

# Rules of Procedure for the Board of Directors of

Heimstaden Bostad AB (publ) (the “Company”)

reg. no. 556864-0873

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# Heimstaden

Enrich and  
Simplify Lives  
through  
Friendly Homes



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## Introduction

This procedure (the “**Procedure**”) shall apply to the work of the Board of Directors (the “**Board**”) of the Company (the Company together with its subsidiaries, the “**Group**”) and has been adopted to provide instructions for the Board and committees established by the Board in addition to what follows from the requirements imposed by

- the Swedish Companies Act (2005:551) (the “**Companies Act**”),
- the Swedish Annual Accounts Act (1995:1554) (the “**Annual Accounts Act**”),
- the Company’s articles of association,
- the shareholder’s agreement between Heimstaden Investment AB and the institutional investors, as amended from time to time (the “**SHA**”)
- any directions given by the general meeting,
- the Swedish Corporate Governance Code (the “**Code**”), and
- other Swedish and foreign laws and regulations, as applicable.

Certain provisions of such laws and regulations are included in this Procedure to facilitate their application.

Heimstaden Bostad AB contracts Heimstaden Group Manager AB (and subsidiaries, together the “**Manager**”) as group management, with i.a. responsibility for investment, asset, and strategic management. The Manager holds the strategic and administrative responsibility, and the Board performs oversight on the Manager’s execution of the Company’s key formal obligations. The responsibilities of the Manager are stipulated in a group management agreement (“**Group Management Agreement**”).

The Company has its own operational platform in each jurisdiction of scale operating under supervision from the Manager.

This Procedure is adopted in line with Clause 4.2 of the SHA and replaces the previously adopted Procedures for the Board. This Procedure is to be established and reviewed annually at the statutory (inaugural) Board meeting. Compliance with this Procedure is monitored by the Board. The Board members may submit observations and proposals for improvements to this Procedure and are obliged to report violations of it to the Board.

## 1 The Board’s tasks and responsibilities

The Board is to manage the Company’s affairs in the interest of the Company and indirectly all of its shareholders and relevant stakeholders.

The Board is responsible for the Company’s organization and the management of the Company’s affairs in accordance with this Procedure, the SHA and the Group Management Agreement.

The Board shall continuously assess the financial situation of the Company and the Group and ensure that the Company’s organization is structured in such a manner that the accounting, management of funds and the Company’s finances in general are controlled in a satisfactory manner.

The Board is to evaluate its work annually with the aim of developing the Board’s working methods and efficiency.

The tasks of the Board include, *inter alia*:

- (a) execute and oversee that the Company delivers on the overall objectives and strategy of the Company;

- (b) appointing, evaluating and, if necessary, dismissing the Chief Executive Officer of the Company (the “CEO”);
- (c) defining appropriate internal guidelines in internal steering documents on the Company’s ESG policy, with the aim of ensuring its long-term value creation capability;
- (d) ensuring that there is an effective system for follow-up and control of the Company’s operations and the risks to the Company that are associated with its operations;
- (e) ensuring that there is a satisfactory process for monitoring the Company’s compliance with laws and regulations relevant to the Company’s operations as well as the application of internal guidelines in internal steering documents;
- (f) procuring that share certificates are issued upon issue of new shares in the Company and that share certificates are deposited with an independent third party;
- (g) procuring that a copy of the Company’s share register is sent to each shareholder in the Company following an update of the share register; and
- (h) ensuring that Manager’s execution of the Company’s external communications is characterised by openness, and that they are accurate, reliable, and relevant.

## **1.1 Responsibilities of a Board Member**

A Board member is to devote the necessary time and care required to carry out the work of the Board, to ensure that it has the competence required, and to effectively safeguard and promote the interests of the Company and thereby indirectly its shareholders.

Each Board member is to form an independent opinion on each matter considered by the Board and to request whatever information he or she believes necessary for the Board to make well-founded decisions. Each Board member is to continuously acquire the knowledge of the Company’s operations, organisation, markets, etc., that is necessary to carry out the assignment.

At general meetings, the Chairperson of the Board and as many other Board members as possible shall be present, in order for the Board to constitute a quorum.

At annual general meetings, to the extent possible, all Board members shall participate.

## **1.2 The Board’s specific tasks in accordance with the Code**

The Board is to:

- continuously evaluate the work of the CEO. The Board is to examine this issue formally at least once a year, and no member of the executive management is to be present during this formal evaluation process.
- approve material assignments carried out by the CEO outside the Company.
- be responsible for ensuring that the Company has adequate internal controls.
- ensure that the Company has formalized routines to ensure that approved principles for financial reporting and internal controls are applied, and that the Company’s financial reports are prepared in accordance with laws, applicable accounting standards and other requirements for listed companies.
- execute and oversee that the Company delivers on the Company’s ESG policy, with the aim of ensuring its long-term value creation capability.

- identify how sustainability issues impact risks to, and business opportunities for, the Company.
- approve the annual audit plan from the Internal Audit function.
- meet the external auditor without the CEO or any other member of the executive management present, at least once a year.
- ensure that the Company's interim and annual reports are reviewed/audited by the external auditor. The frequency of the interim report reviews will be adapted to the capital market activity of the Company by the Board in line with the requirements in the Code.
- as part of the process of publishing the annual report, to prepare and publish a corporate governance report, including a sustainability report, and to ensure that these reports are reviewed or audited by the external auditor as applicable, as well as to ensure that the Company's website is compliant with applicable laws and regulations.

## **2 The work of the Board**

### **2.1 Composition of the Board**

Pursuant to the Company's articles of association, the Board shall consist of not less than three, and not more than fifteen, Board members. The Board shall not include deputy members.

Board Observers appointed in accordance with the SHA, shall be allowed to participate in ordinary and extraordinary Board meetings and shall be provided with the same information in relation to any Board meetings as the Board members.

### **2.2 Establishment of the Rules of Procedure for the Board**

At the meeting immediately following the annual general meeting, the statutory (inaugural) Board meeting, the Board is to review the relevance and appropriateness of this Procedure as well as to adopt the Procedure for the time period until the next statutory (inaugural) Board meeting.

Provided that the Board establishes committees, this Procedure is to set out the tasks and the decision-making powers that the Board has delegated to such committees as well as set out how the committees are to report to the Board. In addition, more detailed instructions may be issued by the Board to the respective committee.

### **2.3 Division of work within the Board**

Subject to what is stated in Sections 2.3 "*Division of work within the Board*", 2.4 "*Chairperson of the Board*", 2.5 "*Responsibilities of the Chairperson of the Board*" and 2.7 "*Committees*", all Board members are equally responsible for the Company's organization and the management of the Company's affairs.

The Board has allocated tasks to the Audit & GRC Committee in accordance with Section 2.7.2 "[Audit & Governance, Risk, and Compliance Committee](#)".

### **2.4 Chairperson of the Board**

The Chairperson of the Board is to be elected by the general meeting. If the Chairperson of the Board relinquishes the position during the mandate period, the Board is to request Heimstaden Investment AB to nominate a new Chairperson and convene an extraordinary general meeting. The Chairperson shall be nominated by Heimstaden Investment AB and approved by the Institutional Majority (as defined in the SHA). Any dismissal of the chairperson shall also be approved by the Institutional Majority (as defined in the SHA). The Chairperson shall not have a casting vote.

The Chairperson of the Board shall lead the Board meetings and elect one or more board secretaries based on a proposal from the Manager.

## **2.5 Responsibilities of the Chairperson of the Board**

The Chairperson of the Board is to ensure that the work of the Board is well organised, conducted efficiently and that the Board fulfils its obligations in accordance with Section 1 “*The Board’s tasks and responsibilities*”. The Chairperson of the Board shall manage and supervise the work of the Board. In particular, the Chairperson of the Board is to:

- (a) organise and lead the work of the Board, to create the best possible conditions for the Board’s activities including establishment of an annual board wheel for the board’s work (“Annual Board Wheel”).
- (a) ensure that new Board members receive the necessary introductory training and information about the Company, as well as any other training that the Chairperson of the Board and the Board member agree is appropriate;
- (b) ensure that the Board regularly updates and develops its knowledge of the Company and its operations;
- (c) ensure that the Board receives sufficient information and documentation to enable it to conduct its work;
- (d) in consultation with the CEO, draw up and propose agendas for the Board meetings;
- (e) verify that the Board’s resolutions are implemented;
- (f) ensure that the reporting quality and procedures are evaluated;
- (g) ensure that the Board on a yearly basis evaluates its work, including committee performance and the allocation of work between individual board members;
- (h) ensure that the Board on an ongoing basis evaluates the work of the CEO;
- (i) act as an ambassador for the Company, including through brand management together with the Manager and by participating in sourcing of transactions, financing and potential investors;
- (j) contribute and participate in equity and debt fundraising meetings;
- (k) ensure the Company’s and the Board’s compliance with the SHA, including through oversight of voting rules and procedures;
- (l) ensure oversight with the non-compete clause in the SHA;
- (m) oversee the Company’s and the Manager’s fulfilment of and compliance with the Group Management Agreement entered into between the Company and the Manager;
- (n) act as the Company’s representative in discussions with the Company’s shareholders; and
- (o) ensure the Company’s compliance with applicable regulatory and legal requirements, including in relation to market communication, third-party liabilities, processing of personal data, etc.

## 2.6 Responsibilities of the CEO

The CEO of the Company is responsible for the Company's day-to-day management in accordance with the provisions of the Companies Act, the Annual Accounts Act, the Company's articles of association, any directions given by the general meeting, the Instructions for the CEO established by the Board, the Group Management Agreement and other directions and guiding principles in internal steering documents established by the Board. In addition, the CEO shall apply the Code (including explaining any non-compliance with Code rules) and comply with other Swedish and foreign laws and regulations, as applicable.

In order for the Board to make well-founded decisions, the CEO is to, both prior to and between Board meetings, in consultation with the Chairperson of the Board and the board secretaries, provide the Board with the information and documentation necessary for its tasks and responsibilities.

The CEO's responsibilities are further described in the CEO Instruction and the Group Management Agreement.

## 2.7 Committees

### 2.7.1 General

The Board has established an Audit, Governance, Risk, and Compliance Committee (A&GRC) and the Board may establish additional committees. The work of the committees is of a preparatory and consultative character.

The committee is subordinated to the Board, and they do not discharge the Board members from any of their obligations and general responsibilities. The Board has the comprehensive responsibility and the sole right to resolve upon matters that may arise.

The committee shall report to the Board in writing by means of minutes from the meetings of the respective committee, preferably in connection with the disbursement of the Board Documentation (as defined below) prior to the next ordinary Board meeting according to Section 3.5 "*Preparation of matters for Board meetings*", if the time allows, as well as to give verbal reports at Board meetings as relevant.

### 2.7.2 Audit & Governance, Risk, and Compliance Committee (A&GRC)

The members of the Committee may not be employees of the Company. At least one member must have accounting or auditing qualifications. The majority of the members shall be independent of the Company and its executive management. At least one of the members who are independent of the Company and its executive management shall also be independent of the Company's major shareholders<sup>1</sup>.

Detailed instructions on the work of the Committee are set forth in the Instruction for the Audit, Governance, Risk, and Compliance Committee adopted by the Board.

## 3 Board Meetings

### 3.1 General

Board members may participate in meetings by phone, by a video link or otherwise. In addition, resolutions may be adopted by email or *per capsulam* provided that all Board members have given

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<sup>1</sup> Cf. Code: Major shareholders are defined as those controlling ten per cent or more of the shares or votes in the company.

their consent thereto and, in case of *per capsulam* resolutions, that all Board members sign the minutes.

### **3.2 Number of Board Meetings**

A statutory (inaugural) Board meeting shall be held in conjunction with the annual general meeting at which the Board members are elected.

In addition to the statutory (inaugural) Board meeting, the Board shall, between two annual general meetings, convene at least five times a year ("ordinary Board meetings"). The dates for the following year's ordinary Board meetings shall be set at the statutory (inaugural) Board meeting or as soon as possible thereafter.

Furthermore, the Chairperson of the Board shall procure that a Board meeting is held when necessary, requested by a Board Member or otherwise required according to the provisions of the Companies Act or the SHA.

### **3.3 Matters at Board Meetings**

The Board shall address and decide upon matters at Board meetings pursuant to the Annual Board Wheel as amended from time to time. The Annual Board Wheel shall be revised and approved by the Board annually at the last Board meeting of the Company's financial year.

The Board may not make a decision with regard to an essential matter that has not been on the agenda, unless the Board unanimously decides to do so. Any matter that constitutes Reserved Matters under the SHA, a list of which is attached hereto as Schedule 3.3 ("Reserved Matters"), shall be resolved in accordance with the terms of the SHA.

### **3.4 Notice summoning the Board**

The Chairperson of the Board shall procure that notice summoning the Board is given. Notice shall be sent via the digital "Board Portal" or Outlook Calendar invite, at least five business days prior to the meeting except (i) when all of the Board members agree to a shorter notice period or to waive the convening formalities or (ii) if, in the reasonable opinion of a Board member or a party to the SHA or the Manager, the interests of the Company or the Group would be likely to be adversely affected to a material extent if the business to be transacted at such Board meeting were not dealt with as a matter of urgency, in which case the Board members shall receive no less than two business days' prior written notice. The Chairperson shall seek to procure that Board members shall have the possibility to participate in and prepare themselves for the Board meeting.

Each notice of a Board meeting shall specify a reasonably detailed agenda and be accompanied by any relevant documents for the Board's work and for the Board to make well-founded decisions as further set out in section 6 (in the form of a so-called "board package" and other documentation as applicable, together "**Board Documentation**"). In addition, the Company shall supply the Board members with all information and documents reasonably required by the Board members to enable them or a party to the SHA to give proper consideration over a reasonable period to any proposed matter on which their approval or consent is sought or required under the terms of the SHA. All Board members and Board Observers shall be provided with the same information at the same time in relation to Board meetings.

### **3.5 Preparation of matters for Board Meetings**

The Chairperson of the Board shall procure that matters are properly prepared before the Board meetings and that satisfactory documentation in terms of comprehensive, relevant and quality assured documentation for the Board to make well-founded decisions is available at the Board Portal. If any

documentation is provided at the Board meeting, this documentation shall be shared with all Board members after the meeting at the Board Portal as a general rule.

### **3.6 Quorum and majority requirements**

The Board is a quorate where more than half of the total number of Board members and at least one Board member nominated by each entitled party to the SHA are present at a Board meeting. When determining whether the Board is quorate, Board members who have a conflict of interest as specified in Section 3.7 “*Conflict of interest*” shall not be eligible to vote and the conflict of interest be noted in the minutes. In case a quorum has not been achieved at a Board meeting, the Chairperson shall, by not less than three business days and not more than ten business days prior written notice to each Board member reconvene the meeting. If a Board member who was absent from the meeting, is not present at the reconvened meeting thereafter discussing the same matter, a quorum shall be considered to be attained without such Board members, provided in each case that a majority of the Board members is present at the meeting.

Resolutions may not be adopted unless all Board members, to the extent possible, have been given an opportunity to participate in the handling of the matter and have received satisfactory documentation in terms of comprehensive, relevant, and quality assured documentation for the Board to make well-founded decisions.

Subject to the specific majority requirements for Reserved Matters, resolutions are adopted by a simple majority vote of the Board members present. The Chairperson of the Board shall not have the casting vote. Where not all Board members are present at the meeting, those members who vote in favour of a resolution must constitute more than one-third of the total number of Board members, however subject to the quorum requirements set out above.

### **3.7 Conflicts of Interest**

A Board member may not participate in matters regarding:

- (a) agreements between the Board member and a Group company;
- (b) agreements between a Group company and a third party, where the Board member has a material interest in the matter which may conflict with the interests of the Group;
- (c) agreements between a Group company and a legal entity which the Board member is entitled to represent, whether alone or together with another person, unless the party contracting with the Group company is also a Group company; or
- (d) a Related Party Transaction affecting such Board member<sup>2</sup>.

What is stated regarding agreements in the previous paragraph shall apply also to litigation or other legal proceedings.

A Board member is obliged to notify the Board as soon as possible if there is a risk that a circumstance giving rise to a conflict of interest may exist.

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<sup>2</sup> In the SHA, a “Related Party Transaction” is defined as any agreement (written or oral), transaction, arrangement or dealing between on the one side; any Group company and on the other side; a Party, the Group Manager, the Founder or any Affiliate of any such person.

In addition, a Board member shall notify the Board as soon as possible of a circumstance that may incur a changed assessment of the Board member's independence in relation to the Company, the Company's management or the Company's major shareholders.

In the event the Board cannot resolve any matter due to a conflict of interest as specified in Section 3.7 "*Conflict of interest*", such matter shall instead be resolved by shareholder resolution.

### **3.8 Minutes at Board Meetings**

The Chairperson of the Board shall procure that minutes are kept at Board meetings. The minutes shall be verified by the Chairperson of the Board and one Board member nominated by each entitled party pursuant to the SHA, provided that such Board member was present at the meeting. If a Board meeting is held *per capsulam*, all board members shall sign the minutes electronically. The minutes shall reflect the matters discussed, the resolutions and the documentation that the Board had at its disposal. A member of the Board has the right to have a dissenting opinion noted in the minutes.

The minutes shall be kept in numerical order and be held available to each Board member via the Board Portal no later than in connection with the disbursement of the Board Documentation for the next ordinary Board meeting.

### **3.9 Corporate records**

The Chairperson of the Board is to ensure that records of all documents, which have been executed by the Board or the general meeting, as well as all other written material that has been made available to the Board or the general meeting, are kept and stored in a secure and structured manner.

### **3.10 Attendance at Board Meetings**

If the Board considers it appropriate, employees of the Company or others may be appointed to present a matter to the Board.

The external auditor shall attend Board meetings when deemed necessary by the Board with regard to the external audit of the Company's financial reports and the management of the Company's affairs, but at least once a year in connection with the Board's approval and signing of the annual report.

### **3.11 Confidentiality**

A Board member and Board Observer may not disclose any information not publicly known, received in the capacity as Board member or Board Observer, or in any other way, as regards matters that may harm the Company, to any person who is not a Board member, provided that a Board member may disclose such information to the entitled party that nominated him or her pursuant to the SHA.

A Board member may discuss matters with employees or external advisors of the Group if necessary, provided that no information that is intended only for the knowledge of the Board is shared and otherwise that information not necessary or intended to be discussed with such persons is shared. In case of uncertainty, the Chairperson of the Board shall be consulted prior to any such discussions.

A Board member shall keep documentation obtained in his or her capacity as a Board member in a manner that ensures that the information is not accessible to unauthorized persons. Accordingly, the Board members must comply with the following procedures with respect to information obtained in their capacity as Board members:

- (a) The information shall not be handled at locations or on computers, handheld devices or digital storage devices (such as mobile phones or tablets) where the information may be seen or accessed by unauthorized persons.
- (b) Storage compartments with locking devices shall be used where physical copies of the information are stored to prevent unauthorized persons from seeing or accessing the information.
- (c) The information shall not be printed on printers that allow unauthorized persons to see or access the information.
- (d) Extra care shall be used when talking about the information where there is a risk of being overheard by unauthorized persons as well as when sending the information by electronic communication such as email (in order to avoid sending the information to any unauthorized person).

A Board member shall, following the termination of the appointment, return to the Company all confidential documentation received in the capacity as Board member and still in his or her possession. In case the said Board member after termination of the appointment presents a legitimate reason for access to information related to the Board member's activities in relation to the Company, the Chairperson shall ensure access is granted to such information. The Board member shall return the information after fulfilment of the legitimate purpose. The confidentiality obligation is in force for the duration of the appointment as a Board member, as well as after the termination of such appointment.

#### **4 Inside information and external communication**

The Board shall ensure that the Company has internal steering documents regarding:

- (a) the handling of inside information, including routines for decisions on delayed disclosures of inside information, insider lists, the rights and possibilities to trade with securities issued by the Company for the Board members, the CEO and other employees on behalf of themselves or of a third party as well as the reporting of such transactions to the Swedish Financial Supervisory Authority; and
- (b) public announcements of inside information and other information that the Company is obliged to make public pursuant to applicable laws and regulations.

The Board shall upon proposal from the Manager appoint one person who shall be responsible for the Company's external communication and at least one additional person who can assist the responsible person in this work.

In connection with the handling of each matter, the Board shall consider whether the matter constitutes inside information. If the matter is deemed to constitute inside information, the Board shall, considering applicable laws and regulations and the routines set out in the Company's insider policy and communication policy, procure (i) that the information is disclosed to the public as soon as possible or (ii) if a decision is made to delay the disclosure of the inside information and that the Company keeps an insider list of all persons who have access to the inside information.

## 5 The relation with securities exchanges

The Board shall procure that the Company's obligations towards any applicable securities exchange, currently Euronext Dublin and Euronext Oslo (Oslo Stock Exchange), are fulfilled through its oversight of the Manager's obligations under the Management Agreement.

## 6 Reporting and information to the Board

### 6.1 Reporting for Board Meetings

The following matters shall, among other things as applicable, be included in the Board Documentation that is to be presented to the Board at every ordinary Board meeting:

**(a) Formalities:**

- (i) Opening of the meeting
- (ii) Approval of agenda and quorum
- (iii) Appointment of keeper of minutes

**(b) Review of the previous quarter, i.a:**

- (i) Quarterly Report
- (ii) Management Quarterly Review
  - (1) Financial performance
  - (2) Operational performance

**(c) Management View, i.a:**

- (i) Fairs and investments
- (ii) Funding and Liability Management
  - (1) liquidity plan and forecast

**(d) Other:**

- (iii) Items outside the day-to-day management of the Company, as defined in the Instruction for the CEO
- (iv) Reports from Management

The following matters shall, among other things as applicable, be included in the Board Documentation that is to be presented to the Board quarterly:

- (a) A draft interim report for public release, which shall at least include **the** information required by IAS 34 and the Annual Accounts Act, at the latest before the end of the second month following the end of the period to which the interim period relates.

The following matters shall, among other things as applicable, be included in the Board Documentation that is to be presented to the Board annually:

- (a) Update to long-term plan including objectives, strategies, risks as well as annual budget and targets.
- (b) A draft annual report for public release, including (i) a governance report, which shall include the information according to the requirements set out in the Annual Accounts Act and the Code, including the report on internal control with regard to financial reporting

and (ii) a sustainability report, which shall include the information according to the requirements set out in the Annual Accounts Act and the Code.

- (c) A draft plan for external financial reporting (the annual report and the interim reports), in such time that a financial calendar may be published on the Company's website prior to the start of each financial year.
- (d) Material from the external auditor.
- (e) A draft notice of the annual general meeting

A proposal on the date and venue for the next annual general meeting and a closing date for matters to be submitted by shareholders to the Board for inclusion in the notice of the annual general meeting, in such time that the information may be published on the Company's website no later than in connection with the publication of the interim report for the third quarter.

## **6.2 Information between Board Meetings**

The Chairperson of the Board shall continuously report on information that is necessary for the Board in order to assess the Company's and the Group's financial result and position and to enable the Board to fulfil its other tasks and responsibilities.

The CEO shall immediately provide the Board members information of events of material importance to the Company or events that may call for measures by the Board in addition to what is reported to the Board in general.

## **7 Information regarding corporate governance**

### **7.1 Corporate governance report**

The Board is to ensure, in accordance with the requirements set out in the Annual Accounts Act and the Code, the preparation of a corporate governance report that shall be attached to or included in the annual report of the Company.

The corporate governance report is to clearly state which Code rules the Company has not complied with, explain the reasons for each case of non-compliance, and describe the solutions it has adopted instead.

The corporate governance report is also, for example, to contain

- (1) a description of the Company's internal controls which is to include the Board's measures for monitoring that the internal controls related to financial reports and reporting to the Board function adequately.

It shall be evident from the corporate governance report which parts have been audited by the external auditor.

The ten most recent years' corporate governance reports are to be published on the Company's website, together with that part of the external audit report which deals with the corporate governance report or the external auditor's written statement on the corporate governance report.

### **7.2 Sustainability report**

The Board shall, in accordance with the requirements set out in the Annual Accounts Act and the Code, prepare a report on sustainability necessary for the understanding of the Company's development, position and results as well as the environmental impact of its operations.

The ten most recent years' sustainability reports are to be published on the Company's website, together with that part of the external audit report which deals with the sustainability report or the external auditor's written statement on the sustainability report.

### **7.3 Corporate governance section of the website**

The Board shall ensure that the Company has an updated section on its website devoted to corporate governance matters and investor relations, which shall be prepared in accordance with the requirements set forth in the Code and applicable legislation.

**Schedule 3.3 ("Reserved Matters")**

**Appendix 1.1j – Reserved Matters - SHA 6.0 dated 1 July 2022**

## **RESERVED MATTERS**

### **Part I APPROVAL BY THE GENERAL MEETING OR WRITTEN SHAREHOLDER CONSENT**

#### **I.1 Approval with support from HST and Institutional Majority**

The following Reserved Matters require a recommendation by the Board (if applicable) and (i) a prior written resolution, approval, or consent by HST and an Institutional

Majority or (ii) approval by the general meeting with support from HST and an Institutional Majority:

- (a) Any appointment or removal of the chairperson of the board of directors of the Company.
- (b) Any appointment or removal of the auditor of the Company.
- (c) Approval of MIP Program.
- (d) Addition or amendments to Appendix 13.1, cf. Clause 13.1.

## **I.2 Approval with support from HST and Institutional Qualified Majority**

The following Reserved Matters require a recommendation by the Board (if applicable) and (i) a prior written resolution, approval or consent by HST and an Institutional Qualified Majority or (ii) approval by the general meeting with support from HST and an Institutional Qualified Majority:

- (a) Any amendment to the Articles, unless made in accordance with this Agreement.
- (b) Instructions from the general meeting of shareholders to the Board regarding how the Company's business shall be conducted.
- (c) Any decision to wind down the Company and how to liquidate the Company following a resolution to wind it down.
- (d) Any issuance of shares in a Group Company, unless made in accordance with this Agreement, and any issuance of any warrants and/or convertibles.
- (e) Any merger of the Company with a third party or a resolution to demerge the Company.
- (f) Any redemption or repurchase of the Company's shares or reduction of the share capital, unless made in accordance with this Agreement.
- (g) Resolution that the Company shall cease to expand.
- (h) Any transfer, prior to the end of the General Lock-Up Period, of a Property, Group Company, business or business segment, to a value exceeding (in the aggregate) twenty (20) percent of the Property Gross Asset Value during any rolling twenty four (24) month period, excluding matters regulated in Clause 9.8 (Exit Requests and Exit Queue) and in the discretion of the Group Manager if required to support the Financial Policy.
- (i) Approval of another level of Gross Loan to Value in connection with dividends cf. Clause 8.3.

## **I.4 Approval with other majority requirements**

The following Reserved Matters resolutions require a recommendation by the Board (if applicable) and (i) a prior written resolution, approval, or consent or (ii) approval by the general meeting, for both (i) and (ii) with the required support specified for the different resolutions:

- (a) Any approval as a “New Institution” of an investor which does not qualify as a “New Institution” pursuant to sub-clauses (i) through (iv) set out in the definition of “New Institution” (see sub-clause (v) in the definition of “New Institution”).
- (b) Any resolution to terminate the Group Management Agreement due to any reason other than a material breach by the Group Manager of the Group Management Agreement (as defined in such agreement) (requires consent by Institutional Qualified Majority, or Institutional Majority in case of a breach of Clause 13).
- (c) Resolution that the Company shall issue equity-linked securities in accordance with Appendix 1.1g – Financial Policy (see Appendix 1.1g – Financial Policy).

## Part II APPROVAL BY THE BOARD

The following Reserved Matters require approval by the Board with no more than one board member voting against the resolution:

- (a) Any deviation at any one time from or amendment to the Rules of Procedure for the Board (Sw. *arbetsordning*) or the CEO Instruction (Sw. *VD-instruktion*).
- (b) Appointment of a new Group Manager in case the Group Management Agreement has been terminated.
- (c) Any decision on how to handle a situation when the Company is risking being in a breach of any financial agreement with a bank or similar creditor, or to avoid an obligation pursuant to the Swedish Companies Act, to prepare a balance sheet.
- (d) Any amendment to the Business Plan or the ESG Policy.
- (e) Any consortium agreement, joint venture agreement or other partnership agreement to which any Group Company will be a party.
- (f) Any resolution to repurchase or sell the Company's shares (based on an authorization from the general meeting as applicable).
- (g) Any deviation at any one time from, or amendment to, the Financial Policy.
- (h) Approval of any Board matter during HST's remedy period (see Clause 4.1.1).

In the event that the Board is unable to approve any such matter with the required majority, the resolution shall be submitted for approval by the general meeting or written shareholder consent. In such event, the matters set forth in (a) to (c) require support at the general meeting from HST and an institutional Majority, and the matters set forth in (d) to (h) require support at the general meeting from HST and an institutional Qualified Majority.

The Board shall ensure that any Reserved Matter requiring approval by the general meeting pursuant to Part I above is submitted to the general meeting for consideration.

The Group Manager shall ensure that any Reserved Matter is submitted to the Board and clearly marked as a Reserved Matter in the agenda and minutes. Further, any board meeting making a resolution on a Reserved Matter shall ensure that the minutes are signed by all board members.