

Investment AB Kinnevik



INVESTMENT AB KINNEVIK (PUBL)
DOCUMENTATION TO THE ANNUAL GENERAL MEETING –
MONDAY 12 MAY 2014, 10.00 A.M, CET

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1. Investment AB Kinnevik Nomination Committee's motivated opinion regarding the proposal for election of the Board at the 2014 Annual General Meeting

Kinnevik Nomination Committee

In accordance with the resolution of the 2013 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 elected 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's proposes that the Board shall have the following composition:

- The Board shall consist of seven members.
- The re-election of all current members of the Board except Lorenzo Grabau and Allen Sangines-Krause who have declined re-election.
- The election of John Shakeshaft as new member of the Board.
- The re-election of Cristina Stenbeck as Chairman of the Board.

The Nomination Committee's proposal is thus that the following persons are elected to the Board of Kinnevik for a term of office until the end of the next Annual General Meeting:

- Cristina Stenbeck, Chairman of the Board
- Tom Boardman
- Vigo Carlund
- Dame Amelia Fawcett
- Wilhelm Klingspor
- Erik Mitteregger
- John Shakeshaft

The Nomination Committee's motivated opinion regarding the proposal

The Nomination Committee held 5 meetings, with additional discussion in between the meetings. As the basis for its work, the Nomination Committee reviewed the Company's position, its future strategic priorities, the written evaluation of the Board's work, as well as the one of the Chairman of the Board. The discussion focused on the overall Board composition as well as on the expertise required from individual members. The assessment focused on the current Board members' experience and expertise and on the need for a balanced contribution between generalists and sector specific experts.

The current Board has a balanced contribution of financial and operational skills, good insight into Kinnevik's portfolio of investee companies, and a valuable perspective originating from other companies operating in key regions where Kinnevik is active. The Board also has a good mix of shareholder representation, and relevant investment and capital allocation experience from several important geographies.

Having been notified by Lorenzo Grabau and Allen Sangines Krause of their intention not to seek re-election, the Nomination Committee has concluded to propose for re-election six of the existing Board members and to strengthen the Audit Committee by recruiting John Shakeshaft, an experienced and seasoned Audit Committee Chairman who has served for more than 10 years on the Board of one of Kinnevik's core listed holdings, Tele2. The Nomination Committee has concluded that John Shakeshaft's experience in financial services, recent leadership roles across a number of Audit Committees and his capabilities in assessing and managing risk will be of significant benefit to Kinnevik's Audit Committee.

The Nomination Committee has also concluded to propose to re-elect Cristina Stenbeck as Chairman of the Board.

The Nomination Committee is of the opinion that the proposed Board includes individuals that possess strong individual experience of strategically important areas for Kinnevik, such as the management of listed and unlisted companies, as well as geographic markets and sector specific competencies. In its work, the Nomination Committee has considered and discussed the importance of diversity on the Board, including gender, age, nationality, and professional backgrounds and business disciplines. In the view of the Nomination Committee, the composition of the proposed Board is fit-for-purpose in this respect, as it reflects a wide range of nationalities and backgrounds, and a solid mix of men and women with highly relevant skill-sets to match the priorities of the Company.

Election of John Shakeshaft

John Shakeshaft brings to the Kinnevik Board an excellent combination of both financial services and telecom experience. He also brings a deep understanding of audit, risk assessment and compliance processes, as well as relevant valuation experience that will contribute to the Audit Committee's work. As Lorenzo Grabau and Allen Sangines-Krause have both declined re-election, it is proposed that John Shakeshaft will Chair an Audit Committee of three individuals, working with current members Erik Mitteregger and Tom Boardman.

John Shakeshaft has over twenty-five years of global financial services expertise, having held various leadership positions at ABN AMRO (2004-2006), Cardona Lloyd (2002-2004), Lazard LLC (2000-2002) and Barings Bank (1994-2000). John Shakeshaft has also been the Chairman of Ludgate Environmental Fund Ltd since 2007, Board member of Tele2 AB since 2003, Board member of Economy Bank NV since 2004, Board member of TT Electronics Inc since 2007, member of the investment committee of Corestone AG since 2006 and Investment Director of Valiance LLP since 2007. John Shakeshaft is also a member of the Council of Cambridge University. John Shakeshaft holds a master's degree from Cambridge University.

Statement of independence

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 proposal for the 2014 Annual General Meeting the Nomination Committee has assessed that all proposed members of the Board are independent of the Company and its management. Six out of the seven members of the Board 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 of 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 affect the Directors' independence in relation to Kinnevik. As Kinnevik is an investment company that owns leading ownership stakes in most of its investee companies, the Nomination Committee believes that it is actually a fundamental advantage to have Kinnevik Directors represented on several of its investee companies' Boards or regional Advisory Boards.

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 2014

INVESTMENT AB KINNEVIK (PUBL), THE NOMINATION COMMITTEE

2. Information about the proposed directors of the Board

Cristina Stenbeck, Executive 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. Cristina owns 50% directly and indirectly in Verdere S.à r.l., which owns 29.5 million Kinnevik Class A shares. Verdere S.à r.l. controls 44.8% of the votes and 10.6% of the capital in Kinnevik.

Committee work: Member of the Remuneration Committee.

Cristina Stenbeck is the Executive Chairman of Investment AB Kinnevik. Cristina began her career within the Kinnevik group in 1997 when she joined the Board of Invik & Co, its financial services company. Cristina became vice Chairman of Investment AB Kinnevik in 2003 and Chairman in 2007. In addition to leading Kinnevik, Cristina is also Chairman of Zalando, the leading European fashion and accessories e-commerce company. Over the last several years, she has also served on the Boards of Millicom International Cellular, Tele2, Modern Times Group, Transcom WorldWide and Metro International. Cristina chairs the Nomination Committees of Investment AB Kinnevik, Millicom International Cellular, Tele2, Modern Times Group, and CDON Group which spearhead the recruitment of new Directors for each of these companies' Boards.

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 since 2010, Royal Bafokeng Holdings since 2010 and African Rainbow Minerals since 2011. Tom held various managerial positions within the South African mining, timber and retailing industries 1973-1986. During 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 since 2011 and Black Earth Farming since 2012. He also serves as Director of the Board of iZettle since 2010. Vigo worked within the Kinnevik Group 1968-2006 and was CEO of Korsnäs 1998-2000, and President and CEO of Transcom WorldWide 2000-2002 as well as Industriförvaltnings AB Kinnevik and later Investment AB Kinnevik 1999-2006.

Dame Amelia Fawcett

Born: 1956

Nationality: US and British citizen.

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

Direct or related person ownership: 10,000 Class B shares.

Committee work: Chairman of the Remuneration Committee.

Dame Amelia has been Director of the Board of Investment AB Kinnevik since 2011, and she was appointed Deputy Chairman in 2013. She is Chairman of the Hedge Fund Standards Board since 2011, a Non-Executive Director of State Street Corporation in Boston, USA since 2006 and Chairman of their Risk and Capital Committee since 2010, and a Non-Executive Member of the Board of the UK Treasury 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. She was a Non-Executive Director of Guardian Media Group 2007-2013, and Chairman 2009-2013.

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.

Wilhelm Klingspor

Born: 1962

Nationality: Swedish citizen.

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

Direct or related person ownership: 1,265,474 Class A shares and 780,071 Class B shares.

Committee work: Member of the Remuneration Committee (Chairman during 2013).

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

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 since 2009, Chairman of the Board of Firefly since 2013, and is a Director of the Board of Tele2 since 2010. Erik was founding partner and Fund Manager at Brummer & Partners Kapitalförvaltning 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.

John Shakeshaft, proposed new Non-Executive Director

Born: 1954

Nationality: British citizen.

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

Direct or related person ownership: -

John Shakeshaft has over twenty-five years of global financial services expertise, having held various leadership positions at ABN AMRO (2004-2006), Cardona Lloyd (2002-2004), Lazard (2000-2002) and Barings Bank (1994-2000). John Shakeshaft has also been the Chairman of Ludgate Environmental Fund since 2007, Board member of Tele2 since 2003, Board member of Economy Bank since 2004, Board member of TT Electronics since 2007, member of the investment committee of Corestone since 2006 and Investment Director of Valiance since 2007. John Shakeshaft is also a member of the Council of Cambridge University.

John Shakeshaft holds a master's degree from Cambridge University.

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

The Board hereby presents the following statement in accordance with Ch 18 Sec 4 and Ch 19 Sec 22 of the Swedish Companies Act. The Board's reasons for the proposed dividend and the authorisation 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 2013 is stated in the Annual Report for the financial year 2013. 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 65,276 million as per 31 December 2013 and the Parent Company's unrestricted equity totalled SEK 38,250 million.

The proposed dividend of SEK 7.00 per share amounts to no more than SEK 1,942,053,386. The proposed dividend constitutes 3.0 percent of the Group's equity and 5.1 percent of the Parent Company's unrestricted equity. The Group's equity/assets ratio amounted to 97 percent prior to the proposed dividend and 97 percent after the dividend has been taken into account. At the same date, the Group's liquidity reserve, including available credit facilities, totalled SEK 9,897 million and the debt/equity ratio was 0.02.

The proposal to repurchase shares means that the Board 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 purpose of the authorisation is to give the Board flexibility to continuously decide on changes to the capital structure during the year and thereby contribute to increased shareholder value and to ensure delivery of Class B shares to the participants under the Call Option Plan.

The proposed dividend and authorisation 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 to ensure delivery of Class B shares under the proposed Call Option Plan 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 2014

INVESTMENT AB KINNEVIK (PUBL)

THE BOARD



Auditors' report in accordance with Chapter 8, Section 54 of the Swedish Companies Act (2005:551), regarding compliance with the guidelines for remuneration to senior executives approved by the Annual General Meeting

To the Annual General Meeting of the Shareholders in Investment AB Kinnevik (publ), Corporate Identity Number 556047-9742

We have audited whether the Board of Directors and the President of Investment AB Kinnevik (publ) have complied with the guidelines for remuneration to senior executives during the financial year 2013 which were approved by the Annual General Meeting on May 7, 2012 and by the Annual General Meeting on May 13, 2013.

Responsibilities of the Board of Directors and the President

The Board of Directors and the President are responsible for compliance with these guidelines and for such internal control as the Board of Directors and the President determine is necessary to enable compliance with these guidelines.

Auditor's responsibility

Our responsibility is to express an opinion, based on our audit, to the Annual General Meeting as to whether the guidelines have been complied with. We conducted our audit in accordance with FAR's standard RevR 8 *Audit of Remuneration to Senior Executives in Listed Companies*. This standard requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the guidelines have, in all material aspects, been complied with.

Our audit has included a review of the organization for and the documentation supporting the remuneration to senior executives as well as new decisions related to compliance with the guidelines. Our procedures have also included testing a sample of payments during the year to senior executives. The procedures selected depend on the auditor's judgment, including the assessment of the risks of whether the guidelines have not, in all material aspects, been complied with. In making those risk assessments, the auditor considers internal control relevant to the compliance of the guidelines in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

We believe that our audit procedures provide a reasonable basis for our opinion, as set out below.

Opinion

In our opinion, the Board of Directors and the President of Investment AB Kinnevik (publ) have, during the financial year 2013 complied with the guidelines for remuneration to senior executives which were approved by the Annual General Meeting on May 7, 2012 and by the Annual General Meeting on May 13, 2013.

Stockholm, April 2, 2014

Deloitte AB

Signature on Swedish original

Jan Berntsson
Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

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)

Kinnevik Remuneration Committee

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

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

The remuneration to the executive management have during 2013 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 adjusted to conditions on the market.

The maximum outcome for variable salary paid in cash (STI) during 2013 was 75 percent of the fixed salary and was based on a combination of outcome in relation to established targets and individual performance. Information regarding the variable remuneration paid in cash is found in the Annual Report 2013.

For executive management and other key employees in Kinnevik there are long-term share related incentive programs (LTI). Information regarding the LTI such as outcome, participation ratio, number of issued and outstanding instruments etc. is found in the Annual Report 2013 and on the Company's website at www.kinnevik.se.

Evaluation of programmes for variable remuneration

The Remuneration Committee follows and evaluates the STI and LTI and the expected outcome has been reported to the Board and discussed at Board meetings. Also, the Remuneration Committee monitors to which extent the executive management and other key employees participates in the ongoing long-term share related programs LTIP 2011, LTIP 2012 and LTIP 2013.

Prior the Annual General Meeting 2014 the Remuneration Committee has initiated a more thorough evaluation of the LTI. The evaluation was made from a number of perspectives; the employees' motivation and alignment of interest with shareholders, shareholder value and simplification. The evaluation has resulted in that the Board now proposes that the Annual General Meeting 2014 resolves to adopt two new LTI plans, a call option plan and a synthetic share option plan. These two new plans are proposed to replace the previous long-term share related incentive plan.

The call option plan is proposed to include all employees in the Kinnevik organisation. The objectives of the call option plan are both to facilitate that employees build up a significant personal shareholding in Kinnevik, and to further relate the employees remuneration to the long-term value growth of the Kinnevik-share and in so doing increase the alignment between the interests of the employees with those of the shareholders. The synthetic share option plan is proposed to include certain members of the executive management and key persons in the Kinnevik organisation working with Kinnevik's investments in unlisted companies. The objectives are to create a long-term incentive that is appropriate for, and related to, the long-term value growth in Kinnevik's unlisted investments.

Evaluation of the guidelines for remuneration to the senior executives

The Remuneration Committee's evaluation, and the review carried out by the auditor, has resulted in the conclusion that the guidelines for remuneration for senior executives established at the 2012 and 2013 Annual General Meetings have been applied on such remuneration in the Company during the year.

Evaluation of remuneration structure and levels of remuneration in Kinnevik

The Remuneration Committee's evaluation has resulted in that the Board made the assessment that the current remuneration structure and levels of remuneration to the executive management have had a positive effect on Kinnevik. However, the Board considers the proposed remuneration structure and levels of remuneration for LTI to the executive management to a greater extent aligns the executive management's incentive with the shareholders' interest and strikes a better balance between motivating the members of the executive management and achieving a well-balanced competitive compensation that will facilitate to attract, motivate and retain key persons in the Kinnevik organisation.

Stockholm, April 2014

INVESTMENT AB KINNEVIK (PUBL)

THE BOARD