	563	-	-	-	-
Tom Johnstone ⁴⁾	250	250	-	500	-	12	512	-	1,823	-	1,823
Carola Lemne ⁴⁾	250	250	-	500	-	12	512	-	1,823	-	1,823
Håkan Mogren ⁵⁾	-	-	-	-	46	-	46	2,979	-	87	3,066
Grace Reksten Skaugen	500	-	125	625	-	-	625	-	-	-	-
O. Griffith Sexton	500	-	63	563	-	-	563	-	-	-	-
Lena Treschow Torell	250	250	63	563	61	12	636	4,043	1,823	118	5,984
Peter Wallenberg Jr. ³⁾	250	250	125	625	61	12	698	4,043	1,823	118	5,984
Total	3,938	2,437	938	7,313	522	121	7,956	34,311	17,776	1,002	53,089

1) Based on weighted average stock price for Investor B in the period April 16 to April 22, 2010: SEK 137,10.

2) Member of the Board until 3/31 2009.

3) Additional remunerations of SEK 85 t. to Gunnar Brock and SEK 104 t. to Peter Wallenberg Jr. have been expensed in subsidiaries.

4) Member of the Board as of 4/14 2010.

5) Member of the Board until 4/14 2010.

Note 6, cont'd Employees and payroll costs

whether certain financial goals related to the total return of the Investor share are met during the vesting period. The Performance-Based Share Program for 2011 is the same as it was in 2010 and 2009. Two parts of the 2009 Performance-Based Share Program were amended compared to the program approved by the 2008 Annual General Meeting. Firstly, the price at which Performance Shares can be acquired was increased from 50 to 100 percent of the Acquisition Price (for the 2006 and 2007 programs, the price per Performance Share was SEK 10). Due to that increase, the theoretical value of the possibility to receive a Performance Share fell below what it was before. For that reason, the number of Performance Shares that it was possible to receive needed to be increased in order to correspond to the same value that they had via the 2008 program. Secondly, the two financial goals, (which, in the programs for 2006-2008 determined the number of Performance Shares that Senior Management were entitled to purchase in the future), were replaced by one goal, the total return on the Investor share (for the programs during 2006-2008 the financial goals were related to the development of Investor's net asset value (NAV) and the relative total return (relative TSR) of the Investor share).

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, then 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, then a proportional (linear) calculation of the number of shares that may be acquired is made.

The theoretical value of a Performance Share takes into account, such things as the likelihood for meeting the performance criteria and it is based on the Black & Scholes valuation model. The likelihood, calculated from historical data (that has been verified by external advisors), of meeting the performance criteria has been estimated at nearly 50 percent. The final number of Performance Shares that may be acquired is dependent on the outcome of the performance requirements. However, it may not exceed the maximum number (limit) that had been decided for each respective allotment year. For these programs, the President is entitled to exercise Performance Shares during

a period 12 months from the earlier of (i) seven years (ten years for 2006 and 2007 year's programs) from the date of allocation and (ii) two months from the expiry of the year during which the President terminates his employment. 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.

Employee stock option program 2005

In the employee stock option program for 2005, Investor issued call options giving the option holder the right to purchase an equivalent number of shares at a predetermined price. The term of each program was seven years and the vesting period was linked to continued employment for another three years. The employee stock options were granted free of charge, but they were part of the total remuneration package for employees. In general, the options can only vest and be exercised during the time the holder is employed with the company and for a short period of time after employment has been terminated (with the exception of former employees who have a Board assignment from Investor). The principle applied when granting options was to keep the total number of options granted in proportion with the company's current total payroll amount. For the program in 2005, the final number of granted stock options was determined after year-end, and it depended on the extent to which each employee had fulfilled the established goals, using the same criteria as described in "Variable Salary" on page 73.

OTHER

Participation program in Core Investments - subsidiaries

Board members and senior executives of unlisted investments, including Mölnlycke Health Care and Aleris, are offered the opportunity to invest in the companies through management participation programs. The terms of the programs are based on market valuations and are designed to yield lower returns to the participants than what owners receive if the investment plan is not achieved. Conversely, the participants obtain a higher return than the owners if the plan's targets are exceeded. Board members employed by Investor AB may not invest in these programs.

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

	2011			2010		
	Matching Share	Matching Option	Performance Share	Matching Share	Matching Option	Performance Share
Averaged volume-weighted price paid for Investor B shares	150.32	150.32	150.32	137.19	137.19	137.19
Strike price	10.00	180.30	150.32	10.00	164.60	137.19
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%	3.84%	0%	0%	3.84%	0%
Risk-free interest	2.88%	2.88%	2.88%	2.43%	2.43%	2.43%

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.

Note 6, cont'd Employees and payroll costs

Summary of terms for the 2006–2011 long-term variable remuneration programs

Matching Shares 2006–2011

Year issued	Holder ¹⁾	Number of Matching Shares granted	Number at the beginning of the year	Adjustment for dividend	Matching Shares forfeited in 2011	Matching Shares exercised in 2011	Weighted average share price on exercise day	Number of Matching Shares on December 31, 2011	Theoretical value ²⁾	Fair value ³⁾	Strike price	Maturity date	Vesting period (years) ⁴⁾
2006	MG	31,038	33,242	1,235	–	1,679	140.34	32,798	109.19	121.34	10.00	12/31 2012	3
2006	OE	64,459	31,560	1,061	59	7,955	140.11	24,607	109.19	121.34	10.00	12/31 2012	3
2007	MG	23,845	22,367	812	–	77	142.63	23,102	150.91	168.48	10.00	12/31 2013	3
2007	OE	46,349	30,023	1,007	502	5,420	143.41	25,108	150.91	168.48	10.00	12/31 2013	3
2008	MG	30,725	33,082	1,131	–	4,015	138.60	30,198	116.71	130.40	10.00	12/31 2014	3
2008	OE	57,350	54,981	1,788	722	17,247	142.90	38,800	116.71	130.40	10.00	12/31 2014	3
2009	MG	48,362	49,860	1,822	–	–	–	51,682 ⁵⁾	97.64	109.01	10.00	12/31 2015	3
2009	OE	86,178	85,226	2,918	5,527	11,195	134.10	71,422 ⁵⁾	97.64	109.01	10.00	12/31 2015	3
2010	MG	47,533	47,533	1,734	–	–	–	49,267 ⁵⁾	114.91	128.33	10.00	12/31 2016	3
2010	OE	77,010	77,010	2,798	10,215	5,625	127.25	63,968 ⁵⁾	114.91	128.33	10.00	12/31 2016	3
2011	MG	33,258	–	–	–	–	–	33,258 ⁵⁾	127.15	141.66	10.00	12/31 2017	3
2011	OE	55,266	–	–	314	85	127.25	54,867 ⁵⁾	127.15	141.66	10.00	12/31 2017	3
Total		601,373	464,884	16,306	17,339	53,298		499,077					

1) MG = Management Group, OE = Other employees.

2) The value of Matching Shares on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.

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

See above for specification of the basis of calculation. See page 77 for specification of the basis of calculation.

4) If employment ends, Matching Shares that have already vested must be exercised within three months from the date employment was terminated if the holder has been employed less than four years. If the holder has been employed more than four years the Matching Shares must be exercised within 12 months.

5) Matching Shares not available for exercise at year-end.

Matching Options 2006–2011

Year issued	Holder ¹⁾	Number of Matching Options granted	Number at the beginning of the year	Matching Options forfeited in 2011	Number of Matching Options exercised in 2011	Weighted average share price on exercise day	Number of Matching Options on December 31, 2011	Theoretical value ²⁾	Fair value ³⁾	Strike price	Maturity date	Vesting period (years) ⁴⁾
2006	MG	62,076	62,076	–	–	–	62,076	15.62	12.47	155.90	12/31 2012	3
2006	OE	128,918	92,054	8,816	532	157.00	82,706	15.62	12.47	155.90	12/31 2012	3
2007	MG	47,690	47,690	–	–	–	47,690	22.80	18.84	212.00	12/31 2013	3
2007	OE	92,698	72,056	7,188	–	–	64,868	22.80	18.84	212.00	12/31 2013	3
2008	MG	61,450	61,450	–	–	–	61,450	16.41	18.98	166.20	12/31 2014	3
2008	OE	114,700	104,406	10,618	–	–	93,788	16.41	18.98	166.20	12/31 2014	3
2009	MG	96,724	96,724	–	–	–	96,724 ⁵⁾	14.52	16.68	141.50	12/31 2015	3
2009	OE	172,356	167,248	12,812	10,721	147.50	143,715 ⁵⁾	14.52	16.68	141.50	12/31 2015	3
2010	MG	95,066	95,066	–	–	–	95,066 ⁵⁾	17.44	19.73	164.60	12/31 2016	3
2010	OE	154,020	154,020	25,356	–	–	128,664 ⁵⁾	17.44	19.73	164.60	12/31 2016	3
2011	MG	66,516	–	–	–	–	66,516 ⁵⁾	19.78	22.82	180.30	12/31 2017	3
2011	OE	110,532	–	798	–	–	109,734 ⁵⁾	19.78	22.82	180.30	12/31 2017	3
Total		1,202,746	952,790	65,588	11,253		1,052,997					

1) MG = Management Group, OE = Other employees.

2) The value of Matching options on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.

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

See above for specification of the basis of calculation. See page 77 for specification of the basis of calculation.

4) If employment ends, Matching Options that have already vested must be exercised within three months from the date employment was terminated if the holder has been employed less than four years. If the holder has been employed more than four years the Matching Options must be exercised within 12 months.

5) Matching Options not available for exercise at year-end.

Note 6, cont'd Employees and payroll costs

Performance Shares 2006–2011

Year issued	Component and holder ¹⁾	Maximum number of Performance Shares granted	Number at the beginning of the year	Adjustment for dividend	Performance Shares forfeited in 2011	Performance Shares exercised in 2011	Weighted average share price on exercise day	Number of Performance Shares on December 31, 2011	Theoretical value ²⁾	Fair value ³⁾	Strike price	Maturity date	Vesting period (years)
2006	NAV MG	88,270	–	–	–	–	–	–	52.35	121.34	10.00	12/31 2012	3
2006	NAV OE	35,613	–	–	–	–	–	–	52.35	121.34	10.00	12/31 2012	3
2006	TSR MG	45,116	23,667	842	–	1,199	140.15	23,310	52.35	57.03	10.00	12/31 2012	3
2006	TSR OE	18,199	4,060	142	28	88	149.68	4,086	52.35	57.03	10.00	12/31 2012	3
2007	NAV MG	63,449	–	–	–	–	–	–	77.78	168.48	10.00	12/31 2013	3
2007	NAV OE	26,958	–	–	–	–	–	–	77.78	168.48	10.00	12/31 2013	3
2007	TSR MG	34,371	13,829	505	–	48	142.58	14,286	77.78	82.55	10.00	12/31 2013	3
2007	TSR OE	14,602	3,626	132	20	277	149.29	3,461	77.78	82.55	10.00	12/31 2013	3
2008	NAV MG	121,560	145,129	–	145,129	–	–	–	40.98	81.88	69.29	12/31 2014	3
2008	NAV OE	53,914	57,941	–	57,941	–	–	–	40.98	81.88	69.29	12/31 2014	3
2008	TSR MG	65,236	77,886	1,966	47,364	3,098	143.30	29,390	38.18	42.98	69.29	12/31 2014	3
2008	TSR OE	28,930	31,091	732	18,911	4,332	145.90	8,580	38.18	42.98	69.29	12/31 2014	3
2009	TSR MG	590,946	608,778	20,478	–	–	–	629,256 ⁴⁾	15.45	17.26	110.78	12/31 2015	3
2009	TSR OE	279,427	277,768	9,258	12,059	–	–	274,967 ⁴⁾	15.45	17.26	110.78	12/31 2015	3
2010	TSR MG	584,105	584,105	19,647	–	–	–	603,752 ⁴⁾	18.34	20.34	132.73	12/31 2016	3
2010	TSR OE	215,092	215,092	7,234	20,647	–	–	201,679 ⁴⁾	18.34	20.34	132.73	12/31 2016	3
2011	TSR MG	446,855	–	–	–	–	–	446,855 ⁴⁾	20.56	23.14	150.32	12/31 2017	3
2011	TSR OE	216,929	–	–	–	–	–	216,929 ⁴⁾	20.56	23.14	150.32	12/31 2017	3
Total		2,929,572	2,042,972	60,936	302,099	9,042		2,456,551					

1) MG = Management Group, OE = Other employees, NAV = Net Asset Value, TSR = Total Shareholder Return.

2) The value of Performance Shares on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.

3) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values. See page 77 for specification of the basis of calculation.

4) Performance Shares not available for exercise at year-end.

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. According to the definition in IFRS 2 Share-based Payment, the NAV component is a so-called non-market

condition and TSR component is a so-called market condition. There is a difference between the fair value (IFRS 2) and theoretical value of shares granted on the basis of the NAV component because the theoretical value takes into consideration the probability of full allocation in the valuation. When estimating in accordance with IFRS 2, the corresponding probability is taken into account by adjusting the anticipated number of vested shares.

Summary of terms for long-term restricted stock programs 2004–2005

Year issued	Holder ¹⁾	Number of granted shares	Number at the beginning of the year	Fair value ²⁾	Number of shares exercised in 2011	Number of shares on December 31, 2011	Maturity date ³⁾	Vesting period (years)
2004	MG	74,000	3,200	77.00	–	3,200	1/20 2009	5
2005	MG	58,331	9,612	97.04	–	9,612	1/21 2010	5
Total		132,331	12,812		–	12,812		

1) MG = Management Group.

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

3) The President is entitled to exercise the Shares during a period 12 months from the earlier of (i) 10 years from the date of allocation and (ii) two months from the expiry of the year during which the President terminates his employment.

Note 6, cont'd Employees and payroll costs

Summary of terms for long-term employee stock option program 2005

Year issued	Holder ¹⁾	Number of options granted	Number of options at the beginning of the year	Options exercised during 2011	Weighted average share price on exercise	Options expired during 2011	Number of options on December 31, 2011	Theoretical value ²⁾	Fair value ³⁾	Strike price	Maturity date	Vesting period (year)
2005	MG	164,565	145,997	145,997	130.69	–	–	19.00	15.20	106.70	1/20 2012	3
2005	OE	1,008,469	419,379	412,829	129.33	–	6,550	19.00	15.20	106.70	1/20 2012	3
Total		1,173,034	565,376	558,826		–	6,550					

1) MG = Management Group, OE = Other Employees.

2) The value of options on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.

The volatility parameter has been adjusted to take into account the special limitations to disposal rights that are valid for long-term employee stock option programs.

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

Accounting effects of share-based payment transactions

(SEK t.)

	2011	2010
<i>Group</i>		
<i>Payroll costs relating to Share-based payment transactions</i>		
Costs relating to equity-settled share-based payment transactions	29,965	24,794
Costs relating to cash-settled share-based payment transactions	1,783	3,080
Social security and other costs relating to share-based payment transactions	1,416	9,454
Total	33,164	37,328

(SEK t.)

	2011	2010
<i>Parent Company</i>		
<i>Payroll costs relating to Share-based payment transactions</i>		
Costs relating to equity-settled share-based payment transactions (IFRS 2)	27,211	19,091
Costs relating to cash-settled share-based payment transactions (IFRS 2)	1,783	3,080
Social security and other costs relating to share-based payment transactions	2,070	8,484
Total	31,064	30,655

(SEK t.)

	2011	2010
<i>Group and Parent Company</i>		
Effect on equity relating to stock-options exercised by employees	-19,902	-29,502
Carrying amount of liability relating to share-based payment transactions	9,433	7,640
Effect on net financial items relating to share-based payment transactions	-18,347	10,711
Weighted average price in outstanding hedging contracts	127.52	127.52

Hedge contracts for employee stock option and share programs

Investor's policy is to implement measures to minimize the effects of an increase in Investor's share price. For programs up to and including 2005, Investor has used share swaps and share options as hedging instruments that are recognized at fair value according to the rules for derivatives (IAS 39) because such swaps and share options do not qualify for hedge accounting. With the hedging solution, employee stock option and share programs do not affect the actual number of outstanding shares in Investor; instead, there is a theoretical dilution effect because of the programs.

For programs implemented in 2006 and later, Investor has been repurchasing its own shares in order to guarantee delivery.