

*Please note – this is an unofficial translation of the Swedish original*

**Agenda proposal for the Annual General Meeting of Fabege AB (publ),  
Thursday 25 March 2021 at 3:00 pm CET.**

1. Opening of the Meeting.
2. Election of Chairman of the Meeting. **Appendix A**
3. Preparation and approval of voting list. **Appendix B**
4. Approval of the agenda. **Appendix C**
5. Election of one or two persons to verify the minutes.
6. Determination of whether the Meeting has been duly convened.
7. Presentation of the Annual Report and the Auditors' Report, as well as the Consolidated Financial Statements and the Consolidated Auditors' Report. In connection, a presentation by the Chief Executive Officer. **Appendix D**
8. Resolutions regarding
  - a) adoption of the Profit and Loss Account and Balance Sheet, as well as the Consolidated Profit and Loss Account and Consolidated Balance Sheet,
  - b) allocation of the company's profit in accordance with the adopted balance sheet.  
**Appendix E**
  - c) discharge from liability of the Board of Directors and the Chief Executive Officer, and
  - d) record date, should the Meeting decide on dividend payment. **Appendix E**
9. Resolution on the number of Directors and, in connection, a presentation by the Nominating Committee of its work. **Appendices A and F**
10. Determination of remuneration of the Board of Directors and auditors, **Appendix G**
11. Election of Board members and Chairman of the Board. **Appendix H**
12. Election of auditors. **Appendix I**
13. Resolution on guidelines for the composition of the Nominating Committee. **Appendix J**
14. Resolution on principles for remuneration of Company Management. **Appendices K and L**
15. Approval of Remuneration Report. **Appendices M**
16. Resolution authorising the Board of Directors to decide on acquisition of own shares and transfer such treasury shares to other parties. **Appendix N**
17. Resolution on amendments to the articles of association. **Appendix O**
18. Other items.
19. Closing of the Meeting.

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## **Item 2 and 9 – Election of Chairman of the Annual General Meeting and resolution concerning the number of Board members – Revision**

The Nominating Committee for Fabege AB (publ), comprising Bo Forsén, (Backahill AB), Thomas Ehlin (Fjärde AP-fonden), Eva Gottfridsdotter-Nilsson (Länsförsäkringar fondförvaltning) and Peter Guve (AMF Pension), which jointly represents 26 per cent of the shares and votes in Fabege at 31 December 2019, proposes the following:

### **Item 2 – Election of Chairman of the Meeting**

The Nominating Committee proposes that the Annual General Meeting resolve to elect Jan Litborn as Chairman of the Annual General Meeting.

### **Item 9 – Resolution concerning the number of Directors**

The Nominating Committee proposes that the Annual General Meeting resolve that the number of Directors be six, with no deputy members.

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Stockholm, February 2020  
Fabege AB (publ)  
Nominating Committee

## Appendix B

*Please note – this is an unofficial translation of the Swedish original.*

### **Item 3 – Preparation and approval of the voting list**

The voting list will be prepared at the Annual General Meeting.

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Stockholm, February 2020  
Fabege AB (publ)  
Board of Directors

## Appendix C

*Please note – this is an unofficial translation of the Swedish original.*

### **Item 4 – Approval of the agenda**

1. Opening of the Annual General Meeting.
2. Election of Chairman of the Meeting.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Election of one or two persons to verify the minutes.
6. Determination of whether the Meeting has been duly convened.
7. Presentation of the Annual Report and the Auditors' Report, as well as the Consolidated Financial Statements and the Consolidated Auditor's Report. In connection, a presentation by the Chief Executive Officer.
8. Resolutions regarding
  - a) adoption of the Profit and Loss Account and the Balance Sheet, as well as the Consolidated Profit and Loss Account and Consolidated Balance Sheet,
  - b) allocation of the company's profit in accordance with the adopted Balance Sheet,
  - c) discharge from liability of the Board of Directors and the Chief Executive Officer, and
  - d) record date, should the Meeting decide on dividend payment.
9. Resolution on the number of Directors and, in this connection, a presentation by the Nominating Committee of its work.
10. Determination of remuneration to the Board of Directors and auditors.
11. Election of Board members and Chairman of the Board.
12. Election of auditors.
13. Resolution on guidelines for the composition of the Nominating Committee.
14. Resolution on principles for remuneration of Company Management.
15. Approval of Remuneration Report.
16. Resolution authorising the Board of Directors to decide on acquisition of own shares and transfer such treasury shares to other parties.
17. Resolution on amendments to the articles of association.
18. Other items.
19. Closing of the Meeting.

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**Item 7 – Presentation of the Annual Report and the Auditors’ Report, as well as the Consolidated Financial Statements and the Auditor’s Report on the Consolidated Financial Statements.**

The Annual Report documents are available on the company’s website, [www.faberge.com](http://www.faberge.com), from February 25, 2020. The documents will also be available at the Annual General Meeting.

The documents will also be sent to shareholders who requested them.

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Stockholm, February 2020  
Faberge AB (publ)  
Board of Directors

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## **Items 8 b) and 8 d) – Resolution on dividend and record date**

The Board of Directors proposes that the Annual General Meeting resolve to approve a dividend payment of SEK 3.20 per share for 2019, to be paid on two occasions of each SEK 1.60 per share. The proposed record date for payment of the dividend is 6 April 2020 and 6 October 2020. Should the Annual General Meeting approve the motion, the dividend is scheduled to be distributed by Euroclear Sweden AB on 9 April 2020 and on 9 October 2020.

### ***Statement by the Board of Directors pursuant to Chapter 18, Section 4 of the Swedish Companies Act (2005:551)***

The Group's equity has been calculated in compliance with IFRS standards, as adopted by the EU, the interpretations of these (IFRIC) and Swedish law through the application of Recommendation RFR 2:1 from the Swedish Financial Reporting Board (Supplementary Accounting Rules for Corporate Groups). The Parent Company's equity has been calculated in accordance with Swedish law, applying recommendation RFR 2:2 of the Swedish Financial Reporting Board (Accounting for Legal Entities).

The Board of Directors has established that the company will have full coverage for its restricted equity after the proposed dividend. The Board of Directors considers that the proposed dividend is defensible based on the criteria contained in the second and third paragraphs of Section 3 of Chapter 17 of the Swedish Companies Act (nature, scope and risks of the business, consolidation requirements, liquidity and other financial circumstances). The Board would like to make the following comments pertaining thereto:

#### **Nature, scope and risks of the business**

The Board estimates that the company's and the Group's equity after the proposed dividend will be sufficient in view of the nature and scope of the business and the associated risks. In drawing up its proposal, the Board has taken account of the company's equity/assets ratio, historical and budgeted performance, investment plans and the general economic environment.

#### **Consolidation requirements, liquidity and other financial circumstances**

##### *Consolidation requirements*

The Board of Directors has made a general assessment of the company's and the Group's financial position and its ability to meet its obligations. The proposed dividend constitutes 7.2 per cent of the company's equity and 2.6 per cent of consolidated equity. The stated target for the Group's capital structure is a minimum equity/assets ratio of 35 per cent, and it is estimated that the Group will be able to maintain an interest coverage ratio of at least 2.2 also after the proposed dividend. In view of the current situation on the property market, the equity/assets ratio of the company and the Group is favourable. Against this background, the Board considers that the

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company and the Group are in a good position to take advantage of future business opportunities and withstand any losses that may be incurred. Planned investments have been taken into account in the proposed dividend payment. Nor will the dividend have any significant impact on the company's or the Group's ability to make further commercially motivated investments in accordance with the adopted plans. In the Parent Company, some assets and liabilities have been measured at fair value in accordance with Chapter 4, Section 14 of the Swedish Annual Accounts Act. The impact of this measurement, which increased equity in the Parent Company by SEK -304m (-116), has been taken into account.

### *Liquidity*

The proposed dividend will not affect the company's and the Group's ability to meet its payment obligations in a timely manner. The company and the Group have good access to liquidity reserves in the form of short and long-term credit. Agreed credit lines can be drawn at short notice, which means that the company and the Group are well prepared to manage variations in liquidity as well as any unexpected events.

### *Other financial circumstances*

The Board of Directors has assessed all other known circumstances that may be significant for the company's and the Group's financial position and that have not been addressed in the above. No circumstance has been discovered in the course of the assessment that would cast doubt on the defensibility of the proposed dividend.

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Stockholm, February 2020

Fabege AB (publ)  
Board of Directors

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## **Item 9 – Report on work of Fabege AB’s nominating committee ahead of the Annual General Meeting 2020**

### **Background**

On 30 September 2019, it was announced that a Nominating Committee had been formed with representatives of the largest shareholders that had accepted the invitation to participate in accordance with a resolution at Fabege’s 2019 Annual General Meeting. The members appointed to the Nominating Committee are: Bo Forsén (Backahill AB), Thomas Ehlin (Fjärde AP-fonden), Eva Gottfridsdotter-Nilsson (Länsförsäkringar fondförvaltning) and Peter Guve (AMF Pension). Bo Forsén has served as Chairman of the Committee. The four owners represent a combined total of approximately 26 per cent of the voting rights of Fabege at 31 December 2019. The Nominating Committee fulfils the requirements of the Code of Corporate Governance pertaining to composition and independence.

The task of the Nominating Committee is to submit proposals to Fabege’s 2020 Annual General Meeting concerning the following:

- Election of Chairman of the Meeting
- Election of Directors
- Election of Chairman of the Board
- Election of Auditor
- Fees to be paid to Directors
- Fees to be paid to Auditors
- Resolution concerning principles for composition of the Nominating Committee

### **Nominating Committee’s work**

The Nomination Committee has held five minute meetings and held regular contact in between. As a basis for the work, the independent board members have been interviewed and given their views on how the board work is conducted. The Nomination Committee has also met the company's Chairman of the Board to discuss the composition and working methods of the Board.

After having discussed the size and composition of the Board of Directors, the Nominating Committee proposes that the Board shall comprise six elected members without deputies. It is the Nominating Committee's opinion that the competencies and experience of the Board members therefore meet the requirements that can be placed. The Nomination Committee aims to achieve equal gender distribution and the proposal maintains the balanced gender distribution on the board which will consist of three women and three men.

The Nominating Committee proposes re-election of Directors Anette Asklin, Märtha Josefsson, Jan Litborn, Per-Ingemar Persson, Mats Qviberg and new elect Emma Henriksson. Eva



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Eriksson has declined re-election. Furthermore the Nominating Committee proposes election of Jan Litborn as Chairman of the Board.

The Nominating Committee has also discussed the independence of the Directors. The proposal concerning membership of the Fabege Board complies with the prevailing requirements in terms of the Directors' independence in relation to the company, company management and the company's major shareholders.

A more detailed presentation of the proposed Directors is available on the company's website, [www.fabege.com](http://www.fabege.com) (in Appendix H to Item 11 in the proposed agenda for the 2020 Annual General Meeting).

With respect to the fees to be paid to Directors, the Nominating Committee proposes that fees total SEK 2,100,000 (2,100,000), to be distributed as follows:

SEK 550,000 (550,000) to the Chairman of the Board,  
SEK 240,000 (240,000) to other Directors,  
SEK 200,000 (150,000) as remuneration for work conducted by the Audit Committee, with the chairman receiving SEK 100,000 (70,000) and each of the two members receiving SEK 50,000 (40,000) and  
SEK 150,000 (200,000) as remuneration for work conducted by the Remuneration Committee, with the chairman receiving SEK 70,000 (100,000) and each of the two members receiving SEK 40,000 (50,000).

The Nominating Committee proposes re-election of Deloitte AB as auditor, with Peter Ekberg as auditor-in-charge. The Nominating Committee also proposes that the Annual General Meeting resolve that remuneration to auditors be paid according to approved invoicing, as in the past.

The Nominating Committee proposes that the principles governing its composition prior to the 2021 Annual General Meeting remain the same. Accordingly, it is suggested it is suggested that the Nominating Committee consist primarily of one (1) representative from each of the four major shareholders and that the composition of the Nominating Committee be announced no later than six months prior to the Annual General Meeting. The Committee chairman will be the member who represents that largest shareholder.

## Appendix F

### **Summary of the Nominating Committee's proposals**

The Nominating Committee proposes that Fabege's 2019 Annual General Meeting resolves to:

- elect Jan Litborn as Chairman of the Meeting
- appoint six Directors and without deputies
- The Nominating Committee proposes the re-election of Anette Asklin, Märtha Josefsson, Jan Litborn, Per-Ingemar Persson, Mats Qviberg and new elect Emma Henriksson.
- election of Jan Litborn as Chairman of the Board
- election Deloitte AB with Peter Ekberg as auditor-in-charge
- approve Director fees totalling SEK 2,100,000, with the Chairman of the Board receiving SEK 550,000, each other Director SEK 240,000, the Audit Committee SEK 200,000 for the work it performs and SEK 150,000 for work in the Remuneration Committee.
- pay audit fees according to approved invoicing
- to clarify principles for the composition of the Nominating Committee

### **Nominating Committee's reasoned opinion ahead of Fabege AB's 2020 Annual General Meeting**

#### Reasoned opinion underlying the Nominating Committee's proposal concerning the election of Directors

The proposal made by the Nominating Committee of Fabege AB (publ) concerning the nominating of Directors is based on the following reasoning.

The Nomination Committee proposes that that the Board shall comprise six elected members without deputies. It is the Nominating Committee's view that the Board's expertise and experience thus meets the demands set. The Nomination Committee aims to achieve equal gender distribution and the proposal maintains the balanced gender distribution on the board which will consist of three women and three men.

The Nominating Committee has concluded that the proposed Board of Directors, taking into account the company's business, financial position and other circumstances, has an appropriate composition for being able to meet the requirements imposed by the company's operations. The Nominating Committee has thus paid particular attention to the company's strategic development, governance and control, as well as the requirements imposed by these factors on the Board's competency and composition.

In view of the above, the Nominating Committee has proposed election of Jan Litborn as Chairman of the Board and, re-election of the Directors Anette Asklin, Märtha Josefsson, Per-Ingemar Persson, Mats Qviberg and new elect Emma Henriksson.

The Nominating Committee has also discussed the independence of the Directors. The proposal concerning the election of Directors of Fabege satisfies the prevailing requirements in respect of the independence of Directors.

## Appendix F

The Nominating Committee's complete proposals are included in the official announcement of the Annual General Meeting. Additional information about the Directors is available on Faberge's website.

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Stockholm February 2020

Faberge AB (publ)

Nominating Committee

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## **Item 10 – Determination of remuneration of the Board of Directors and auditors – Revision**

The Nominating Committee for Fabege AB (publ), comprising Bo Forsén, (Backahill AB), Thomas Ehlin (Fjärde AP-fonden), Eva Gottfridsdotter-Nilsson (Länsförsäkringar fondförvaltning) and Peter Guve (AMF Pension), which jointly represents 26 per cent of the shares and votes in Fabege at 31 December 2019, proposes the following remuneration of the Board of Directors and auditors:

Directors' fees totalling SEK 2,100,000 (2,100,000) to be divided as follows:

- SEK 550,000 (550,000) to the Chairman of the Board,
- SEK 240,000 (240,000) to the other five Directors, not employed by the company
- SEK 200,000 (150,000) as remuneration for work in the Board's Audit Committee, to be distributed as SEK 100,000 (70,000) to the Chairman and SEK 50,000 (40,000) each to the two members.
- SEK 150,000 (200,000) as remuneration for work in the Board's Remuneration committee, to be distributed as SEK 70,000(100,000) to the Chairman and SEK 40,000 (50,000) each to the two members.

Furthermore, the Nominating Committee proposes the Annual General Meeting that remuneration to auditors, as in the past, be paid in accordance with approved invoicing.

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Stockholm, February 2020  
Fabege AB (publ)  
Nominating Committee

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## **Item 11 – Election of Board Members and Chairman of the Board – Revision**

### **The Nominating Committee’s proposal concerning the election of the Board Members and Chairman of the Board, Annual General Meeting 2019**

The Nominating Committee of Fabege AB (publ) comprising Bo Forsén, chairman (Backahill AB), Thomas Ehlin (Fjärde AP-fonden), Eva Gottfridsdotter-Nilsson (Länsförsäkringar fondförvaltning) and Peter Guve (AMF Pension), who jointly represent 26 per cent of the shares and votes in Fabege as per December 31, 2019, hereby proposes the following:

Re-election of Board Members: Anette Asklin, Märtha Josefsson, Jan Litborn, Per-Ingemar Persson, Mats Qviberg and new elect Emma Henriksson. Thereby it is proposed that the number of members of the Board amounts to six, without any deputies. Jan Litborn is nominated as Chairman of the Board.

#### **Anette Asklin**

*Born:* 1961.

Board Member since 2016.

*Other directorships:* Chairman of the Board of GU Ventures AB and RO Gruppen Förvaltning AB. Board member of Jernhusen AB, InhouseTech Göteborg AB and Fondstyrelsen at Göteborgs Universitet

*Education:* Bachelor’s degree in Business Administration.

*Shareholding:* 2,000

In accordance with the Swedish Corporate Governance Code, independent in relation to the company, the Group management and major shareholders.



#### **Emma Henriksson**

*Born:* 1975.

Proposed board member.

*Other directorships:* Board member of Fastighetsägarna Sverige.

*Education:* Bachelor’s degree in Business Administration and Community planning

*Shareholding:* 0

In accordance with the Swedish Corporate Governance Code, independent in relation to the company, the Group management and major shareholders.



**Märtha Josefsson**

*Born:* 1947.

Board Member since 2005.

*Other directorships:* Board member of Skandia Fonder AB and Investment AB Öresund.

*Education:* Bachelor's degree in Economics.

*Shareholding:* 241,920.

In accordance with the Swedish Corporate Governance Code, independent in relation to the company, the Group management and major shareholders.

**Jan Litborn**

*Born:* 1951

Chairman of the Board since 2018 Board Member since 2017.

*Other directorships:* Chairman of the Board in Arenabolaget i Solna AB, Erlandsson Holding AB, Logistea AB and I.A Hedin Bil AB. Board member of Anders Hedin Invest AB, Consensus Asset Management AB, Profi Förvaltning AB and Wihlborgs Fastigheter AB.

*Education:* LL.B (Lawyer) at Stockholm University, Stockholm School of Economics (no degree).

*Shareholding:* 25,000

In accordance with the Swedish Corporate Governance Code, independent in relation to the company, the Group management and major shareholders.

**Per-Ingemar Persson**

*Born:* 1956.

Board Member since 2018

*Other directorships:* Chairman of the Board of Northern Environmental and Water Solutions AB and ELU Konsult AB. Board member of Wihlborgs Fastigheter AB and Finja Prefab AB. In addition, a member of internal boards of the Veidekke Group.

*Education:* Master of Science in engineering

*Shareholding:* 2,000

In accordance with the Swedish Corporate Governance Code, dependent in relation to the company, the Group management and major shareholders.



**Mats Qviberg**

*Born:* 1953.

Board Member since 2001.

*Other directorships:* Chairman of the Board of Bilia AB and Investment AB Öresund.

*Education:* Bachelor's degree in Business Administration.

*Shareholding:* 6,300,364 shares with wife.

In accordance with the Swedish Corporate Governance Code, independent in relation to the company, the Group management and major shareholders.



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Stockholm, February 2020  
Fabege AB (publ)  
Nominating Committee

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## **Item 12 – Election of auditors**

The Nominating Committee of Fabege AB (publ) comprising Bo Forsén, chairman (Backahill AB), Thomas Ehlin (Fjärde AP-fonden), Eva Gottfridsdotter-Nilsson (Länsförsäkringar fondförvaltning) and Peter Guve (AMF Pension), who jointly represent 26 per cent of the shares and votes in Fabege as per 31 December 2019, in accordance with the recommendation of the Audit Committee, hereby proposes the following:

Election of the registered auditing firm of Deloitte AB as auditor, with Peter Ekberg as auditor-in-charge. The election will be valid until the 2021 Annual General Meeting.

### **Peter Ekberg**

Born: 1971.

Authorised Public Accountant at Deloitte AB.

Audit assignments in other major companies: Loomis AB, Swedish Match AB, and Svevia AB.

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Stockholm, February 2020  
Fabege AB (publ)  
Nominating Committee



## Appendix J

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### **Item 13 – Resolution on principles for composition of Nominating Committee**

The Nominating Committee of Fabeg AB (publ) proposes that the AGM decide upon the following principles for the composition of the Nominating Committee:

1. The Nominating Committee is to consist of a representative of each of the four largest shareholders. The Chairman of the Board of Directors shall make contact with the four largest shareholders in the Company in terms of votes according to Euroclear Sweden AB's printout of the share register as per 31 August, with each of them being given the opportunity to appoint a representative to the Nominating Committee. If a shareholder wishes to refrain from this, a place shall be offered to the next largest shareholder. In addition, the Nominating Committee can resolve that the Chairman of the Board of Directors of the company should be on the Nominating Committee. The names of the Nominating Committee's members and the shareholders they represent shall be published as soon as possible, no later than six months prior to the AGM. The Nominating Committee's term of office extends to when a new Nominating Committee has been appointed. The Chairman of the Nominating Committee shall be the member who represents the largest shareholder, unless the Nominating Committee resolves otherwise. The Nominating Committee shall carry out what is incumbent upon them under the Swedish Code of Corporate Governance.

2. In the event of significant changes in ownership among the largest shareholders, and if following this significant change, a new shareholder has come to be one of the four largest shareholders, the Nominating Committee shall offer this shareholder a place on the Nominating Committee by either resolving that the shareholder should replace the smallest shareholder after the change or resolving to expand the Nominating Committee by a further member. Shareholders that have appointed representatives to the Nominating Committee are entitled to discharge such members and appoint a new representative. Changes to the Nominating Committee must be published.

3. The Nominating Committee shall draft proposals regarding the following to be determined at the AGM:

- a. proposal for Chairman of the AGM
- b. proposal for the Board of Directors
- c. proposal for Chairman of the Board of Directors
- d. proposal for Board fees, divided between the Chairman and other members of the Board, and any remuneration for committee work
- e. proposal for auditors
- f. proposal for remuneration for the company's auditors
- g. any proposals for changes in principles for the composition of the Nomination Committee

At company meetings other than the AGM, the proposal of the Nominating Committee shall encompass the election(s) that are to take place at the meeting.

4. The company shall bear reasonable costs deemed necessary by the Nominating Committee in order for the Nominating Committee to complete its task. No fee will be paid to the members of the Nominating Committee.

## Appendix J

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Stockholm, February 2020  
Fabege AB (publ)  
Nominating Committee

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## **Section 14 - Decision regarding principles for remuneration to senior executives**

### **Board of Directors' proposals regarding guidelines on remuneration to senior executives**

These guidelines apply to the members of company management at Faberge. Company management is defined as the Chief Executive Officer (CEO) and members of the Executive Management Team. The guidelines shall be applied to remuneration that is agreed and changes that are made to already agreed remuneration after the guidelines are adopted at the Company's 2020 Annual General Meeting (AGM). The guidelines do not apply to remuneration approved at the AGM.

#### *Effect of the guidelines in promoting the Company's business strategy, long-term interests and sustainability*

Faberge works on sustainable urban development, with a primary focus on commercial properties within a limited number of well-located submarkets in the Stockholm area. Faberge creates value via management and upgrading of, and active work, on its property portfolio in order to grow the potential of its property portfolio.

- Faberge's overarching objective is - through its well-situated portfolio, its business model and its expertise - to create and realise values, in order to provide its shareholders with an overall return that ranks among the best of property companies on the Stockholm Stock Exchange.
- Faberge will create profitability by being a development-based and customer-led company
  - with committed employees
  - with satisfied clients
  - that is the natural choice for current and potential customers in the Stockholm market
  - that contributes to sustainable development in Stockholm and the UN's sustainable development goals.

To successfully implement the Company's business strategy and safeguard the Company's long-term interests, including its sustainability, the Company must be able to recruit and retain highly-qualified personnel. In turn, this requires the Company to be able to offer competitive remuneration. These guidelines make it possible to offer senior executives a competitive overall remuneration package.

The Company has not established any further incentive programmes with approval from the AGM other than the remuneration packages encompassed by these guidelines.

Variable cash remuneration encompassed by these guidelines shall aim to promote the Company's business strategy and long-term interests, including its sustainability.

#### *Forms of remuneration etc.*

Remuneration shall be in line with the market and may consist of the following components: fixed cash salary, variable cash salary, pension benefits and other (minor) benefits, as well as

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allocation(s) to the Company's profit-sharing fund. The AGM may in addition - and irrespective of these guidelines - approve, for example, share-based and share price related forms of remuneration.

The fixed salary is to be reviewed annually. It must be possible to measure and follow up attainment of criteria for payment of variable cash remuneration annually (over the calendar year). The variable cash remuneration may amount to a total of nine monthly salary payments, representing no more than 75 per cent of the fixed annual cash salary.

The retirement age is 65. Pension benefits are to be equivalent to the ITP supplementary pension plan for salaried employees in industry and commerce, or be contribution-based with a maximum contribution of 35 per cent of pensionable salary. The variable cash remuneration shall be included in the pensionable amount.

Where other benefits are paid, they shall represent a limited proportion of the fixed remuneration items. Other benefits may include, for example, life assurance, health insurance and use of a company car. Such benefits may amount to a total of no more than 10 per cent of the fixed annual cash salary.

The Company has a profit-sharing fund covering all employees of the Company. Allocations to the profit-sharing fund are based on the return on equity achieved and are capped at two base amounts per year per employee.

### *Termination of employment*

In the case of termination of employment by the Company, the period of notice must be no more than twelve months. Termination salary and severance pay must not exceed 24 monthly salary payments in total.

In the case of termination of employment by the employee, the period of notice must be no more than six months, with no right to severance pay.

### *Criteria for allocation of variable cash remuneration etc.*

The variable cash remuneration shall be linked to predetermined and measurable criteria that may be financial or non-financial. It may also be made up of individually-based quantitative or qualitative goals. The criteria shall be structured in such a way that they promote the Company's business strategy and long-term interests, including its sustainability, for example by being clearly linked to the business strategy or promoting the executive's long-term development. Responsibilities and performance outcomes that coincide with the interests of shareholders are to be reflected in the remuneration.

At present, the following criteria apply:

- 70 per cent of variable remuneration is based on goals achieved, such as operational goals, financial goals and sustainability goals.
- 20 per cent of variable remuneration is based on total return in the property portfolio.
- 10 per cent of variable remuneration is based on the amount by which the share price outperforms the benchmark index OMX Stockholm Real Estate GI over the year.

Outcomes for all goals are measured over the calendar year. When the measurement period for attainment of the criteria for payment of variable cash remuneration has ended, the Remuneration Committee shall determine the extent to which the criteria have been attained.

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As far as financial goals are concerned, the judgement shall be based on the latest financial information published by the Company.

Senior executives who receive variable remuneration undertake to make a long-term investment (for a period of at least three years) of at least two-thirds of this variable remuneration component after tax in shares in the Company. The aim is to encourage participation and commitment by offering senior executives the opportunity to become shareholders in a more structured manner. Variable remuneration to company management must not exceed a maximum total annual cost for the Company of around SEK 10 million (excluding social security fees), calculated on the basis of the number of persons who currently constitute senior executives.

### *Salary and employment conditions for employees*

During preparation of the Board of Directors' proposals for these remuneration guidelines, salary and employment conditions for the Company's employees have been taken into account by including details of total remuneration for employees, the components of remuneration and the increase in the remuneration and the speed of increase over time as part of the Remuneration Committee's and the Board's decision documentation in assessing the reasonableness of the guidelines and the restrictions arising from them. The trend of the gap between the remuneration paid to the senior executives and that paid to other employees will be reported on in the remuneration report.

### *Decision-making process for determining, reviewing and implementing the guidelines*

The Board of Directors has established a Remuneration Committee. The Committee's tasks include preparing the Board's decisions on proposals for guidelines on remuneration to senior executives. The Board shall draw up proposals for new guidelines every four years and shall present their proposals for resolution at the AGM. The guidelines shall be valid until new guidelines are adopted at the AGM. The Remuneration Committee shall also monitor and evaluate variable remuneration programmes for the company management, implementation of guidelines on remuneration to senior executives and prevailing remuneration structures and remuneration levels in the Company. The members of the Remuneration Committee are independent of the Company and the company management. During the Board's consideration of and decisions on remuneration-related matters, the CEO and other members of the company management - to the extent that they are concerned by such matters - are not present.

### *Departure from the guidelines*

The Board of Directors may decide to depart temporarily from the guidelines, wholly or in part, if in any individual case particular reasons exist to justify doing so and if such a departure is necessary to meet the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As stated above, the Remuneration Committee's tasks include preparing the Board's decisions on remuneration matters, including decisions on any departure from the guidelines.

### *Description of major changes to the guidelines and how the views of shareholders have been taken into account*

These guidelines have been prepared in accordance with the new requirements applying prior to the 2020 AGM. The link to the Company's business strategy and criteria for variable remuneration has been made clearer. Otherwise, the same guidelines as before apply, regarding both fixed and variable remuneration, other benefits, allocation to the Company's profit-sharing fund, conditions of employment etc.

## Appendix K

### *No remuneration commitments*

At the time of the 2020 AGM, the Company has no remuneration commitments that had not fallen due for payment, other than ongoing commitments on behalf of senior executives in accordance with the remuneration principles adopted at the 2019 AGM.

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Stockholm, February 2020  
Faberge AB (publ)  
Board of Directors

## Appendix L

### **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 Fabege AB (publ) <sup>1</sup> Corporate Identity Number: 556049-1523**

We have audited whether the Board of Directors and the managing director of Fabege AB (publ) have complied with the guidelines for remuneration to senior executives during the financial year 2019 which were approved by the Annual General Meeting on April 9, 2018 and by the Annual General Meeting on March 27, 2019.

#### *Responsibilities of the Board of Directors and the Managing Director*

The Board of Directors and the Managing Director are responsible for compliance with these guidelines and for such internal control as the Board of Directors and the Managing Director 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.

The audit firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of Fabege AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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 Managing Director of Fabege AB (publ) have, during the financial year 2018 complied with the guidelines for remuneration to senior executives which were approved by the Annual General Meeting on April 9, 2018 and by the Annual General Meeting on March 27, 2019 with exception for the agreement described in note 6 in the annual report for Fabege AB (publ) for the financial year 2019.

Stockholm February 25, 2020

Deloitte AB

*Signature on Swedish original*

Kent Åkerlund  
Authorized Public Accountant

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<sup>1</sup> 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.

*Please note – this is an unofficial translation of the Swedish original.*

**Item 15 – Resolution authorising the Board of Directors to decide on acquisition of own shares and transfer such treasury shares to other parties.**

A. The Board of Directors proposes that the Annual General Meeting resolve to authorise the Board to make decisions concerning acquisitions of the company’s own shares, subject to the following conditions:

1. Acquisitions may occur on the Nasdaq Exchange Stockholm.
2. Acquisitions may occur on one or more occasions, during the period until the next Annual General Meeting.
3. Acquisitions may not exceed a number of treasury shares that results in the Group’s total holdings after the acquisitions amounting to a maximum of ten (10) per cent of all shares in the company.
4. Acquisitions may occur at a price per share that is within the registered price interval at any time.
5. Payment for the acquired own shares must be in cash.

B. The Board of Directors proposes that the Annual General Meeting resolve to authorise the Board to transfer the company’s treasury shares subject to the following conditions:

1. Transfers may occur on the Nasdaq Exchange Stockholm or in another manner by disapplying the pre-emptive rights of existing shareholders.
2. Transfers may occur on one or more occasions during the period up to the next Annual General Meeting.
3. Transfers may occur of all treasury shares held by the company at the time of the Board’s decision.
4. Transfers may occur at a price per share that is within the registered price interval at any time.
5. Payment for transferred shares shall be in cash, in kind, through offsetting of the company’s debt or in another manner subject to terms and conditions.

The purpose of the authorisations according to A and B above is to continuously be able to adapt the company’s capital requirements and thereby improve shareholder value, and to be able to transfer shares as payment or for financing any property or business acquisitions.

***Statement by the Board of Directors in accordance with Chapter 19, section 22 of the Swedish Companies Act (2005:551)***

The Board of Directors proposes that the Annual General Meeting authorise the Board, during the period until the next Annual General Meeting, to acquire a maximum of ten per cent of all shares issued in the company. The company currently has no shares held in treasury.

Based on the grounds stated in the Board’s statement in accordance with Chapter 18, Section 4 of the Companies Act, pertaining to the proposed dividend, the Board finds that the proposed authorisation is justified with respect to the parameters stated in Chapter 17, Section 3, paragraphs 2 and 3 of the Companies Act (prudence rule).



## Appendix M

Accordingly, it is the opinion of the Board of Directors that the motion concerning authorisation is justified with respect to:

1. the requirements of the nature, scope and risks that the operations (of the company and the Group) impose on the size of the equity and
2. the company's and the Group's consolidation requirement, liquidity and position in general.

The Board of Directors is also to take into account that it is its duty, when exercising the authorisation, to prepare a new reasoned statement as to whether, considering the prevailing conditions, the acquisition of own shares being considered is justifiable pursuant to the provisions in Chapter 17, Section 3, paragraphs 2 and 3 of the Companies Act.

Resolution of this item in accordance with the Board of Directors' motion requires that the Annual General Meeting resolution be supported by no less than two thirds of the votes cast and the shares represented at the Annual General Meeting.

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Stockholm, February 2020  
Fabege AB (publ)  
Board of Directors

*Please note – this is an unofficial translation of the Swedish original.*

### **Item 15 – Resolution authorising the Board of Directors to decide on acquisition of own shares and transfer such treasury shares to other parties.**

A. The Board of Directors proposes that the Annual General Meeting resolve to authorise the Board to make decisions concerning acquisitions of the company's own shares, subject to the following conditions:

1. Acquisitions may occur on the Nasdaq Exchange Stockholm.
2. Acquisitions may occur on one or more occasions, during the period until the next Annual General Meeting.
3. Acquisitions may not exceed a number of treasury shares that results in the Group's total holdings after the acquisitions amounting to a maximum of ten (10) per cent of all shares in the company.
4. Acquisitions may occur at a price per share that is within the registered price interval at any time.
5. Payment for the acquired own shares must be in cash.

B. The Board of Directors proposes that the Annual General Meeting resolve to authorise the Board to transfer the company's treasury shares subject to the following conditions:

1. Transfers may occur on the Nasdaq Exchange Stockholm or in another manner by disapplying the pre-emptive rights of existing shareholders.
2. Transfers may occur on one or more occasions during the period up to the next Annual General Meeting.
3. Transfers may occur of all treasury shares held by the company at the time of the Board's decision.
4. Transfers may occur at a price per share that is within the registered price interval at any time.
5. Payment for transferred shares shall be in cash, in kind, through offsetting of the company's debt or in another manner subject to terms and conditions.

The purpose of the authorisations according to A and B above is to continuously be able to adapt the company's capital requirements and thereby improve shareholder value, and to be able to transfer shares as payment or for financing any property or business acquisitions.

#### ***Statement by the Board of Directors in accordance with Chapter 19, section 22 of the Swedish Companies Act (2005:551)***

The Board of Directors proposes that the Annual General Meeting authorise the Board, during the period until the next Annual General Meeting, to acquire a maximum of ten per cent of all shares issued in the company. The company currently has no shares held in treasury.

Based on the grounds stated in the Board's statement in accordance with Chapter 18, Section 4 of the Companies Act, pertaining to the proposed dividend, the Board finds that the proposed authorisation is justified with respect to the parameters stated in Chapter 17, Section 3, paragraphs 2 and 3 of the Companies Act (prudence rule).

## Appendix N

Accordingly, it is the opinion of the Board of Directors that the motion concerning authorisation is justified with respect to:

1. the requirements of the nature, scope and risks that the operations (of the company and the Group) impose on the size of the equity and
2. the company's and the Group's consolidation requirement, liquidity and position in general.

The Board of Directors is also to take into account that it is its duty, when exercising the authorisation, to prepare a new reasoned statement as to whether, considering the prevailing conditions, the acquisition of own shares being considered is justifiable pursuant to the provisions in Chapter 17, Section 3, paragraphs 2 and 3 of the Companies Act.

Resolution of this item in accordance with the Board of Directors' motion requires that the Annual General Meeting resolution be supported by no less than two thirds of the votes cast and the shares represented at the Annual General Meeting.

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Stockholm, February 2021  
Fabege AB (publ)  
Board of Directors

*Please note – this is an unofficial translation of the Swedish original*

## **Section 17 – Resolution on amendments to the articles of association**

The Board of Directors proposes that Articles 1 and 11 of the articles of association be amended to have the following wording:

**Art. 1** ~~The Company name~~ Company's name is Fabege AB. The Company is a public limited company (publ).

Current wording: The Company name is Fabege AB. The Company is a public limited company (publ).

**Art. 11** Shareholders wishing to participate in the business of the AGM must ~~be registered in the transcript of the entire share register pertaining to the conditions prevailing five working days prior to the AGM~~ and notify the Company of their intention, and that of no more than two assistants, to attend the meeting by no later than 4.00 pm on the day stipulated in the notice convening the AGM. This day may not be a Sunday, public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve, and may not fall earlier than the fifth working day prior to the AGM.

Current wording: Shareholders wishing to participate in the business of the AGM must be registered in the transcript of the entire share register pertaining to the conditions prevailing five working days prior to the AGM and notify the Company of their intention, and that of no more than two advisors, to attend the meeting by no later than 4.00 pm on the day stipulated in the notice convening the AGM. This day may not be a Sunday, public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve, and may not fall earlier than the fifth working day prior to the AGM.

The proposal is prompted by and constitutes adaptations relating to amendments made in the Swedish Companies Act (2005:551).

The Board of Directors also proposes that a new Article 14 be added to the articles of association, with the following wording:

**Art. 14** Prior to an Annual General Meeting (AGM), the Board of Directors may decide that the shareholders can exercise their voting rights by post before the AGM. Postal voting shall, if the Board of Directors so decides, also be possible by electronic means. The Board of Directors may collect powers of attorney in accordance with the procedure defined in Chapter 7. Article 4, second paragraph, of the Swedish Companies Act (2005:551). The Board of Directors may decide that individuals who are not shareholders in the Company shall, in accordance with conditions defined by the Board, be entitled to attend or otherwise participate in the Annual General Meeting.

The decision is prompted by the need to be able to conduct future annual general meetings in the same way as is possible today under the temporary Law (2020:198) on temporary exemptions to facilitate the conducting of annual general meetings for companies and organisations, even after expiry of this temporary law.

Appendix O

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Stockholm, February 2021

Fabege AB (publ)  
Board of Directors