

## Press Release

Stockholm, March 13, 2013

### **Notice of Investor AB's Annual General Meeting on April 15, 2013**

Investor AB (publ) summons to the Annual General Meeting (the "Meeting") to be held on Monday, April 15, 2013, at 4:00 p.m. at City Conference Centre, Barnhusgatan 12-14, Stockholm, Sweden. Registration for the Meeting will commence at 2:30 p.m.

The notice of the Meeting is made through publishing on Investor's website on Wednesday, March 13, 2013, and through publishing in the Official Swedish Gazette (Post- och Inrikes Tidningar) on Friday, March 15, 2013. Information that the notice has been issued will be published in Dagens Nyheter and in Svenska Dagbladet on Friday, March 15, 2013.

Attachment:

- Notice of the Meeting
- Proposal from the Board of Directors regarding guidelines for salary and other remuneration for the President and other Members of the Management Group and on a Long-term Variable Remuneration Program

### **For further information:**

Oscar Stege Unger, Head of Corporate Communications,  
Phone +46 8 614 2059, +46 70 624 2059

Magnus Dalhammar, Investor Relations Manager,  
Phone +46 8 614 2130, +46 735 24 2130

*Our press releases can be accessed at [www.investorab.com](http://www.investorab.com)*

*Founded by the Wallenberg family a hundred years ago, Investor is the leading owner of high quality Nordic-based international companies. Through board participation, our industrial experience, network and financial strength, we strive to make our companies best-in-class. Our holdings include Atlas Copco, ABB, Ericsson and Mölnlycke Health Care.*

## **ANNUAL GENERAL MEETING OF INVESTOR AB**

*Investor AB (publ) summons to the Annual General Meeting (the "Meeting") to be held on Monday, April 15, 2013, at 4:00 p.m. at City Conference Centre, Barnhusgatan 12-14, Stockholm, Sweden. Registration for the Meeting will commence at 2:30 p.m.*

### **Participation**

Entitled to participate in the business of the Meeting, is any person who

- has* been recorded in the register of shareholders maintained by Euroclear Sweden AB on Tuesday, April 9, 2013; and
- has* notified Investor of their intention to attend the Meeting no later than on Tuesday, April 9, 2013, on the website of Investor AB, [www.investorab.com](http://www.investorab.com), or by calling +46 8 611 29 10, or by writing to Investor AB, Annual General Meeting, SE-103 32 Stockholm, Sweden, whereby notification should also be given of the attendance of any assistants.

Personal data collected from the register of shareholders maintained by Euroclear Sweden AB will be used for registration and the drawing up of the voting list for the Meeting.

### **Nominee-registered shares**

Shareholders whose shares are registered in the name of a nominee through the trust department of a bank or similar institution must, in order to be entitled to participate in the Meeting, request that their shares are re-registered in their own names in the register of shareholders maintained by Euroclear Sweden AB. Such registration must be effected on Tuesday, April 9, 2013. Shareholders should inform their nominees well in advance of this date.

### **Proxies, etc.**

Shareholders who are represented by proxy must authorize such proxy by issuing a power of attorney. If such power of attorney is issued by a legal entity, an attested copy of the certificate of registration evidencing the authority to issue the power of attorney must be attached. The original power of attorney and the certificate of registration, where applicable, are to be sent to Investor AB, Annual General Meeting, SE-103 32 Stockholm, Sweden, well in advance of the Meeting. The form to use for a power of attorney can be found on Investor AB's website, [www.investorab.com](http://www.investorab.com).

### **Shareholders' right to receive information**

The shareholders are reminded of their right to receive information from the Board of Directors and the President at the Annual General Meeting in accordance with Chapter 7 Section 32 of the Swedish Companies Act (Sw. *aktiebolagslagen*). Shareholders who want to submit questions in advance may do so by mail to Investor AB, Annual General Meeting, SE-103 32 Stockholm or by e-mail to [InvestorAGM@investorab.com](mailto:InvestorAGM@investorab.com).

### **Agenda**

1. Election of the Chairman of the Meeting.
2. Drawing up and approval of the voting list.
3. Approval of the agenda.
4. Election of one or two persons to attest to the accuracy of the minutes.
5. Determination of whether the Meeting has been duly convened.

6. Presentation of the parent company's annual report and the auditors' report, as well as of the consolidated financial statements and the auditors' report for the Investor Group.
7. The President's address.
8. Report on the work of the Board of Directors, the Remuneration Committee, the Audit Committee and the Finance and Risk Committee.
9. Resolutions regarding adoption of the income statement and the balance sheet for the parent company, as well as of the consolidated income statement and the consolidated balance sheet for the Investor Group.
10. Resolution regarding discharge from liability of the Members of the Board of Directors and the President.
11. Resolution regarding disposition of Investor's earnings in accordance with the approved balance sheet and determination of a record date for dividends.
12. Decisions on:
  - A. The number of Members and Deputy Members of the Board of Directors who shall be appointed by the Meeting.
  - B. The number of Auditors and Deputy Auditors who shall be appointed by the Meeting.
13. Decisions on:
  - A. The compensation that shall be paid to the Board of Directors.
  - B. The compensation that shall be paid to the Auditors.
14. Election of Chairman of the Board of Directors, other Members and Deputy Members of the Board of Directors.
15. Election of Auditors and Deputy Auditors.
16. Proposals for resolution on:
  - A. Guidelines for salary and on other remuneration for the President and other Members of the Management Group.
  - B. A long-term variable remuneration program for the Members of the Management Group and other employees.
17. Proposals for resolution on:
  - A. Purchase and transfer of own shares in order to give the Board of Directors wider freedom of action in the work with the Company's capital structure, in order to enable transfer of own shares according to 17B below, and in order to secure the costs connected to the long-term variable remuneration program and the allocation of synthetic shares as part of the remuneration to the Board of Directors.
  - B. Transfer of own shares in order to enable the Company to transfer own shares to employees who participate in the long-term variable remuneration program 2013.
18. Conclusion of the Meeting.

## **The Board of Directors' proposals for decision**

### ***Item 11 - Dividend and Record Date***

The Board of Directors and the President propose a dividend to the shareholders of SEK 7.00 per share and that Thursday, April 18, 2013, shall be the record date for receipt of the dividend. Should the Meeting decide in favor of the proposal, payment of the dividend is expected to be made by Euroclear Sweden AB on Tuesday, April 23, 2013.

### ***Item 16 - Guidelines for Salary and other Remuneration for the President and other Members of the Management Group and on a Long-term Variable Remuneration Program***

The Board of Directors of Investor seeks to attain a remuneration system for the President, other Members of the Management Group and other employees which is in line with market conditions and competitive and thus interesting for the qualified circle of employees that Investor wants to attract and retain.

For continuity, the Board of Directors' proposal is in all material respects in line with previous years' remuneration principles and is based on agreements already entered into between Investor and each executive.

### ***Item 16A - Guidelines for Salary and other Remuneration for the President and other Members of the Management Group***

Investor shall offer a total remuneration in line with market conditions which will enable Investor to recruit and retain the most suitable senior executives. The remuneration to the Management Group shall consist of fixed cash salary, variable cash salary, long-term variable remuneration, pension and other remuneration. Together, those elements constitute the total remuneration of the individual. Fixed cash salary, variable cash salary and long-term variable remuneration programs together constitute the total salary of the employee.

The fixed cash salary shall be reviewed annually and constitutes the basis for calculating the variable salary.

The variable cash salary constitutes of short-term variable cash salary dependent upon the individual's capacity to meet yearly set goals and profit-sharing program entitled to variable remuneration based on the trading function's net result.

The long-term variable remuneration program is dealt with under item 16B.

Pension benefits shall, for Members of the Management Group, consist of a premium based pension plan on parts of salary above 20 basic income amounts as a consequence of which the ratio of pension provisions to fixed cash salary depends on the age of the executive. Pension benefits shall, for all employees, consist of a defined benefit pension plan, BTP-plan, or a premium based pension plan, on parts of salary up to 30 basic income amounts. The age of retirement for the President and other Members of the Management Group shall be 60 years.

Other remunerations and benefits shall be on market terms and shall contribute to facilitating the executive's discharge of his or her duties.

Investor and Members of the Management Group may mutually terminate employment contracts subject to a six months' notice. Fixed cash salary during the notice period and severance pay shall, for Members of the Management Group with employment contracts entered into after the Annual General Meeting 2010, in aggregate not exceed the fixed cash salary for two years. For Members of the

Management Group employed before the Annual General Meeting of 2010 the contracts already entered into shall apply. For these Members a mutual termination period of six month applies and severance payment is maximized to 24 months of fixed cash salary.

### **16B - Long-term Variable Remuneration Program 2013**

As regards the long-term variable remuneration program, it is the Board of Directors' ambition to create a structure which provides a balance between the employees' risk – by the requirement on holding of Investor shares in order to participate in the program – and the employees' possible reward – through performance-related allocation of Investor shares. The holding of Investor shares makes the employees committed to Investor. In addition, part of the remuneration to the employees is related to the long-term development of Investor and the Investor share entailing that the employee is exposed to share price increases and decreases and will have goals equivalent to those of Investor's shareholders.

The Board of Directors has decided to propose to the Annual General Meeting 2013 a long-term variable remuneration program which is substantially identical to the program from 2012.

In summary, the 2013 year program is built on a Stock Matching Plan under which the employees, who choose to participate in the program, by a new investment in Investor shares or by using Investor shares already held, for each share that qualify for participation in the Stock Matching Plan will receive two options each entitling the purchase of one Investor share at a certain price based on the stock market price in connection with the meeting and a right to purchase one Investor share for SEK 10. In addition, the President and certain Members of Senior Management may participate in a Performance-Based Share Program. Under the program, opportunities are given to purchase additional Investor shares depending on the total return on the Investor share over a three-year period in relation to certain pre-defined goals.

In order to reduce the costs of the long-term variable remuneration program, the Board of Directors intends to hedge the program through total return swaps with third parties and/or, subject to the shareholders' approval under item 17B on the agenda, repurchases of Investor's shares which can then be transferred to the employees under the Stock Matching Plan and the Performance-Based Share Program.

### **Item 17 - Purchase and transfer of own shares**

#### ***17A - Purchase and transfer of own shares in order to give the Board of Directors wider freedom of action in the work with the Company's capital structure, in order to enable transfer of own shares according to 17B below, and in order to secure the costs connected to the long-term variable remuneration program and the allocation of synthetic shares as part of the remuneration to the Board of Directors***

The Board of Directors proposes that the Board is authorized, during the period until the next Annual General Meeting, to decide on (i) purchases of Investor's shares on NASDAQ OMX Stockholm and purchases in accordance with purchase offerings to shareholders, respectively, and on (ii) transfer of Investor's shares on NASDAQ OMX Stockholm, or in a manner other than on NASDAQ OMX Stockholm including the right to decide on waiver of the shareholders' preferential rights and that payment may be effected other than in cash. The Company may purchase maximum so many shares that the Company's holding of own shares after the purchase amounts to a maximum of one-tenth of all the shares in the Company. The Company may transfer

maximum all own shares held at the time of the Board of Directors' resolution to transfer shares.

The purpose of the proposal is to give the Board of Directors wider freedom of action in the work with the Company's capital structure, possibility to resolve on transfer of own shares according to 17B below, and possibility to secure the costs, including the social security payments, in connection with the long-term variable remuneration program and with the allocation of synthetic shares as part of the remuneration to the Board of Directors (as regards synthetic shares, see the Nomination Committee's proposal for decision below).

***17B - Transfer of own shares in order to enable the Company to transfer own shares to employees who participate in the long-term variable remuneration program 2013***

The Board of Directors proposes that the Meeting resolves that transfer of Investor's shares, in a maximum number of 1,400,000 (or the higher number that may follow from a recalculation because of a split, bonus issue or similar action), to the employees in accordance with the long-term variable remuneration program described in item 16B shall be possible. The number of shares has been calculated with a certain margin as share price fluctuations during the period up and until the measurement period following the 2013 Annual General Meeting may have an effect on the value of the program and, thus, on the number of shares to be included in the program.

**The Nomination Committee's proposals for decision**

Investor's Nomination Committee, consisting of Jacob Wallenberg (Chairman of the Board of Directors), Hans Wibom (Wallenberg foundations, Chairman of the Nomination Committee), Peder Hasslev (AMF), Lars Isacsson (SEB Foundation), and Caroline af Ugglas (Skandia Liv) jointly representing approximately 60 per cent of the voting rights for all the shares in Investor, proposes the following:

***Item 1 - The Chairman of the Meeting***

Sven Unger, member of the Swedish Bar Association, as Chairman of the Meeting.

***Item 12A - The number of Members of the Board of Directors***

Thirteen Members of the Board of Directors and no Deputy Members of the Board of Directors.

***Item 12B - The number of Auditors***

One registered auditing company.

***Item 13A - The compensation to the Board of Directors***

A total compensation to the Board of Directors of SEK 9,130,000 in accordance with the following:

- SEK 8,110,000,
  - whereof SEK 2,060,000 (1,968,750) to the Chairman and SEK 550,000 (525,000) to each of the other eleven Members of the Board which are not employed by the Company in cash and in so-called synthetic shares (see below) and,
- SEK 1,020,000 in cash as remuneration for work in the committees of the Board of Directors,
  - to be allocated as follows:
    - The Chairman of the Audit Committee SEK 204,000 (196,875) and the two remaining Members SEK 136,000 (131,250).
    - The Chairman of the Remuneration Committee SEK 136,000 (131,250) and the two remaining Members SEK 68,000 (65,625) each.

- The Chairman of the Finance and Risk Committee SEK 136,000 (131,250) and the two remaining Members SEK 68,000 (65,625).

The Board compensation including the compensation related to committee work has, per Member, with the exception of an increase with 5 per cent in 2012, been unchanged since 2006. The proposed total increase of 4.6 per cent represents a step towards reaching the same level in real terms as decided by the Annual General Meeting in 2006. In order to reach such level a corresponding increase would also be required in 2014.

The Nomination Committee recommends the Board of Directors of Investor to, as in 2011 and 2012, establish a shareholding policy pursuant to which the Members of the Board, that do not already have such holding, are expected to, over a five year period, acquire an ownership in Investor shares (or a corresponding exposure to the Investor share, for example in synthetic shares) with a market value which is expected to correspond to at least one year board remuneration, before taxes, excluding remuneration for committee work.

In order to facilitate the establishment of such holding or exposure the Nomination Committee proposes that the nominated Member of the Board shall be entitled to elect to receive 50 per cent of the proposed remuneration before taxes, excluding remuneration for committee work, in the form of synthetic shares and 50 per cent in cash, instead of receiving 100 per cent of the remuneration in cash.

A synthetic share carries the same economic rights as an Investor share of class B, which means that the value of the Board of Director's remuneration in synthetic shares, in the same way as shares of class B, is dependent on ups and downs in terms of value and that the amount of dividends during the five year period until 2018, when each synthetic share entitles the Member of the Board for Directors to receive an amount corresponding to the share price, at the time, of an Investor share of class B.

The synthetic shares will be valued in connection with allocation after the Annual General Meeting 2013 and shall be based on an average market price of shares of class B during a measurement period in conjunction with the allocation.

The synthetic shares have the right, during the fifth calendar year after the beginning of term of office, on four occasions to receive payment, regarding 25 per cent of allocated shares of each occasion, in an amount in cash per synthetic share corresponding to the market price of the Investor AB's share of class B, at each respective occasion for payment. The synthetic shares shall be regarded as continuously vested during the term of office, with 25 per cent per quarter. Dividends on Investor shares of class B, during the period up and until payment shall be credited the Member of the Board of Directors in form of allocation of additional synthetic shares.

The Company's undertaking to effect future payments regarding the synthetic shares as described above, should be hedged by the Company, either by re-purchasing of its own shares, which then shall be sold on the market in connection with the payment to the Members of the Board or by hedging agreements with banks. The financial effect for the Company, if the Members of the Board receive part of their remuneration in synthetic shares compared to receiving the full remuneration in cash, is due to the hedging arrangements, assessed to be very limited.

The proposal thus entails that the Annual General Meeting approves remuneration to the Board of Directors in an amount of, in aggregate, SEK 9,130,000 whereof not less than SEK 0 and not more than SEK 4,055,000 shall consist of synthetic shares.

***Item 13B - The compensation to the Auditors***

Auditors' fees to be paid upon approval of their invoice.

***Item 14 - The Chairman of the Board of Directors and other Members of the Board of Directors***

The following persons are proposed for re-election as Members of the Board of Directors: Dr. Josef Ackermann, Gunnar Brock, Sune Carlsson, Börje Ekholm, Tom Johnstone, Carola Lemne, Grace Reksten Skaugen, O. Griffith Sexton, Hans Stråberg, Lena Treschow Torell, Jacob Wallenberg, Marcus Wallenberg and Peter Wallenberg Jr.

Jacob Wallenberg is proposed to be re-elected as Chairman of the Board of Directors.

***Item 15 - The Auditors***

The registered auditing company Deloitte AB is proposed to be elected as Auditor for the period until the end of the Annual General Meeting 2014. Deloitte AB has informed that, subject to the approval of the proposal from the Nomination Committee regarding Auditor, the Authorized Public Accountant Thomas Strömberg will be the auditor in charge for the audit.

**Shares and Votes**

Investor's share capital amounts to SEK 4,794,843,937.50, represented by 767,175,030 shares divided into 311,690,844 A-shares and 455,484,186 B-shares. A-shares carry one vote while B-shares carry 1/10<sup>th</sup> vote. Investor holds, as per March 12, 2013, 5,682,029 own B-shares, corresponding to 568,202.9 votes, which cannot be represented at the Meeting.

**Majority rules**

The implementation of the Board of Directors' proposal under item 17A on the agenda is subject to the approval at the Annual General Meeting with at least 2/3 of both the votes cast and of the shares represented at the Meeting. The implementation of the Board of Directors' proposal under item 17B on the agenda is subject to the approval at the Annual General Meeting with at least 9/10 of both the votes cast and of the shares represented at the Meeting.

**Further information**

Information about all persons proposed as Members of the Board of Directors of Investor AB, information about proposed Auditor, the motivated opinion by the Nomination Committee regarding the proposal for the Board of Directors and the Nomination Committee's complete proposal can be found on Investor's website, [www.investorab.com](http://www.investorab.com), and will, free of charge, be sent to the shareholders who request the Company to do so.

The Board of Directors' complete proposal and related documents regarding item 16 and 17 on the agenda, the guidelines for salary and other remuneration and the long-term variable remuneration program and the purchase and transfer of own shares are available at Investor and on Investor's website, [www.investorab.com](http://www.investorab.com), and will, free of charge, be sent to the shareholders who request the Company to do so. The proposal regarding item 16, the guidelines for salary and other remuneration and the long-term variable remuneration program, will in addition free of charge be sent to the shareholders who have given notice of their intention to attend the Meeting.



Accounting documents, the Audit Report, the statement of the Auditors regarding the application of guidelines for salary and other remuneration, and the Board of Director's statement pursuant to Chapter 19 Section 22 of the Companies Act will be made available at Investor and on Investor's website, [www.investorab.com](http://www.investorab.com), no later than from March 25, 2013, and will be sent free of charge to the shareholders who request the Company to do so.

For the convenience of non-Swedish speaking shareholders that are attending the Meeting, the proceedings of the Annual General Meeting will be simultaneously interpreted into English.

The President's address will be available on Investor's website, [www.investorab.com](http://www.investorab.com), as of April 16, 2013.

---

Stockholm, March 2013

Investor AB (publ)  
The Board of Directors

Agenda Item 16

**Proposal from the Board of Directors on guidelines for salary and other remuneration for the President and other Members of the Management Group and on a Long-term Variable Remuneration Program**

---

Information concerning proposed resolutions at the Annual General Meeting

***Reasons for the proposal by the Board of Directors***

Recruiting and retaining the most suitable executives and employees is vital in order to achieve long-term competitive return for the shareholders. Therefore, Investor strives to offer its employees a total compensation package which is competitive and in line with market conditions. The total compensation package consists of the following components: fixed cash salary, variable cash salary, long-term variable remuneration, pension and other remuneration and benefits. The final value of the long-term variable remuneration is determined by the long-term share price development. The combination of the foregoing remuneration components means that the company has appropriate control instruments and that a common interest to run the business towards long-term competitive return on the shares is created between the company's employees and owners.

The principles for total remuneration for Investor's employees are:

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

Investor strives to establish a model where the possible variable cash salary and long-term variable remuneration constitutes a considerable part of the calculated total remuneration. Clear individual goals for the variable cash salary creates appropriate opportunities for Investor to clarify the expectations pertaining to the performance of individual employees and thus provides the possibility to reward good performance and achieved goals. Pursuant to an agreement, the employees are entitled to an expected value of the long-term variable remuneration. The final outcome of this is affected by the long-term share price development, which gives the employees concerned a common interest with the shareholders. As part of the remuneration is variable, the company's costs will also be correspondingly variable meaning that poor performance entails lower remuneration and thereby also lower costs for the company. The alternative to variable cash salary and long-term variable remuneration would be to only offer a higher fixed cash salary. However, the positive effects and incentives which Investor's model strives to establish would in such case not be expected to be achieved to the same extent.

***Monitoring and evaluation (Report according to The Swedish Corporate Governance Code, 9.1 and 10.3)***

The Remuneration Committee annually monitors and evaluates on-going, and during the year completed, programs concerning variable salary. The Remuneration Committee also monitors and evaluates the current remuneration structure and levels of remuneration in the company, the application of the guidelines approved at the Annual General Meeting concerning salary and other remuneration to the President and other Members of the Management Group as well as programs for long-term variable remuneration.

Objectives

Investor shall strive to offer competitive total remuneration which will enable the company to recruit and retain the right senior executives.

#### Variable cash salary

The variable cash salary is connected to individual goals that are set annually. The goals are both quantitative and qualitative and aim at realising Investor's long-term strategy. In 2012, goals have for example been targets linked to projects and operations related to the portfolio companies and targets relating to streamlining internal processes, cost efficiency and transactions processes.

Monitoring and evaluation of variable cash salary are carried out in the end of each year. Fulfillment of the goals set for the President is monitored and evaluated by the Remuneration Committee. The variable cash salary is proposed by the Remuneration Committee and thereafter established by the Board of Directors. Other Members of the Management Group are monitored and evaluated by the President, who reports to the Remuneration Committee, which makes the final decision.

#### Long-term variable remuneration

Investor's program for long-term variable remuneration has, from and including 2006, been composed of a Stock Matching Plan applicable to all employees and in addition to that a Performance-Based Share Program applicable to senior management. The possibility to acquire shares under the Stock Matching Plan is connected to the employee's holding of shares in Investor under a certain period of time. During 2006-2008, the possibility to acquire shares under the Performance-Based Share Program was with two thirds dependent on Investor's development of net asset value and with one third dependent on the relative total return of the Investor share during a three-year period. From 2009, the possibility to acquire Performance Shares has been tied to the total return of the Investor share under a period of three years. The number of shares that may be acquired is dependent on the performance criteria, but shall not exceed the maximum amount as determined at the time of allotment. The vesting periods for the Performance-Based Share Program for 2006 until 2010 have lapsed. In accordance with the resolution at the time of allotment, senior management were entitled to acquire not more than 187,198 Performance Shares under the program for 2006, not more than 139,380 Performance Shares under the program for 2007, not more than 269,640 Performance Shares under the program for 2008, not more than 870,373 Performance Shares under the program for 2009, and no more than 799,197 Performance Shares under the program for 2010. The outcome of the performance criteria have resulted in senior management, with the right to acquire Performance Shares, being entitled to acquire approximately 16 per cent of the maximum number of Performance Shares under the program for 2006, approximately 14 per cent of the maximum number of Performance Shares under the program for 2007, and approximately 14 per cent of the maximum number of Performance Shares under the program for 2008. On those occasions, only the relative total return component resulted in allotment. The outcome of the performance criteria under the program for 2009 and 2010 have resulted in senior management, with the right to acquire Performance Shares, being entitled to acquire 100 per cent of the maximum number of Performance Shares.

The development of the programs is evaluated on a continuous basis throughout the year. A more detailed evaluation, where the programs' expected outcome are reported and discussed, is carried out two or three times a year.

The Remuneration Committee also carries out a more thorough evaluation of the programs, usually every third year. Prior to the Annual General Meeting in 2006 the Board of Directors prepared, in consultation with representatives of a number of Investor's shareholders, a new program for long-term variable remuneration. Prior the Annual General Meeting in 2009 a project group, appointed by the Remuneration Committee, carried out a thorough evaluation of the long-term variable remuneration program for the Management and other employees which was adopted at the Annual General Meeting in 2008. The evaluation resulted in that the program that was proposed to the Annual General Meeting in 2009 was simplified and that a clearer connection was created to the long-term development of the value of the Investor share. During 2011 the Remuneration Committee initiated a thorough evaluation of the long-term variable remuneration program for the management and the employees which was adopted at the Annual General Meeting 2011. The evaluation was made from four perspectives; the employees' motivation and alignment of interest with shareholders, the control effects, the effects of the program on the shareholder value and simplification. As a result of the evaluation, the Board discussed and evaluated alternative changes to the long-term variable remuneration program. The long-term variable remuneration program proposed by the Board and decided by the Annual General Meeting in 2012 was substantially identical to the program from 2011, with the exception that the price for acquiring Performance Shares as well as the total number of Performance Shares under the Performance-Based Share Program were reduced. The Board has decided to propose to the Annual General Meeting 2013 a long-term variable remuneration program which is substantially identical to the program from 2012.

#### Guidelines for salary and other remuneration

The guidelines for salary and other remuneration to the President and other Members of the Management are evaluated continuously throughout the year. In order to carry out the valuation, the Remuneration Committee collects information from, among others, the President, the Head of Corporate Governance, the Human Resources Manager and external advisors. The internal and external

information facilitates to ensure that the remunerations in Investor are in line with market conditions and competitive. Further, comparative studies of relevant industries and markets are carried out annually in order to determine what constitutes a total level of remuneration in line with market conditions and in order to evaluate current remuneration levels. The result of such studies is an important variable when determining the total remuneration for the Management and other employees.

#### The Remuneration Committee's conclusion

The Remuneration Committee's overall conclusion is that the current applied structures and levels of remuneration in the Company are well suited to fulfil the objectives of the remuneration.

### **16 The Board of Directors' proposal**

The Board of Directors considers, based on, among other things, the evaluation carried out by the Remuneration Committee, that the proposal presented to the Annual General Meeting 2013, which substantially accords with what was determined at the Annual General Meeting in 2012, constitutes a balanced adjustment between fixed cash salary, variable cash salary, long-term variable remuneration and pension terms and other remuneration and benefits.

For a description of the outstanding programs for long-term variable remuneration and other outstanding compensation terms see note 9 in the company's annual report for 2012 and the company's website.

#### **16A Guidelines for salary and other remuneration to the President and other Members of the Management Group**

The Management Group consists of the President Börje Ekholm, Susanne Ekblom, Johan Forssell, Petra Hedengran and Lennart Johansson.

The Board of Directors' proposal on guidelines for salary and other remuneration below complies in all material respects with the guidelines for remuneration previously awarded to the Management Group and is based on agreements entered into between Investor and each executive. Fees received for board work in Core Investments may be retained by the employee, but will be taken into account in the determination of the employee's total remuneration.

#### ***Preparation of decisions on remuneration***

The preparation of decisions on remuneration will adhere to the following procedures. As far as the President is concerned, the Remuneration Committee will propose cash salary, criteria for the variable salary and other terms of employment to be confirmed by the Board. For other Members of the Management Group, the President will suggest corresponding terms, to be confirmed by the Remuneration Committee and reported to the Board.

#### ***Guidelines***

Investor shall strive to offer competitive total remuneration which will enable the company to recruit and retain the right senior executives. The total remuneration shall be based on factors such as position, performance and individual qualification.

The total compensation for the Management Group shall consist of

- fixed cash salary;
- variable cash salary;
- long-term variable remuneration;
- pension; and
- other non-monetary benefits and other compensation.

Fixed cash salary, variable cash salary and long-term variable remuneration together comprise the total salary for an employee.

#### Fixed cash salary

The fixed cash salary shall be reviewed annually. The fixed cash salary constitutes the basis for calculation of the variable salary.

In respect of 2012, the fixed cash salary to the Management was paid in accordance with the following:

- The fixed cash salary before tax to the President amounted to SEK 7.25 million.
- The fixed cash salary before tax to the other current Members of the Management Group amounted to total SEK 13.2 million.

#### Variable cash salary

##### *Short-term variable cash salary*

The short-term variable cash salary is dependent upon the individual's achievement to meet annually set goals. The outcome of the short-term variable cash salary is reviewed annually. For the Management Group, the highest possible short-term variable cash salary shall vary due to the position held and employment agreements and shall, for the Members of the Management Group, generally amount to 10-75 per cent of the fixed cash salary. For the President, the short-term variable cash salary amounted to maximum 10 per cent in 2012. The total short-term variable cash salary before tax for all current Members of the Management Group can vary between SEK 0 and SEK 8.2 million during 2013, depending on whether the goals have been met. The short-term variable cash salary might exceed this amount in the event that the Management Group is expanded. In accordance with the terms for 2012, the outcome should only be related to the fulfillment of the individual's goals and thus the remuneration is clearly related to the work contributions and performance of the individual. The goals shall be both qualitative and quantitative and be based on factors which support the company's long-term strategy.

In respect of 2012, the short-term variable remuneration for the Management was paid in accordance with the following:

- Short-term variable cash salary before tax to the President amounted to SEK 0.6 million.
- Short-term variable cash salary before tax to the other Members of the Management Group amounted to total SEK 6.2 million.

##### *Profit-sharing program*

In Investor's trading and Investment (Core Investment and Financial Investment) organization there is, since 2012, a profit-sharing program under which the participants receive a variable salary equivalent to 20 per cent of the trading function's net result. The program includes a claw back principle by which 50 per cent of the variable salary allotment is withheld for one year and will only be paid out in full in case of a positive trading result for such year. In order to receive the full amount of the variable salary allotment two consecutive profitable years are thus required. Based on a 50 per cent average utilization of the trading mandate and a 7 per cent return on the gross portfolio investment, the total variable salary allotment for all participants would amount to approximately SEK 4.0 million, (if the calculation instead is based on a 10 per cent return then the total variable salary allotment for all participants would amount to approximately SEK 6.4 million, and if the calculation is based on a 60 per cent average utilization of the trading mandate and a 7 per cent return on the gross portfolio investment then the total variable salary allotment for all participants would amount to approximately SEK 5.1 million). Approximately totally 15 - 20 employees participate in the program, including the Management Group Member responsible for Core Investments. For year 2012 the distribution from the profit-sharing program has been SEK 0.04 million for the member in the Management Group that is responsible for Core Investments.

#### Long-term variable remuneration

The long-term variable remuneration is described under item 16B below.

#### Pension

Pension benefits shall, for Members of the Management Group, consist of a premium based pension plan on parts of salary above 20 basic income amounts as a consequence of which the ratio of pension provisions to fixed cash salary depends on the age of the executive. Pension benefits shall, for all employees, consist of a defined benefit pension plan, BTP-plan, or a premium based pension plan, on parts of salary up to 30 basic income amounts. In respect of employees working abroad, pension benefits shall be adjustable in line with local pensions practice. The age of retirement for the President and other Members of the Management Group shall be 60 years.

#### Non-monetary benefits and other remuneration

Non-monetary benefits and other remuneration shall be on market terms and shall contribute to facilitating the executive's discharge of his or her duties.

#### Termination and severance pay

Investor and Members of the Management Group may mutually terminate employment contracts subject to a six months' notice. Fixed cash salary during the notice period and severance pay shall, for Members of the Management Group with employment contracts entered into after the Annual General Meeting 2010, in aggregate not exceed the fixed cash salary for two years. For Members of the Management Group employed before the Annual General Meeting of 2010 the contracts already entered into shall apply. For these Members a mutual termination period of six month applies and severance payment is maximized to 24 months of fixed cash salary.

The Board of Directors may, where particular grounds exist in the individual case, decide to deviate from the guidelines.

***The Board of Directors proposes that the Annual General Meeting approves the above reported guidelines for salary and other remuneration for the President and other Members of the Management Group.***

**16B                      Background and description in respect of Long-term Variable Remuneration program**

As concerns the long-term variable remuneration program, it is the ambition of the Board of Directors to encourage employees to build up a significant shareholding in Investor. The program is structured to provide a balance between, on the one hand, the employees' assumption of risk through a requirement of personal holding of Investor shares and, on the other, the employees' possibility to receive performance-related allotments of shares in Investor. The own holding makes the employees committed 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 and the employee is exposed to share price increases and decreases and the employee thereby has goals aligned with those of Investor's shareholders.

**1.                      *Earlier Long-term Variable Remuneration Programs***

Prior to the Annual General Meeting 2006 the Board of Directors developed a new long-term variable remuneration program. In summary, the 2006 program is built on a Stock Matching Plan under which the employees, for each Investor share which they purchase, receive two options and the right to purchase one share at a pre-determined price. In addition, the President and certain Members of Senior Management may participate in a Performance-Based Share Program, under which opportunities are given to purchase more Investor shares. The programs 2007 and 2008 correspond in all material respects to the 2006 program. Prior to the Annual General Meeting 2009 a thorough evaluation of the program was carried out. The evaluation resulted in the fundamental principles set forth in the programs 2006-2008 remaining unchanged but that the program proposed to the Annual General Meeting 2009 was simplified and to some extent modified. Partly, the price at which Performance-Based Shares may be acquired was increased, partly the two previous financial targets for the right to purchase Performance Shares were replaced by one target; the total return of the Investor share. The program for long-term variable remuneration that the Annual General Meeting adopted in 2010 corresponds in all material respects to the program that was adopted in 2009. The program that the Annual General Meeting adopted in 2011 corresponds in all material respects to the program that was adopted in 2010, with the exception that the employees may use shares already held in Investor for participation in the Stock Matching Plan as an alternative to a new investment. During 2011 a thorough evaluation was carried out of the long-term variable remuneration program for the management and the employees which was adopted at the Annual General Meeting 2011. The long-term variable remuneration program proposed by the Board and decided by the Annual General Meeting in 2012 was substantially identical to the program from 2011, with the exception that the price for acquiring Performance Shares as well as the total number of Performance Shares under the Performance-Based Share Program were reduced.

***Long-term Variable Remuneration Program 2013***

**2.                      *The program in short, Decision Procedure, Majority Requirements, etc***

The Board of Directors has decided to propose to the Annual General Meeting 2013 a program for long-term variable remuneration which substantially is identical to the program from 2012. The cost for the long-term variable remuneration program is in line with the program from last year. The Board of Director's decision has been preceded by the Remuneration Committee's preparation of the matter. The implementation of the program is conditional upon the adoption of the scope and main principles of the program pursuant to a resolution adopted by simple majority at the Annual General Meeting.

The proposals for Investor's long-term variable remuneration program for 2013, which is connected to Investor shares of class B, in common with the program of 2012, have the following two components.

**3.                      *Stock Matching Plan***

The **Stock Matching Plan** entails that all employees, who choose to participate in the program, by an own investment in Investor shares or by using shares already held in Investor, for each share that qualifies for participation in the Stock Market Plan ("Participation Share") will receive two options ("Matching Options") and a right to purchase one Investor share ("Matching Share"). In order to qualify for participation in the Stock Matching Plan, the share must be held by the employee with full title, must not be subject to any restrictions under any outstanding Stock Matching Plans and must be placed at a custodian bank as designated by Investor. Thereafter, 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 which is acquired during a period following the disclosure of Investors first interim report for 2013 as resolved upon by the Board of Directors ("Measurement Period"). The average volume weighted payment price for the Investor share during the Measurement Period is below referred to as the "Participation Price". Allotment occurs after a three-year vesting period. The Matching Share can be acquired for SEK 10 during a four-

year period after the vesting period. During the same period, each Matching Option entitles the holder to purchase one Investor share at an exercise price corresponding to 120 per cent of the Participation Price.

The President, other Members of the Management Group and a maximum of 20 other executives within Investor ("Senior Management") are obligated to participate in the Stock Matching Plan with Participation Shares corresponding to a "Participation Value" of at least 5 per cent of their fixed cash salary before taxes. Participation Value means number of Participation Shares multiplied with the Participation Price. In addition, Senior Management are offered to participate with Participation Shares to such an extent that the value of the allotted Matching Options and Matching Shares amounts to maximum between 10 and approximately 38 per cent of their respective fixed cash salary before taxes, depending on position, performance, etc. Other employees are not obligated, but have a right, to participate with Participation Shares to an extent that the value of the allotted Matching Options and Matching Shares amounts to maximum 10 or 15 per cent of fixed cash salary of the employees concerned depending on position, performance, etc.

Under the Stock Matching Plan, the President is entitled to participate with Participation Shares corresponding to a Participation Value of up to 45 per cent of the fixed cash salary before taxes in Investor shares. If the President participates fully in the Stock Matching Plan, the possibility to receive a Matching Share and two Matching Options per Participation Share under the Stock Matching Plan corresponds to a theoretical value of approximately 38 per cent of the fixed cash salary before taxes. The President is entitled to exercise Matching Shares and Matching Options during a period of twelve months from the earlier of: (i) seven years from the date of allocation in 2013; and (ii) two months from the expiry of the year during which the President terminates his employment.

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 every Matching Share. At an estimated Participation Price of SEK 170 per share, the calculated value amounts to approximately 85 per cent of the invested amount.

#### **4. Performance-Based Share Program**

According to the proposal, Senior Management, in addition to participating in the Stock Matching Plan, also participates in a **Performance-Based Share Program**. Under the Performance-Based Share Program, Senior Management, after a three-year vesting period, have the right, during a period of four years thereafter, to acquire additional Investor shares ("Performance Shares") at a price corresponding to 50 per cent of the Participation Price, (100 per cent in the programs 2009-2011), conditional upon the total return on the Investor shares exceeding a certain level during the vesting period. The President is entitled to exercise Performance Shares during a period of twelve months from the earlier of: (i) seven years from the date of allocation in 2013; and (ii) two months from the expiry of the year during which the President terminates his employment.

The total return is measured during 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 points). In order to give the Senior Management the right to acquire the maximum number of Performance Shares that are allotted to the Senior Manager in question, 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. If the total return does not exceed the 10-years interest on government bonds by at least 2 percentage points, then Senior Management is not entitled to acquire any Performance Shares. If the total return is between the 10-years interest on government bonds plus 2 percentage points and the 10-years interest on government bonds plus 10 percentage points, then a proportional (linear) calculation of the number of shares that may be acquired shall be made.

The theoretical value of the opportunity to acquire Performance Shares for Senior Management shall amount to between 20 and approximately 77 per cent of the respective senior manager's fixed cash salary for 2013 (for the President, 77 per cent).

The theoretical value of a Performance Share considers, *inter alia*, the likelihood of meeting the performance criteria and is based on the Black & Scholes valuation model. At an estimated stock price of SEK 170, the value of every Performance Share amounts to SEK 43. 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 per cent.

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 allotment in 2013.

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

#### **5. Number of Shares, Costs and Hedging Arrangements**

A Participation Price of SEK 170, entails that the employees as a result of the Matching Options may acquire not more than 200,000 shares if all employees fully exercise the Stock Matching Plan possibility. The highest number of Matching Shares that the employees can have the right to acquire, including estimated remuneration for dividends, amounts to 130,000 provided all employees fully exercise the possibility to participate in the Stock Matching Plan. The highest number of Performance Shares that Senior Management can have the right to acquire, including estimated remuneration for dividends, amounts to 620,000. The highest number of shares that can be acquired under the long-term variable remuneration 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.

The costs for the 2013 long-term variable remuneration program as shown on the income statement is based on the accounting principles in accordance with IFRS-2 and amounts, with a Participation Price of SEK 170 and full participation for the shares during the Measurement Period, to approximately SEK 24 (of which the Management Group 9) million for the Stock Matching Plan and approximately SEK 21 (of which the Management Group SEK 15) million for the Performance-Based Share Program. Estimated costs for social security charges are included in these amounts. The costs will be allocated over the three-year vesting period.

In order to limit the costs inclusive of social security charges for the long-term variable remuneration, 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 17 on the agenda to purchase its own shares, which can be transferred to the employees under the Stock Matching Plan and the Performance-Based Share Program. 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-Based Share Program. 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 place in order to cover social security charges.

#### **6. Miscellaneous**

The long-term variable remuneration program 2013 is expected to result in only marginal dilutive effects for the company and its shareholders since the program is limited in scope and due to the fact that already existing shares will be used. Under the given assumptions above, the program may lead to delivery of not more than 950,000 Investor shares, corresponding to approximately 0.1 per cent of the total number of outstanding shares and approximately 0.03 per cent of the total number of votes in the company. Together with long-term variable remuneration programs previously resolved upon, which comprise approximately 3.8 million shares, the variable remuneration programs of Investor include approximately 0.6 per cent of the total number of outstanding shares and approximately 0.1 per cent 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 the company's website.

***With reference to the presentation above the Board of Directors proposes that the Annual General Meeting approves the scope and main guidelines for the Stock Matching Plan and the Performance-Based Share Program for 2013.***

---

Stockholm, March 2013  
Investor AB (publ)  
The Board of Directors