investor

Annual General Meeting of Investor AB (publ), May 7, 2024

Agenda Item 18

The Board of Directors' proposals for resolutions on long-term variable remuneration (LTVR) programs

18A An LTVR program for employees within Investor, excluding Patricia Industries, (the Investor program)

Introduction, decision procedure and majority requirements
The Board of Directors has decided to propose an Investor program to the Annual General Meeting 2024. The proposed program is substantially the same as the program from 2023. The cost for the program is estimated to be in line with the program from last year. The Remuneration Committee prepared the matter before the final decision was taken by the Board of Directors.

The implementation of the Investor program is conditional upon the approval of the scope and main principles of the program pursuant to a resolution adopted by simple majority at the Annual General Meeting. The Annual General Meeting of Investor has annually, over several years, made decisions on similar LTVR Programs. The oldest outstanding Investor program was launched in 2018.

The proposed Investor program for 2024 is connected to Investor shares of class B.

Rationale for the program
The Board of Directors encourages Investor employees to build up a significant shareholding in Investor.

The program is structured to provide a balance between risk and reward for the employees; there is a requirement of personal holding of Investor shares (risk) but also the possibility to receive performance-related allocations of Investor shares (reward).

The requirement of a personal holding of Investor shares is there to strengthen the commitment and to create an exposure to the long-term development of Investor. It also aligns the interests of shareholders and employees.

Program design
The Investor program has two components: The Stock Matching Plan and the Performance Plan. The Stock Matching Plan is offered to all employees and the Performance Plan is offered to the President and other members of the Executive Leadership Team (the "ELT") and a maximum of 22 other Investor employees (together "Holders of Business Critical Roles"). Participation requires personal investment in Investor shares ("Participation Shares", defined below). The program has a three-year vesting period, followed by a four-year exercise period.

Grant Value and personal investment
The Grant Value is part of each individual's total remuneration and is set to a maximum of 10 to 150 percent of each participant's annual fixed cash remuneration before taxes. For employees who participate in the Stock Matching Plan only, the Stock Matching Plan corresponds to 100 percent of the Grant Value. For Holders of Business Critical Roles, who participate in the Stock Matching Plan as well as in the Performance Plan, approximately one third of the Grant Value is linked to the Stock Matching Plan and two thirds to the Performance Plan. The personal investment in Participation Shares required to participate in the Investor program corresponds to

each employee's participation in the Stock Matching Plan. Holders of Business Critical Roles are required to participate in the Stock Matching Plan with a personal investment of at least 5 percent of their annual fixed cash remuneration before taxes.

This results in the following Grant Value and personal investment in Participation Shares;

- for the President and other members of the ELT the Grant Value can range from 50 to 150 percent, requiring a personal investment corresponding to approximately 17 to 50 percent, of the annual fixed cash remuneration before taxes,
- for other Holders of Business Critical Roles the Grant Value can range from 30 to 100 percent, requiring a personal investment corresponding to approximately 10 to 33 percent, of the annual fixed cash remuneration before taxes, and
- for Other Employees the Grant Value amounts to 10 or 15 percent, requiring a personal investment corresponding to approximately 10 or 15 percent, of the annual fixed cash remuneration before taxes.

In order to be entitled to the maximum Grant Value, each participant must participate with the maximum number of Participation Shares.

Below is a description of the Stock Matching Plan as well as the Performance Plan.

1. The Stock Matching Plan

Employees who choose to participate buy, or use already held, Investor shares ("Participation Shares"). For each Participation Share, the participant receives two options ("Matching Options") and a right to purchase one Investor share ("Matching Share").

Allocation occurs after a three-year vesting period. Then a four-year exercise period follows during which the Matching Shares can be acquired for SEK 10.00 per share and each Matching Option entitles the holder to purchase one Investor share at an exercise price corresponding to 120 percent of the Participation Price (defined below).

Participation Shares

In order to qualify as a Participation Share, the share must be held by the employee with full title and must not be subject to any restrictions under any outstanding Stock Matching Plan. The employee may not dispose over the Investor share in any other way than as provided for in the Stock Matching Plan during the vesting period. The Participation Share may either be a share that the employee already owns or a share acquired during the so called "Measurement Period", i.e. a period following the publication of Investor's first interim report for 2024. The average volume weighted purchase price for the Investor share on Nasdaq Stockholm during the Measurement Period is referred to as the "Participation Price".

Theoretical Value

The theoretical value of the Stock Matching Plan has been calculated taking into consideration the value of the options, the investment risk, the risk of termination of employment and the price paid for each Matching Share. At an estimated Participation Price of SEK 250 per share, the calculated theoretical value amounts to approximately 94 percent of the invested amount.

2. The Performance Plan

According to this proposal, the President, other members of the ELT, and other Holders of Business Critical Roles, participate in a Performance Plan, in addition to participating in the Stock Matching Plan. The Performance Plan is performance based and provides the opportunity for participants to acquire additional Investor shares.

investor

After a three-year vesting period, participants under the Performance Plan, have the right, during a period of four years thereafter, to acquire additional Investor shares of class B ("Performance Shares") at a price corresponding to 50 percent of the Participation Price conditional upon the total return on the Investor shares exceeding a certain level during the vesting period.

Measuring of Performance
The total return is measured during a three-year qualification period (quarterly measurement on running 12-month basis where the total outcome is estimated as the average total return during the three years based on 9 measurement occasions).

Maximum Performance
In order to give the participants the right to acquire the maximum number of Performance Shares, the average annual total return of the Investor share (including reinvested dividends) must exceed the interest on 10-year government bonds by more than 10 percentage points.

Minimum Performance
If the total return does not exceed the 10-year interest on government bonds by at least 2 percentage points, participants are not entitled to acquire any Performance Shares.

Linear Performance (between Min and Max)
If the total return is between the 10-year interest on government bonds plus 2 percentage points and the 10-year interest on government bonds plus 10 percentage points, then a proportional (linear) calculation of the number of Performance Shares that may be acquired shall be made.

Theoretical Value
The theoretical value of the opportunity to acquire Performance Shares for participants shall amount to between 20 and approximately 100 percent of the respective participants' fixed cash remuneration before taxes for 2024, as the Performance Plan constitutes approximately two thirds of the Grant Value, (as mentioned above the Grant Value for Holders of Business Critical Roles ranges from 30 to 150 percent of the annual fixed cash remuneration).

The theoretical value of the opportunity to acquire a Performance Share considers, among other things, the likelihood of meeting the performance criteria and is based on the Black-Scholes valuation model. At an estimated stock price of SEK 250, the value of each opportunity to acquire a Performance Share amounts to SEK 62. The likelihood to meet the performance criteria has been, based on historical data for the Investor B share (verified by external advisors), calculated to approximately 50 percent.

The final number of Performance Shares that may be acquired is dependent on the outcome of the performance requirements but cannot exceed a maximum number (limit) determined in conjunction with the allocation in 2024.

Dividend adjustment
When the Matching Shares and Performance Shares are acquired, the employee receives compensation for dividends paid during the vesting period and up to the date of acquisition in order for the program to be dividend neutral.

Number of shares
A Participation Price of SEK 250 entails that the employees as a result of the Matching Options may acquire a maximum of 215,000 shares, if the employees exercise the Stock Matching Plan possibility to its full extent.

investor

The highest number of Matching Shares that the employees can have the right to acquire, including estimated remuneration for dividends, amounts to 125,000 provided employees fully exercise the possibility to participate in the Stock Matching Plan.

The highest number of Performance Shares that Holders of Business Critical Roles can have the right to acquire, given maximum outcome of the performance measures, including estimated remuneration for dividends, amounts to 750,000.

The highest number of shares that can be acquired under the Investor program is, in order to maintain the value given above, dependent upon the Participation Price and can thus increase or decrease. The maximum number of shares can also change following a recalculation due to a rights issue, split, bonus issue or similar action.

Costs
The costs for the 2024 Investor program are based on the accounting principles in accordance with IFRS 2 and, with a Participation Price of SEK 250 and full participation amounts to approximately SEK 37 million for the Stock Matching Plan (of which participants in the ELT account for approximately SEK 16 million) and approximately SEK 48 million for the Performance Plan (of which participants in the ELT account for approximately SEK 28 million). Estimated costs for social security charges are included in these amounts. The costs will be allocated over the three-year vesting period.

Hedging arrangements
In order to limit the costs, for the long-term variable remuneration, inclusive of social security charges, the Board of Directors intends to hedge the exposure by entering into total return swaps with third parties and/or, provided that the Annual General Meeting so decides under item 19 on the agenda, to purchase its own shares, which can be transferred to the employees under the Stock Matching Plan and the Performance Plan. The hedging measures, and the future handling of these, will have the effect that the costs mentioned above will not be affected by an increasing share price, but the costs may decrease if the goals for the Performance Shares are not fully met.

The intention is that no new shares shall be issued as a result of the Stock Matching Plan or the Performance Plan. In case of hedging through the acquisition of own shares, already existing shares may however first be repurchased and delivered to the employees, or be sold in the market in order to cover social security charges.

Miscellaneous
The Investor program 2024 is expected to result in only marginal dilutive effects for the Company and its shareholders since the program is limited in scope and as already existing shares will be used. Under the given assumptions above, the Investor program may lead to delivery of not more than 1,090,000 Investor shares, corresponding to approximately 0.04 percent of the total number of shares and approximately 0.01 percent of the total number of votes in the Company. Together with long-term variable remuneration programs previously resolved upon, which comprise approximately 3.6 million shares, the variable remuneration programs of Investor include approximately 0.2 percent of the total number of shares and approximately 0.03 percent of the total number of votes in the Company.

Further information regarding variable remuneration programs for previous years is contained in Investor's Annual Report and on www.investorab.com.

investor

18B An LTVR program for employees within Patricia Industries (the PI program)

Introduction, decision procedure and majority requirements
The Board of Directors has decided to propose to the Annual General Meeting 2024 a long-term variable remuneration program for employees within Patricia Industries ("PI") which substantially is the same as the PI program from 2023, although the estimated cost has increased. The Remuneration Committee prepared the matter before the final decision was taken by the Board of Directors. The implementation of this PI program is conditional upon the approval of the scope and main principles of the program pursuant to a resolution adopted by simple majority at the Annual General Meeting in accordance with the proposal set out below. The Annual General Meeting of Investor has annually, over several years, made decisions on similar PI programs. The oldest outstanding PI program was launched in 2018.

A maximum of 35 employees within PI are offered to participate in the PI program, divided into the categories: (i) Holders of PI Business Critical Roles (this category consists of PI members of the Executive Leadership Team and other Holders of PI Business Critical Roles) and (ii) Other PI Employees.

Rationale for the program
It is the Board of Directors' ambition to continuously ensure a strong alignment between the variable remuneration of employees of PI and the value creation in the PI portfolio.

The purpose of the PI program is to encourage employees to build up significant economic holdings in Investor shares as well as, directly or indirectly, in existing and future investments made by PI. The PI program is structured to provide a balance between a) the employee's personal investment in Investor shares, and b) performance-related allotments of instruments tied to existing and future investments made by PI.

The aspiration is that employees' own holdings should enhance the employees' commitment to PI and Investor. In addition, since a substantial part of the remuneration of the participating employees is related to the long-term development of PI (including future investments made by PI), the employees will be exposed to value increases and value decreases and the employees will thereby have goals aligned with those of Investor's shareholders.

Program design
In summary, the PI program is built on the same structure as the Investor program, (i.e. a Stock Matching Plan and a Performance Plan), but is related to the value growth of PI. The instruments in the PI program are granted under two different Plans, as further described below:

1. The PI Balance Sheet Plan (the "PI-BS Plan")
2. The PI North America Subsidiaries Plan (the "PI-NA Plan").

The instruments have a duration of up to seven years and participants are granted, conditional upon making a personal investment in Investor shares or the use of already held Investor shares, instruments that vest after a three-year vesting period and may be exercised and/or settled during the four-year period thereafter (subject to applicable US tax laws).

Grant Value and personal investment
The Grant Value is part of each individual's total remuneration and is set to a maximum of 15 to 160 percent of each participant's annual fixed cash remuneration before taxes. For PI employees who participate in the PI Stock Matching Plan only, the Stock Matching Plan corresponds to 100 percent of the Grant Value. For Holders of Business Critical Roles in PI, who participate in the PI Stock Matching Plan as well as in the Performance Plan, approximately one third of the Grant Value is linked to the Stock Matching Plan and two thirds to the Performance Plan. The personal

investor

investment in Participation Shares (defined below) required to participate in the PI program corresponds to each employee's participation in the PI Stock Matching Plan and is calculated based on the Black-Scholes valuation model. Holders of PI Business Critical Roles are required to participate in the PI Stock Matching Plan with a personal investment of at least 5 percent of their annual fixed cash remuneration before taxes.

This results in the following Grant Value and personal investment in Participation Shares;

- for PI members of the Executive Leadership Team, the Grant Value can range from 50 to 160 percent, requiring a personal investment corresponding to approximately 17 to 53 percent, of the annual fixed cash remuneration before taxes,
- for other Holders of PI Business Critical Roles, the Grant Value can range from 50 to 160 percent, requiring a personal investment corresponding to approximately 17 to 53 percent, of the annual fixed cash remuneration before taxes, and
- for Other PI Employees, the Grant Value amounts to 15 percent, requiring a personal investment corresponding to approximately 15 percent, of the annual fixed cash remuneration before taxes.

In order to be entitled to the maximum Grant Value, each participant must participate with the maximum number of Participation Shares. Participants employed within the PI Nordic organization are offered to participate in the PI-BS Plan with 100 percent of their Grant Value whereas participants employed within the PI North America organization are offered to participate with 60 percent of their Grant Value in the PI-BS Plan and 40 percent of their Grant Value in the PI-NA Plan.

The Grant Value for each participant will be translated into a number of cash-settled instruments. This number of instruments, determined in conjunction with the grant, can never be exceeded (limit), only reduced, and depends on the outcome of the performance conditions (if applicable) described below, under the headline, "Specific performance conditions".

General terms for the PI program

Participation Shares

Similar to the proposed Investor program 2024 (item 18A), this program requires a personal investment in Investor shares ("Participation Shares"). In order to qualify for participation, the Participation Shares must be held by the employee with full title and must not be subject to any restrictions under any outstanding long-term variable remuneration program. The employee cannot dispose of the Participation Shares during the vesting period in any way other than as provided for in the PI program.

The Participation Shares may either be shares that the employee already owns or shares which are acquired during a period following the publication of Investor's first interim financial report for the year of grant (the "Measurement Period").

The PI-BS Plan

The underlying asset in the PI-BS Plan is the entire PI Net Asset Value. Based on the Grant Value allocated to the PI-BS Plan, participants are granted instruments. The value of these instruments depends on the value creation in PI during the term of the instruments. The PI-BS Plan is structured to provide a balance between, on the one hand, the employees' assumption of risk through the requirement that they personally invest in Investor shares and, on the other hand, the possibility for the employees to receive remuneration based on the value created within business area PI.

investor

The PI-NA Plan
The underlying asset in the PI-NA Plan consists of the North American subsidiaries. Participants are granted instruments based on the Grant Value allocated to the PI-NA Plan. The value of these instruments depends on the value creation of the North American operating subsidiaries of PI during the term of the instruments. The PI-NA Plan is structured to provide a balance between, on the one hand, the employees' assumption of risk through the requirement that they personally invest in Investor shares and, on the other hand, the possibility for the employees to receive remuneration based on the value created in the North American subsidiaries of PI.

General terms of the instruments
The instruments granted under the PI-BS Plan as well as the PI-NA Plan shall be governed by the following terms and conditions:

- Granted free of charge.
- Instruments granted to Other PI Employees replicate the structure of the Stock Matching Plan described in item 18A.
- Instruments granted to Holders of PI Business Critical Roles consist both of instruments replicating the Stock Matching Plan in item 18A and instruments subject to specific performance conditions replicating the structure of the Performance Plan described in item 18A.
- The theoretical value of the instruments in the Plans is based on the Black-Scholes valuation model. The theoretical value of instruments in the Performance Plan also considers, among other things, the likelihood of meeting the performance criteria.
- Vest three years after grant (the "Vesting Period").
- May not be transferred or pledged.
- Subject to vesting, the instruments may be exercised and/or settled during the four-year exercise period following the end of the Vesting Period, subject to applicable US tax laws and provided that the participant, with certain exceptions, maintains the employment with PI and keeps the Participation Shares during the Vesting Period.
- Cash-settled.
- Participants receive remuneration for dividends paid from time of grant up to the date of exercise and/or settlement in order for the PI program to be dividend neutral.

Specific performance conditions
The following performance conditions apply to PI Performance Plan (under the PI program allocated to Holders of PI Business Critical Roles, replicating the structure of the Performance Plan described in item 18A).

Instruments granted under the PI-BS Plan:
In order for participants to be awarded the maximum number of instruments, the compounded annual growth of the fair market value of PI's balance sheet must exceed the interest on 10-year Swedish government bonds by more than 10 percentage points. If the compounded annual growth of the fair market value of PI's balance sheet does not exceed the 10-year interest on Swedish government bonds by at least 2 percentage points, then participants will not be awarded any instruments. If the applicable compounded annual growth is between the 10-year interest on Swedish government bonds plus 2 percentage points and the 10-year interest on Swedish government bonds plus 10 percentage points, then a proportional (linear) calculation of the award shall be made. Performance is measured three times during the three-year Vesting Period, each measurement on a running 12-month basis.

Instruments granted under the PI-NA Plan:
In order for participants to be awarded the maximum number of instruments the compounded annual growth of the North American operating subsidiaries of PI must

investor

exceed the interest on 10-year US government bonds by more than 12 percentage points. If the compounded annual growth of the fair market value of the North American operating subsidiaries of PI does not exceed the 10-year interest on US government bonds by at least 4 percentage points, then participants will not be awarded any instruments. If the applicable compounded annual growth is between the 10-year interest on US government bonds plus 4 percentage points and the 10-year interest on US government bonds plus 12 percentage points, then a proportional (linear) calculation of the award shall be made. Performance is measured once, at the end of the three-year Vesting Period.

Costs
The PI program is accounted for in accordance with IFRS 2 which stipulates that the instruments are recorded as a personnel expense in the income statement and the Grant Value is recognized during the relevant Vesting Period. The relevant instruments issued under the PI program result in an obligation that is valued at fair value and recognized as an expense with a corresponding increase in liabilities. The liability is revalued at fair value every closing and at final settlement. At exercise or settlement, the liability is paid. All changes in the fair value as a result of changes in the initial fair value of the instruments are recognized in the financial net with a corresponding change in liabilities.

In addition to what is set forth below, the estimated costs for the PI program following the full three-year Vesting Period have been based on the following assumptions: that the PI program comprises up to a maximum of 35 participants, that each participant makes a maximum personal investment, that PI employees employed in Sweden have 100 percent of their Grant Value in the PI-BS Plan, and that PI employees employed in the US have 60 percent of their Grant Value in the PI-BS Plan and 40 percent in the PI-NA Plan, and that the aggregated Grant Value amounts to SEK 55 million.

The PI-BS Plan
Assuming an annual return of the fair market value of PI's balance sheet that exceeds the interest on 10-year Swedish government bonds (here assumed to be 3 percent) by 2 percentage points, the maximum cost for the PI-BS Plan as defined in IFRS 2 is estimated at approximately SEK 17 million and the maximum social security cost is estimated at approximately SEK 2.0 million. Assuming an annual return on the fair market value of PI's balance sheet that exceeds the interest on 10-year Swedish government bonds (here assumed to be 3 percent) by 6 percentage points, the maximum cost for the PI-BS Plan as defined in IFRS 2 is estimated at approximately SEK 60 million and the maximum social security cost is estimated at approximately SEK 6.7 million. Assuming an annual return on the fair market value of PI's balance sheet that exceeds the interest on 10-year Swedish government bonds (here assumed to be 3 percent) by 10 percentage points, the maximum cost for the PI-BS Plan as defined in IFRS 2 is estimated at approximately SEK 118 million and the maximum social security cost is estimated at approximately SEK 13 million.

The PI-NA Plan
Assuming an annual return of the fair market value of the North American operating subsidiaries that exceeds the interest on 10-year US government bonds (here assumed to be 5 percent) by 4 percentage points, the maximum cost for the PI-NA Plan as defined in IFRS 2 is estimated at approximately SEK 9 million and the maximum social security cost is estimated at approximately SEK 0.2 million. Assuming an annual return of the fair market value of the North American operating subsidiaries that exceeds the interest on 10-year US government bonds (here assumed to be 5 percent) by 8 percentage points, the maximum cost for the PI-NA Plan as defined in IFRS 2 is estimated at approximately SEK 31 million and the maximum social security cost is estimated at approximately SEK 0.6 million. Assuming an annual return of the fair market value of the North American operating subsidiaries that exceeds the interest on 10-year US government bonds (here

assumed to be 5 percent) by 12 percentage points, the maximum cost for the PI-NA Plan as defined in IFRS 2 is estimated at approximately SEK 60 million and the maximum social security cost is estimated at approximately SEK 1.2 million.

Miscellaneous
The PI program does not result in any share dilution.

The PI program has the purpose that employees within PI should have a long-term variable remuneration directly aligned with the value creation within the business area PI. The program is based on the same structure as Investor's program for long-term variable remuneration and contains corresponding performance criteria, but the outcome is depending on the development of the underlying assets of PI. Since these assets are not listed, the total cost of the program, which is cash-settled, cannot in an efficient way be capped by hedging arrangements. In order for the program to correspond as closely as possible and create a corresponding incentive profile as the Investor program, the total outcome for each individual participant in the program is limited by a maximum number of instruments that can be allocated, but not by any other type of predetermined limit.

Further information regarding variable remuneration programs in Investor and Patricia Industries for previous years is provided in Investor's Annual Report and on www.investorab.com.

Stockholm, March 2024

Investor AB (publ)
The Board of Directors