

The English text is an unauthorized translation solely for convenience purposes. In case of inconsistencies between the Swedish and the English text, the Swedish text shall prevail.



Item 14

## **RESOLUTION TO ADOPT GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES**

The Board of Fastighets AB Balder (publ) (“Balder”) proposes that the AGM on May 12, 2021 decide on the following guidelines for the determination of salary and other remuneration for senior executives in Balder.

### **Guidelines for remuneration**

These guidelines include the members of Group Management in Balder.

The guidelines shall apply to remuneration that is agreed upon, and changes made to already agreed remuneration, after the guidelines have been adopted by the Annual General Meeting 2021. For clarification, it is emphasized that the guidelines do not include remuneration decided by the Annual General Meeting.

These guidelines also include Board members elected by the Annual General Meeting of Balder. Board members have the opportunity to receive cash compensation from the company in addition to board fees for services rendered for the company. Such remuneration may not exceed an amount corresponding to the Board fees decided by the Annual General Meeting.

### **Promoting Balder’s business strategy, long-term interests and sustainability**

Balder's overall business concept is to create value by acquiring, developing and managing commercial properties located in the central parts of the big cities and residential properties in locations that are growing and developing positively.

For further information on Balder’s business strategy, visit [www.balder.se](http://www.balder.se).

Balder shall have the remuneration levels and terms of employment required to recruit and retain the skills and qualified employees that are a prerequisite for Balder to successfully implement the company's business strategy and safeguard the company's long-term interests, including its sustainability. For this, Balder is required to offer market-based and competitive remuneration, and conditions for employment in general.

The remuneration in the form of fixed cash salary, pension benefits and other customary non-monetary benefits that Balder offers its employees is evaluated by Balder's Board as a whole. These guidelines enable senior executives to be offered a competitive total remuneration.

To date, the company has not established any long-term share-related incentive programs.

### **The forms of compensation etc.**

The remuneration to the CEO and senior executives shall consist of fixed cash salary, pension benefits and other customary non-monetary benefits.

#### **Fixed cash salary**

Each member of Group Management shall be offered a fixed cash salary that is market-based in relation to the degree of difficulty of the work, the manager's experience, skills, responsibility and qualitative performance. Fixed cash salary is generally audited annually.

#### **Variable cash compensation**

No variable remuneration shall be paid.

#### **Pension**

The CEO shall have a defined benefit pension agreement and the other senior executives shall be covered by defined levied pension plans. The pension premiums paid by the company shall amount to a maximum of 35 percent of the CEO's fixed annual cash salary, while the pension premiums for the other senior executives shall amount to a maximum of 25 percent.

#### **Non-monetary benefits**

Other customary non-monetary benefits may include, for example, health insurance, life insurance, health insurance and car benefit.

#### **Termination of employment**

In total, redundancy pay, and severance pay shall not exceed 18 months. When the employment agreement with the CEO is terminated, a mutual notice period of six months applies. In the event of termination of the employment agreement with the CEO by the company, 12 months' severance pay is payable which is not pension or holiday pay based. For others in the management group, a mutual notice period of six months applies. No severance pay is payable.

## **Salary and terms of employment for employees**

Balder has set up a remuneration committee that prepares the issue of guidelines on salary terms of employment for senior executives. In preparing the Board's proposal for these remuneration guidelines, and in evaluating the reasonableness of the guidelines and the limitations that follow, salary and terms of employment for the company's employees have been taken into account by taking into account information on employees' total remuneration, the composition of the remuneration and the increase and the rate of increase over time.

## **The decision-making process for establishing, reviewing and implementing the guidelines**

The Remuneration Committee has prepared the proposal for these guidelines, which the Board of Directors has subsequently decided to submit to the Annual General Meeting for resolution. The Remuneration Committee shall draw up proposals for new guidelines for remuneration to senior executives if necessary or at least every four years and submit the proposal for resolution at the Annual General Meeting.

The guidelines shall apply until new guidelines have been adopted by the Annual General Meeting. The Remuneration Committee shall also follow and evaluate programs for variable remuneration for company management, the application of guidelines for remuneration to senior executives, and applicable remuneration structures and remuneration levels in the company.

In the Board's treatment of and decisions on remuneration-related matters, the CEO or other members of the company management are not present, insofar as they are affected by the issues.

## **Departure from the guidelines**

The Board of Directors may decide to temporarily deviate from the guidelines in whole or in part, if there are special reasons for this in an individual case and 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, it is part of the remuneration committee's tasks to prepare the board's decision on remuneration issues, which includes decisions on deviations from the guidelines.

Gothenburg, April 2021

Fastighets AB Balder (publ)

The Board of Directors