

## **NOTICE OF ANNUAL GENERAL MEETING SAMHÄLLSBYGGNADSBOLAGET I NORDEN AB (publ)**

**The shareholders of Samhällsbyggnadsbolaget i Norden AB (publ), corporate registration number 556981-7660, (the "Company") are hereby given notice to attend the Annual General Meeting on Monday, April 27, 2020 at 1:30 p.m. at Näringslivets hus, room Styrelserummet, Storgatan 19, Stockholm, Sweden.**

### **Participation**

Shareholders who wish to participate in the Annual General Meeting must;

be listed in the share register kept by Euroclear Sweden AB by Tuesday, April 21, 2020 and,

notify the Company of their intention to participate at the Annual General Meeting no later than April 21, 2020, either by mail: "Annual General Meeting 2020", Strandvägen 1, SE-114 51 Stockholm, Sweden, or by e-mail: [event@sbbnorden.se](mailto:event@sbbnorden.se). When giving notice of attendance, please state name, personal or corporate registration number, address and telephone number.

Shareholders whose shares are registered in the name of a nominee must request that their shares are re-registered in their own names in order to be entitled to participate in the Annual General Meeting. Such registration must have taken effect in the share register kept by Euroclear Sweden AB on April 21, 2020. Shareholders must therefore notify their nominee well in advance of that date.

Shareholders may participate at the Annual General Meeting in person or be represented by an authorized proxy, and may be accompanied by up to two assistants.

Power of attorney documents, certificates of registration and other documents of authorization must be available at the Annual General Meeting, and, in order to facilitate entry, must have been received by the Company by Tuesday, April 21, 2020. A power of attorney must be presented in original. A power of attorney may not be older than one year, unless a longer period is set out in the power of attorney (with a maximum of five years). The Company provides proxy forms on the website, [www.sbbnorden.se](http://www.sbbnorden.se).

### **Information due to the corona virus**

As a precautionary measure to reduce the risks of spreading the corona virus, the Company's board of directors has decided to limit planned speeches to a minimum and that no food or beverages will be served after the Annual General Meeting. The participation of board members, Company management and non-shareholders will be limited.

For shareholders who are worried about spread of infection due to the corona virus, we want to emphasize the option of not being present in person at the Annual General Meeting but instead

attending via a proxy. The Company recommends the same option for shareholders who are ill, have recently been in a risk area or belong to a risk group.

A proxy form authorizing proxies to represent shareholders and exercise their voting rights is available on the website.

The CEO's speech will be posted on the Company's website after the Annual General Meeting.

### **Proposed Agenda**

1. Opening of the Annual General Meeting
2. Election of the Chair of the Annual General 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 of the Annual General Meeting
6. Determination of whether the Annual General Meeting has been duly convened
7. Speech by the CEO
8. Presentation of annual report and auditor's report as well as of the consolidated financial statements and the auditor's report for the group
9. Resolutions regarding the adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet
10. Resolution regarding appropriation of the Company's results in accordance with the adopted balance sheet
11. Resolution regarding discharge from liability of the Members of the Board of Directors and the CEO
12. Determination of the number of Members of the Board of Directors, Auditors and Deputy Members of the Board of Directors
13. Determination of fees to be paid to the Members of the Board of Directors and the Auditors
14. Election of Board of Directors, Chair of the Board of Directors and Auditor
15. Resolution regarding guidelines for remuneration to the senior executives
16. Determination on guidelines regarding composition and instructions for the Nomination Committee
17. Resolution regarding authorisation for the Board of Directors to resolve on issue of new shares etc.
18. Resolution regarding authorisation for the Board of Directors to resolve for the Company of transfer and acquisition of the Company's own shares
19. Resolution regarding amendment of the Articles of Association
20. Conclusion of the Annual General Meeting

### **Proposals for resolutions**

## **Appropriation of the Company's results (item 10)**

The Board of Directors proposes that dividend is distributed to the Preference shareholders with an amount of SEK 35 per Preference share, to the common shareholders with SEK 0.60 per Class A and Class B share and SEK 2 per Class D share. Payment shall be made quarterly.

Record dates for dividend distribution to Preference shares shall be July 7, 2020 (disbursement date July 10, 2020), October 6, 2020 (disbursement date October 9, 2020), January 4, 2021 (disbursement date January 8, 2021) and April 6, 2021 (disbursement date April 9, 2021), with an amount of SEK 8.75 paid out per disbursement date.

Record dates for dividend distribution to Class A shares, Class B shares and Class D shares shall be June 30, 2020, September 30, 2020, December 30, 2020 and March 31, 2021 with an amount of 0.15 SEK per disbursement date for Class A shares and Class B shares and 0.50 SEK per disbursement date for Class D shares. Distribution of dividends is expected to be made by Euroclear Sweden AB three banking days after each record date.

## **Election of Chair of the Annual General Meeting, Members of the Board of Directors, Auditor etc. (items 2, 12-14)**

The Nomination Committee proposes that Lennart Schuss is elected Chair of the Annual General Meeting.

The Nomination Committee proposes that the Board of Directors shall consist of seven Members and no Deputy Members.

The Nomination Committee proposes that Lennart Schuss, Ilija Batljan, Sven-Olof Johansson, Hans Runesten, Anne-Grete Strøm-Erichsen, Fredrik Svensson and Eva Swartz Grimaldi are re-elected as Members of the Board of Directors.

The Nomination Committee proposes that Lennart Schuss is re-elected as Chair of the Board of Directors.

The Nomination Committee proposes that the registered auditing company Ernst & Young AB is re-elected as Auditor. Ernst & Young AB has announced that, subject to the approval of the proposal from the Nomination Committee, the Authorized Public Accountant Mikael Ikonen will be appointed as auditor-in-charge. The Nomination Committee furthermore proposes that, subject to the Annual General Meeting resolving to amend the Articles of Association according to the Board's proposal, Ingemar Rindstig is elected as individually elected auditor with Gabriel Novella as deputy.

The Nomination Committee's proposal corresponds with the Audit Committee's recommendation. Neither the Nomination Committee's proposal nor the Audit Committee's recommendation of auditors have been subject to influence of third parties or been forced by any contractual terms limiting the freedom of choice in the selection of auditors.

The Nomination Committee proposes that the fees paid to the Board of Directors shall amount to SEK 1,950,000, of which SEK 450,000 shall be paid to the Chair of the Board of Directors and SEK 300,000 shall be paid to other non-employee Members of the Board of Directors elected by the Annual General Meeting. For committee work in the Remuneration Committee, a total fee of SEK 40,000 is proposed to be distributed with SEK 20,000 per member. For committee work in

the Sustainability Committee, a total fee of SEK 60,000 is proposed to be distributed with SEK 20,000 per member. For the Audit Committee, which consists of Members of the Board of Directors, fees for participation are proposed to be included in the ordinary Board of Directors fees. Fees to the auditors are proposed to be paid in accordance with approved invoice.

### **Resolution regarding guidelines for remuneration to senior executives (item 15)**

The Board of Directors proposes that the Annual General Meeting resolves to adopt the following guidelines for remuneration to senior executives.

#### *Application of the guidelines and who they apply to*

These guidelines for remuneration to senior executives apply to Members of the Board of Directors, the CEO and the deputy CEO as well as other persons in the group executive management. The guidelines shall apply to remuneration that is agreed upon, and to changes made in already agreed upon remuneration, after the guidelines have been adopted by the 2020 Annual General Meeting. The guidelines do not apply to remuneration decided upon by the general meeting of shareholders.

The Board of Directors shall be entitled to, in whole or in part, temporarily deviate from these guidelines if special circumstances justify doing so in an individual case, and such deviation is necessary in order to meet the Company's long-term interests and sustainability or to ensure the Company's financial viability. If such deviations occur, it must be reported in the remuneration report before the next Annual General Meeting. These guidelines are in effect from the Annual General Meeting 2020. Matters regarding deviations from the guidelines shall be prepared by the Remuneration Committee and decided upon by the Board of Directors.

#### *The guidelines' promotion of the Company's business strategy, long-term interests and sustainability*

The Company's strategy is to own, manage and develop housing in Sweden and community properties in the Nordic region in the long term, and to pursue active property development where cash-flow properties are converted into development rights for housing. For further information regarding the Company's strategy, please refer to [www.sbbnorden.se](http://www.sbbnorden.se).

The Board of Directors regards it as critical for the successful implementation of the Company's business strategy and the safeguarding of the Company's long-term interests, including its sustainability, that the Company can recruit and retain senior executives with the competence and capacity to achieve set goals. To achieve this, the Company must be able to offer competitive packages of remuneration to motivate senior executives to do their utmost. Variable remuneration covered by these guidelines shall be based on criteria aimed at promoting the Company's business strategy and long-term interests, including its sustainability, and where the fulfilment of the criteria is determined by the method set out below.

#### *Forms of remuneration etc.*

The remuneration and other terms of employment for senior executives shall be in line with market levels. The remuneration consists of fixed base salary, variable remuneration, pension benefits and certain other benefits. In addition, the general meeting may – regardless of these guidelines – resolve on share-related or share-price related remuneration.

#### Fixed base salary

Fixed base salary for the CEO and other senior executives is reviewed annually. The fixed base salary constitutes 60 - 80 percent of total remuneration excluding LTI and under the assumption of a 50 percent outcome of STI.

#### Short-term incentive program (STI)

The remuneration shall consist of three parts, each of which shall entitle to one third of the maximum amount of remuneration. Two of the parts are determined by certain performance targets for the Company being achieved, while the remaining part is determined by individual performance targets being achieved. In order for the remuneration to be paid out, it is required that the individual performance targets are achieved and that at least one of the parts concerning performance targets for the Company is achieved.

The criteria that is to be applied regarding performance targets for the Company are NAV growth, ie. growth of net share value for shares in the Company according to the adopted annual report, and net operating income, ie. the Company group's rental income subtracted by property costs according to the adopted annual report. The criterion that is to be applied regarding individual performance targets shall be established before the end of the first quarter of the financial year to which the remuneration relates and must be as specific as the criteria regarding performance targets for the Company. The criteria are designed with the intent to promote the Company's business strategy, long-term interests and sustainability, and thus the Company's long-term value creation.

Any payment of remuneration shall be made in conjunction with the salary payment that falls closest to general meeting during which the Company's annual report is adopted regarding the qualifying year. The remuneration can amount to a maximum of 50 per cent of the fixed base salary and, at full outcome, up to a maximum of 40 per cent of total remuneration excluding LTI. The variable remuneration grants the right to pension benefits and constitute grounds for holiday pay. The Company is not able to recover the compensation.

#### Long-term incentive program (LTI)

Senior executives may be offered incentive programs which shall be primarily share-related or share price-related. An incentive program shall be intended to improve the participants' commitment to the Company's development and is implemented according to market terms. Share and share price-related incentive programs must be decided by the general meeting and are therefore not covered by these guidelines.

#### Other Benefits

#### Pension benefits

The agreed retirement age for the CEO is 65 years. Other senior executives have no specially agreed retirement age. All pension benefits for senior executives are based on defined contribution, meaning the Company pays an individually agreed defined pension premium for senior executives. Except for the aforementioned pension benefits, the Company has no pension obligations to senior executives.

Company car etc.

Senior executives are if necessary, which in each case is decided by the CEO, entitled to a company car. In addition, all senior management are covered by, *inter alia*, customary health insurance.

Other benefits comprise 10 - 25 percent of total remuneration excluding LTI and under the assumption of a 50 percent outcome of STI.

#### *Notice of termination and severance pay*

Senior executives' employment or contractual agreements shall be valid for an indefinite period of time or for a specified period of time. The CEO is subject to a twelve-month notice period upon termination by the Company. In addition to salary during the notice period, the CEO is entitled to severance pay corresponding to twelve times the fixed monthly salary. During the notice period, the current employment contract with associated benefits continue to apply. Other senior executives have a notice period of six months and are not entitled to any severance pay in addition to their salary during the notice period. During the notice period, the current employment contract with associated benefits continues to apply. In cases where severance pay would be paid, no other benefits will apply after the expiry of the notice period. Fixed salary during the notice period and severance pay may not, in total, exceed an amount equal to two years' worth of the fixed base salary.

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

In preparing the Board of Directors' proposal regarding guidelines for remuneration to senior executives, the salaries and terms of employment for the Company's employees have been considered and has formed part of the decision basis for the Remuneration Committee and the Board of Directors' evaluation of the fairness of the guidelines and the limitations arising from them.

#### *Decision-making process*

The Board of Directors shall prepare a proposal for new guidelines when there is a need for substantial changes to the guidelines, however at least every four years. The Board of Directors' proposal is prepared by the Remuneration Committee. The Chair of the Board of Directors may be the Chair of the Remuneration Committee. In order to manage conflicts of interest, other members of the Remuneration Committee who are elected at General Meeting of shareholders must be independent in relation to the Company and the senior executives.

The Remuneration Committee shall, *inter alia*, monitor and evaluate the application of the guidelines for remuneration to senior executives decided by the Annual General Meeting. When the Remuneration Committee has prepared the proposal, it is to be submitted to the Board of

Directors for decision. The CEO and other senior executives shall not participate in the Board of Directors' processing and decisions regarding remuneration-related matters in so far as they are affected by such matters.

If the Annual General Meeting resolves not to adopt guidelines when there is proposal for such a resolution, the Board of Directors shall submit a new proposal no later than the next Annual General Meeting. In such cases, remuneration shall be paid in accordance with the currently valid guidelines or, if no guidelines exist, in accordance with the Company's practice.

When deemed necessary, external advice is sought in the preparation of these issues.

#### *Review of the guidelines*

A review of the guidelines for remuneration to senior executives has been made as a result of the June 10, 2019 amendment to the Swedish Companies Act. The proposed changes are not expected to entail any significant change compared to the remuneration paid in accordance with the currently valid guidelines. The Company has not received any comments from the shareholders.

### **Determination on guidelines regarding composition and instructions for the Nomination Committee (item 16)**

It is proposed that the Annual General Meeting resolves that the following principles and instructions shall apply to the appointment of the Nomination Committee.

The Nomination Committee shall consist of representatives of up to three major shareholders and the Chair of the Board of Directors.

The Chair of the Board of Directors is charged with asking the three largest registered shareholders according to number of votes represented per September 30, 2020, to appoint one member each to the Nomination Committee. If any of these shareholders do not wish to appoint a member, further shareholders in order of number of votes represented are asked to appoint a member. The Chair of the Nomination Committee shall, unless the members of the Nomination Committee agree otherwise, be the member who represents the largest shareholder in number of votes. The Chair of the Nomination Committee shall have the casting vote. The names of the members of the Nomination Committee shall be published in the Company's interim report for the first three quarters of the year.

The term of office for the appointed Nomination Committee shall run until a new Nomination Committee takes office. If a significant change occurs in the ownership structure after the election of the Nomination Committee, the composition of the Nomination Committee must be changed in accordance with the principles above. The Nomination Committee shall prepare and submit proposals to the Annual General Meeting regarding the election of the Chair of the Annual General Meeting, the election of the Chair of the Board of Directors and the other Members of the Board of Directors, determination of fees for the Board of Directors and how the fees shall be divided between the Chair and the other Members as well as principles regarding remuneration for committee work, election and determination of fees regarding auditor and deputy auditor (if applicable), and determination on guidelines regarding appointment of a new Nomination Committee. The Nomination Committee shall be entitled to charge the Company

with costs for recruitment consultants and other costs which may be required in order for the Nomination Committee to be able to fulfil its assignment. Remuneration shall not be paid for the work of the Nomination Committee.

### **Resolution regarding authorization for the Board of Directors to resolve on issue of new shares etc. (item 17)**

The Board of Directors proposes that the Annual General Meeting resolves to authorize the Board of Directors, for the period up until the next Annual General Meeting and on one or more occasions, with or without deviation from preferential rights for the shareholders, to resolve to issue new shares of all types of shares present in the Articles of Association and subscription warrants and/or convertibles with the right to subscribe/convert to all types of shares present in the Articles of Association. Such a resolution may be made with the provision that payment must be made in cash and/or by set-off and/or consideration in kind and/or combined with other terms. The number of common shares and/or preference shares, subscription warrants or convertibles that may be issued due to the authorization shall not be limited in any other aspect than what follows from the limits regarding share capital and number of shares according to the Articles of Association that are valid at the time of issue.

The purpose of the authorization and, where applicable, the reason for the deviation from the shareholders' preferential right is to enable the acquisition of capital for expansion, company acquisitions and the Company's operations.

The issue price shall be determined in accordance with prevailing market conditions.

The Board of Directors or a person appointed by the Board of Directors shall have the right to make the minor adjustments to this resolution that may prove necessary in conjunction with the registration of the resolution with the Swedish Companies Registration Office or due to other formal requirements.

This resolution regarding authorization for the Board of Directors to resolve on issue of new shares etc. is valid if it has been supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the Annual General Meeting.

### **Resolution regarding authorisation for the Board of Directors to resolve for the Company of transfer and acquisition of the Company's own shares (item 18)**

The Board of Directors proposes that the Annual General Meeting resolves to authorize the Board of Directors, for the period up to the next Annual General Meeting, to resolve upon transfer and acquisition of Series B shares and Series D shares in the Company as the Board of Directors deem appropriate, whereupon the following conditions shall apply:

1. Acquisition of shares in the Company may only take place through trading on Nasdaq Stockholm, or through an offer of acquisition for cash remuneration to all the Company's shareholders.

2. Acquisitions may only be made by a maximum of so many shares that, at any given time, the Company's own holdings does not exceed ten (10) percent of all shares in the Company.
3. Acquisition of shares on Nasdaq Stockholm may only take place at a price within the price interval at any time recorded on Nasdaq Stockholm, which shall refer to the interval between the highest buying price and the lowest selling price.
4. Acquisition of shares in accordance with an acquisition offer for cash considerations to all the Company's shareholders may only take place at a price which at the time of the acquisition offer does not fall below the market value of the shares and which exceeds the market value by a maximum of 30 percent.
5. Transfer of shares according to the authorization may be of all own shares held by the Company at the time of the Board of Directors' resolution.
6. Transfer of shares on Nasdaq Stockholm may only take place at a price within the price interval at any time recorded on Nasdaq Stockholm, which shall refer to the interval between the highest buying price and the lowest selling price.
7. Transfer of shares may also take place outside Nasdaq Stockholm in conjunction with company acquisitions, with or without deviation from the shareholders' preferential rights and with or without provisions regarding contribution in-kind or set-off rights. The price for such a transfer may be in cash or value of property obtained that corresponds to the market price at the time of the transfer of the shares transferred, with the deviation deemed appropriate by the Board of Directors.
8. The authorization may be exercised on one or more occasions during the period up until the 2021 Annual General Meeting.

The purpose of the authorization for the Board to resolve on the acquisition of own shares is to give the Board of Directors increased scope for action and the opportunity to continuously adjust the Company's capital structure and thereby contribute to increased shareholder value, as well as to exploit attractive business opportunities by fully or partially financing corporate acquisitions with the Company's own shares.

The reason for the allowance to deviate from the shareholders' preferential rights in conjunction with the transfer of the Company's own shares is that such a transfer can be done with greater speed and flexibility, and is more cost-effective than a transfer to all shareholders. If the Company's own shares are transferred for remuneration other than cash in conjunction with an agreement on acquisition of assets, the Company is not able to give the shareholders the opportunity to exercise any preferential right.

For a valid resolution in accordance with item 18 of the agenda, the proposal must be supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the Annual General Meeting.

## **Resolution regarding amendment of the Articles of Association (item 19)**

According to a new proposed amendment to the Swedish Companies Act, the record date for a general meeting of listed companies must fall six banking days before the meeting (the amendments are proposed to enter into force on September 3, 2020) The Board of Directors therefore proposes to amend the corresponding provision in the Articles of Association. The proposed amended wording of § 7 p. 3 is as follows:

*Shareholders who wish to participate in a general meeting must notify the company of their intention to attend no later than the day stipulated in the notice of the meeting. The latter mentioned day may not fall on a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve and New Year's Eve, nor may it fall earlier than the fifth weekday prior to the meeting.*

Due to the Nomination Committee's proposal for election of auditors, the Board of Directors furthermore proposes that § 6 p. 2 shall be worded as follows:

*The company shall have 1 - 2 auditors with a maximum of 2 deputy auditor(s).*

## **Number of shares and votes**

The total amount of shares in the Company is 1,374,643,260, divided into 209,977,491 Class A shares, 1,058,115,105 Class B shares, 106,519,951 Class D shares and 30,713 Preference shares. Class A shares carry one vote while Class B shares, Class D shares and Preference shares carry 1/10 vote. The total number of votes in the Company is 325,786,539.8. This information pertains to the circumstances as per the time of issue of this notice.

## **Right to receive information**

Shareholders have the right, if the Board of Directors believes that it can be done without material harm to the Company, to be provided information regarding circumstances that may affect the assessment of a matter on the agenda as well as information regarding circumstances that may affect the assessment of the Company's or a subsidiary's financial situation (ie. the right of question according Chapter 7, Section 32 of the Swedish Companies Act).

## **Documents and further information**

Accounting documents, the Audit Report and as well as other necessary documents will be available at the Company website, [www.sbbnorden.se](http://www.sbbnorden.se) no later than 6 April 2020. The documents will also be available at the Company, at the address Samhällsbyggnadsbolaget i Norden AB, Strandvägen 1, 114 51 Stockholm. Copies of these documents will be sent, free of charge, to shareholders upon request and notification of postal address.

## **Processing of personal data**

For information on how your personal data is processed due to the Annual General Meeting, please see the website of Euroclear Sweden AB (<https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>).

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Stockholm, March 2020  
Samhällsbyggnadsbolaget i Norden AB (publ)  
The Board of Directors