

## **The Nomination Committee's statement regarding proposal for the Board of Directors of Investor AB at the Annual General Meeting, May 3, 2017, including an account of how the Nomination Committee has conducted its work**

### Background

In accordance with a resolution by Investor's Annual General Meeting, a Nomination Committee was announced on September 15, 2016, constituted by the four largest shareholders or group of shareholders controlling the largest number of votes that desired to appoint a representative and the Company's Chairman of the Board. The members of the Nomination Committee are Hans Wibom (Wallenberg Foundations, Chairman of the Nomination Committee), Anders Oscarsson<sup>1</sup> (AMF), Lars Isacson (SEB Foundation), Ramsay Brufer (Alecta) and Jacob Wallenberg (Chairman of the Board). The four representatives of the shareholders jointly represent approximately 60 percent of the votes for all shares in Investor.

### The Nomination Committee's proposal regarding the Board of Directors of Investor

The Nomination Committee proposes the following:

- Eleven Members of the Board of Directors and no Deputy Members of the Board of Directors.
- The following persons are proposed for re-election as Members of the Board of Directors:

Josef Ackermann	Hans Stråberg
Gunnar Brock	Lena Treschow Torell
Johan Forssell	Jacob Wallenberg
Magdalena Gerger	Marcus Wallenberg
Tom Johnstone, CBE	Sara Öhrvall
Grace Reksten Skaugen	
- Re-election of Jacob Wallenberg as Chairman of the Board of Directors.

### Statement including an account of how the Nomination Committee has conducted its work

The Nomination Committee has prepared proposals to the 2017 Annual General Meeting regarding:

- Chairman of the Meeting;
- Members of the Board of Directors;
- Chairman of the Board of Directors;
- Remuneration to the Members of the Board of Directors
- Auditors;
- Remuneration to the auditors; and
- To the extent deemed necessary, proposal regarding amendments of the current instruction for the Nomination Committee.

The Nomination Committee has before the Annual General Meeting 2017 held three meetings at which the minutes were recorded. In between these meetings, the Nomination Committee have also stayed in contact.

Shareholders have been able to submit proposals to the Nomination Committee. The Nomination Committee has not received any nomination proposals from other shareholders.

In order to assess the demands imposed on the Board as a consequence of the Company's current position and future direction, the Nomination Committee has discussed the size and composition of the Board, e.g. in terms of competence, industry and international experience, and diversity. The Nomination Committee has also made an evaluation regarding each Member of the Board of Director's possibility to devote the necessary time and commitment for the Board assignment. The Nomination Committee has noted that the Directors have a high Board meeting attendance and that they are well prepared at the meetings. The Nomination Committee has also

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<sup>1</sup> As announced in November 2016, Anders Oscarsson replaced Peter Hasslev.

assessed the appropriateness of the number of members of the Board. An important basis for the assessment has been the principle that the composition of the Board of Directors shall reflect and allow scope for the various competences and experiences that Investor's active ownership philosophy and long-term ownership involvement require.

As a base for its work, the Nomination Committee has i.a. had an evaluation of the Board of Directors and its work and reviewed the Chairman of the Board of Director's report regarding the Company's business, objectives and strategies. The Nomination Committee is of the opinion that the current Board and Board work is well functioning.

In view of the above, the Nomination Committee proposes re-election of the present Members of the Board of Directors of Investor.

The Nomination Committee is of the opinion that the proposed composition of the Board of Directors has an appropriate composition and size and reflects diversity and good variety regarding qualifications and experiences within areas of strategic importance to Investor, such as industrial business development, corporate governance and the financial and capital market. The Nomination Committee has applied rule 4.1 of the Swedish Corporate Governance Code as diversity policy in its nomination work. The Nomination Committee has considered the importance of a well functioning composition of the Board of Directors when it comes to diversity and breadth, as relates to i.a. gender, nationality, age and industry experiences. In respect of gender balance four are women and six are men of the proposed non-executive Board of Directors. The percentage of women is thereby 40 percent. In respect of nationality 30 percent is non Swedish citizens and 20 percent is non-Scandinavian citizens of the proposed non-executive Board of Directors. The Nomination Committee believes that diversity is vital and that it is important that coming Nomination Committees continue to work actively with this question.

The proposal for the composition of Investor's Board of Directors meets the requirements of the Swedish Code of Corporate Governance regarding independent Members of the Board. Several of the Members of the Board of Directors are also Members of the Board of Directors of Investor's holdings and receive Board remuneration from these companies. This consideration is not considered to entail a dependence on Investor or Investor's executive management for such Members of the Board of Directors of Investor. Investor is an industrial holding company and work actively through the Boards of its holdings to identify and drive value-creating initiatives. The work of the Board of Directors in Investor's holdings is the core of Investor's active ownership model. For Investor, where a fundamental component is to have the right Board in each company, it is natural that Members of Investor's Board of Directors and Management have Board assignments in Investor's holdings.

The Nomination Committee has discussed the level and structure of the Board compensation. The proposal from the Nomination Committee entails an average increase of the total Board compensation of approximately 2.4 percent (including Committee remuneration). The Nomination Committee also proposes unchanged structure of the Board remuneration of which the nominated Member of the Board shall be entitled to elect to receive 50 percent of the proposed remuneration before taxes, 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. The Nomination Committee has also resolved to recommend the Board of Directors to establish a policy regarding Board of Directors' acquisitions and holdings of Investor's shares with the same wording as last year.

The Nomination Committee has been presented the Audit and Risk Committee's evaluation of Deloitte AB's audit work and the Audit and Risk Committee's proposal for auditor and Audit fee. The Nomination Committee proposes re-election of the registered auditing company Deloitte AB as Auditor for the period until the end of the Annual General Meeting 2018 and that the Auditors' fees shall to be paid upon approval of their invoice. Deloitte AB has informed that, subject to the approval of the proposal from the Nomination Committee regarding Auditor, the Authorized Public

Accountant Thomas Strömberg will continue as the auditor in charge for the audit. The Nomination Committee's proposal is consistent with the Audit and Risk Committee's recommendation.

The Nomination Committee has also reviewed current instructions for the Nomination Committee, which were resolved by the Annual General Meeting 2011, and has decided that no changes will be proposed.

Detailed information about all persons proposed as Members of the Board of Directors of Investor may be found on Investor's website, [www.investorab.com](http://www.investorab.com).

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March 2017

The Nomination Committee of Investor AB (publ)