

## 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:	2014	2013
Sales of products	12,801	11,094
Sales of services	8,276	7,312
Other income	123	163
<b>IS Total</b>	<b>21,200</b>	<b>18,569</b>
By field of operation:	2014	2013
Health care equipment	13,066	11,094
Health care services	7,580	6,995
Hotel	538	460
Real estate	16	20
<b>IS Total</b>	<b>21,200</b>	<b>18,569</b>
By geographical market:	2014	2013
Sweden	5,516	5,199
Scandinavia, excl. Sweden	4,174	3,665
Europe, excl. Scandinavia	6,682	5,828
U.S.	3,715	2,815
North America, excl. U.S.	288	226
South America	43	52
Africa	42	138
Australia	377	332
Asia	363	314
<b>IS Total</b>	<b>21,200</b>	<b>18,569</b>

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.

## 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 is 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. 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 were repurchased when the program was implemented. When exercised, the payment of the exercise price that was received from the employee is reported under 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 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.

## 9 cont'd Employees and personnel costs

### Average number of employees in the Group

	2014		2013	
	Total	Of which women	Total	Of which women
Parent Company, Sweden	75	41	84	47
Sweden, excl. Parent Company	5,688	4,303	5,447	4,173
Europe excl. Sweden	5,021	3,418	4,659	3,165
North- and South America	957	338	702	243
Asia	3,757	2,771	3,727	2,775
Australia	62	43	58	44
<b>Total Group</b>	<b>15,560</b>	<b>10,914</b>	<b>14,677</b>	<b>10,447</b>
Of which:				
Investing activities	79	42	88	48

### Gender distribution in Boards and Senior management

	2014		2013	
	Men	Women	Men	Women
<i>Gender distribution in percent</i>				
Board of the Parent Company	77	23	77	23
Management Group of the Parent Company incl. the President	60	40	60	40
Boards in the Group <sup>1)</sup>	75	25	83	17
Management Groups in the Group	65	35	58	42

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 Executives 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 Börje Ekholm, along with Susanne Ekblom, Johan Forssell, Petra Hedengran and Lennart Johansson. 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, it amounts to a maximum 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 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. The structure of the programs for 2007-2014 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 56.

### Pension

During 2014 the pension for the President and Management Group consisted of 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 1,707 t.) and the option to choose BTP's alternative special pension plan for managers with an annual salary above 10 basic income amounts.
- A pension plan based on special pension regulations ("Särskilt Pensionsreglemente") on parts of salary above 20 basic income amounts. The amount of the pension provision 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 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 15-20 employees in total participate in the program, including the Management Group Member responsible for Core Investments. For 2014, SEK 0 t. in total has been paid out from this program (1,654).

#### 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 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.

#### 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 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.

## 9 cont'd Employees and personnel costs

### Remuneration and benefits 2010-2014 to Börje Ekholm, 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 in long-term share based remuneration	Own investment, % of basic salary pre-tax
2014	8,650	125	744	9,519	1,028	3,560	1,522	9,948	25,577	3,762	43.5
2013	7,900	115	727	8,742	962	2,973	1,195	9,085	22,957	3,502	44.3
2012	7,250	105	645	8,000	811	2,605	1,319	8,338	21,073	3,319	45.8
2011	7,000	102	630	7,732	140	2,415	1,092	8,050	19,429	2,921	41.7
2010	7,000	102	–	7,102	440	2,515	1,105	8,050	19,212	3,033	43.3

### 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

	Basic salary	Vacation remuneration	Change of vacation pay liability	Variable salary for the year	Cost of long-term share-based remuneration <sup>1)</sup>	Total	Pension costs <sup>2)</sup>	Other remuneration and benefits	Total expensed remuneration
Total remuneration 2014 (SEK t.)									
President and CEO	8,650	125	1,028	744	10,977	21,524	3,560	1,522	26,606 <sup>3)</sup>
Management Group, excl. the President	13,960	202	429	6,200	9,171	29,962	7,650	1,113	38,725
<b>Total</b>	<b>22,610</b>	<b>327</b>	<b>1,457</b>	<b>6,944</b>	<b>20,148</b>	<b>51,486</b>	<b>11,210</b>	<b>2,635</b>	<b>65,331</b>
Total remuneration 2013 (SEK t.)									
President and CEO	7,900	115	962	727	10,184	19,888	2,973	1,195	24,056 <sup>3)</sup>
Management Group, excl. the President	13,630	197	313	6,215	8,199	28,554	8,284	495	37,333
<b>Total</b>	<b>21,530</b>	<b>312</b>	<b>1,275</b>	<b>6,942</b>	<b>18,383</b>	<b>48,442</b>	<b>11,257</b>	<b>1,690</b>	<b>61,389</b>

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 1,218 t. (1,057), pension SEK 42 t. (42), as well as other remuneration and benefits SEK 697 t. (646).

Expensed remuneration from the profit-sharing programs for the trading operation to members of the Management Group totaled SEK 0 t. for the year (80). These remunerations are in addition to the amounts presented in the table above.

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

Total remuneration (SEK m.), Group	2014							2013						
	Basic salary <sup>1)</sup>	Variable salary	Long-term share-based remuneration	Pension cost	Cost for employee benefits	Social security contributions	Total	Basic salary <sup>1)</sup>	Variable salary	Long-term share-based remuneration	Pension cost	Cost for employee benefits	Social security contributions	Total
Parent Company	86	19	39	31	12	92	279	84	21	37	36	13	91	282
Subsidiaries	5,482	382	2	457	152	1,267	7,742	4,818	295	3	443	125	1,118	6,802
<b>Total</b>	<b>5,568</b>	<b>401</b>	<b>41</b>	<b>488</b>	<b>164</b>	<b>1,359<sup>2)</sup></b>	<b>8,021</b>	<b>4,902</b>	<b>316</b>	<b>40</b>	<b>479</b>	<b>138</b>	<b>1,209<sup>2)</sup></b>	<b>7,084</b>
Of which: Investing activities	92	20	40	33	13	94	292	89	22	38	39	14	93	295

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

2) Of which SEK 68 m. refers to social security contribution for long-term share-based remuneration (54).

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

Remuneration (SEK m.), Group	2014				2013			
	Salary Senior executives, Presidents and Boards in subsidiaries <sup>1,2)</sup>	Of which variable salary <sup>1)</sup>	Other employees	Total	Salary senior executives, Presidents and Boards in subsidiaries <sup>1,2)</sup>	Of which variable salary <sup>1)</sup>	Other employees	Total
Parent Company	39	7	66	105	38	7	67	105
Subsidiaries	37	14	5,827	5,864	43	8	5,071	5,114
<b>Total</b>	<b>76</b>	<b>21</b>	<b>5,893</b>	<b>5,969</b>	<b>81</b>	<b>15</b>	<b>5,138</b>	<b>5,219</b>
Of which: Investing activities	39	7	73	112	38	7	72	110

1) The number of people in the Parent Company is 17 (17) and in subsidiaries 27 (30).

2) Pension costs relating to senior executives, Presidents and Boards in subsidiaries amount to SEK 16 m. and are in addition to the amounts presented in the table (20).

## 9 cont'd Employees and personnel costs

### 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 in which all employees may participate

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 maximum between 10 and 38 percent of their respective basic salary. In order to participate fully in the Stock Matching Plan for 2014, the President had to invest or commit approximately 44 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 2014 year's program, the President is entitled to exercise Matching Shares and Matching Options during a period of 12 months from the earlier of (i) seven years from the date of allocation and (ii) two months from the expiry of the year during which the President terminates his employment.

#### 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 2014 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.

For 2014 year's program, the President is entitled to exercise Performance Shares during a period of 12 months from the earlier of (i) seven years from the date of allocation and (ii) two months from the expiry of the year during which the President terminates his employment.

#### 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 program 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. 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 60 m. was paid out from these programs (16). The provision (not paid out) on unrealized gains amounted to SEK 539 m. at year-end (486). Expensed amounts were reported in the item "Changes in Value" in the Income Statement.

### Summary of long-term share-based variable remuneration programs 2006-2014

#### Matching Shares 2006-2014

Year issued	Number of Matching Shares granted	Number at the beginning of the year	Adjustment for dividend	Matching Shares forfeited in 2014	Matching Shares exercised in 2014	Weighted average share price on exercise	Number of Matching Shares at year-end	Theoretical value <sup>1)</sup> , SEK	Fair value <sup>2)</sup> , SEK	Strike price, SEK	Maturity date	Vesting period (years) <sup>3)</sup>
2014	55,451			1,572			53,879 <sup>4)</sup>	219.51	244.29	10.00	12/31 2020	3
2013	72,378	71,798	2,383	3,078	1,308	248.42	69,795 <sup>4)</sup>	167.90	187.33	10.00	12/31 2019	3
2012	120,160	120,837	3,758	7,239	6,760	241.31	110,596 <sup>4)</sup>	109.60	122.17	10.00	12/31 2018	3
2011	88,959	89,029	1,843	2,369	39,709	237.06	48,794	127.15	141.66	10.00	12/31 2017	3
2010	124,543	46,217	1,533		7,660	262.70	40,090	114.91	128.33	10.00	12/31 2016	3
2009	134,540	35,422	1,144	-112	5,425	250.61	31,253	97.64	109.01	10.00	12/31 2015	3
2008	88,075	18,518	547	68	4,484	244.63	14,513	116.71	130.40	10.00	12/31 2014 <sup>5)</sup>	3
2007	70,194	10,906	370				11,276	150.91	168.48	10.00	12/31 2013 <sup>6)</sup>	3
2006	95,497	11,669	396				12,065	109.19	121.34	10.00	12/31 2012 <sup>6)</sup>	3
<b>Total</b>	<b>849,797</b>	<b>404,396</b>	<b>11,974</b>	<b>14,214</b>	<b>65,346</b>		<b>392,261</b>					

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 57 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 President is entitled to exercise Matching Shares during a 12 months period from the earlier of seven years from the date of allocation and two months from the expiry of the year during which the President terminates his employment.

6) The President is entitled to exercise Matching Shares during a 12 months period from the earlier of ten years from the date of allocation and two months from the expiry of the year during which the President terminates his employment.

## 9 cont'd Employees and personnel costs

### Matching Options 2006-2014

Year issued	Number of Matching Options granted	Number at the beginning of the year	Matching Options forfeited in 2014	Number of Matching Options exercised in 2014	Weighted average share price on exercise	Number of Matching Options at year-end	Theoretical value <sup>1)</sup> , SEK	Fair value <sup>2)</sup> , SEK	Strike price, SEK	Maturity date	Vesting period (years) <sup>3)</sup>
2014	110,902		3,145			107,757 <sup>4)</sup>	29.86	34.41	304.50	12/31 2020	3
2013	144,756	143,598	6,475	2,025	264.35	135,098 <sup>4)</sup>	22.63	24.97	236.10	12/31 2019	3
2012	240,320	232,398	13,744	12,974	241.33	205,680 <sup>4)</sup>	14.70	16.87	157.80	12/31 2018	3
2011	177,918	163,468	4,369	60,893	237.05	98,206	19.78	22.82	180.30	12/31 2017	3
2010	249,086	121,216		27,684	253.31	93,532	17.44	19.73	164.60	12/31 2016	3
2009	269,080	97,496	-192	32,260	244.15	65,428	14.52	16.68	141.50	12/31 2015	3
2008	176,150	49,550		26,462	254.91	23,088	16.41	18.98	166.20	12/31 2014 <sup>5)</sup>	3
2007	140,388	17,304				17,304	22.80	18.84	212.00	12/31 2013 <sup>6)</sup>	3
2006	190,994	17,984				17,984	15.62	12.47	155.90	12/31 2012 <sup>6)</sup>	3
<b>Total</b>	<b>1,699,594</b>	<b>843,014</b>	<b>27,541</b>	<b>162,298</b>		<b>764,077</b>					

- 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 Option 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 President is entitled to exercise Matching Options during a 12 months period from the earlier of seven years from the date of allocation and two months from the expiry of the year during which the President terminates his employment.
- 6) The President is entitled to exercise Matching Options during a period of 12 months from the earlier of ten years from the date of allocation and two months from the expiry of the year during which the President terminates his employment.

### Performance Shares 2006-2014

Year issued	Maximum number of Performance Shares granted	Number at the beginning of the year	Adjustment for dividend	Performance Shares, forfeited in 2014	Performance Shares exercised in 2014	Weighted average share price on exercise	Number of Performance Shares at year-end	Theoretical value <sup>1)</sup> , SEK	Fair value <sup>2)</sup> , SEK	Strike price, SEK	Maturity date	Vesting period (years)
2014	258,017						258,017 <sup>3)</sup>	62.79	70.03	126.89	12/31 2020	3
2013	320,473	320,473	13,763	6,201			328,035 <sup>3)</sup>	49.33	54.26	95.42	12/31 2019	3
2012	457,517	474,198	14,157	20,913			467,442 <sup>3)</sup>	32.69	36.41	61.55	12/31 2018	3
2011	663,784	719,195	19,713	20,866	140,803	247.47	577,239	20.56	23.14	134.48	12/31 2017	3
2010	799,197	592,795	16,917		82,215	244.36	527,497	18.34	20.34	118.74	12/31 2016	3
2009	870,373	368,382	10,920		45,424	247.63	333,878	15.45	17.26	99.11	12/31 2015	3
2008	269,640 <sup>4)</sup>	15,496	689	116	314	221.67	15,755	40.04	42.98	69.29	12/31 2014 <sup>5)</sup>	3
2007	139,380 <sup>4)</sup>	6,789	231				7,020	77.78	82.55	10.00	12/31 2013 <sup>6)</sup>	3
2006	187,198 <sup>4)</sup>	8,346	284				8,630	52.35	57.03	10.00	12/31 2012 <sup>6)</sup>	3
<b>Total</b>	<b>3,965,579</b>	<b>2,505,674</b>	<b>76,674</b>	<b>48,096</b>	<b>268,756</b>		<b>2,523,513</b>					

- 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 President is entitled to exercise Performance Shares during a 12 months period from the earlier of seven years from the date of allocation and two months from the expiry of the year during which the President terminates his employment.
- 6) The President is entitled to exercise Performance Shares during a period of 12 months from the earlier of ten years from the date of allocation and two months from the expiry of the year during which the President terminates his employment.

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:*

	2014			2013		
	Matching Share	Matching Option	Performance Share	Matching Share	Matching Option	Performance Share
Averaged volume-weighted price paid for Investor B shares	253.77	253.77	253.77	196.79	196.79	196.79
Strike price	10.00	304.50	126.89	10.00	236.10	98.39
Assumed volatility <sup>1)</sup>	30%	30%	30%	30%	30%	30%
Assumed average term <sup>2)</sup>	5 years	5 years	5 years	5 years	5 years	5 years
Assumed percentage of dividend <sup>3)</sup>	0%	3.5%	0%	0%	4%	0%
Risk-free interest	1.07%	1.07%	1.07%	1.52%	1.52%	1.52%
Expected outcome <sup>4)</sup>			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.

## 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 <sup>1)</sup>	Number of Shares exercised 2014	Number of Shares at year-end	Maturity date <sup>2)</sup>	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
<b>Total</b>	<b>132,331</b>	<b>12,812</b>		<b>–</b>	<b>12,812</b>		

- 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 President is entitled to exercise the Shares during a period of twelve months from the earlier of (i) ten years from April 1, 2006 and (ii) two months from the expiry of the year during which the President terminates his employment.

### Remuneration to the Board of the Parent Company

At the 2014 Annual General Meeting (AGM), it was decided that Board remuneration should total SEK 9,773 t., of which SEK 8,555 t. would be in the form of cash and synthetic shares and SEK 1,218 t. would be distributed as cash remuneration for committee work done by the Board of Directors. At year-end, total outstanding pension commitments including payroll tax for former members of the Board amounted to SEK 146,629 t. (130,778), of which SEK 81,967 t. pertained to Peter Wallenberg (78,730). Remuneration to Peter Wallenberg of SEK 15,517 t. was paid out during the year (15,367).

### Synthetic shares 2008-2014

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 2014 is essentially identical to the decision of the AGM 2013. In 2014, 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 2019, 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 2014 the Board approved, as in 2013, 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 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 Synthetic Shares	Effect from change in market value of Synthetic Shares issued 2014	Effect from 2014	Total fee, actual cost	Number of Synthetic Shares at the beginning of the year	Number of Synthetic Shares granted 2014 <sup>1)</sup>	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
Dr. Josef Ackermann	290	290		580	241	40		861	3,330	1,160	107		4,597
Gunnar Brock <sup>2)</sup>	290	290	72	652	545	40	70	1,307	9,967	1,160	319	2,537	8,909
Börje Ekholm													
Magdalena Gerger <sup>3)</sup>	290	290		580		40		620		1,160			1,160
Tom Johnstone	290	290		580	545	40		1,165	7,508	1,160	241		8,909
Carola Lemne <sup>4)</sup>				0	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. <sup>2)</sup>	290	290	143	723	545	40	70	1,378	9,967	1,160	319	2,537	8,909
<b>Total</b>	<b>6,525</b>	<b>2,030</b>	<b>1,218</b>	<b>9,773</b>	<b>5,420</b>	<b>282</b>	<b>546</b>	<b>16,017</b>	<b>93,770</b>	<b>8,122</b>	<b>3,001</b>	<b>19,664</b>	<b>85,230</b>

- 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.

## 9 cont'd Employees and personnel costs

### Expensed remuneration to the Board 2013

Total remuneration for 2013 (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 2013	Effect from exercised 2013	Total fee, actual cost	Number of Synthetic Shares at the beginning of the year	Number of Synthetic Shares granted 2013 <sup>1)</sup>	Adjust-ment for dividend	Exercised Synthetic Shares, 2013	Number of Synthetic Shares on December 31, 2013
Jacob Wallenberg	2,060		340	<b>2,400</b>	1,824		259	4,483	38,437		1,432	8,240	31,629
Sune Carlsson	550		204	<b>754</b>	486		69	1,309	10,249		382	2,197	8,434
Dr. Josef Ackermann	275	275		<b>550</b>	104	64		718	1,729	1,533	68		3,330
Gunnar Brock <sup>2)</sup>	275	275	68	<b>618</b>	486	64		1,168	8,117	1,533	317		9,967
Börje Ekholm													
Tom Johnstone	275	275		<b>550</b>	344	64		958	5,751	1,533	224		7,508
Carola Lemne	275	275		<b>550</b>	344	64		958	5,751	1,533	224		7,508
Grace Reksten Skaugen	550		136	<b>686</b>				686					
Anders Scharp <sup>3)</sup>							69	69	2,132		65	2,197	
O. Griffith Sexton	550		68	<b>618</b>				618					
Hans Stråberg	275	275		<b>550</b>	226	64		840	3,780	1,533	147		5,460
Lena Treschow Torell	275	275	68	<b>618</b>	486	64	69	1,237	10,249	1,533	382	2,197	9,967
Marcus Wallenberg	550			<b>550</b>				550					
Peter Wallenberg Jr. <sup>2)</sup>	275	275	136	<b>686</b>	486	64	69	1,305	10,249	1,533	382	2,197	9,967
<b>Total</b>	<b>6,185</b>	<b>1,925</b>	<b>1,020</b>	<b>9,130</b>	<b>4,786</b>	<b>448</b>	<b>535</b>	<b>14,899</b>	<b>96,444</b>	<b>10,731</b>	<b>3,623</b>	<b>17,030</b>	<b>93,770</b>

1) Based on weighted average stock price for Investor B in the period April 17 to April 23, 2013: SEK 179.36.

2) Additional remunerations of SEK 1,256 t. to Gunnar Brock and SEK 333 t. to Peter Wallenberg Jr. have been expensed in the subsidiaries.

3) Member of the board until 3/31 2009.

### Accounting effects of share-based payment transactions

Costs relating to share-based payment transactions, SEK m.	2014	2013
<i>Group</i>		
Costs relating to equity-settled share-based payment transactions	32	32
Costs relating to cash-settled share-based payment transactions	9	8
Social security and other costs relating to share-based payment transactions	68	54
<b>Total</b>	<b>109</b>	<b>94</b>
<i>Parent Company</i>		
Costs relating to equity-settled share-based payment transactions	30	30
Costs relating to cash-settled share-based payment transactions	9	8
Social security and other costs relating to share-based payment transactions	66	52
<b>Total</b>	<b>105</b>	<b>90</b>
<i>Other effects of share-based payment transactions, SEK m.</i>		
<i>Group and Parent Company</i>		
Effect on equity relating to Stock-Options exercised by employees	61	104
Carrying amount of liability relating to cash-settled instruments	31	27