



“Effective decision-making is based on good corporate governance. For this reason, we strive to continuously develop our corporate governance both internally and in the companies where we have ownership responsibilities.” *Jacob Wallenberg*

Corporate Governance Report

Corporate governance practices refer to the decision-making systems through which owners, directly or indirectly, control a company. Good corporate governance rests on three pillars - active owners, an involved and well constructed Board and efficient operating processes, which requires an organization that has a clear division of responsibility, effective internal controls and an expressed risk management process. Good corporate governance creates value by ensuring an effective decision-making process that is in line with the company’s strategy and steers the company toward established business goals. Investor supports each company in its specific challenges and opportunities. This is particularly important in times of turbu-

lence and uncertain financial development. Good corporate governance also includes transparency towards company owners so they can monitor the company’s development.

Investor adheres to the Swedish Code of Corporate Governance

- Investor complied with the Code in 2009
- Investor did not violate the NASDAQ OMX Stockholm Rule Book for issuers or good stock market practice

For Investor, as industrial holding company, the business model of active ownership is to create value in companies. For this good corporate governance is fundamental. This applies to Investor’s own organization as well as to the companies

in which Investor is an owner. Investor participates in the corporate governance of its companies by taking a leading, active ownership role. This means that Investor works to create value and is seriously committed to finding the right composition for the Boards of Directors of these companies. For more information about Investor’s role as an active owner, see page 10.

This corporate governance report is submitted in accordance with the Swedish Code of Corporate Governance¹⁾ (“the Code”) and explains how corporate governance was carried out during the 2009 fiscal year. The corporate governance report has not be reviewed by Investor’s auditor.

Cornerstones for good corporate governance



Important events in Investor’s corporate governance in 2009

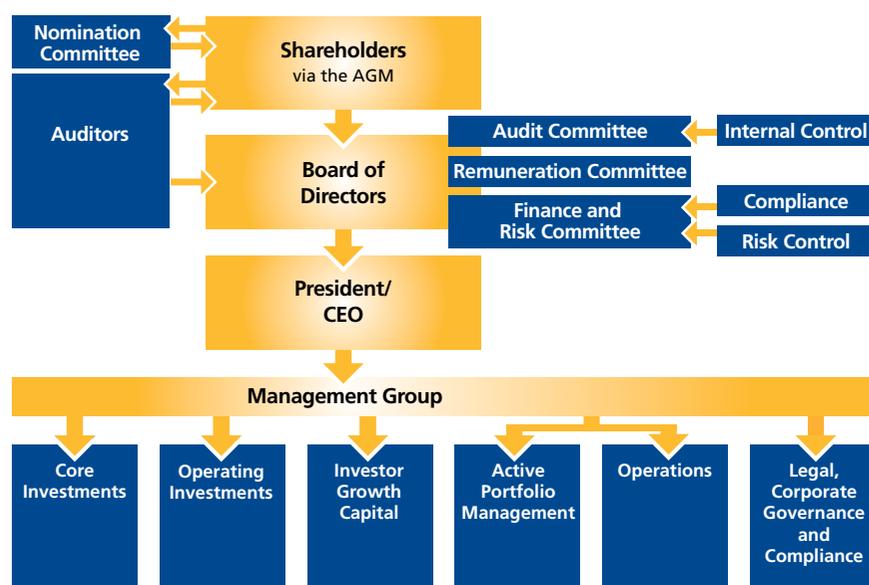
- Revised and published company’s Ethical guidelines/Business principles (page 43)
- Continued foreign representation on the Nomination Committee (page 45)
- New Board member elected to the Board (page 47)
- Evaluation of the Board by an external consultant (page 48)
- Board remuneration remained unchanged (page 51)
- Total Board remuneration in part synthetic shares (page 51)
- Modified long-term share program for employees (page 52)
- Further developed risk assessment process (page 56)

For more information about Investor’s corporate governance, please visit our website at www.investorab.com

- The Articles of Association
- Corporate governance reports since 2004
- Information about the company’s management
- Information about compensation
- Information about the auditors
- Information about the Board, Committees and their work
- Internal control reports since 2005
- Nomination committees since 2005 and adherent documentation
- AGMs since 2004 and adherent documentation

1) The Code that entered into force on July 1, 2008 and was in effect in 2009

Governance structure at Investor



Primary external framework for governance at Investor:

- Swedish Companies Act
- Accounting legislation, e.g. Swedish accounting Act, Swedish Annual Accounts Act
- NASDAQ OMX Stockholm Rule Book for Issuers
- Swedish Code of Corporate Governance

Examples of internal framework for governance at Investor:

- Articles of Association
- Board instructions, Rules of procedure
- Policies and instructions
- Process descriptions for each business area
- Ethical guidelines/ Business principles

Corporate governance at Investor

Investor is a Swedish limited liability corporation founded in 1916. Investor is publicly traded on the NASDAQ OMX Stockholm. Applicable external legislation and regulations as well as internal policies and instructions form the foundation for the company's governance, management and control as executed by the shareholders, Board of Directors, President and senior management.

In addition to legislation, regulations and recommendations, Investor's Articles of Association play a central role in the company's governance. The Articles of Association establish, for example, the company's name, where the Board is registered, the focus of Investor's business activities and information concerning the share capital.

The Annual General Meeting (AGM) is the company's highest decision-making authority and serves as the forum through which Investor's shareholders exercise their influence over the business. The AGM convenes no less than once per year and its agenda includes appointing the members of the Nomination Committee.

The Nomination Committee recommends changes to the composition of the Board for resolution by the AGM.

On behalf of Investor's owners, the Board oversees the management of the company's affairs. The Board is headed by

Chairman Jacob Wallenberg. The Board appoints the President, who is charged with carrying out the day-to-day management of the company in accordance with the directions of the Board. The division of responsibilities between the Board and President is detailed clearly in instructions and rules of procedures that yearly is approved by the Board. To increase the efficiency and depth of the Board's work on certain issues, the Board has established three committees: the Audit Committee, the Remuneration Committee and the Finance and Risk Committee.

Internal Control, Risk Control and Compliance are important support functions for the Board's committees. Internal Control is an audit function that provides objective support to the Board for verifying the effectiveness of internal controls. The role of Risk Control is to provide support in identifying and managing risks. The Compliance function identifies legal risks and ensures that laws and regulations are complied with.

Internal policies and instructions constitute important control documents in all parts of the company and clarify responsibilities and powers within areas such as information security, compliance and risk.

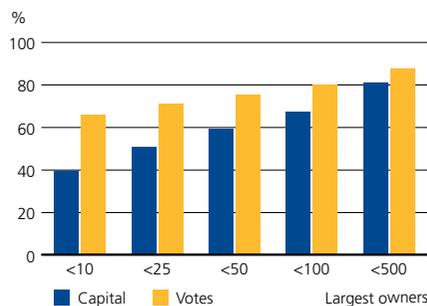
The external auditor appointed by the AGM audits the Board and the President's administration of the company, as well as the company's financial reports.

The Management Group is made up of the President and the heads of Core Investments, Operating Investments, Investor Growth Capital, Active Portfolio Management, Operations and Legal, Corporate Governance and Compliance.

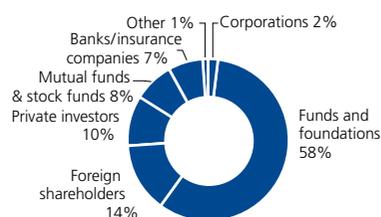
The actions of management and personnel are also governed by Investor's corporate culture. A strong, clearly defined corporate culture plays an important role in enabling the company to achieve its vision and goals. The corporate culture at Investor is based on four core values: Create value, Continuous improvement, Contribute your view and Care for people. The Management Group actively works to engage all employees in developing the corporate culture and living by the values expressed through it. In 2009, at the request of the Board, the Management Group presented a revised version of the company's Ethical guidelines/Business principles in order to provide instructions for employees on how to integrate the core values into their daily routines. See section "Employees, network and brand" in this annual report.

The company's strategy and management of CSR issues is also a part of the company's governance. See section "Corporate Social Responsibility" in this annual report.

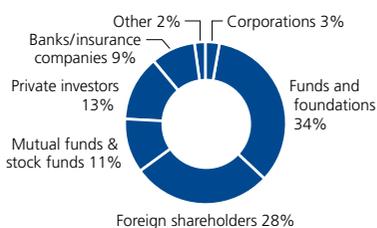
Shareholder structure



Distribution of shareholders, percentage of votes



Distribution of shareholders, percentage of capital



Investor's 10 largest shareholders listed by voting rights on December 31, 2009¹⁾

	% of votes	% of capital
Knut and Alice Wallenberg Foundation ²⁾	40.0	18.6
SEB Foundation	4.9	2.3
Marianne and Marcus Wallenberg Foundation ²⁾	4.9	2.3
Third Avenue Management LLC	4.4	2.0
Skandia Liv insurance company	4.2	2.3
Marcus and Amalia Wallenberg Memorial Fund ²⁾	3.1	1.4
Swedbank Robur Funds	3.1	2.2
Alecta	2.6	4.4
AMF Pension and pension funds	1.1	1.9
First AP-fund	0.8	1.0

1) Directly registered, or registered in the name of nominees, with Euroclear Sweden.

2) The three largest Wallenberg foundations own a total of 48 percent of the votes and 22 percent of the capital.

Shares, ownership and distribution policy

At year-end 2009, Investor had 143,591 shareholders according to the register of shareholders maintained by Euroclear Sweden. Institutional owners dominate the ownership structure. Foundations represent the largest single shareholder category. Investor's share capital totaled SEK 4,795 m., consisting of a total of 767 million shares, of which 312 million are class A-shares and 455 million class B-shares.

Investor's distribution policy

- A large percentage of the dividends received from Core Investments are distributed
- Shareholders receive a distribution from other net assets corresponding to a yield in line with the equity market
- Investor AB's goal is to generate a steadily rising annual dividend

The 2009 AGM decided on a dividend payment of SEK 4.00 per share to shareholders

AGM and AGM's decision-making authorities

Investor's AGM is held in the Stockholm area during the first half of the year. The date and location of the meeting are announced publicly, no later than in conjunction with the publication of the company's third-quarter report. Shareholders are also informed, no later than at the publication of the third-quarter report, about their right to have business discussed at the AGM and the deadline for submitting requests to this effect to the company so that such business may be included in the notice of the AGM. The notice of the AGM is published at the earliest six weeks, but no later than four weeks, before the date of the AGM.

The AGM is informed about the company's development over the past fiscal year and decides on a number of central issues, such as changes to the company's Articles of Association, the election of auditor, discharging the Board from liability for the fiscal year, remuneration for the Board and fees to the auditor, deci-

sions on the number of Board members, election of the Board for the period up to the close of the next AGM and dividends. Investor always strives to ensure that the Board, Management Group, Nomination Committee and the auditor are present at the AGM.

Voting rights at Investor's AGM

- Every Investor shareholder entitled to vote may vote for the entire number of the shares owned and represented by the shareholder without restrictions to the number of votes
- A-shares are entitled to one vote
- B-shares are entitled to 1/10 vote
- Both share classes carry the same dividend entitlement

Shareholders are entitled to participate in and vote at the AGM if they are recorded in the register of shareholders and have reported their intention to attend by the specified deadline. Shareholders who cannot attend the AGM in person may appoint a proxy. To enable non-Swedish-speaking shareholders to participate, the AGM's proceedings are simultaneously interpreted into English. All printed information is available in both Swedish and English.

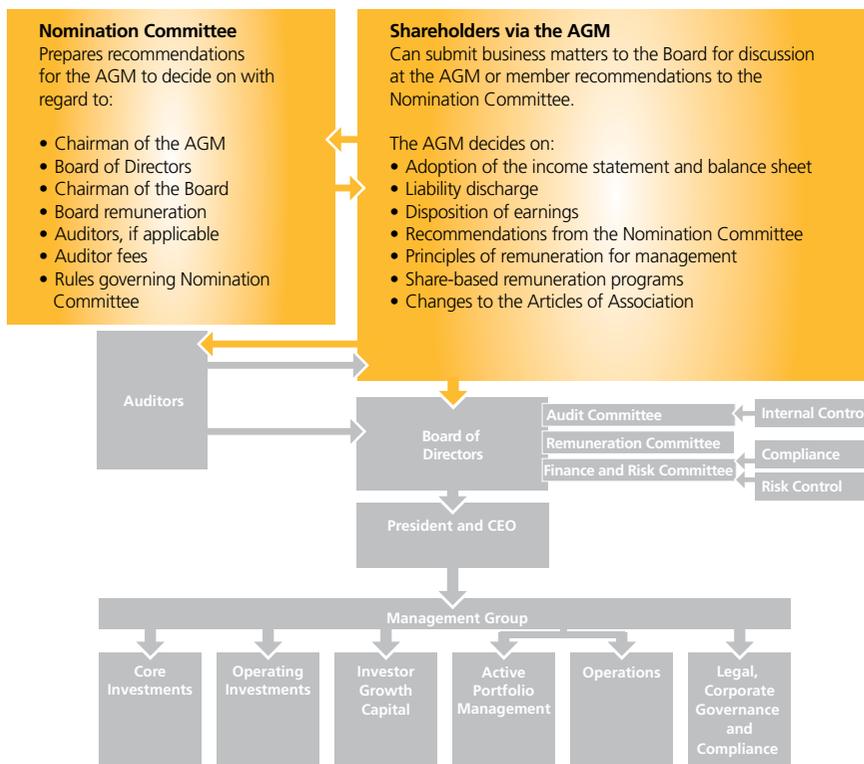
Decisions at the AGM usually require a simple majority vote. However, for certain items of business taken up at the AGM, the Swedish Companies Act requires that a proposal is approved by a higher percentage of the shares and votes represented at the AGM.

ANNUAL GENERAL MEETING 2009

Investor's 2009 AGM was held on March 31 at the City Conference Centre in Stockholm. Approximately 1,000 shareholders, including proxies, attended the meeting, representing 74.6 percent of the votes and 51.8 percent of the capital. Investor's Board and Management Group, as well as the company's auditor and Nomination Committee, were present at the AGM.

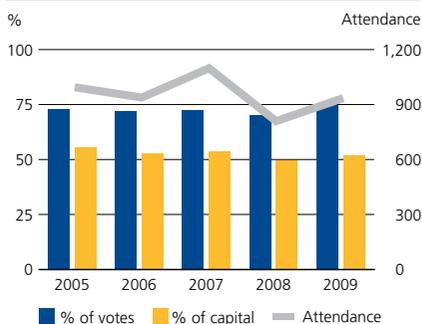
The President's presentation at the AGM was published on Investor's website the day after the AGM. All documents

Governance structure for shareholders



required for the AGM and the minutes of the meeting are available on the website in both Swedish and English.

Attendance at Investor's AGMs



ANNUAL GENERAL MEETING 2010

The 2010 AGM will take place on April 14 at the City Conference Centre in Stockholm. All shareholders wishing to take up business at the meeting may submit their request to the Chairman of the Board, or, alternatively, contact the Nomination Committee with any director nominations.

Annual General Meeting 2010

Contact information Board of Director

Investor AB
Attn: Chairman of the Board
S-103 32 Stockholm
investorAGM@investorab.com

Contact information Nomination Committee

Investor AB
Attn: Nomination Committee
S-103 32 Stockholm
nominationcommittee@investorab.com

Information about the AGM is published on the website

Nomination Committee

The AGM appoints the members of the Nomination Committee.

By mandate from the 2009 AGM, the membership of the Committee consists of five members, including one representative from each of the four shareholders or groups of shareholders controlling the largest number of votes and the Chairman of the Board of Directors. The register of recorded shareholders and shareholder groups from Euroclear Sweden and other reliable shareholder information available to the company as of the last business day of August 2009 serves as the basis for identifying the members.

NOMINATION COMMITTEE MEMBERS FOR THE 2010 AGM

The four owners with the largest share of votes, taking into account shareholder groups, appointed together with the Chairman of the Board, Jacob Wallenberg, the following representatives to the Nomination Committee prior to the 2010 AGM: Johan Stålhand (Wallenberg foundations, Investor's largest shareholder in terms of votes controlled), Lars Isacson (SEB Foundation), Curtis Jensen (Third Avenue Management LLC) and Caroline af Ugglas (Skandia Liv). The composition of the Committee was made public on October 6, 2009. Altogether, its membership represents just over 60 percent of the votes in Investor.

For the second consecutive year, a foreign shareholder was appointed to the Nomination Committee. Investor advocates the active involvement of both national and international long-term shareholders. This will strengthen the company's corporate governance in the long run.

The composition of the Nomination Committee meets the independence criteria set forth by the Code.

Nomination Committee members for 2010 AGM

Nomination Committee member	Representing	Independent in relation to the company and its management	Independent of the company's major shareholders/shareholder groups in terms of votes	8-31-2009 % of votes	12-31-2009 % of votes
Johan Stålhand	Wallenberg foundations	Yes	No ¹⁾	47.96	47.96
Lars Isacson	SEB Foundation	Yes	Yes	4.92	4.92
Curtis Jensen	Third Avenue Management LLC	Yes	Yes	4.36	4.36
Caroline af Ugglas	Skandia Liv	Yes	Yes	4.17	4.18
Jacob Wallenberg	Investor AB Chairman of the Board of Directors	Yes	No ²⁾		

1) Representing the Wallenberg foundations
2) Member of the Knut and Alice Wallenberg Foundation

NOMINATION COMMITTEE WORK FOR 2010 AGM

The Nomination Committee held four meetings with cause for minutes to be kept and maintained informal contact between meetings up to and including February 28, 2010. At the committee's first meeting, Johan Stålhand, Wallenberg foundations, was elected Chairman. Each member of the Nomination Committee signed a confidentiality undertaking in connection with the start of the Nomination Committee work.

According to a decision taken at Investor's 2009 AGM, the Nomination Committee is charged with preparing and presenting to the 2010 AGM proposals for resolutions regarding the Chairman at the AGM, the Board of Directors and the Chairman of the Board, Board remuneration distinguished between the Chairman of the Board and other Board members and remuneration for committee work, audit fees, and rules for the Nomination Committee for the 2011 AGM.

In order to reach proper decisions about the composition of the Board, the committee is furnished with the evaluation of the Board and its work and the Chairman of the Board's report on the company's activities, goals and strategies.

It is the committee's role to assess the performance and effectiveness of the Board given the company's current circumstances and long-term objectives. The committee therefore evaluated the size and composition of the Board in terms of industry experience, expertise, international experience and diversity. The composi-

tion of the Board should reflect and allow scope for the different backgrounds and areas of expertise that are required for the implementation of Investor's philosophy of active ownership and long-term ownership commitment.

The Nomination Committee is of the opinion that diversity is important, as relates to i.a. gender, nationality and industry experiences, in order to achieve a well functioning composition of the Board of Directors. However, it is very important that each candidate of the Board has the right profile and merits for the specific competence sought.

The Nomination Committee also studied the audit evaluation and the recommendations of the Audit Committee regarding auditing fees.

The recommendations of the Nomination Committee, its substantiated opinions regarding the proposed Board of Directors and supplementary information regarding recommended Board members are made public when notice of the AGM is published. These matters of business are also presented at the 2010 AGM together with a report on the work of the Nomination Committee.

Board of Directors

Shareholders elect the Board at the AGM to serve a mandate period beginning with the AGM and concluding with the AGM the following year. On behalf of Investor's owners, the Board establishes the goals and strategies for the company, evaluates the operational management and ensures that systems are in place to monitor and verify the company's business and organizational objectives. The Board also ensures that the company's stakeholders are furnished with accurate information, that laws and regulations are complied with and that ethical guidelines and internal policies are modified as needed. Investor's Board forms a quorum when more than half of the members are present. The Board's role to assure the quality of Investor's financial reporting is set out in the section "Board of Directors' description of internal controls and risk management for the financial reporting".

Pursuant to the Articles of Association, the Board should consist of no less than three and no more than eleven directors. The AGM decides the exact number. The Board is assisted by a secretary, who is not a member of the Board. Board members are to devote the time and attention to Investor that their assignment demands. Each Board member is responsible for requesting supplementary information he/she feels is necessary to make sound decisions. New Board members are introduced to Investor's business operations by attending a comprehensive introduction orienta-

Repurchase of own shares

- Since 2000, the Board has requested and been granted a mandate by the AGM to buy back the company's shares
- In 2009, 2,200,000 shares were repurchased to hedge Investor's program for long-term share-based remuneration and for the allocation of synthetic shares as a part of Board remuneration
- Investor currently considers it more attractive from a long-term ownership perspective to invest capital in new and existing holdings with a high return potential than to repurchase own shares

Board of Directors 2009

Member	Elected	Position	Year of birth	Nationality	Independent of company and company management	Independent of the company's major shareholders
Jacob Wallenberg	1998	Chairman	1956	Swedish	Yes	No ²⁾
Gunnar Brock	2009	Member	1950	Swedish	Yes	Yes
Sune Carlsson	2002	Member	1941	Swedish	Yes	Yes
Börje Ekholm	2006	Member	1963	American/Swedish	No ¹⁾	Yes
Sirkka Hämmäläinen	2004	Member	1939	Finnish	Yes	Yes
Håkan Mogren	1990	Member	1944	Swedish	Yes	Yes
Grace Reksten Skaugen	2006	Member	1953	Norwegian	Yes	Yes
O. Griffith Sexton	2003	Member	1944	American	Yes	Yes
Lena Treschow Torell	2007	Member	1946	Swedish	Yes	Yes
Peter Wallenberg Jr	2006	Member	1959	Swedish	Yes	No ²⁾

1) Chief Executive Officer
2) Member of Knut and Alice Wallenberg Foundation

tion involving, for example, meetings with departmental managers. Board members are continuously updated on new regulations, practices and statutory requirements that may affect the business.

THE CHAIRMAN OF THE BOARD

The AGM appoints the Chairman of the Board. The Chairman organizes and leads the work of the Board, ensures that the Board continues to advance its knowledge of the company, communicates views from the owners and serves as support for the President. The Chairman and the President set the agenda for Board meetings. The Chairman verifies that the Board's decisions are implemented efficiently, and ensures that the work of the Board is evaluated annually and that the Nomination Committee is informed of the result of this evaluation.

In addition to his active involvement in Investor, Chairman of the Board Jacob Wallenberg is also involved in a number of other companies and serves on a number of international organizations. He has built up an extensive international network and participates in various policy forums, such as the European Round Table of Industrialists (ERT), The Peter G. Peterson Institute for International Economics and the International Business Council of the World Economic Forum. Jacob Wallenberg is also active in a number of advisory organizations and acts as an advisor to London's mayor as a member of the International Business Advisory Council (IBAC). As of

year-end 2009, Jacob Wallenberg is also Chairman of the International Business Leaders' Advisory Council for the Mayor of Shanghai (IBLAC).

MEMBERS OF THE BOARD OF DIRECTORS

Since the 2009 AGM the Board has consisted of ten members and no deputies. At the 2009 AGM, Jacob Wallenberg, Sune Carlsson, Börje Ekholm, Sirkka Hämmäläinen, Håkan Mogren, Grace Reksten Skaugen, O. Griffith Sexton, Lena Treschow Torell and Peter Wallenberg, Jr. were re-elected. Board member Anders Scharp declined re-election and Gunnar Brock was elected as a new member. The AGM elected Jacob Wallenberg as Chairman of the Board for the period ending with the next AGM. President Börje Ekholm is the only Board member who is a member of the company's Management Group.

The Nomination Committee believes that the extensive experience of the newest Board member, Gunnar Brock, in running global, industry-leading companies will be a valuable contribution to the Board.

It is also the opinion of the Nomination Committee that the expertise and experience of the Board is broad and diverse within areas that are of strategic importance for Investor, such as business development, corporate governance of both listed and unlisted companies and the financial and capital markets. The Nomination Committee considers the ten mem-

bers to be well suited to serve on the Board of Directors during the mandate period ending with the 2010 AGM.

The percentage of women and the percentage of foreign members on the Board are both 30 percent. A more detailed presentation of the Board is found on page 58 and on the website.

INDEPENDENCE OF BOARD MEMBERS

The members of the Board of Directors meet the definition of 'independent director' as set out in the NASDAQ OMX Stockholm Rule Book for Issuers and the Code in effect at their election at the 2009 AGM in accordance with the Swedish Corporate Governance Board's instruction 1-2009.

Several of the Board members are directors of companies that a part of the Core Investments business area and receive remuneration from these companies. It is the opinion of the Nomination Committee and the company that this remuneration does not entail a dependence of these members on Investor or its management. The assessment of each Board member's independence is presented in the adjacent table.

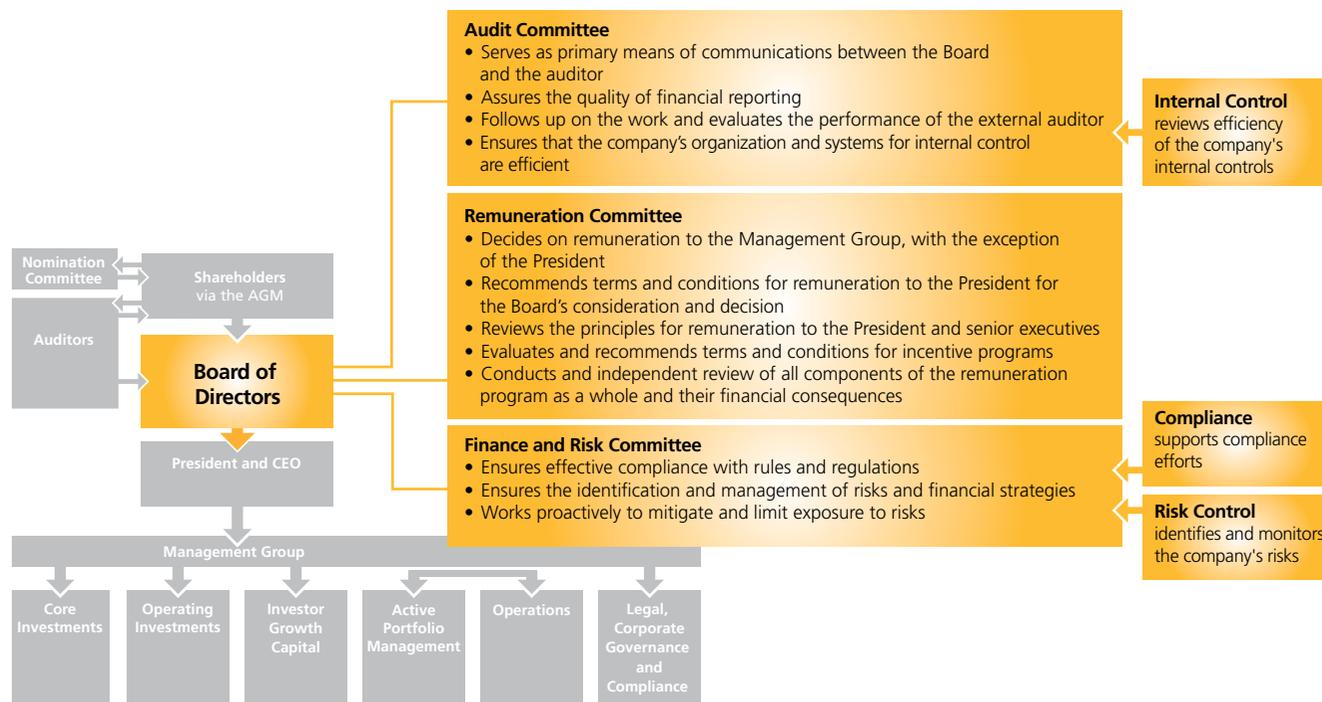
THE BOARD'S RULES OF PROCEDURE

In addition to laws and recommendations, the work of the Board is governed by its rules of procedure. The Board reviews its rules of procedure annually and is empowered to adopt them following a Board decision.

The rules of procedure are divided into five sections in order to clarify and regulate the practices and tasks of the Board: the rules of procedure, instructions to the President and instructions to each of the three Board committees: the Remuneration Committee, Audit Committee and Finance and Risk Committee.

The rules of procedure also specify which matters of business should always be included on the agenda of each Board meeting as well as on the agenda of the statutory Board meeting. The rules of procedure set out that minutes should be kept

Overall structure of governance for the Board



at every meeting by the Board's secretary, who may not be a member of the Board. Furthermore, the rules of procedure set out how the minutes are to be prepared and distributed to the members and how the Board is to be informed about matters such as the issue of press releases. The rules of procedure also contain guidelines governing the decisions the Board may delegate to the President.

EVALUATION OF THE BOARD

Pursuant to the rules of procedure, the Chairman of the Board initiates an annual evaluation of the performance of the Board.

The 2009 evaluation has, like in 2008, been carried out by an external consultant with specialist expertise in Board evaluations. The 2008 comprehensive evaluation consisted of an anonymous questionnaire that was answered by each Board member. The questionnaire was divided into a number of sections covering topics such as the atmosphere of co-operation within the Board, its range of expertise and the methods the Board utilized to carry out its tasks.

The 2009 evaluation is based on the compiled analysis of the 2008 evaluation and has then been complemented with telephone and individual interviews with Members of the Board.

The objective of the evaluation is to provide insight into the Board members' opinions about the performance of the Board and identify measures that could make the work of the Board more effective. A secondary objective is to form an overview of the areas the Board believes should be afforded greater scope and where additional expertise might be needed within the Board.

The Board discussed the results of this year's evaluation and the Chairman of the Board presented them to the Nomination Committee.

Investor's Board continuously evaluates the performance of the President by monitoring the development of the business in relation to the established objectives. A formal performance review is carried out once a year and discussed with the President.

WORK OF THE BOARD IN 2009

In 2009, the developments on the financial and industrial markets were unpredictable. This uncertainty has naturally had a considerable impact on the work of the Board. During the year, the Board held 15 meetings, of which eight were regular meetings, one was statutory and six were extraordinary. The attendance of each Board member is presented in the table on page 50. The secretary at the Board meetings, with a few exceptions, was attorney Hans Wibom. Before meetings, Board members were provided with comprehensive written information on the issues that were to be discussed.

At the first few meetings of the year, a considerable amount of time was spent discussing the financial crisis and its effects on the companies in which Investor is an owner. Investor's participation in SEB's rights issue for SEK 15 bn. was preceded by a comprehensive in-house analysis, of which both the preparations and implementation were carried out by the Board.

This was also the case with Investor's participation in Husqvarna's rights issue. Within Operating Investments, an investment was made in Biovitrum after the Board discussed the acquisition based on documentation from Investor's management.

However, due to the developments on the global market, the work of the Board in 2009, as was the case in 2008, consisted of internal and external presentations about financial markets in both individual countries and the world in general. During these meetings, the Board discussed the developments and their effects on industries, markets and individual companies, paying particularly close attention to Investor's associated companies as well as the company's long-term strategy. For example, presentations were held by external experts at Investor's Board meeting in New York in June 2009.

The financial reports presented at every regular Board meeting, including those

prior to the year-end and quarterly reports, are an important aspect of the Board's work. The Board also receives monthly reports on the company's financial position. Given the uncertainty on the financial market, the Board also paid special attention during the year to the company's financial position and liquidity, one of the results of which was an extension of the average maturity for Investor's loans. At regular Board meetings, reports were delivered on the ongoing operations in the business areas, together with in-depth analysis and proposed actions regarding one or more associated companies.

Committee work is an important part of the Board's role. A more detailed description of the work conducted by the committees is presented in each committee's respective section.

During the year, the Board has through a committee of independent Board members, reviewed the pension agreement with

Peter Wallenberg that was entered into in 1997 and later revised in 1998. The committee has, besides its own analysis of the agreement, given two external legal experts the assignment to independently investigate the agreement's legality. Based on the experts' opinions, the independent committee has concluded that the pension agreement with Peter Wallenberg is legally binding and valid in accordance with the wording of the agreement.

During the year, the company's management presented value-creating plans for Core Investments, including analyses of the business and development potential of Core Investments in the business areas in which it operates. These analyses and their implications were discussed and assessed by the Board both with the focus on individual companies and in the context of overall strategic discussions. Similar presentations and discussions also took place with regard to companies in Operating

Board committees' work 2009

	Audit Committee	Remuneration Committee	Finance and Risk Committee
Members ¹⁾	Sune Carlsson (Chairman) Håkan Mogren Jacob Wallenberg Peter Wallenberg Jr	Jacob Wallenberg (Chairman) Gunnar Brock O. Griffith Sexton	Sirkka Hämäläinen (Chairman) Grace Reksten Skaugen Jacob Wallenberg
Number of meetings	6	6	5
Work in 2009	<ul style="list-style-type: none"> Assessed each interim report and the Year End Report for completeness and accuracy Evaluated the valuation principles for each business area, paying particular attention to Private Equity and Operating Investments Followed up the auditor's reports on the year-end financial statements and regular reviews Discussed both structural and specific tax issues Evaluated the year's audit performance by the appointed auditor, KPMG Followed up and evaluated the results of the Internal Control function's reviews of activities and compliance in business processes, wick during the year focused in particular on the processes of Private Equity and the compliance of foreign subsidiaries 	<ul style="list-style-type: none"> Followed the development of the EU Commission's directives and recommendations, primarily the recommendation concerning remuneration to senior management in listed companies and the recommendation on remuneration policy within the financial services sector Evaluated and approved remuneration structures for personnel and salary reviews for management Evaluated and assessed the President's goal for 2009, which was then approved by the Board Discussed strategic personnel issues such as leadership development, diversity and succession Implemented the long-term variable remuneration program for management and employees adopted by the 2009 AGM Reached a decision to propose to the 2010 AGM a share program that essentially is the same as the 2009 program 	<ul style="list-style-type: none"> Followed up the Risk Control function's work monitoring current risk situations Placed special focus on analyzing liquidity and the maturity profile of the loan portfolio Discussed information security Evaluated and adjusted limits and mandates Updated the limits and mandates in the risk policy Followed up the risk assessment within the organization

1) The composition of the Audit Committee and the Remuneration Committee fulfill the requirements set out in the Code governing the independence of members with reference to the independence criteria of the NASDAQ OMX Stockholm Rule Book for Issuers that were in effect at the time of the 2009 AGM, in accordance with the Swedish Corporate Governance Board's instruction 1-2009. The Finance and Risk Committee is not affected by the independence criteria.

Investments: Gambro, Mölnlycke Health Care and 3 Scandinavia.

In Operating Investments, the Board dealt with the completed investment in Biovitrum, received detailed presentations and considered a number of potential acquisitions. The Board also handled Biovitrum's acquisition of Swedish Orphan International, in which Investor was one of two primary owners, and primarily Investor's participation in Biovitrum's financing of the acquisition.

Reports, which were also discussed by the Board, were presented regarding the composition of the portfolio and developments in the Private Equity business area, including Investor's involvement in EQT and the operations of Investor Growth Capital.

Changes in the market and legislation also led to stricter requirements for the treatment of corporate governance, remuneration, compliance and issues relating to the nomination process and Board remuneration, above all with regard to Core Investments but also in relation to companies in the other business areas. For this reason, during the year one of the Board meetings was held in Brussels and included detailed presentations by a number of EU representatives.

In addition to participating in meetings of the Audit Committee, the company's

auditor also attended a Board meeting during which Board members had the opportunity to pose questions to the auditor without representatives of the company's management being present. During the year, the Board's work was also evaluated by an external consultant to provide information as a basis for the work of the Nomination Committee and the ongoing work of the Board.

BOARD COMMITTEES

In order to increase the efficiency of its work and enable a more detailed analysis of certain issues, the Board has formed three committees: the Audit Committee, the Remuneration Committee and the Finance and Risk Committee. The members of the committees are appointed for a maximum of one year at the statutory Board meeting and perform their duties as assigned by the instructions presented to each committee annually.

The primary objective of the committees is to provide preparatory and administrative support to the Board. However, they are also empowered to make decisions on matters that the Board, pursuant to the committee instructions, delegates to them and on other issues in their respective areas of responsibility that are not considered essential in nature. The committees are required to inform the Board

of any such decisions. The issues considered and the decisions taken at committee meetings are to be recorded in the minutes and reported at the next Board meeting. Representatives from the company's specialist functions always participate in committee meetings.

Auditor

The AGM appoints the auditor for a term extending to the close of the AGM held in the fourth – or, in some cases, the third – fiscal year following the appointment. On behalf of the shareholders, the auditor audit the company's annual accounts, accounting records and administration by the Board and the President. The auditor in charge also submits an audit report to the AGM. Shareholders are welcome to direct questions to the auditor at the AGM.

Pursuant to its Articles of Association, Investor should have one or two auditors and at the most two deputies. A registered firm of auditors may be appointed as the company's auditor. At the 2007 AGM, the registered firm of auditors, KPMG AB, was appointed auditor until the close of the 2011 AGM, with authorized public accountant Carl Lindgren to serve as auditor in charge until further notice.

Attendance record and Board remuneration in 2009

	Member Chairman	Audit Committee	Remuneration Committee	Finance and Risk Committee	Attendance record, Board Meetings	Attendance record, Committee Meetings	Board fee excl. Committee fees			Committee fees			Total Board Remuneration incl. synthetic shares, SEK ²⁾
							Cash, SEK	Value of synthetic shares, SEK ²⁾	Number of synthetic shares ¹⁾²⁾	Audit Committee, SEK	Remuneration Committee, SEK	Finance and Risk Committee, SEK	
Jacob Wallenberg	●	●	●	●	100%	88%	937,500	937,500	7,975	125,000	125,000	62,500	2,187,500
Gunnar Brock			●		91%	100%	250,000	250,000	2,127		62,500		562,500
Sune Carlsson	●				100%	100%	250,000	250,000	2,127	187,500			687,500
Börje Ekholm					100%								–
Sirkka Hämäläinen				●	100%	100%	500,000	0	0		125,000		625,000
Håkan Mogren	●				87%	83%	375,000	125,000	1,063	125,000			625,000
Grace Reksten Skaugen				●	100%	100%	500,000	0	0		62,500		562,500
O. Griffith Sexton			●		93%	83%	500,000	0	0		62,500		562,500
Lena Treschow Torell					100%		250,000	250,000	2,127				500,000
Peter Wallenberg Jr	●				100%	83%	250,000	250,000	2,127	125,000			625,000
Total							3,812,500	2,062,500	17,546	562,500	250,000	250,000	6,937,500

1) Based on volume weighted average price for Investor's B shares during the five trading days immediately following the publication of the first interim report of 2009 (16/4 - 22/4): SEK 117.56

2) At point of allocation

For total value of Board fee including synthetic shares and dividends at year-end, see Note 5

Investor's auditor: KPMG AB

- Auditor in charge: Carl Lindgren
- Year of birth: 1958
- Authorized Public Accountant at KPMG AB
- Chairman of Board at KPMG AB
- Auditor in charge for Investor since 2003
- Other auditing assignments: Arla, Brummer & Partners, Intrum Justitia, MTG and Nordea
- Shares in Investor AB: 0

Over the past three years, the auditing firm has conducted a limited number of other assignments on behalf of Investor in addition to the audit. These assignments mainly consisted of services associated with auditing, such as in-depth reviews during an audit. By limiting the extent to which the auditor is allowed to perform services other than auditing, it is possible to ensure that the auditor is independent of the company. Refer to the table for the fees paid to auditors over the past three years. The fees paid to auditors are also detailed in Note 6 to this report.

Fees paid to auditors 2007-2009

SEK m.	2009	2008	2007
For auditing services:			
KPMG AB	9	9	6
For other services:			
KPMG AB	1	1	1
Total, Group:	10	10	7

Board remuneration 2007-2009

SEK	2009	2008	2007
Chairman	1,875,000	1,875,000	1,875,000
Vice Chairman		500,000	500,000
Director	500,000	500,000	500,000
Chairman Audit Committee	187,500	187,500	187,500
Member Audit Committee	125,000	125,000	125,000
Chairman Remuneration Committee	125,000	125,000	125,000
Member Remuneration Committee	62,500	62,500	62,500
Chairman Finance and Risk Committee	125,000	125,000	125,000
Member Finance and Risk Committee	62,500	62,500	62,500

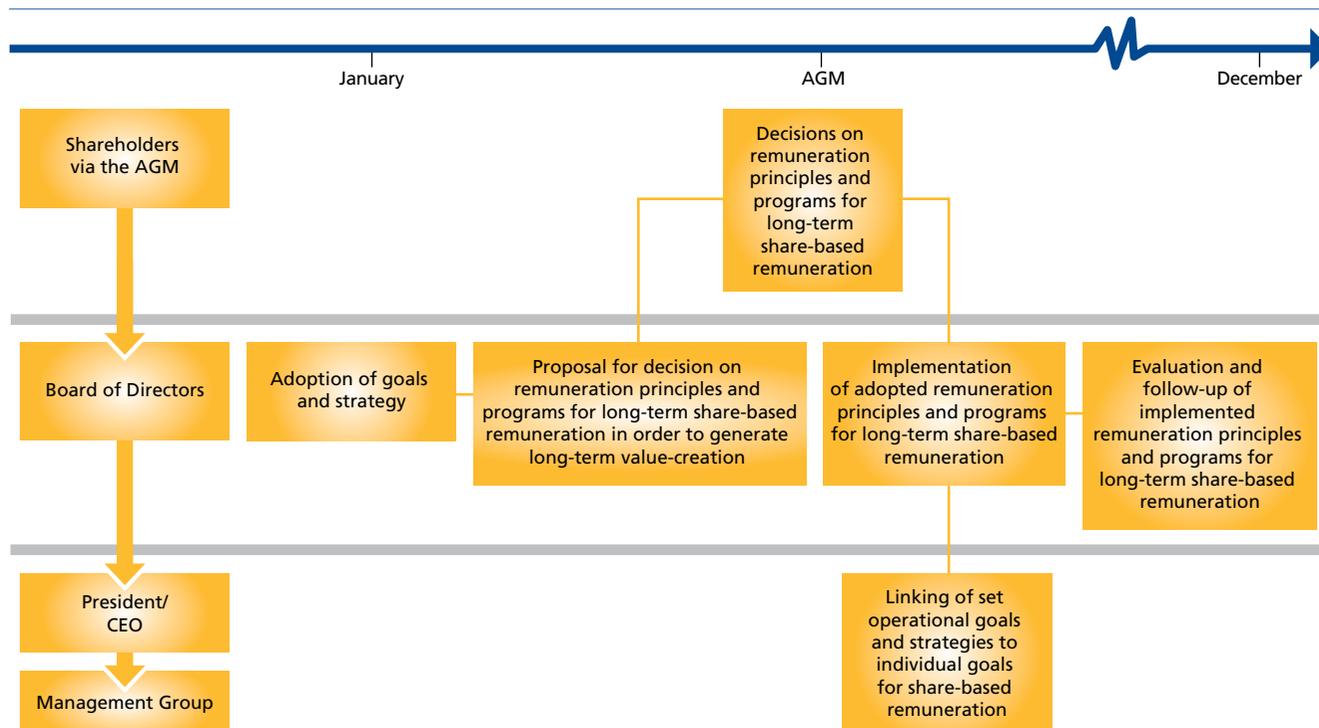
Remuneration

REMUNERATION TO THE BOARD

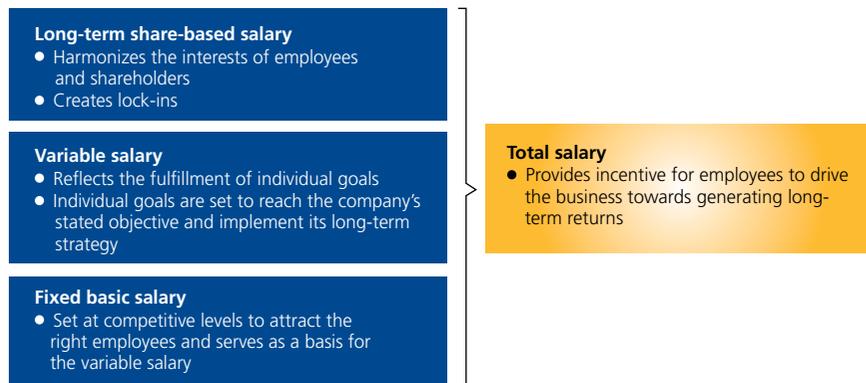
The Nomination Committee recommends the remuneration to the Board for the coming fiscal year and the AGM approves the remuneration. Remuneration is paid to Board members not employed by the company.

The Nomination Committee believes it is to the advantage of the company and its shareholders if the Board members are either shareholders in the company or subject to a similar exposure to changes in the price of Investor's share. The Nomination Committee recommended a new structure for the Board fees, which was adopted for the first time by the 2008 AGM. The new structure entails that a portion of the remuneration be paid as synthetic shares. Board members can elect to receive either 25 or 50 percent of their gross remuneration before tax in the form of synthetic shares, excluding remuneration for work on committees. For administrative reasons,

Remuneration - a governing instrument for the Board



Remuneration components as governing instruments



Board members with a foreign tax domicile can elect to receive 100 percent of their remuneration in cash. The term synthetic share carries the entitlement to receive future dividends corresponding to the market price of Investor's B-shares at the time of distribution. For the detailed terms and conditions for synthetic shares, please visit the company website.

The total remuneration to the Board approved by the AGM was SEK 6,937,500. The distribution of Board fees is shown in enclosed tables and in Note 5 to this report.

The Chairman receives higher compensation than other Board members, which reflects the extra duties this position involves.

Members of the Board not employed by the company do not participate in Investor's share-based remuneration programs.

Remuneration philosophy

- Competitive total remuneration
- Significant portion should be variable salary
- Link to long-term value for Investor's shareholders through own investment and lock-in
- Transparency and simplicity
- "Grandfather principle"

For more information see page 34

REMUNERATION AS GOVERNING INSTRUMENTS FOR LONG-TERM VALUE-CREATION

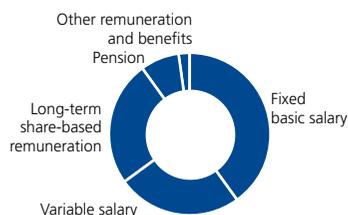
One of the Board's most important assignments is to design and modify the remuneration programs in such a way as to benefit

long-term value creation within the company. The remuneration program is a significant tool for ensuring that the company has the proper management in place. For Investor's role as an owner, having a properly designed remuneration system is of utmost importance. For more information, see section "Remuneration – our principles".

REMUNERATION TO MANAGEMENT AND OTHER EMPLOYEES

In order to achieve solid, long-term growth in value for its shareholders, Investor strives to offer its employees a total remuneration package that is in line with the market and enables the recruitment and retention of the right employees. To be able to decide what a market-level total remuneration involves and to evaluate prevailing rates, benchmarking studies are carried out every year in relevant sectors and markets.

Components of total remuneration package



The total remuneration for the President is determined by the Board. Remuneration issues concerning other members of the Management Group are decided by the Remuneration Committee, after which the Board is informed. Investor applies, throughout the organization, the principle that the immediate superior of every manager must always be informed of and approve the recruitment of and remuneration to an employee.

When determining salaries, the total remuneration consists of a fixed basic salary, a variable salary, a long-term share-based component, pension and other remuneration and benefits. Of the total remuneration, the fixed basic salary, the variable salary and the long-term share-based component form the total salary and is the governing instruments for the company. This combination provides Investor with instruments that allow it to influence the performance of employees and establish a common ground between Investor and its owners. This will help the business generate attractive long-term returns.

The fixed basic salary is reviewed annually and constitutes the basis for calculating the variable salary.

The majority of employees have a variable component to their salaries in addition to their fixed basic salary. The variable portion is based on individual goals set each year. In this way, the annual variable salary is clearly connected to the work and performance of the individual. The goals are both qualitative and quantitative and are based on factors that support the company's long-term strategy. The variable component for 2009 varies across Investor's business areas. The President's variable salary totals a maximum of 20 percent of his basic salary. The variable salaries of the Management Group as a rule are 45-65 percent of their basic salaries, depending on the position and agreement. For other employees, the variable salary can range from 0 to 80 percent of their basic salaries. In the case of a very limited number of key

Management remuneration 2008 - 2009

SEK 000s	Year	Basic salary includ. change in vacation provision	Variable salary	Cost of granted long-term share-based remuneration	Total salary	Pension cost excluding payroll tax	Other remunerations and benefits	Total cost of remuneration
President and CEO								
Börje Ekholm	2009	8,044	1,356	5,355	14,755	2,671	805	18,231
	2008	8,254	2,706	4,405	15,365	2,627	750	18,742
Other members of the management group								
	2009	19,449	10,330	6,661	36,440	6,277	614	43,331
	2008	17,245	9,371	6,677	33,293	5,916	588	39,797

The amounts are calculated according to the accruals concept, including any changes to the reserve for vacation pay provisions, etc. See Note 5 to this annual report for more information on remuneration for the company's management and other employees and the different programs for long-term share-based remuneration.

personnel, the variable salary can total 100 percent of their basic salaries. If the President considers an employee of the company to have made an exceptional contribution during the year, he may decide to award the employee an extra variable salary component. However, any such award is conditional on specific approval by the Remuneration Committee. When an additional variable salary is awarded, it is possible for the variable portion of salary to exceed 100 percent of the basic salary.

Senior executives in certain business areas may also participate in profit-sharing and parallel investment programs that are based on the development of a certain investment or an entire business area.

Members of personnel employed in Active Portfolio Management participate in a profit-sharing program in which they are paid a variable salary component corresponding to 20 percent of the profits of the business, which may result in the variable salary component exceeding 100 percent of the basic salary.

During the period 1999-2009, Investor operated a long-term variable remuneration program that was offered to all employees starting in 2000. This program was approved by the Investor Board. As of 2004, the programs were also approved by the AGM. The Board's ambition is to create a structure that balances the risk-taking of employees through requirements that they invest in Investor shares and opportunities for employees to receive Investor shares by meeting performance criteria. The own investment makes the employees commit-

ted to Investor. In addition, a part of the remuneration to the employees is related to the long-term development of Investor and the Investor share. The employee is exposed to share price increases and decreases and has thereby goals equivalent to those of Investor's shareholders. The own investment requirement was implemented in 2006.

In 2008 the Remuneration Committee commissioned a comprehensive evaluation of the long-term variable remuneration program. The program that was adopted by the 2009 AGM was slightly modified. The fundamental principles remained the same, but the program was redesigned to allow for easier follow-up and a more clear connection to the Investor share's long-term value development goals. Just as in previous years, the program consists of two parts - a Stock Matching Plan and a Performance-Based Share Program.

Investor's policy is that the Management Group shall have an ownership in Investor shares corresponding to a market value of at least an annual salary for the President and at least half an annual salary for the other members of the Management Group.

For more information on salaries and other remuneration, see Note 5 or website.

President, management and the organization

President and Chief Executive Officer (CEO) Börje Ekholm is responsible for the daily operation of the business. Written instructions establish the division of

responsibilities between the President and the Board. The President's responsibilities include ongoing investments and divestments, personnel, finance and accounting issues, regular contacts with the company's stakeholders such as public authorities and the financial market and ensuring that the Board receives the information it needs to make well-founded decisions.

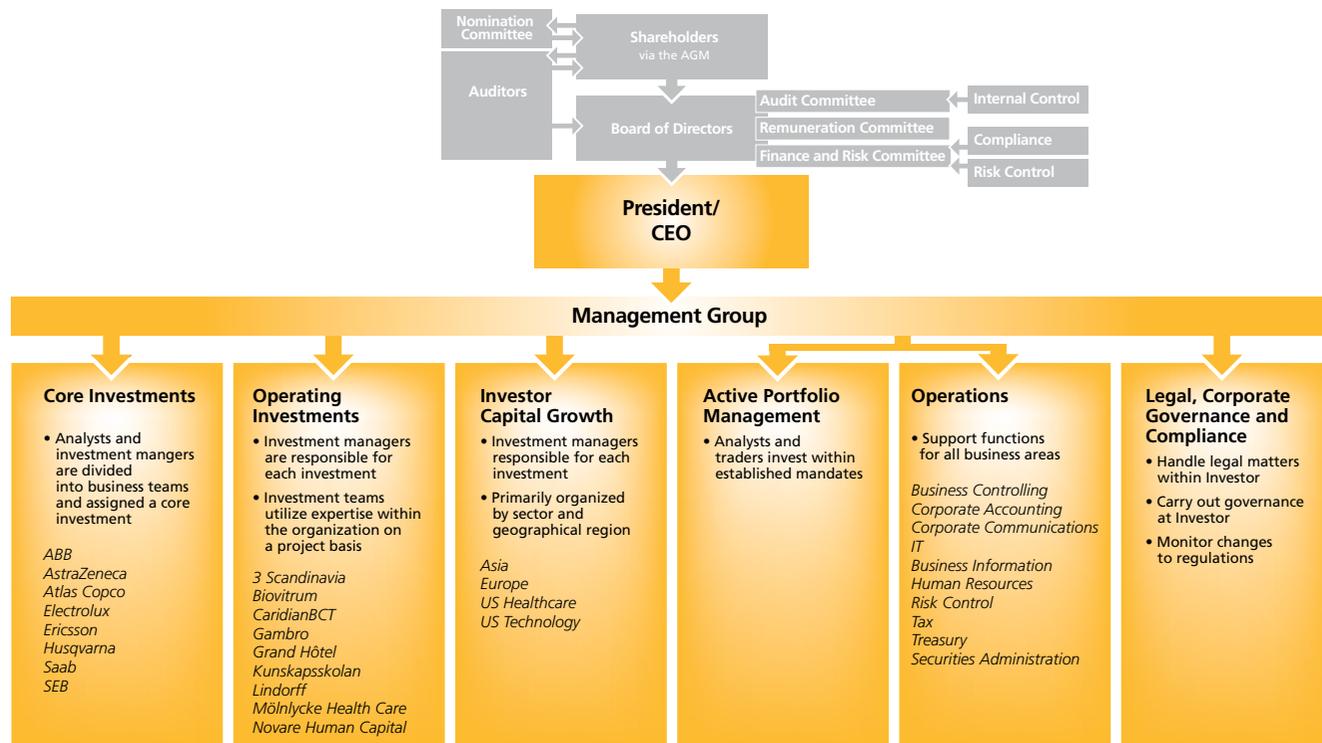
The President reports to the Board. He is also a member of the Investor Board and attends all Board meetings except for when his performance is under evaluation and when the Board meets the auditor without the presence of the Management Group.

The President has appointed a Management Group that has day-to-day responsibility for different parts of Investor's business. The Management Group consists of the President, Johan Forssell, Lennart Johansson, Stephen Campe, Johan Bygge and Petra Hedengran. Each member of the Management Group is responsible for one or several of the business units: Core Investments, Operating Investments, Investor Growth Capital, Active Portfolio Management, Operations and Legal, Corporate Governance and Compliance. For more information about the President and Management Group, see page 60.

The Management Group meets once a week to decide and follow up on business activities, current projects and other issues, and to discuss the personnel and the organization. In addition to these weekly meetings, the Management Group holds meetings focused on the company's strategy and risk assessment four to five times a year.

During 2009, the Management Group analyzed specific transactions related to the business operations, but also spent time discussing the current economic situation in order to preserve the company's financial flexibility. Risk assessment received more of a focus by the Management Group during the year, including an analysis of the effects of EU directives. The Management Group also presented and rolled out a revised version of the company's ethical guidelines. The Management

Overall structure of governance for the Management Group



Group continuously evaluates the talent within the organization given the company's strategy, goals and challenges. In addition, the Management Group also continued to develop cooperation opportunities across business areas during 2009.

The Core Investments business area, headed by Johan Forssell, employs investment managers and analysts that are responsible for one or more of the Core Investments. The analysts continuously research each holding and its respective sector and competitors to identify value-creating initiatives and their return potential. An effort to intensify cooperation with Operating Investments' investment managers via the creation of business teams was implemented during the year.

Lennart Johansson is the head of Operating Investments. The work of Operating Investments' investment managers draws on the expertise of other relevant areas within the organization on a project-basis.

Investor is normally represented on the Board of Operating Investments' holdings, by its investments managers, and takes a leading role in developing these businesses.

Stephen Campe is responsible for Investor Growth Capital. Each office of Investor Growth Capital in Asia, Europe and the United States employ investment managers that are knowledgeable in their local markets and sectors. Investor Growth Capital is normally represented on the Boards of its holdings by its investment managers. The deal flow follows a standardized process for decision-making and implementation, documentation, evaluation and follow-up.

Decisions on commitments of EQT funds are taken by the Board. The President and the CFO are responsible for day-to-day activities and the follow-up of commitments in EQT funds. Decisions on other financial investments are taken by the President or by a person appointed by the President.

Johan Bygge, Investor's CFO, is responsible for Active Portfolio Management and Operations. Active Portfolio Management is controlled by mandates and limits set by the Board. The department comprises both traders and analysts. Activities are supervised and monitored daily by the Risk Control function. Active Portfolio Management's mandate and limits were subject to evaluation during the year. The Operations unit includes the Business Controlling, Group Accounting, Corporate Communications, IT, Business Information, Human Resources, Risk Control, Tax, Treasury and Securities Administration. Each function's responsibilities and processes are governed by established policies and instructions. In order to efficiently support the business operations, the organizational structure of Operations is modified as needed to adapt to changes within each business area. Operations has its own Management Group that meets weekly and consists of representatives from each department.

Petra Hedengran is responsible for the Legal, Corporate Governance and Compliance functions. The Legal function is responsible for legal matters within the company. The Corporate Governance unit is partly engaged in actively handling corporate governance issues for Investor and its holdings and partly in monitoring changes in corporate governance legislation and regulations. Work on corporate governance issues includes developing procedures for the nomination process and the analysis and monitoring of shareholders' rights.

During the year, the function discussed issues related to EU supervision with regard to the legislation for financial institutions. In addition, revisions to the Code and the impact of the pending implementation of EU Directives on the Swedish Companies Act and the Annual Accounts Act were assessed.

The Compliance function strives to provide an effective process for identifying changes in legislation and regulations and to raise awareness of legal risks. The Compliance function strives to ensure that the company complies with legislation and contractual conditions and counteracts the development, and minimizes the extent, of undesired events and their consequences. The Compliance function maintains internal regulatory systems to this end.

In addition to its focus on continued education, the ongoing development of an IT-based support system and follow-up of compliance with limits, the Compliance function conducted a comprehensive review of the Group's internal regulations during the year and strengthened its cooperation with the Risk Control Function on matters relating to risk assessment.

Board of Directors' report on internal controls and risk management for the financial reporting

This report on internal controls and risk management was submitted by Investor's Board of Directors and prepared in compliance with the Code, section 10.5, and is

Special focus in 2009 on internal control and risk management

Monitoring

- Follow up on action plans decided in conjunction with the risk analysis in 2008
- Evaluation of the 2009 risk map
- Continued development of the financial reporting to management and the Board

Information and communication

- The Management Group's information to and communication with the organization
- Ensuring continuity in connection with changing Head of Corporate Communications
- Information security

Control activities

- Controls in the investment process for Private Equity Investments
- Controls in the investment and valuation processes for Operating Investments
- Controls for the compliance of foreign subsidiaries

Risk assessment

- Further developments to the risk assessment process
- Identification of current risks via self-evaluation

Control environment

- Review and update of all of the Group's policies and adherent instructions
- Internal training to increase the organization's awareness of internal governing documents
- Implementation of revised Ethical guidelines

thereby limited to internal controls in respect of financial reporting¹⁾. This report is not a part of the formal annual accounts.

Pursuant to the Swedish Companies Act and the Code, the Board of Directors is responsible for internal control. Effective Board work is thereby a cornerstone for good internal control. Internal control and risk management comprise a part of the Board's and management's governance and follow-up of the business operations. Internal control is intended to ensure the appropriate and efficient management of the operations, the reliability of the financial reporting and compliance with laws, ordinances and internal regulations.

Internal control and risk management are an integral part of all processes at Investor. Investor's system of internal control and risk management with regard to

1) "Financial reporting" refers to interim reports, the year-end report and the annual report.

financial reporting is designed to manage risks involved in the processes related to financial reporting and to ensure a high level of reliability in external reporting. Investor's main business is the management of financial transactions and the company's internal control over financial reporting is focused primarily on ensuring efficient and reliable management of and accounting for purchases and sales of securities and accurate valuation of securities.

The following description of internal control is based on the framework for internal control issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). According to this framework, internal control is described as comprising the control environment, risk assessment, control activities, information, communication and monitoring.

CONTROL ENVIRONMENT

The foundation of the internal control is the overall control environment established by the Board and management. This control environment is built around an organization with clear decision-making channels, powers and responsibilities that are defined by clear instructions and a corporate culture based on shared values and the individual's awareness of his/her role in maintaining effective internal control.

All of Investor's business areas have policies, instructions and detailed process descriptions for the various phases of each business flow, from transaction management to bookkeeping and the preparation of external reports. These documents establish rules on who is to bear responsibility for a specific task, which mandate and powers are to be included and how validation is to be carried out. The governing documents are updated as needed to ensure they always reflect current legislation and regulations and changes in processes. During the year, the Compliance and Internal Control functions conducted an overview of all of the governing documents and subsequently updated and

revised them. A new version of Investor's ethical guidelines, which are based on the core values, was also published. Investor's core values are described in more detail in "Employees, network and brand".

RISK ASSESSMENT

A risk assessment, i.e. the identification and evaluation of the company's risks, is conducted annually at Investor. The risk assessment is carried out in the form of a self-evaluation and includes the establishment of action plans to mitigate identified risks.

The Board's Finance and Risk Committee and the Audit Committee are responsible for identifying and managing significant financial risks and any risks of material weaknesses in financial reporting.

As a part of its risk assessment for 2009, the organization evaluated, followed up and continued to develop the extended risk analysis that was conducted in 2008. The Risk Control Function headed the follow-up in cooperation with the Compliance and Internal Control functions. Risk assessment encompasses the entire organization and all of its processes, and takes

into consideration systems, control activities, key individuals, etc. Identified risks were analyzed in relation to Investor's assets, such as financial assets, brand, personnel, information and IT/infrastructure. The identified risks were compiled in a company-wide risk map. Where needed, action plans were finalized to minimize the probability and effect of identified risks. Conclusions drawn from the risk assessments were then reported to the Management Group and the Board.

Using each business area's risk assessment as a starting point, the Audit Committee determines which of the identified risks should be prioritized by the Internal Control function during the year. Focus is placed on risks of material weaknesses in the financial reporting for significant income statement and balance sheet items that are, relatively speaking, higher because of the complexity of the process, or where there is a risk that the effects of potential weaknesses may become significant because of the high transaction values involved. Actions such as improved control routines are then taken in order to further ensure accurate financial reporting.

The Finance and Risk Committee monitors follow-up of actions for other risks.

A more detailed description of Investor's risks can be found in the Administration Report on page 63 and under Note 29 on page 114.

CONTROL ACTIVITIES

To ensure that business is conducted efficiently and that financial reporting gives a true and fair picture at any reporting date, every process incorporates a number of control activities. These involve all levels of the organization, from Board and company management to other employees. The purpose of the control activities is to prevent, detect and rectify weaknesses and deviations. At Investor, control activities include approval of business transactions, reconciliation with external counterparts, daily monitoring of risk exposure, daily bank and custody reconciliations, monthly follow-up of outcomes and analytical follow-up of decisions.

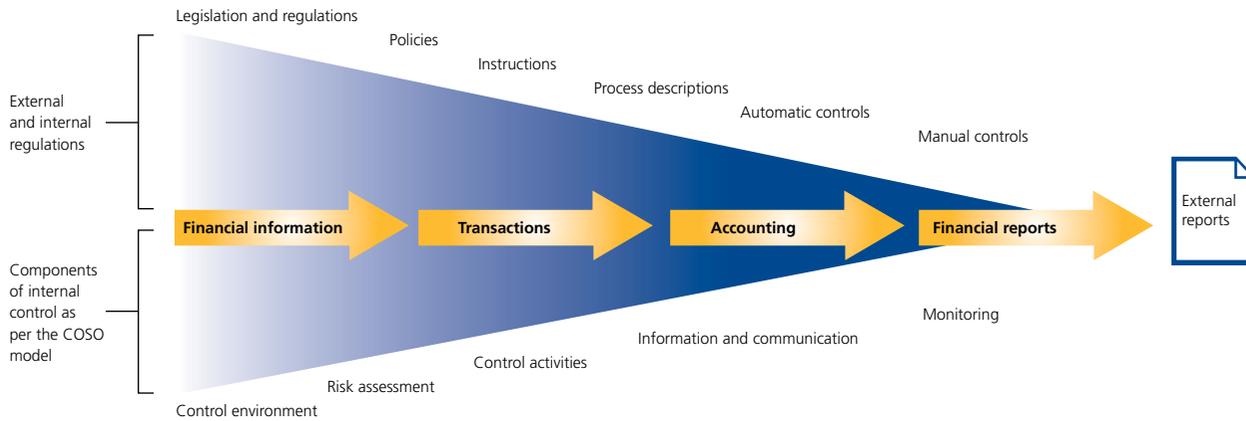
Investor's financial reports are analyzed and validated by the company's financial controllers. The validation process consists of both automatic checks, including deviation reporting, and manual checks such as reasonability assessment of the values found. The effectiveness of the automatic checks in the IT systems is monitored regularly on the basis of information received from system administrators in the business process.

In 2009, the Internal Control function conducted a special review of the control activities embedded in Private Equity Investments' processes and Active Portfolio Management's processes, and the compliance of foreign subsidiaries. All improvement suggestions were implemented. The new Business Controlling unit further developed the investment and valuation processes for the Operating Investments business area during the year.

The continuous process of risk management within Investor



Assurance process for information in financial reporting



The diagram provides an overview of how legislation, regulations, guidelines and controls together assure accurate and comprehensive financial reporting.

INFORMATION AND COMMUNICATION

To ensure that information provided externally is accurate and comprehensive, Investor's Board of Directors has approved a communications policy defining the way in which, by whom, what and how this information must be issued. There are also instructions for how the financial information is to be communicated between management and other employees.

A proper dissemination of information also requires adequate procedures for information security, which has received special focus at Investor in recent years.

Financial information is regularly released via:

- Investor's annual report
- Interim reports and the year-end report
- Press releases about events that may have a significant impact on the company's share price
- Investor's corporate website

Investor regularly publishes up-to-date information on its website so that shareholders and stakeholders can follow Investor's operations and performance. News and events that are considered to have an

impact on Investor's share prices are announced in press releases.

In order to achieve effective and accurate dissemination of information internally, the Management Group holds monthly meetings for all employees. Breakfast meetings are held for smaller groups with representatives from the Management Group. Every few years a conference is held for the entire global organization.

MONITORING

Both the Board of Directors and the Management Group regularly follow up on the compliance and effectiveness of the company's internal controls to ensure the quality of internal processes. Investor's financial situation and strategy regarding the company's financial position are discussed at every Board meeting and the Board is furnished with detailed monthly reports on the financial situation and development of the business to this end. The Audit Committee plays an important role in ensuring that control activities are in place for important areas of risk inherent in the processes for financial reporting. The Audit

Committee, Management Group and Internal Control function regularly follow up reported shortcomings.

The Internal Control function provides objective support to the Board on matters relating to the internal control structure, partly by investigating major areas of risk and partly by performing reviews and follow-ups in selected areas. The function works proactively by proposing improvements in the control environment. The Internal Control function plans its work in consultation with the Audit Committee, Management Group and the external auditor, and regularly reports on its work to the Audit Committee during the year.

During 2009, the Internal Control function focused in particular on the investment process for Private Equity Investments and participated in further developing the reporting process within the Operating Investments business area. In addition, the Internal Control function regularly follows up that measures resulting from previous years' reviews has been implemented.

Board of Directors

Jacob Wallenberg

born 1956
Chairman since 2005
Vice Chairman 1999-2005
Director since 1998

Other board assignments
Vice Chairman: Atlas Copco AB, SAS AB and SEB
Skandinaviska Enskilda Banken AB (SEB)
Director: ABB Ltd, The Coca-Cola Company, The Knut and Alice Wallenberg Foundation and Stockholm School of Economics
Chairman: IBLAC (Mayor of Shanghai's International Business Leaders Advisory Council)
Member: The European Round Table of Industrialists

Work experience
Chairman: W Capital Management AB and SEB
Director: Thisbe AB
President and CEO: SEB
Executive Vice President and Head of Enskilda Division, SEB
Advisor to the President and CEO of SEB
Executive Vice President and CFO: Investor AB

Education
B.Sc. in Economics and M.B.A., Wharton School, University of Pennsylvania
Reserve Officer, Swedish Navy

Independent/Dependent¹⁾
Independent in relation to the company and its management
Dependent in relation to the company's major shareholders

Committees
Chairman: Remuneration Committee
Member: Audit Committee and Finance and Risk Committee

Shares in Investor²⁾
214,334
Synthetic shares
15,160

Gunnar Brock

born 1950
Director since 2009

Other board assignments
Chairman: Mölnlycke Health Care AB
Director: Stora Enso Oyj
Member: The Royal Swedish Academy of Engineering Sciences (IVA)

Work experience
CEO: Atlas Copco AB, Thule International, Tetra Pak Group of Companies and Alfa Laval

Education
M.Sc. in Economics and Business Administration, Stockholm School of Economics

Independent/Dependent¹⁾
Independent in relation to the company and its management
Independent in relation to the company's major shareholders

Committees
Member: Remuneration Committee

Shares in Investor²⁾
0
Synthetic shares
2,127

Sune Carlsson

born 1941
Director since 2002

Other board assignments
Chairman: Atlas Copco AB
Director: Autoliv Inc. and Stena AB

Work experience
Vice Chairman: Scania AB
President and CEO: AB SKF
Executive Vice President: ASEA AB and ABB Ltd

Education
M.Sc. in Engineering, Chalmers University of Technology, Gothenburg

Independent/Dependent¹⁾
Independent in relation to the company and its management
Independent in relation to the company's major shareholders

Committees
Chairman: Audit Committee

Shares in Investor²⁾
40,000
Synthetic shares
4,043

Börje Ekholm
born 1963
Director since 2006
See also information on page 60

Independent/Dependent¹⁾
Dependent in relation to the company and its management
Independent in relation to the company's major shareholders

Sirkka Hämäläinen

born 1939
Director since 2004

Other board assignments
Chairman: Finnish National Opera
Vice Chairman: KONE Corporation
Director: Sanoma

Work experience
Economist and Head of Department: Bank of Finland
Director General: Economics Department, Finnish Ministry of Finance
Governor and Chairman: Bank of Finland
Member of the Executive Board: European Central Bank

Education
D.Sc. in Economics, Helsinki School of Economics

Independent/Dependent¹⁾
Independent in relation to the company and its management
Independent in relation to the company's major shareholders

Committees
Chairman: Finance and Risk Committee

Shares in Investor²⁾
3,400

Håkan Mogren

born 1944
Director since 1990

Other board assignments
Director: Groupe Danone and The Marianne and Marcus Wallenberg Foundation
Member: The Royal Swedish Academy of Engineering Sciences (IVA)

Work experience
Chairman: Affibody AB, The Swedish-American Foundation, Reckitt Benckiser plc and The Sweden-Japan Foundation
Non-Executive Deputy
Chairman: AstraZeneca PLC
Director: Norsk Hydro ASA and Rémy Cointreau SA
President and CEO: Astra AB and AB Marabou

Education
D.Sc. in Applied Biochemistry, Royal Institute of Technology, Stockholm

Independent/Dependent¹⁾
Independent in relation to the company and its management
Independent in relation to the company's major shareholders

Committees
Member: Audit Committee

Shares in Investor²⁾
7,458
Synthetic shares
2,979

1) Independent/dependent in accordance with the Swedish Corporate Governance Board's instruction 1-2009.
2) For more information about synthetic shares see Note 5. Includes holdings of close relatives and legal entities



Jacob Wallenberg



Lena Treschow Torell



Sirkka Hämäläinen



Gunnar Brock



Håkan Mogren

Grace Reksten Skaugen

born 1953
Director since 2006
Other board assignments
Chairman: Entra Eiendom AS, Ferd Holding AS and Norwegian Institute of Directors
Director: StatoilHydro ASA and Renewable Energy Corporation ASA

Work experience
Director: Atlas Copco AB, OperaSoftware ASA, Storebrand ASA and Tandberg ASA
Consultant: Argentum Fondinvesteringar AS
Director: Corporate Finance Enskilda Securities, Oslo
Project Adviser: AS Aircontractgruppen, Oslo
Venture Capital Consultant: Fearnley Finance Ltd, London
Microelectronics Research Officer: Columbia University, New York

Education
M.B.A., BI Norwegian School of Management, Careers in Business Program, New York University, Ph.D., Laser Physics, Imperial College of Science and Technology, London University, B.Sc., Honours, Physics, Imperial College of Science and Technology, London University
Independent/Dependent¹⁾
Independent in relation to the company and its management
Independent in relation to the company's major shareholders
Committees
Member: Finance and Risk Committee
Shares in Investor²⁾
1,100

O. Griffith Sexton

born 1944
Director since 2003
Other board assignments
Director: Morgan Stanley
Work experience
Advisory Director and Managing Director: Morgan Stanley

Education
M.B.A., Stanford University Graduate School of Business and B.S.E., Princeton University
Independent/Dependent¹⁾
Independent in relation to the company and its management
Independent in relation to the company's major shareholders
Committees
Member: Remuneration Committee
Shares in Investor²⁾
1,800

Lena Treschow Torell

born 1946
Director since 2007
Other board assignments
Chairman: Euro-CASE (European Council of Applied Sciences and Engineering), MISTRA (The Foundation for Environmental Strategic Research) and The Royal Swedish Academy of Engineering Sciences (IVA)
Director: The Chalmers University of Technology Foundation, Dagens Industri AB, Micronic Laser Systems AB, Saab AB, AB SKF and ÅF AB

Work experience
President: Royal Swedish Academy of Engineering Sciences (IVA)
Director: Getinge AB, Imego AB, IRECO Holding AB, Gambro AB and Telefonaktiebolaget LM Ericsson
Research Director: Joint Research Centre, European Commission, Brussels
Vice President: Chalmers University of Technology, Gothenburg
Professor: Materials Physics, Chalmers University of Technology
Professor: Solid State Physics, Uppsala University, Uppsala

Education
Ph.D., Physics, University of Gothenburg
Docent, Physics, Chalmers University of Technology
Independent/Dependent¹⁾
Independent in relation to the company and its management
Independent in relation to the company's major shareholders
Shares in Investor²⁾
16,500
Synthetic shares
4,043

Peter Wallenberg Jr

born 1959
Director since 2006
Other board assignments
Chairman: Foundation Asset Management AB and The Grand Hôtel Holdings
Vice Chairman: The Knut and Alice Wallenberg Foundation, The Royal Swedish Automobile Club and The Stockholm Chamber of Commerce
Director: Scania AB, SEB Kort AB and Stockholm International Fairs

Work experience
President and CEO: The Grand Hôtel Holdings
General Manager: The Grand Hôtel
President: Hotel Division Stockholm-Saltsjön AB

Education
BSBA Hotel Administration, University of Denver, International Bacheloria, American School, Leysin, Switzerland

Independent/Dependent¹⁾
Independent in relation to the company and its management
Dependent in relation to the company's major shareholders
Committees
Member: Audit Committee
Shares in Investor²⁾
57,598
Synthetic shares
4,043



Honorary Chairman Peter Wallenberg

born 1926
Honorary Chairman since 1997
Chairman 1982-1997
Director 1969-1982
Other board assignments
Chairman: The Knut and Alice Wallenberg Foundation
Honorary Chairman: Atlas Copco AB
Education
Bachelor of Laws, University of Stockholm

1) Independent/dependent in accordance with the Swedish Corporate Governance Board's instruction 1-2009.
2) For more information about synthetic shares see Note 5. Includes holdings of close relatives and legal entities.



O. Griffith Sexton



Peter Wallenberg Jr



Sune Carlsson



Grace Reksten Skaugen



Börje Ekholm

Management Group

Börje Ekholm

born 1963
Director since 2006
President and Chief Executive Officer since 2005
Member of the Management Group since 1997, employed in 1992

Board assignments

Chalmersinvest AB, EQT Partners AB, Husqvarna AB, Royal Institute of Technology Holding AB, Lindorff Group AB, Scania AB, Telefonaktiebolaget LM Ericsson and University Board of Royal Institute of Technology

Work experience

Head of New Investments: Investor AB
CEO: Novare Kapital
Analyst: Core Holdings, Investor AB
Associate: McKinsey & Co Inc

Education

M.B.A., INSEAD, Fontainebleau and M.Sc. in Engineering, Royal Institute of Technology (KTH), Stockholm

Shares in Investor¹⁾
329,178

Johan Bygge

born 1956
Chief Financial Officer
Member of the Management Group since 2007, employed in 2007

Board assignments

The Association of Exchange-Listed Companies, The Association for Generally Accepted Principles in the Securities Market, EQT Partners AB, Getinge AB, The Grand Group, Hi3G (3 Scandinavia), IBX Group AB, Isaberg Rapid AB, Novare Human Capital, The Swedish Industry and Commerce Stock Exchange Committee

Work experience

Executive Vice President, CFO, Chief Administrative Officer and Corporate Controller: AB Electrolux
Deputy Group Treasurer and Deputy Group Controller: Telefonaktiebolaget LM Ericsson
Arthur Andersen

Education

Degree in Economics and Business Administration, Stockholm School of Economics

Shares in Investor¹⁾
19,926

Stephen Campe

born 1965
Head of Investor Growth Capital
Member of the Management Group since December 2008, employed in 1998

Board assignments

Axiomed Spine Corporation, Applied Spine Technologies, Inc., CardioOptics Inc., Cayenne Medical, Inc, CHF Solutions, Inc., Galil Medical Ltd. and Intuity Medical, Inc.

Work experience

Managing Director: Investor Growth Capital
Consultant: McKinsey & Company
Investment Banker

Education

M.B.A., Yale School of Management, Bachelor of Applied Science, University of Pennsylvania, Bachelor of Science in Economics, The Wharton School, University of Pennsylvania

Shares in Investor¹⁾
3,656

Johan Forssell

born 1971
Head of Core Investments
Member of the Management Group since 2006, employed in 1995

Board assignments

Atlas Copco AB and SSE MBA Research Foundation

Work experience

Head of Research, Head of Capital Goods and Healthcare sector, Head of Capital Goods sector and Analyst Core Holdings: Investor AB

Education

M.Sc. in Finance, Stockholm School of Economics

Shares in Investor¹⁾
40,089

Petra Hedengran

born 1964
General Counsel, and Head of Corporate Governance and Compliance
Member of the Management Group since 2007, employed in 2007

Board assignments

Lindorff Group AB

Work experience

Partner and Head of Banking and Financing Group: Advokatfirman Lindahl
Legal Counsel and General Counsel Nordic Region: ABB Financial Services AB
Assistant Judge: Stockholms Tingsrätt
Associate: Gunnar Lindhs Advokatbyrå

Education

Bachelor of Laws, University of Stockholm

Shares in Investor¹⁾
9,278

Lennart Johansson

born 1955
Head of Operating Investments
Member of the Management Group since 2006, employed in 2003

Board assignments

Gambro AB and its related businesses, Mölnlycke Health Care AB and Saab AB

Work experience

CEO: b-business partners and Emerging Technologies AB
Deputy CEO/Senior Executive Vice President and Senior Vice President
Accounting: Atlas Copco AB
Audit and Control
Business Area Controller: Atlas Copco Industrial Technique
Management Consultant: Nordic Management, SMG

Education

Degree in Economics and Business Administration, Stockholm School of Economics

Shares in Investor¹⁾
20,653

See Note 5 for employee stock options held by Management Group members.

1) Includes holdings of close relatives and legal entities.



Johan Forssell



Börje Ekholm



Petra Hedengran



Johan Bygge



Stephen Campe



Lennart Johansson