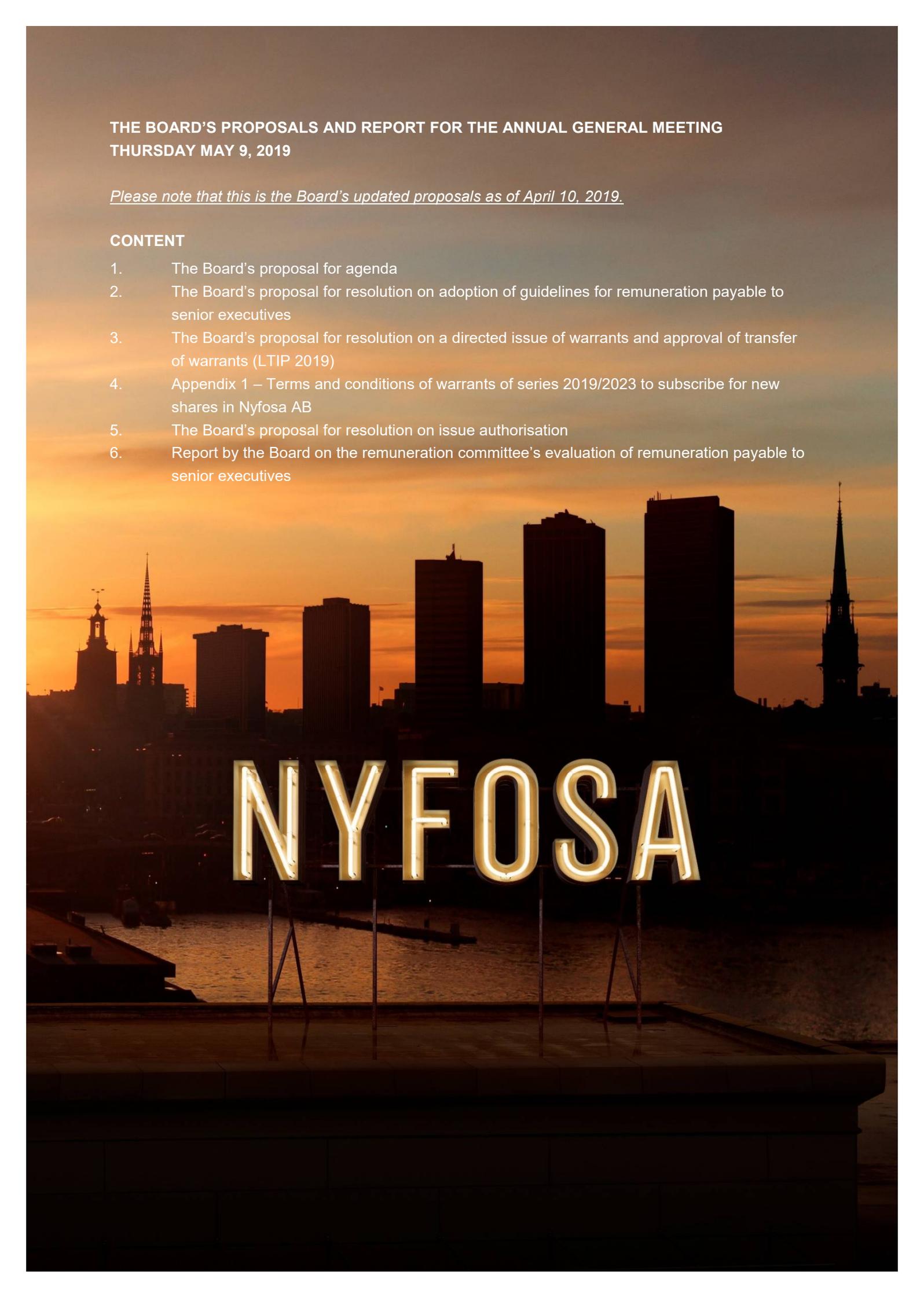


**THE BOARD'S PROPOSALS AND REPORT FOR THE ANNUAL GENERAL MEETING  
THURSDAY MAY 9, 2019**

*Please note that this is the Board's updated proposals as of April 10, 2019.*

**CONTENT**

1. The Board's proposal for agenda
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A photograph of a city skyline at sunset. The sky is a mix of orange, yellow, and dark blue. In the foreground, the word "NYFOSA" is written in large, illuminated, white letters on a dark surface. The letters are supported by thin metal poles. The background shows the silhouettes of several buildings, including a prominent spire on the right and a smaller spire on the left. The water in the foreground is dark and reflects the light from the sky and the illuminated letters.

**NYFOSA**

## **THE BOARD'S PROPOSAL FOR AGENDA**

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1. Opening of the meeting
2. Election of chairman of the meeting
3. Preparation and approval of voting list
4. Approval of the agenda
5. Election of one or two persons to approve the minutes
6. Examination of whether the meeting has been duly convened
7. CEO's address
8. Presentation of the annual report, the auditor's report, the consolidated financial statements and the audit report on the consolidated financial statements
9. Resolution on:
  - 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 earnings in accordance with the adopted balance sheet; and
  - c) discharge from liability towards the company for the Directors and the CEO for the financial year 2018
10. Resolution on number of Directors
11. Resolution on number of auditors
12. Resolution on Directors' fees
13. Resolution on auditor's fees
14. Election of Directors and chairman of the Board
15. Election of auditor
16. Resolution on instructions for the nomination committee
17. Resolution on adoption of guidelines for remuneration payable to senior executives
18. Resolution on a directed issue of warrants and approval of transfer of warrants (LTIP 2019)
19. Resolution on issue authorisation
20. Closure of the meeting

*English translation for information purposes only. If there are differences between the English translation and the Swedish original, the Swedish text will take precedence.*

## **THE BOARD'S PROPOSAL FOR GUIDELINES FOR REMUNERATION PAYABLE TO SENIOR EXECUTIVES**

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The Board proposes that the meeting resolves to adopt these guidelines for remuneration payable to senior executives:

Nyfosa AB has established principles and forms of remuneration payable to its senior executives. The Board decides, after the remuneration committee's preparation, on the size and forms of remuneration structures and remuneration payable to senior executives. The term "senior executives" means the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and other members of the company's management. The Board proposes that the following guidelines for remuneration payable to the company's senior executives be adopted at the Annual General Meeting for the period up to the Annual General Meeting in 2020. These guidelines apply to agreements concluded after the Annual General Meeting resolution and where amendments are made to existing agreements after that time.

The company shall apply remuneration levels and employment terms necessary in order to attract and retain highly competent management with capacity to achieve set goals. The forms of remuneration shall motivate senior executives to do their utmost to secure the shareholders' interests. Accordingly, the forms of remuneration shall be in line with market terms and be competitive. The forms of remuneration shall also be simple, long-term and measurable.

The remuneration to senior executives may comprise a fixed and a variable part. The fixed salary for senior executives shall be adapted to market conditions and based on competence, responsibility and performance. The variable remuneration shall reward results and improvements clearly linked to targets in simple and transparent structures and shall be maximized. Any outcome must relate to the fulfilment of pre-determined goals with respect to earnings, result, cash flow, growth, value increase, individually measurable goals and qualitative targets. Variable remuneration to each senior executive may not exceed four months' salary and shall not entitle to pension benefits. The company's cost for the variable remuneration for all senior executives of the Group, taken as a whole, may not exceed MSEK 4 during 2019 (excluding costs for social security contribution).

Senior executives' non-monetary benefits shall facilitate the work of senior executives and correspond to what may be deemed reasonable in relation to standard practices on the market in which each senior executive operates.

Senior executives may be offered incentive schemes which shall primarily be share based or related to the share price. Any incentive scheme must aim to improve the participants commitment to the company's development and be implemented on market terms. Share based incentive schemes and incentive schemes related to the share price shall be resolved by the General Meeting. The company shall be able to pay remuneration in cash linked to senior executives' acquisitions of shares or share-related instruments. Such cash remuneration shall not generally exceed 15 percent of the fixed salary.

The terms for pension benefits for senior executives will be based on defined contribution pension plans and comply with or correspond to general pension plans, the ITP plan in Sweden. Salary during the notice period upon termination and severance pay for senior executives is not to exceed a total of 18 months' salary, if the company terminates the employment and six months' salary if a senior executive resigns.

In certain cases, Directors elected by the General Meeting should be able to receive fees and other remuneration for work carried out on the company's behalf, alongside their Board work. Fees at market rates, to be approved by the Board, may be payable for such services.

The annual report states the total remuneration and other benefits received by the company's senior executives during the year.

The Board shall be entitled to deviate from the guidelines for remuneration to senior executives set out above if there are special reasons in an individual case. In such a case, the Board shall give an account for the reason for deviation from the guidelines for remuneration to senior executives at the next Annual General Meeting.

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Nacka in March 2019  
**Nyfosa AB (publ)**  
*The Board of Directors*

*English translation for information purposes only. If there are differences between the English translation and the Swedish original, the Swedish text will take precedence.*

## **THE BOARD'S PROPOSAL FOR RESOLUTION ON A DIRECTED ISSUE OF WARRANTS AND APPROVAL OF TRANSFER OF WARRANTS (LTIP 2019)**

The Board proposes that the General Meeting resolves on a directed issue of warrants and approval of transfer of warrants in accordance with the following.

### **1. ISSUE OF WARRANTS**

- 1.1 The Board proposes that the General Meeting resolves on a directed issue of not more than 1,950,000 warrants, entailing an increase in the share capital of not more than SEK 975,000 if the issue is fully utilized. The resolution shall otherwise be governed by the following terms and conditions.
- 1.2 The right to subscribe for the warrants shall, with disapplication of shareholders' pre-emption rights, be vested in the company's wholly owned subsidiary Nyfosa NYAB 9 AB under name change to Nyfosa LTIP AB, Corp. Reg. No. 559168-5820 (the "**Subsidiary**"), with the right and obligation to transfer the warrants to employees pursuant to Section 2 below. Over-subscription is not possible. The warrants shall be issued to the Subsidiary free of charge.
- 1.3 The reason for not applying the shareholders' pre-emption rights is to introduce an incentive program and thereby a remuneration structure which is competitive within each market the company operates, to provide alignment for the management team with company strategy, to create focus amongst employees on delivering exceptional performance which contributes to value creation for shareholders and to give employees the opportunity to take part in the company's success.
- 1.4 Subscription of warrants must be completed no later than four weeks from when the resolution on issue of warrants was passed. The Board shall be entitled to extend the subscription period.
- 1.5 Each warrant entitles a right to subscribe for one (1) share in the company. The warrants may be exercised to subscribe for shares in accordance with the terms and conditions of the warrants, during the following periods:
  - a) a two-week period from the day following the press release of the company's interim report for the period of January 1 – September 30, 2022, but no earlier than October 25, 2022,
  - b) a two-week period from the day following the press release of the company's year-end report for the period January 1 – December 31, 2022, but no earlier than January 25, 2023, and
  - c) a two-week period from the day following the press release of the company's interim report for the period January 1 – March 31, 2023, but no earlier than April 25, 2023. However, if the company has not published such interim report, subscription of shares may take place during the period May 28 – June 10, 2023.
- 1.6 The new shares which may be issued due to subscription are not subject to any restrictive provisions.
- 1.7 The subscription price per share at the exercise of the warrants shall consist of the average share price at the time of the issue of the warrants with an increase or decrease depending on

the average development of all listed real estate companies, calculated according to Carnegie's Real Estate Index (CREX), based on an average index value for the period commencing May 10, 2019 up until and including May 23, 2019, compared to an average index value for the period commencing September 1, 2022 up until and including September 14, 2022. The average share price at the time of issue is the average closing price during the period commencing May 10, 2019 up until and including May 23, 2019 according to Nasdaq Stockholm's official share price list. If the company has inside information during the latter period, the Board shall have the right to postpone the measurement period for the average share price. The subscription price may not be lower than the current quota value of the share.

- 1.8 Shares which are newly issued following subscription shall carry an entitlement to participate in dividends for the first time on the record date for dividends which occurs after subscription for shares is effected as a result of exercising the warrants.
- 1.9 The Board of the company may by means of a Board resolution and with the consent from the Board of Directors in the Subsidiary cancel the warrants held by the Subsidiary and which are not transferred in accordance with Section 2. Cancellation shall be registered with the Swedish Companies Registration Office.
- 1.10 The Board, or its nominee, shall be authorised to make such minor adjustments to the resolution above which may prove necessary in order to register the warrants with the Swedish Companies Registration Office, Euroclear Sweden AB or due to other applicable rules.
- 1.11 Other terms and conditions are stated in the full text warrant terms, **appendix 1**.

## **2. APPROVAL OF TRANSFER OF WARRANTS**

### **2.1 Participants**

- 2.1.1 The Board proposes that the General Meeting approves of the Subsidiary's transfer of warrants on the following conditions.
- 2.1.2 The right to acquire warrants from the Subsidiary shall vest in the following categories of employees:

<b>Category</b>	<b>Guaranteed number of warrants/person</b>	<b>Maximum number of warrants/person</b>
A. CEO (not more than 1 person)	240,000	360,000
B. Management (not more than 6 persons)	120,000 (Category: 720,000)	180,000 (Category: 1,080,000)
C. Other employees (not more than 33 persons)	30,000 (Category: 990,000)	45,000 (Category: 1,485,000)

- 2.1.3 The right to acquire warrants from the Subsidiary shall only vest in employees who have not terminated their employment or whose employment have not been terminated at the end of the application period.
- 2.1.4 Warrants may also be offered to future employees. For such acquisitions, the conditions shall be the same or equivalent to what is stated in this resolution. This means that acquisitions shall be made at market value at the time of the acquisition. The Board shall be entitled to set a

corresponding application period for new employees whose acquisitions are made after the expiration of the initial application period.

- 2.1.5 Allotment is conditional upon it being legally possible to acquire the warrants, and that such transfers can be done using reasonable administrative and financial resources according to the assessment of the Board. Furthermore, the Board shall be entitled to, with regard to certain participants, alter the program into a cash based program or a program based on synthetic warrants, should this according to the Board be motivated due to, for instance, tax and/or legal reasons.

## 2.2 **Application and allotment**

- 2.2.1 Application for acquisition of warrants shall be made during the period commencing May 10, 2019 up until and including May 27, 2019. The Board shall be entitled to extend the application period for acquisitions and to set a corresponding application period for new employees whose acquisitions are made after the expiration of the initial application period and to extend the time for application of acquisition if the company has inside information during the specified application period.

- 2.2.2 Should warrants remain after all applications have been satisfied up to the guaranteed level as set out in Section 2.1.2, the remaining warrants shall be available for allotment to participants regardless of category. Such distribution shall however at the most result in the maximum number of warrants per person within each category amounting to the maximum number of warrants set out in the table under Section 2.1.2. Should not all participants who wish to subscribe for the maximum number of warrants set out in the table under Section 2.1.2 be able to do so, the remaining warrants shall be allotted to these participants pro rata in relation to the number of warrants subscribed for, however not more than the maximum number of warrants set out in the table under Section 2.1.2. The Board of the company shall decide on the final allotment.

## 2.3 **Price and payment etc.**

- 2.3.1 The warrants shall be transferred on market terms at a price (premium) established on the basis of a calculated market value of the warrants performed by an independent valuation institute using a generally recognized valuation model. A new market value shall be established in an equivalent way for acquisitions made by new employees after the expiration of the initial application period. The value has preliminarily been calculated to be SEK 4.94 per warrant based on a share price of SEK 56.28 and a subscription price per share of SEK 56.28. The valuation has been performed by Nordea Bank AB.

- 2.3.2 Payment for the allotted warrants shall be made in cash no later than five days following notification of the allotment. The Board shall establish a corresponding date of payment for acquisitions made by new employees.

- 2.3.3 The company will by means of a cash bonus subsidize up to 100 percent of the participants premium. The bonus consists of two payments, each of 50 percent, during the term of the warrant program, one after two years (during June 2021) and one after three years (during June 2022). The total cost for the subsidy, based on assumptions of the value of the warrants as set out above, is calculated to amount to a maximum of approximately MSEK 12.7 including social security contributions, for the entire term of the warrant program. Accrued payroll taxes due to the bonus shall be paid by each respective participant.

2.3.4 In order to be eligible for the bonus the participant shall, at the time of the payment of the bonus, remain an employee of the company, not have terminated their employment or have had their employment terminated by the company, and not having transferred his or her warrants. Furthermore, the subsidy only covers the participants premium as regards warrants up to the guaranteed level as set out in Section 2.1.2.

2.3.5 The warrants shall otherwise be subject to market terms and conditions.

#### **2.4 Right of first refusal and termination of employment**

The warrants shall be subject to an obligation for participants who wish to transfer or otherwise dispose of his or her warrants to a third party, to first offer the warrants to the company or its subsidiaries to the lowest of the acquisition value and the market value. Furthermore, during the term of the program, the warrants shall be subject to a right for the company or its subsidiaries to repurchase the warrants to the lowest of the acquisition value and the market value, should a participant's employment with or assignments for the company be terminated, or should the employee have terminated their employment or have had their employment terminated by the company during the program. Also, the termination of a participant's employment may result in limitations in the right to subsidization of the premium in accordance with Section 2.3.4.

### **3. FURTHER INFORMATION ON THE WARRANT PROGRAM**

#### **3.1 Dilution**

Upon full exercise of all warrants, 1,950,000 new shares can be issued, which corresponds to a dilution of approximately 1.15 percent of the total number of shares and the total number of votes in the company, subject to the re-calculation which may occur as a result of the terms and conditions of the warrants.

#### **3.2 Impact on financial ratios and costs for the company etc.**

The current warrant program is expected to have a marginal impact on the company's financial ratios. The costs before taxes for the company associated with the warrant program, including the directed issue, the subsequent transfer of warrants and the subsidy, includes administrative costs and costs relating to social security contributions. The total cost of the warrant program (excluding advisor and administrative fees), assuming full participation, is expected to amount to approximately MSEK 12.7 which is distributed over a period of three years.

#### **3.3 Preparation of the matter**

The principles of the warrant program have been prepared by the Board of the company. The proposal has been prepared with the assistance of external advisors and after consultation with shareholders. The Board has thereafter decided to submit this proposal to the General Meeting. Except for the employees who prepared the matter pursuant to instructions from the Board, no employee that may be included in the program has taken part in the preparation thereof.

#### **3.4 Other share related incentive programs etc.**

The company has no outstanding share related incentive program.

#### **3.5 Instruction to the Board and majority requirements**

The Board proposes that the meeting instructs the company's Board of Directors to execute the resolution in accordance with Section 1 and to ensure that the Subsidiary's Board of

Directors carries out the transfer of the warrants in accordance with Section 2. A resolution under this item will not be valid unless supported by shareholders representing at least nine tenths of both the votes cast and the shares represented at the meeting.

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Nacka in March 2019

**Nyfosa AB (publ)**

*The Board of Directors*

**TERMS AND CONDITIONS OF WARRANTS OF SERIES 2019/2023 TO SUBSCRIBE FOR NEW SHARES IN NYFOSA AB**

**§ 1 DEFINITIONS**

In these terms and conditions, the following terms shall have the meanings stated below.

<b>"Share"</b>	a share in the Company;
<b>"Shareholder"</b>	a shareholder in the Company;
<b>"Central Securities Depository Company"</b>	a company whose articles of association contain an article stating that the company's shares must be registered in a central securities depository register and whose shares are registered through Euroclear;
<b>"Central Securities Depository Account"</b>	an account with Euroclear for registering such financial instruments as referred to in the Swedish Central Securities Depositories and Financial Instruments Account Act (SFS 1998:1479);
<b>"Banking Day"</b>	any day in Sweden which is not a Sunday or other public holiday, or which, with respect to payment of promissory notes, is not equated with a public holiday in Sweden;
<b>"Company"</b>	Nyfosa AB, Corp. Reg. No. 559131-0833;
<b>"Euroclear"</b>	Euroclear Sweden AB;
<b>"Marketplace"</b>	Nasdaq Stockholm or another equivalent regulated or non-regulated market;
<b>"Warrant Holder"</b>	any person who is a holder of a Warrant Certificate entitling to Subscription for new Shares;
<b>"Warrant"</b>	the right to subscribe for new Shares in exchange for payment in cash;
<b>"Subscription"</b>	such Subscription for new Shares exercised through a Warrant;
<b>"Subscription Price"</b>	the price at which Subscription for new Shares may take place; and
<b>"Warrant Certificate"</b>	a certificate which is linked to a certain number of Warrants in accordance with these terms and conditions.

**§ 2 WARRANTS**

The total number of Warrants shall be not more than 1,950,000. The Warrants are represented by Warrant Certificates. Warrant Certificates are issued to a certain person or to order.

In the event the Company is a Central Securities Depository Company, the Board of Directors of the Company shall be entitled to resolve that the Warrants be registered on a Central Securities Depository Account. In the event such resolution is adopted, no Warrant Certificates or other securities shall be

issued. At the request of the Company, Warrant Holders shall be obliged to surrender immediately to the Company or Euroclear all Warrant Certificates representing Warrants and to provide the Company with the requisite details of the securities account on which the Warrant Holder's Warrants are to be registered.

In the event the Board of Directors of the Company adopts a resolution in accordance with the second paragraph above, subject to any applicable statutory or regulatory limitations, the Board of Directors shall thereafter be unrestricted to resolve that the Warrants are no longer to be registered on a Central Securities Depository Account.

### **§ 3 RIGHT TO SUBSCRIBE FOR NEW SHARES**

The Warrant Holder shall be entitled to subscribe one new Share for each Warrant during the following periods (or up to and including such earlier or later date as may follow from § 8 below):

- a) a two-week period from the day following the press release of the company's interim report for the period of January 1 – September 30, 2022, but no earlier than October 25, 2022,
- b) a two-week period from the day following the press release of the company's year-end report for the period January 1 – December 31, 2022, but no earlier than January 25, 2023, and
- c) a two-week period from the day following the press release of the company's interim report for the period January 1 – March 31, 2023, but no earlier than April 25, 2023. However, if the company has not published such interim report, subscription of shares may take place during the period May 28 – June 10, 2023.

The Subscription Price per Share at the exercise of the Warrants shall consist of the average share price at the time of the issue of the Warrants with an increase or decrease depending on the average development of all listed real estate companies, calculated according to Carnegie's Real Estate Index (CREX), based on an average index value for the period commencing May 10, 2019 up until and including May 23, 2019, compared to an average index value for the period commencing September 1, 2022 up until and including September 14, 2022. The average share price at the time of issue is the average closing price during the period commencing May 10, 2019 up until and including May 23, 2019 according to Nasdaq Stockholm's official share price list. If the Company has inside information during the latter period, the Board shall have the right to postpone the measurement period for the average share price. The Subscription Price may not be lower than the current quota value of the Share.

The Subscription Price, as well as the number of new Shares to which each Warrant entitles to Subscribe for, may be recalculated in the cases set forth in section 8 below. Upon demand by a Warrant Holder during the period stated above, the Company shall be obliged to issue the number of Shares to which an application for Subscription relates.

### **§ 4 SUBSCRIPTION OF SHARES**

The following shall apply in the event the Company is a Central Securities Depository Company and the Warrants are registered on a Central Securities Depository Account. The Warrants may be exercised through a written application for Subscription to the Company or to the designated Account Operator (i.e. a company approved by Euroclear to execute registrations on a VPC account).

In the event the Company is not a Central Securities Depository Company or if the Warrants are not registered on a Central Securities Depository Account, the Warrants may be exercised through a written

application for Subscription to the Company, stating the number of Warrants which are to be exercised. In conjunction with a Subscription, the Warrant Holder shall, where applicable, surrender corresponding Warrant Certificates to the Company.

## **§ 5 PAYMENT**

Simultaneously with the Subscription, payment in cash shall be made for the number of Shares to which the Subscription relates.

## **§ 6 ENTRY IN THE SHARE REGISTER, ETC.**

In the event the Company is a Central Securities Depository Company at the time of Subscription, Subscription shall be effected through the Company ensuring interim registration of the new Shares on a Central Securities Depository Account. Following registration with the Swedish Companies Registration Office, the registration on a Central Securities Depository Account shall become final. As stated in section 8 below, in certain cases the date of such final registration on a Central Securities Depository Account may be postponed.

In the event the Company is not a Central Securities Depository Company at the time of Subscription, Subscription shall be effected by the new Shares being entered as Shares in the Company's share register and subsequently being registered at the Swedish Companies Registration Office.

## **§ 7 ENTITLEMENT TO DIVIDENDS**

In the event the Company is a Central Securities Depository Company, Shares which are newly issued following Subscription shall carry an entitlement to participate in dividends for the first time on the record date for dividends which occurs after Subscription of Shares is effected, as a consequence of subscription through the exercise of warrants.

In the event the Company is not a Central Securities Depository Company, Shares which are newly issued following Subscription shall carry an entitlement to participate in dividends at the first General Meeting following the date which occurs after Subscription is effected.

## **§ 8 RECALCULATION OF SUBSCRIPTION PRICE, ETC.**

In the following situations, the following shall apply with respect to the rights which shall vest in Warrant Holders.

Recalculation according to the provisions in this section 8 shall under no circumstances cause the Subscription Price to be less than the quotient value of the Company's Shares.

### **A. Bonus issue**

In the event the Company carries out a bonus issue, where Subscription is made in such time that it cannot be effected by no later than three weeks prior to the General Meeting at which a bonus issue resolution is to be adopted, Subscription may be effected only after such a General Meeting has adopted a resolution thereon. Shares which vest as a consequence of Subscription effected following the bonus issue resolution shall be the subject of interim registration on a Central Securities Depository Account, and accordingly shall not be entitled to participate in the bonus issue. Final registration on a Central Securities Depository Account shall take place after the record date for the bonus issue.

In the event the Company is not a Central Securities Depository Company at the time a new issue resolution is adopted by the General Meeting, Shares which vest as a consequence of Subscription

effected through the new Shares being entered in the Company's share register as interim shares on the date of the General Meeting's resolution, shall be entitled to participate in the new issue.

In the case of Subscription which is effected following a bonus issue resolution, a recalculated Subscription Price shall be applied, as well as a recalculation of the number of Shares to which each Warrant provides an entitlement to Subscribe.

The recalculations shall be made by the Company based on the following formulae:

$$\frac{\text{recalculated Subscription Price}}{\text{number of Shares after the bonus issue}} = \frac{\text{previous Subscription Price} \times \text{number of Shares prior to the bonus issue}}{\text{number of Shares after the bonus issue}}$$

$$\frac{\text{recalculated number of Shares to which each Warrant provides an entitlement to subscribe}}{\text{number of Shares prior to the bonus issue}} = \frac{\text{previous number of Shares to which each Warrant provides an entitlement to subscribe} \times \text{number of Shares after the bonus issue}}{\text{number of Shares prior to the bonus issue}}$$

A recalculated Subscription Price and recalculated number of Shares in accordance with the provisions above shall be determined as soon as possible after the General Meeting has adopted a bonus issue resolution but, where applicable, shall be applied only after the record date for the bonus issue.

**B. Reverse share split or share split**

In the case of a reverse share split or share split of the Company's existing Shares, the provisions in subsection A shall apply mutatis mutandis whereupon, where appropriate, the record date shall be deemed to be the day on which a reverse share split or share split takes place at Euroclear, upon request by the Company.

**C. New issue of Shares**

In the case of a new issue with pre-emption rights for the shareholders to subscribe for new Shares in exchange for cash payment or payment by way of set-off, the following shall apply with respect to the right to participate in the new issue by virtue of Shares which have vested as a consequence of Subscription through the exercise of Warrants:

- a) Where a new issue resolution is adopted by the Company's Board of Directors subject to approval by the General Meeting or pursuant to authorisation granted by the General Meeting, the resolution, and where applicable, the notification to the shareholders in accordance with Chapter 13 Section 12 of the Companies Act, shall state the date by which Subscription must be effected in order that Shares which vest as a consequence of Subscription shall carry an entitlement to participate in the new issue.
- b) Where the General Meeting adopts a new issue resolution, in the event an application for Subscription is made at such a time that the Subscription cannot be effected no later than three weeks prior to the General Meeting which adopts the new issue

resolution, Subscription shall only be effected after the Company has carried out recalculations. Shares which vest as a consequence of such Subscription shall be the subject of interim registration on a Central Securities Depository Account, and consequently shall not be entitled to participate in the new issue. Final registration on a Central Securities Depository Account shall take place only after the record date for the issue.

In the event of Subscription which is effected at such time that a right to participate in the new issue does not vest, a recalculated Subscription Price shall be applied, as well as a recalculation of the number of Shares to which each Warrant provides an entitlement to Subscribe.

The recalculations shall be made by the Company based on the following formulae:

recalculated Subscription Price = previous Subscription Price x the Share's average listed price during the subscription period established in the new issue resolution (the Share's average price)

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the Share's average price increased by the theoretical value of the Warrant calculated on the basis thereof

recalculated number of Shares to which each Warrant provides an entitlement to subscribe = previous number Shares to which each Warrant provides an entitlement to subscribe x the Share's average price increased by the theoretical value of the Warrant calculated on the basis thereof

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the Share's average price

The Share's average price shall, in this subsection C, be deemed to correspond to the average of the calculated average value, for each trading day during the Subscription Period, of the highest and lowest transaction prices listed during the day in accordance with the official quotations on the Marketplace. In the event no transaction price is quoted, the bid price which is quoted as the closing price shall instead be included in the calculation. Days on which neither a transaction price nor a bid price is quoted shall not be included in the calculation.

The theoretical value of the subscription right shall be calculated in accordance with the following formula:

value of the subscription right = the maximum number of new Shares which may be issued pursuant to the new issue resolution x the Share's average price less the subscription price for the new Share

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the number of Shares prior to adoption of the new issue resolution

In the event a negative value is thereupon obtained, the theoretical value of the subscription right shall be set at zero.

The recalculated Subscription Price and the recalculated number of Shares provided by each Warrant shall be determined by the Company two Banking Days after the expiry of the subscription period and shall be applied to Subscription for Shares effected thereafter.

In the event the Company's Shares are not listed or traded on a Marketplace, a recalculated Subscription Price and recalculated number of Shares shall be determined in accordance with this subsection C. In lieu of the provisions regarding the Share's average price, the value of the Share shall thereupon be determined by an independent valuer appointed by the Company.

In the event the Company is a Central Securities Depository Company the following shall apply. During the period pending determination of a recalculated Subscription Price and recalculated number of Shares to which each Warrant provides an entitlement to subscribe, Subscription for Shares shall be effected only on a preliminary basis, whereupon the number of Shares to which each Warrant provides an entitlement to subscribe prior to the recalculation shall be registered on an interim basis on a Central Securities Depository Account. In addition, it is specifically noted that, following recalculations, each Warrant may carry an entitlement to additional Shares pursuant to section 3 above. Final registration on the Central Securities Depository Account shall take place after the recalculations have been determined.

In the event the Company is not a Central Securities Depository Company, Subscription shall be effected through the new Shares being entered in the share register as interim shares. After the recalculations have been determined, the new Shares shall be entered in the share register as shares.

**D. Issue of convertible instruments or warrants**

In the event of an issue of convertible instruments or warrants with pre-emption rights for the Shareholders and in exchange for cash payment or payment by way of set-off or, with respect to warrants, without payment, the provisions of subsection C, first paragraph, subparagraphs 1 and 2 regarding the right to participate in a new issue by virtue of Shares which vest through Subscription shall apply mutatis mutandis.

In the event of Subscription for Shares which is exercised at such a time that Subscription is effected after adoption of the issue resolution, a recalculated Subscription Price and recalculated number of Shares provided by each Warrant shall be applied.

The recalculation shall be made by the Company in accordance with the following formulae:

$$\text{recalculated Subscription Price} = \frac{\text{previous Subscription Price} \times \text{the Share's average listed price during the subscription period established in the resolution regarding the issue (the Share's average price)}}{\text{the Share's average price increased by the value of the subscription right}}$$

recalculated number of Shares = previous number of Shares to which each Warrant provides an entitlement to subscribe x the Share's average price increased by the value of the subscription right

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the Share's average price

The Share's average price shall be calculated in accordance with subsection C above.

The value of the subscription right shall be deemed to correspond to the calculated value with adjustments for the new share issue and the market value calculated in accordance with subsection C above.

The recalculated Subscription Price and the recalculated number of Shares provided by each Warrant shall be determined by the Company two Banking Days after the expiry of the subscription period and shall be applied to Subscription for Shares effected thereafter.

In the event the Company's Shares are not listed or traded on a Marketplace, a recalculated Subscription Price and recalculated number of Shares shall be determined in accordance with this subsection D. In lieu of the provisions regarding the Share's average price, the value of the Share shall thereupon be determined by an independent valuer appointed by the Company.

In the event of Subscription for Shares which is effected before the recalculated Subscription Price and the recalculated number of Shares provided by each Warrant have been determined, the provisions of subsection C last paragraph above shall be applied.

**E. Offer to the shareholders in circumstances other than those set forth in subsections A-D**

In the event the Company, in circumstances other than those set forth in subsections A-D above, extends an offer to the shareholders, subject to shareholders' pre-emption rights pursuant to the principles set forth in the Companies Act, to acquire securities or rights of any kind from the Company, in the event of Subscription which is demanded at such time that the Shares thereby received do not carry an entitlement to participate in the offer, a recalculated Subscription Price and recalculated number of Shares to which each Warrant provides an entitlement to subscribe shall be applied. The aforesaid shall also apply where the Company resolves, in accordance with the aforementioned principles, to distribute securities or rights to the shareholders without consideration.

The recalculations shall be carried out by the Company in accordance with the following formulae:

recalculated Subscription Price = previous Subscription Price x the Share's average listed price during the application period established in the offer (the Share's average price)

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the Share's average price increased by the value of the right to participate in the offer (the purchase right value)

recalculated number of = previous number of Shares to which each Warrant provides an  
Shares to which each entitlement to subscribe x the Share's average price increased by the  
Warrant provides an purchase right value  
entitlement to subscribe

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the Share's average price

The Share's average price shall be calculated in accordance with subsection C above.

In the event the shareholders have received purchase rights and trading has taken place in such rights, the value of the right to participate in the offer shall be deemed to correspond to the purchase right value. The purchase right value shall, as far as possible, be determined on basis of the changed market value of the Company's Shares which can be deemed have occurred due to the offer.

In the event the shareholders have not received purchase rights, or trading in purchase rights has otherwise not taken place, the recalculation of the Subscription Price shall take place applying, as far as possible, the principles stated above. The purchase right value shall, as far as possible, be determined on basis of the changed market value of the Company's Shares which can be deemed have occurred due to the offer.

The recalculated Subscription Price shall be determined by the Company as soon as possible after expiry of the offer period and applied in conjunction with Subscriptions effected after the recalculated price has been determined.

In the event the Company's Shares are not listed or traded on a Marketplace, a recalculated Subscription Price and recalculated number of Shares shall be determined. In lieu of the provisions regarding the Share's average price, the value of the Share shall thereupon be determined by an independent valuer appointed by the Company.

In the event of Subscription for Shares which is effected before the recalculated Subscription Price and the recalculated number of Shares provided by each Warrant have been determined, the provisions of subsection C last paragraph above shall be applied.

#### **F. New issue or issue of convertible debentures or warrants**

In the event of a new issue or issue of convertible debentures or warrants with pre-emption rights for the shareholders, in exchange for cash payment or payment by way of set-off or, with respect to warrants, without payment, the Company may decide to grant all Warrant Holders the same pre-emption rights as vest in the shareholders pursuant to the resolution. Notwithstanding that Subscription for Shares pursuant to Warrants has not been effected, each Warrant Holder shall thereupon be deemed to be the owner of the number of Shares which the Warrant Holder would have received had Subscription for Shares been effected at the Subscription Price and the number of Shares to which each Warrant provided an entitlement to subscribe, as applicable on the date on which the resolution regarding the offer was adopted.

In the event the Company resolves to extend to the shareholders such an offer as referred to in subsection E above, the provisions of the preceding paragraph shall apply mutatis mutandis. The number of Shares which Warrant Holders shall be deemed to own shall thereupon be determined based on the Subscription Price and the number of Shares to which each Warrant provided an entitlement to subscribe, as applicable on the date on which the resolution regarding the offer was adopted.

In the event the Company decides to grant the Warrant Holders pre-emption rights in accordance with the provisions of this subsection F, no recalculation of the Subscription Price shall take place pursuant to subsections C, D or E.

**G. Cash dividend to the shareholders**

In the event the Company decides to pay a cash dividend to shareholders whereby the shareholders receive dividend, which together with any under the same financial year payed dividend, exceeds five (5) percent of the Shares average share price under a period of 25 business days up to the day before the Board of the Company publish its intent to propose that the General Meeting shall resolve on such dividend, a re-calculated Subscription Price and a re-calculated number of shares for which each Warrant entitles to, apply, if a request for subscription has been made in such time that the share does not entitle to partition in the dividend. The recalculations shall be based upon the part of the total dividend which exceeds four (4) percent of the average share price of the Shares during the above period (extraordinary dividend).

The recalculation shall be carried out by the Company in accordance with the following formulae:

$$\text{recalculated Subscription Price} = \frac{\text{previous Subscription Price} \times \text{the Share's average listed price during a period of 25 trading days calculated commencing the day on which the Shares were listed without the right to participate in the extraordinary dividend amount (the Share's average price)}}{\text{the Share's average price increased by the extraordinary dividend amount paid per Share}}$$

$$\text{recalculated number of Shares to which each Warrant provides an entitlement to subscribe} = \frac{\text{previous number of Shares to which each Warrant provides an entitlement to Subscribe} \times \text{the Share's average price increased by the extraordinary dividend amount paid per Share}}{\text{the Share's average price}}$$

The Share's average price shall be calculated in accordance with subsection C above.

Should the Company resolve on a distribution in kind to the shareholders constituting an extraordinary dividend, recalculation shall be made in accordance with the principles applicable on cash dividend, whereby the calculation of the value of the distribution in kind to be used as a basis for the recalculation shall be determined by an independent valuer appointed by the Company.

**H. Reduction in the share capital with repayment to the shareholders**

In the event of a reduction in the share capital with repayment to the Shareholders, a recalculated Subscription Price and a recalculated number of Shares provided by each Warrant shall be applied.

The recalculation shall be carried out by the Company in accordance with the following formulae:

recalculated Subscription Price = previous Subscription Price x the Share's average listed price during a period of 25 trading days calculated commencing the day on which the Shares were listed without the right to participate in the repayment (the Share's average price)

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the Share's average price increase by the amount repaid per Share

recalculated number of Shares to which each Warrant provides an entitlement to subscribe = previous number of Shares to which each Warrant provides an entitlement to Subscribe x the Share's average price increase by the amount repaid per Share

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the Share's average price

The Share's average price shall be calculated in accordance with subsection C above.

In the event of a recalculation pursuant to the above and where the reduction takes place through redemption of Shares, instead of using the actual amount which is repaid per Share, a calculated repayment amount shall be used as follows:

calculated repayment amount per Share = the actual amount repaid per redeemed Share less the Share's market value during a period of 25 trading days immediately preceding the day on which the Shares were listed without an entitlement to participate in the reduction (the Share's average price)

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the number of Shares in the Company which form the basis of redemption of a Share less 1

The Share's average price shall be calculated in accordance with subsection C above.

The recalculated Subscription Price and the recalculated number of Shares provided by each Warrant shall be determined by the Company two Banking Days after the expiry of the stated period of 25 trading days and shall be applied to Subscriptions effected thereafter.

In conjunction with Subscriptions which are effected during the period pending determination of a recalculated Subscription Price and recalculated number of Shares to which each Warrant provides an entitlement to Subscribe, the provisions of subsection C, final paragraph above, shall apply mutatis mutandis.

In the event the Company's Shares are not listed or traded on a Marketplace, a recalculated Subscription Price and recalculated number of Shares shall be determined. In lieu of the provisions regarding the Share's average price, the value of the Shares shall thereupon be determined by an independent valuer appointed by the Company.

In the event of the Company's share capital is to be reduced through redemption of Shares with repayment to the shareholders and such reduction is not mandatory, or where the Company is to carry out a repurchase of its Shares – without a reduction in the share capital – but where, in the Company's opinion, in light of the technical structure and economic effects thereof the measure is comparable to a mandatory reduction, a recalculation of the Subscription Price and number of Shares to which each Warrant provides an entitlement to Subscribe shall be carried out applying, as far as possible, the principles stated above.

#### **I. Appropriate recalculation**

In the event of the Company carries out any measure as referred to in subsections A-E, G, H or M and where, in the Company's Board's opinion, in light of the technical structure of the measure or for any other reason, application of the prescribed recalculation formulae cannot take place or results in the financial compensation received by the Warrant Holders being unreasonable compared with the shareholders, the Board of Directors shall carry out the recalculation of the Subscription Price and the number of Shares provided by each Warrant in such manner as the Board deems appropriate in order to obtain a reasonable result.

#### **J. Rounding off**

In the determination of a recalculated Subscription Price, the Subscription Price shall not be rounded off.

#### **K. Liquidation**

In the event of liquidation pursuant to Chapter 25 of the Companies Act, no further Subscription may be effected. The aforesaid shall apply irrespective of the reasons for the liquidation and irrespective of whether or not the order that the Company be placed into liquidation has become final.

Simultaneously with the notice convening the General Meeting and prior to the General Meeting is to consider the issue of whether the Company is to be placed into voluntary liquidation pursuant to Chapter 25, section 1 of the Companies Act, the Warrant Holders shall be given notice thereof by the Company in accordance with section 9 below. The notice shall inform the Warrant Holders that Subscription may not be effected after the General Meeting has adopted a resolution regarding liquidation.

In the event the Company gives notice that it is considering entering into voluntary liquidation, notwithstanding the provisions of section 3 regarding the earliest date for demanding Subscription, the Warrant Holders shall be entitled to apply for Subscription for Shares through exercise of Warrants commencing the day on which notice is given. However, the aforesaid shall apply only where Subscription can be effected not later than the tenth calendar day prior to the General Meeting at which the issue of the Company's liquidation is to be addressed.

#### **L. Merger**

In the event the General Meeting approves a merger plan pursuant to Chapter 23, section 15 of the Companies Act whereby the Company is to be merged in another company, Subscription may thereafter not be demanded.

Not later than two months prior to the General Meeting which is to consider the issue of approving the above merger, the Warrant Holders shall be given notice thereof in accordance with section 9 below. The notice shall contain information about the merger plan and information that Subscription may not

be effected after the General Meeting has adopted a resolution regarding the merger in accordance with the paragraph above.

In the event the Company gives notice of a proposed merger in accordance with the above, Warrant Holders shall be entitled to apply for Subscription commencing the date on which notice of the proposed merger was given, provided that Subscription can be effected not later than three weeks prior to the date of the General Meeting at which the merger plan whereby the Company is to be merged in another company is to be approved.

The following shall apply if the Company's Board of Directors prepares a merger plan pursuant to Chapter 23, section 28 of the Companies Act, whereby the Company is to be merged in another company, or if the Company's Shares are subject to a buy-out procedure pursuant to Chapter 22 of the same Act.

In the event a Swedish Parent company owns all of the shares in the Company, and the Company's Board of Directors announces its intention to prepare a merger plan pursuant to the statutory provision referred to in the preceding paragraph, in the event the final date for demanding Subscription pursuant to section 3 above falls on a day after such announcement, the Company shall establish a new final date for demanding Subscription (the Expiry Date). The Expiry Date shall be a day within 60 days of the announcement.

#### **M. Demerger**

In the event the General Meeting approves a demerger plan pursuant to Chapter 24, section 17 of the Companies Act whereby the Company shall be demerged through part of the Company's assets and liabilities being taken over by one or more limited companies in exchange for consideration to the Company's shareholders, a recalculated Subscription Price and a recalculated number of Shares to which each Warrant provides an entitlement to subscribe shall be applied in accordance with the principles set forth in subsection E above. The recalculation shall be based on the part of the Company's assets and liabilities assumed by the takeover company.

In the event all of the Company's assets and liabilities are taken over by one or more limited companies in exchange for consideration to the Company's shareholders, the provisions regarding liquidation as set forth in subsection K above shall apply mutatis mutandis, entailing inter alia that the right to request Subscription shall terminate simultaneously with registration pursuant to Chapter 24, section 27 of the Companies Act and that Warrant Holders must be given notice thereof not later than two months prior to the date on which the demerger plan is submitted to the General Meeting.

#### **N. Buy-out of minority shareholders**

In the event a Swedish Parent company, on its own or together with a subsidiary, owns more than 90 percent of the shares and more than 90 percent of the voting rights in respect of all of the shares in the Company, and where the Parent company announces its intention to commence a buy-out procedure, the provisions of the final paragraph of subsection L regarding the Expiry Date shall apply mutatis mutandis.

If the announcement has been made in accordance with the provisions above in this subsection, Warrant Holders shall be entitled to demand Subscription until the Expiry Date. The Company must give notice to the Warrant Holders in accordance with section 9 below, not later than five weeks prior to the Expiry Date, informing them of this right and the fact that they may not demand Subscription after the Expiry Date.

If the majority shareholder, pursuant to Chapter 22, section 6 of the Companies Act, has submitted a request that a buy-out dispute be resolved by arbitrators, the Warrants may not be exercised for Subscription until the buy-out dispute has been settled by an award or decision that has become final. If the period within which Subscription may take place expires prior thereto, or within three months thereafter, a Warrant Holder nevertheless has the right to exercise the Warrant within three months after the date on which the ruling became final.

#### **O. Cease or lapse of liquidation, merger or demerger**

Notwithstanding the provisions of subsections K, L, and M that Subscription may not be effected following a resolution regarding liquidation or approval of a merger plan or demerger plan, the right to Subscription shall be reinstated in the event the liquidation ceases or the issue of a merger or demerger lapses.

#### **P. Bankruptcy or reorganisation**

In the event of the Company's bankruptcy or where a decision is taken that the Company shall be the subject of a company reorganisation order, Subscription may not take place through exercise of Warrants. Where the bankruptcy order or the Company reorganisation order is set aside by a higher court, the entitlement to Subscribe shall be reinstated.

#### **Q. Change in accounting currency**

In the event the Company effects a change in the accounting currency, entailing that the Company's share capital shall be established in a currency other than Swedish crowns, the Subscription Price shall be recalculated in the same currency as the share capital. Such currency recalculation shall take place applying the exchange rate which was used to recalculate the share capital in conjunction with the change in currency.

A recalculated Subscription Price in accordance with the provisions above shall be determined by the Company and shall be applied to Subscriptions effected commencing the day on which the change in the accounting currency takes effect.

#### **R. Equivalent terms and conditions for companies with certificated shares**

In cases where the provisions concerning recalculation refer to a record date and, at the time of the recalculation, the Company is not a Central Securities Depository Company, a comparable date used in equivalent terms and conditions for companies with certificated shares shall apply instead of the record date.

### **§ 9 NOTICES**

Notices relating to the Warrants must be provided in writing to each Warrant Holder to an address which is known to the Company.

### **§ 10 AMENDMENTS TO THE TERMS AND CONDITIONS**

The Company's Board of Directors shall be entitled, on behalf of the Warrant Holders, to amend these terms and conditions to the extent that any legislation, court decision or public authority decision renders necessary such amendment or where, in the Board's opinion, for practical reasons it is otherwise appropriate or necessary to amend the terms and conditions, and the rights of the Warrant Holders are thereupon not prejudiced in any respect.

## **§ 11 CONFIDENTIALITY**

None of the Company, the Account Operator or Euroclear may disclose information about a Warrant Holder to any third party without authorisation. The Company shall be entitled to obtain the following information from Euroclear regarding a Warrant Holder's account in the Company's central securities depository register:

- a) the Warrant Holder's name, personal identification number or other identification number, and postal address;
- b) the number of Warrants.

## **§ 12 GOVERNING LAW**

These Warrants and legal issues relating thereto shall be governed by Swedish law. Proceedings arising from this agreement shall be brought in the district court where the registered office of the Company is situated or any other forum whose authority is accepted in writing by the Company.

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*English translation for information purposes only. If there are differences between the English translation and the Swedish original, the Swedish text will take precedence.*

## **THE BOARD'S PROPOSAL FOR RESOLUTION ON ISSUE AUTHORISATION**

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The Board proposes that the General Meeting resolves on issue authorisation in accordance with the following.

The Board shall be authorised to resolve to issue new shares on one or several occasions during the period up to the next Annual General Meeting, to the extent that such new issue can be made without amending the articles of association. The issue may take place applying or disapplying shareholder pre-emption rights. Based on the authorisation the Board may resolve to issue a number of new shares not exceeding ten percent of the total number of outstanding shares in the company at the time of exercising the authorisation.

The Board shall be authorised to resolve on issue where payment is made in cash, by assets contributed in kind or by way of set-off, and the issue may otherwise be subject to conditions as set out in Chapter 2, section 5, second paragraph, 1-3 and 5 of the Companies Act.

A cash issue or issue by way of set-off that takes place with disapplication of shareholder pre-emption rights must take place on market terms.

The purpose of the authorisation, and the reasons for any disapplication from the shareholders' pre-emption right, is that the Board shall be able to resolve on issue of shares in order to finance acquisitions of real property or real property companies, or part of real property or real property companies, or in order to finance investments in new or existing real property.

The CEO or its nominee, is entitled to decide on any minor changes in the authorisation resolution that may be required when registering the resolution with the Swedish Companies Registration Office or due to other formal requirements.

A resolution under this item will not be valid unless supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the meeting.

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Nacka in March 2019  
**Nyfosa AB (publ)**  
*The Board of Directors*

*English translation for information purposes only. If there are differences between the English translation and the Swedish original, the Swedish text will take precedence.*

## **REPORT BY THE BOARD ON THE REMUNERATION COMMITTEE'S EVALUATION OF REMUNERATION PAYABLE TO SENIOR EXECUTIVES**

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The Board has previously established a remuneration committee, which prepares the resolutions of the Board on issues concerning size and forms of structures for remuneration of senior executives. The term "senior executives" means the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and other members of the company's management. The duties incumbent on the remuneration committee includes preparing the Board's proposal for guidelines on remuneration payable to senior executives.

The remuneration committee is also entrusted with the task of monitoring and evaluating the outcome of programmes for variable remuneration, the application of the guidelines for remuneration that the General Meeting has adopted as well as the current remuneration structures and levels in the company.

Pursuant to Section 10.3 of the Swedish Corporate Governance Code, the Board hereby presents the following report on the result of the remuneration committee's evaluation.

### **Evaluation of programme for variable remuneration to senior executives**

According to current guidelines for remuneration of senior executives, the variable part of the remuneration shall reward target-related results and improvements in simple and transparent constructions as well as being maximized. An outcome shall be related to the fulfilment of targets regarding earnings, result, cash flow, growth, value increase, individually measurable goals and qualitative targets. Variable remuneration to each senior executive shall not exceed four months' salary and shall not be pensionable. In 2019, the company's cost for the variable remuneration for the entire group of senior executives in the Group can amount to a maximum of MSEK 4 (excluding costs for employer social security contribution). The remuneration committee has evaluated the set goals for the variable remuneration and the results for 2018 and is of the opinion that the variable remuneration is still well balanced and is in line with the shareholders' interests and that the variable remuneration is important to motivate and retain senior executives. The remuneration committee considers that the targets set are effective.

### **The application of the guidelines for remuneration to senior executives and current remuneration structures and remuneration levels**

According to current guidelines for remuneration to senior executives, the company shall apply the remuneration levels and employment terms that are required in order to recruit and retain senior executives with high competence and capacity to reach specified goals. The remuneration committee is of the opinion that the guidelines follow their purpose to motivate senior executives to do their utmost to secure the shareholders' interest as well as to promote the company's long-term value creation. The evaluation of the remuneration committee has also shown that the assessment of achieved outcome has been discretionary. The auditor of the company has given a statement to the Board stating that Nyfosa has not deviated from the guidelines for remuneration of senior executives that were resolved on by the shareholders at the Extraordinary General Meeting on May 21, 2018.

The remuneration committee has, based on conducted market surveys, determined that the remuneration structures and remuneration levels of the company are on market terms.

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Nacka in March 2019

**Nyfosa AB (publ)**

*The Board of Directors*