

Investment AB Kinnevik



INVESTMENT AB KINNEVIK (PUBL)
DOCUMENTATION TO THE ANNUAL GENERAL MEETING –
MONDAY 13 MAY 2013, 10.00 A.M, CET

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1. The Nomination Committee of Investment AB Kinnevik's motivated opinion regarding its proposal of the Board of Directors at the Annual General Meeting in 2013

Background

In accordance with the resolution of the 2012 Annual General Meeting regarding procedure for the Nomination Committee, Cristina Stenbeck has convened a Nomination Committee consisting of Cristina Stenbeck and members appointed by the largest shareholders in Kinnevik; Max Stenbeck, appointed by Verdere S.à.r.l., Wilhelm Klingspor, appointed by the Klingspor family, Ramsay Brufer, appointed by Alecta, and Edvard von Horn, appointed by the von Horn family. The four members of the Nomination Committee appointed by shareholders in Kinnevik jointly represent more than 50 percent of the total votes in Kinnevik.

The Chairman of the Board, Cristina Stenbeck, has been appointed Chairman of the Nomination Committee, an appointment that deviates from the Swedish Corporate Governance Code. The other members of the Nomination Committee have explained the appointment as being in the Company's and shareholders' best interests and a natural consequence of Cristina Stenbeck leading the Nomination Committee's work in recent years, as well as her connection to Kinnevik's largest shareholders.

The Nomination Committee's proposal regarding the Board of Kinnevik

The Nomination Committee proposes the following:

- Eight members of the Board.
- Re-election of all current members of the Board, i.e. the following persons:

Tom Boardman	Vigo Carlund
Dame Amelia Fawcett	Wilhelm Klingspor
Erik Mitteregger	Allen Sangines-Krause
Cristina Stenbeck	

- Election of Lorenzo Grabau as a new member of the Board.
- Re-election of Cristina Stenbeck as Chairman of the Board.

Motivated opinion

The Nomination Committee has held four meetings, either in person or by telephone with additional contact between the meetings. As the basis for its work, the Nomination Committee has had, among other documents, an evaluation of the Board and its work. To assess the degree to which the present Board fulfils the requirements to be placed on the Board, given the Company's situation and future direction, discussion has focused on overall Board composition with respect to experience and expertise. The current Board comprises a good balance of financial and operational expertise as well as shareholder representation and the proposal to re-elect all current members provides both continuity as well as relevant investment and capital allocation experience from several important geographies for Kinnevik, namely Africa, Eastern Europe, Latin America, Russia and CIS and Scandinavia. The various skill sets will benefit the Board's continued agenda for the business.

The Nomination Committee believes that the proposed election of Lorenzo Grabau will strengthen the knowledge on the Board across the telecom, media and technology sectors as well as in the consumer/retail sectors, and bring complementary financial expertise in the areas of private equity investing.

Until 2011, Lorenzo Grabau was a Partner and Managing Director at Goldman Sachs in London. During his 17 years at Goldman Sachs, Lorenzo Grabau led four growth areas in the Investment Banking division: the Consumer/Retail industry practice, the Media/Online industry practice, the Financial Sponsors group, and a cross-divisional effort focused on Europe's largest entrepreneurial families and their corporate interests. Prior to joining Goldman Sachs, Lorenzo Grabau spent five years with Merrill Lynch working in the Mergers & Acquisitions department in London and New York.

Since 2011, Lorenzo Grabau has been a Member of the Board of Directors of Modern Times Group MTG AB, one of Europe's leading international entertainment companies, of SoftKinetic BV, a leading gesture recognition technology company, and of Rouge Partners S.à.r.l., a consumer products investment company.

As a result of the Committee's evaluation, it proposes the re-election of the current members of the Board and election of Lorenzo Grabau as new Board member.

The Nomination Committee is of the opinion that the proposed composition of the Board reflects strong individual credentials as well as key shared experience within strategically important areas for Kinnevik, such as management of listed and unlisted companies as well as market and sector specific competencies, primarily, but not limited to, Scandinavia and a range of relevant emerging markets.

The Nomination Committee continuously monitors and evaluates each Board member's independence according to the Swedish Corporate Governance Code. In the work of preparing its proposals for the 2013 Annual General Meeting the Nomination Committee has assessed that seven out of eight members of the Board are independent of the Company and its management. Six out of seven members of the Board that are independent of the Company management are also independent in relation to the Company's major shareholder. Accordingly, the Nomination Committee's proposal of the Board is compliant with the rules in the Swedish Corporate Governance Code regarding independence. Some Members of the Board are also members of the board of Kinnevik's portfolio companies and receive Board remuneration from these companies. It is the opinion of the Nomination Committee that such remuneration does not entail a dependency of Kinnevik or its management for such members of the Board. Kinnevik is an investment company and seeks to have an active ownership in order to be able to influence the strategy and operations of the portfolio companies as well as identify and drive value-creating initiatives. The work of the board in Kinnevik's investments is the core of an active ownership role. For Kinnevik, where a fundamental component is to have the right board in each of its major investments, it is natural that members of Kinnevik's Board and management have board assignments in Kinnevik's portfolio companies.

Information about the proposed members of the Board

Detailed information about all persons proposed as members of the Board of Kinnevik, including the Nomination Committee's assessment of each member's independence, may be found on the Company's website at www.kinnevik.se.

April 2013

INVESTMENT AB KINNEVIK (PUBL)
THE NOMINATION COMMITTEE

2. Information about the proposed directors of the Board

Cristina Stenbeck, Chairman

Born: 1977

Nationality: US and Swedish citizen

Independence: Independent of the Company and management, not independent of major shareholders.

Direct or related person ownership: 2,200 Class B shares. In addition to her own directly held shares, Cristina is via Verdere S.à.r.l. indirectly owner of a considerable shareholding in Kinnevik.

Committee work: Member of the Remuneration Committee.

Cristina has been Chairman of the Board of Investment AB Kinnevik since 2007. She serves as a Director of the Board of Modern Times Group MTG AB and Tele2 AB since 2003. Cristina was Vice Chairman of Investment AB Kinnevik 2004-2007 and Industriförvaltnings AB Kinnevik 2003-2004.

Cristina graduated with a B.Sc. from Georgetown University in Washington DC, USA.

Tom Boardman

Born: 1949

Nationality: South African citizen

Independence: Independent of the Company and management and independent of major shareholders.

Direct or related person ownership: -

Committee work: Member of the Audit Committee.

Tom has been Director of the Board of Investment AB Kinnevik since 2011. He is Non-Executive Director of Nedbank Group since 2010, Woolworths Holdings Ltd since 2010, Royal Bafokeng Holdings since 2010 and African Rainbow Minerals Ltd since 2011. Tom held various managerial positions within the South African mining, timber and retailing industries 1973-1986. Between 1986-2002 he held various managerial positions within the BoE Bank and in 2003-2010 he was Chief Executive of Nedbank Group Ltd.

Tom has a B Com and CTA from the University of Witwatersrand, South Africa.

Vigo Carlund

Born: 1946

Nationality: Swedish citizen

Independence: Independent of the Company and management and independent of major shareholders.

Direct or related person ownership: 500,000 Class B shares, owned through insurance.

Committee work: -

Vigo has been Director of the Board of Investment AB Kinnevik since 2006. He is Chairman of the Board of Net Entertainment NE AB since 2011 and Black Earth Farming Ltd since 2012. He also serves as Director of the Board of Academic Work Solutions since 2006 and iZettle AB since 2010. Vigo worked within the Kinnevik Group 1968-2006 and was CEO of Korsnäs AB 1998-2000, and President and CEO of Transcom WorldWide S.A. 2000-2002 and Kinnevik 1999-2006.

Dame Amelia Fawcett

Born: 1956

Nationality: US and UK citizen

Independence: Independent of the Company and management and independent of major shareholders.

Direct or related person ownership: -

Committee work: Member of the Remuneration Committee.

Dame Amelia has been Director of the Board of Investment AB Kinnevik since 2011. She is Non-Executive Chairman of Guardian Media Group Plc since 2009 (Non-Executive Director since 2007), Chairman of the Hedge Fund Standards Board in London since 2011 and is a Non-Executive Director of State Street Corporation in Boston, USA since 2006 and Non-Executive Member of the UK Treasury Board since 2012. Dame Amelia is a Governor of the London Business School, Chairman of The Prince of Wales's Charitable Foundation, a Commissioner of the US-UK Fulbright Commission and a Trustee of Project Hope (UK). Dame Amelia held various managerial positions within Morgan Stanley 1987-2006 and was Vice Chairman and Chief Operating Officer of the European operations 2002-2006.

Dame Amelia has a Law Degree from University of Virginia, USA, and a BA Magna cum Laude in History from the Wellesley College in Massachusetts, USA.

Lorenzo Grabau, proposed new Non-Executive Director

Born: 1965

Nationality: Italian citizen

Independence: Independent of the Company and management and independent of major shareholders.

Director or related person ownership: -

Lorenzo is being proposed as new Director of the Board of Investment AB Kinnevik at the AGM in May 2013. He has served as Non-Executive Director of Modern Times Group MTG AB, SoftKinetic BV and of Rouge Partners S.à.r.l. since 2011. On 8 April 2013 it was announced that he will be appointed as a Non-Executive Director, and co-chairman, of MTG's associated company CTC Media on 30 April 2013. Lorenzo was a Partner and Managing Director at Goldman Sachs International in London until 2011. Lorenzo joined the Investment Banking division of Goldman Sachs in 1994 and during his 17 years at the firm held various leadership positions within the Consumer/Retail and Media/Online industry practices, and the Financial Sponsors group. Lorenzo began his career in Investment Banking in 1990 when he joined Merrill Lynch, where he remained for five years working in the Mergers & Acquisitions department in London and New York.

Lorenzo is a graduate from Università degli Studi di Roma, La Sapienza, Italy.

Wilhelm Klingspor

Born: 1962

Nationality: Swedish citizen

Independence: Independent of the Company and management and independent of major shareholders.

Direct or related person ownership: 1,103,080 Class A shares and 780,071 Class B shares

Committee work: Chairman of the Remuneration Committee. Member of the Audit Committee.

Wilhelm has been Director of the Board of Investment AB Kinnevik since 2004 and was Director of Industriförvaltnings AB Kinnevik 1999-2004. He also serves as Director of the Board of BillerudKorsnäs AB since 2012 (Director of Korsnäs AB 2003-2012). Wilhelm is CEO of Hellekis Säteri AB.

Wilhelm graduated as Forest Engineer from the Swedish University of Agricultural Sciences in Skinnskatteberg.

Erik Mitteregger

Born: 1960

Nationality: Swedish citizen

Independence: Independent of the Company and management and independent of major shareholders.

Direct or related person ownership: 35,000 Class A shares and 165,000 Class B shares

Committee work: Chairman of the Audit Committee. Member of the Remuneration Committee.

Erik has been Director of the Board of Investment AB Kinnevik since 2004. He also serves as Chairman of the Board of Wise Group AB since 2009, Director of the Board of Firefly AB, Metro International S.A. since 2009 and Tele2 AB since 2010. Erik was founding partner and Fund Manager at Brummer & Partners Kapitalförvaltning AB 1995-2002. In 1989-1995 he was Head of Equity Research and member of the Management Board at Alfred Berg Fondkommission.

Erik holds a B.Sc. in Economics and Business Administration from Stockholm School of Economics.

Allen Sangines-Krause

Born: 1959

Nationality: UK and Mexican citizen

Independence: Not independent of the Company and management, independent of major shareholders.

Direct or related person ownership: -

Committee work: Member of the Audit Committee.

Allen has been Director of the Board of Investment AB Kinnevik since 2007. He is also Chairman of the Board of Millicom International Cellular S.A. since 2010 (Director since 2008) and of BK Partners, an asset management company. Allen was Managing Director with Goldman Sachs 1993-2008 where he was responsible for Investment banking and business development in Latin America, Spain, Russia and other CIS States.

Allen holds a Ph.D. in Economics from Harvard University in Massachusetts, USA.

3. Board of Directors reasoned statement pursuant to Ch 18 Sec 4 and Ch 19 Sec 22 of the Swedish Companies Act

The Board of Directors hereby presents the following statement in accordance with Ch 18 Sec 4 and Ch 19 Sec 22 of the Swedish Companies Act. The Board of Directors' reasons for the proposed dividend and the authorisations to repurchase the Company's own shares being in accordance with the provisions of Ch 17 Sec 3 paragraph 2 and 3 of the Swedish Companies Act are as follows:

The Company's objective, scope and risks

The Company's objectives, scope of business and risks associated thereto are set out in the articles of association and the submitted annual reports.

The financial position of the Parent Company and the Group

The Group's and the Parent Company's financial situation as of 31 December 2012 is stated in the Annual Report for the financial year 2012. The principles applied for valuation of assets and liabilities are also stated in the Annual Report.

The Group's equity attributable to the Parent Company's shareholders amounted to SEK 58,573 million as per 31 December 2012 and the Parent Company's unrestricted equity totalled SEK 34,091 million. The proposed dividend of SEK 6.50 per share amounts to no more than SEK 1,802,820,195. The proposed dividend constitutes 3 percent of the Group's equity and 5 percent of the Parent Company's unrestricted equity. The Group's equity/assets ratio amounted to 94 percent prior to the proposed dividend and 91 percent after the dividend has been taken into account. At the same date, the Group's liquidity reserve, including available credit facilities, totalled SEK 5,029 million and the debt/equity ratio was 0,06.

The proposal to repurchase shares means that the Board of Directors is authorised to acquire a maximum number of shares whereby the Company's holding of own shares (treasury stock) amounts to not more than one tenth of all outstanding shares in the Company.

The proposed dividend and authorisations to repurchase the Company's own shares do not endanger the continuation of planned investments.

The Company's financial position does not give rise to any other conclusion than that the Company can continue its business and is expected to fulfil all its obligations on both a short and long-term basis.

Justification for dividend and repurchase

With reference to the aforementioned and what has otherwise been brought to the attention of the Board, it is the Board's opinion that the proposed dividend, authorisation to repurchase the Company's own shares to create flexibility in the work with the Company's capital structure and authorisation to repurchase the Company's own shares to ensure delivery of shares under the proposed incentive programme are justified with reference to the requirements that the nature of the operations, its scope and risks place on the Parent Company's and Group's shareholders' equity, consolidation requirements, liquidity and position in general.

Stockholm, April 2013

INVESTMENT AB KINNEVIK (PUBL)
THE BOARD OF DIRECTORS

This is a translation of the Swedish original. In case of any inconsistency between the Swedish and English version, the Swedish version shall prevail.

Auditors' statement pursuant to Chapter 8, Section 54 of the Swedish Companies Act (2005:551)

To the annual general meeting of Investment AB Kinnevik, corporate identity number 556047-9742

We have reviewed whether the Board and the Group Chief Executive of Investment AB Kinnevik have, in 2012, complied with the guidelines for compensation to senior management that were established at the annual general meeting on 16 May 2011 and the annual general meeting on 7 May 2012.

Responsibilities of the Board of Directors and the Group Chief Executive

The Board and the Group Chief Executive are responsible to ensure that the guidelines are followed and for the internal control that the Board and Group Chief Executive deem necessary to ensure that the guidelines are followed.

Auditor's responsibility

Our responsibility is to submit a statement, based on our review, to the annual general meeting regarding whether the guidelines decided by the annual general meeting have been complied with. We have performed the review in accordance with the FAR recommendation RevR 8 Examination of Compensation to Senior Management in Stock Market Companies. This recommendation requires that we comply with ethical requirements and plan and perform the review to obtain reasonable assurance that the guidelines of the annual general meeting have been complied with in all material respects. The review has encompassed the company's organizational structure for and documentation of matters relating to the compensation of senior management, new decisions on compensation taken, and a sample of the payments made during the financial year to members of senior management. The auditor decides which measures are to be taken, including an assessment of the risk that the guidelines are not complied with in all material respects. In making those risk assessments, the auditor considers those parts of the internal control that are relevant to compliance with the guidelines in order to design audit procedures that are fit for purpose in view of the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. We believe that our review provides a reasonable basis for our opinion, as set out below.

Conclusion

In our opinion, the Board and the Group Chief Executive of Investment AB Kinnevik have, in 2012 complied with the guidelines for compensation to senior management that were established at the annual general meeting on 16 May 2011 and the annual general meeting on 7 May 2012.

Stockholm, 26 March 2013

Ernst & Young AB

Thomas Forslund
Authorized Public Accountant

5. Evaluation of Investment AB Kinnevik's remuneration to the CEO and the other members of the Executive Management (Report according to the Swedish Corporate Governance Code, 9.1 and 10.3)

Introduction

The Remuneration Committee within the Board of Investment AB Kinnevik comprises the Chairman of the Board, Cristina Stenbeck, and the members of the Board Dame Amelia Fawcett, Erik Mitteregger and Wilhelm Klingspor. Wilhelm Klingspor is the Chairman of the Remuneration Committee.

In accordance with the Swedish Corporate Governance Code, the Remuneration Committee has monitored and evaluated programmes for variable remuneration (both on-going and those that have ended during the year), how the guidelines for remuneration to the senior executives adopted at the Annual General Meeting have been applied as well, as the current remuneration structure and levels of remuneration in the Company.

The following is the Board's report of the results of the evaluation.

General information with respect to the remuneration to executive management of Kinnevik

The remuneration to the executive management have during 2012 consisted of fixed salary, variable salary, as well as the possibility to participate in long-term incentive programmes, pensions and other customary benefits. These components shall create a well-balanced remuneration which reflects individual performance and offers a competitive remuneration package adjusted to conditions on the market.

Variable remuneration to the executive management

The maximum outcome for variable salary paid in cash during 2012 was 50 percent of the fixed salary and was based on a combination of results achieved and individual performance. Further information on the variable remuneration paid in cash is found in the Annual Report 2012.

Kinnevik offers long-term equity-based incentive programmes for executive management and other key employees in Kinnevik. The long-term incentive programmes are performance-based and require the participant to own shares and remain in the employment of Kinnevik. Further information on the long-term incentive programmes such as outcome, participation ratio, number of issued and outstanding instruments etc. is found in the Annual Report 2012 and on the Company's website at www.kinnevik.se.

Evaluation of programmes for variable remuneration

The development of the programmes for variable remuneration is evaluated by the Remuneration Committee on a continuous basis throughout the year, and the programmes' expected outcome are reported to the Board and discussed at Board meetings. The Remuneration Committee also monitors to what extent the executive management and other key employees participate in the programmes. The evaluation of the programmes for variable remuneration has shown that:

- the programmes are well in line with the shareholders' interests;
- the programmes are considered to be important to help attract, motivate and retain the competence needed in the executive management;
- long-term share-related incentive programmes have a positive effect on Kinnevik Group's development and thus are beneficial for both Kinnevik and its shareholders; and
- future long-term incentive programmes shall also be share-related as well as performance-based and require a personal investment in Kinnevik shares by the participant.

Evaluation of the guidelines for remuneration to the senior executives and the current remuneration structure and levels of remuneration in Kinnevik

The evaluation, and the review of the external auditor, has resulted in the conclusion that the guidelines for remuneration for senior executives that the 2011 and 2012 Annual General Meetings established have been applied on such remuneration in the Company during the year.

The Board of Director's view is that the remuneration to the CEO and the other members in the executive management strikes an appropriate balance between motivating the members of the executive management and achieving a well-balanced competitive compensation that aligns the members' incentives with the interests of Kinnevik and the shareholders.

Stockholm, April 2013

INVESTMENT AB KINNEVIK (PUBL)

THE BOARD OF DIRECTORS