

# Heimstaden

*The English text is an unofficial translation of the Swedish original. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.*

## **Notice to annual general meeting in Heimstaden AB (publ)**

The shareholders of Heimstaden AB (publ), reg.no. 556670-0455 (the “**Company**”), are hereby summoned to the annual general meeting on Thursday 8 April 2021, at 10:00 a.m. CET at the Company’s premises on Östra Promenaden 7 A, SE-211 28 Malmö. Registration for the general meeting will commence at 09:30 a.m. CET.

### **Notice of attendance etc.**

Shareholders who wish to attend and vote at the general meeting must:

*both* be entered in the share register kept by Euroclear Sweden AB on Monday 29 March 2021, or, if the shares are nominee-registered, request that the nominee registers the shares for voting no later than Wednesday 31 March 2021;

*and* give notice to the Company no later than Wednesday 31 March 2021.

Notice may be given by post to Heimstaden AB (publ), Årsstämma 2021, Att: Carl-Fredrik Streiby, Östra Promenaden 7 A, SE-211 28 Malmö; by e-mail at [arsstamma@heimstaden.com](mailto:arsstamma@heimstaden.com) or on the Company’s website [www.heimstaden.com/arsstamma](http://www.heimstaden.com/arsstamma). Such notice of registration shall include the shareholders name, personal- or corporate identity number (or similar), number of shares in the company, address, daytime telephone number, as well as, if applicable, the number of attending advisors (not more than two).

If a shareholder intends to be represented by proxy, a proxy in original and other authorisation documents should be brought to the general meeting. If the authorisation was issued by a legal entity, an attested copy of the current certificate of registration for the legal entity or corresponding authorisation documents must be appended. Template proxy forms are available on the Company’s website, [www.heimstaden.com](http://www.heimstaden.com). If no period of validity is stated, the authorisation will be effective for no more than one year from the date of issue.

Shareholders may also choose to vote by post. The form for postal voting is available on the Company’s website, [www.heimstaden.com](http://www.heimstaden.com), at the premises of the Company and will be sent free of charge to shareholders who so request and provide their postal address. If a shareholder chooses to vote by post, a completed form for postal voting shall be sent by post to Heimstaden AB (publ), Årsstämma 2021, Att: Carl-Fredrik Streiby, Östra Promenaden 7 A, SE-211 28 Malmö. If the shareholder who chooses to vote by post is a legal entity, an attested copy of the current certificate of registration for the legal entity or corresponding authorisation

# Heimstaden

documents must, in addition, be sent to the Company in good time prior to the general meeting. The form for postal voting must be received by the Company at the address stated above no later than Wednesday 31 March 2021. Please note that shareholders who exercise their right to vote by post in the prescribed manner thereby is considered to have given notice to attend the annual general meeting, which is why a separate notification for those who have voted by mail in the prescribed manner is not necessary. The shareholder may not provide the postal vote with special instructions or conditions. If that were to happen, the entire postal vote is invalid. Further instructions and conditions may be found in the postal voting form.

To be able to participate in the general meeting (voting right registration), shareholders who have nominee-registered shares via a bank or any other nominee must request the nominee to register them in the share register kept by Euroclear Sweden AB no later than Wednesday 31 March 2021. Shareholders must therefore, in good time prior to the stated date, contact the nominee and register for voting in accordance with the instructions provided by the nominee.

## **Precautionary measures due to Covid-19**

For the purpose of protecting the health of all shareholders and employees the Company will keep the general meeting as short and efficient as possible, and minimise all non-essential social contacts. Thus:

- No refreshments will be offered.
- No exhibitions, events or similar will be held.
- The number of participating members of the board of directors and management will be severely limited and their participation may be carried out by video or telephone link.
- Shareholders are encouraged to follow the authorities' recommendations and to take individual responsibility in order to prevent the spread of infection, as well to vote by post.

The Company is closely following the development and may suggest additional safety measures. If the number of shareholders physically attending the general meeting exceeds what is prescribed or recommended by the relevant authorities, or if the board otherwise considers that the general meeting cannot be performed safely, despite implemented safety measures, the Company may cancel the general meeting and complete it at a later date. This may happen at a short notice. In the event of cancellation, a new notice will be distributed in the usual manner.

## **Proposed agenda**

1. Opening of the meeting.

# Heimstaden

2. Election of chairman of the meeting.
3. Preparation and approval of the voting list.
4. Election of persons to verify the minutes of the meeting.
5. Approval of the agenda.
6. Determination of whether the meeting has been duly convened.
7. Presentation of the annual report, the auditor's report, and the group accounts and auditor's report for the group.
8. Resolution in respect of adoption of the profit and loss account and the balance sheet and the consolidated profit and loss account and the consolidated balance sheet.
9. Resolution in respect of allocation of the Company's result in accordance with the adopted balance sheet and adopted consolidated balance sheet for the group.
10. Resolution on discharge from liability for the members of the board of directors and the CEO for the period that the accounts encompass.
  - a) The chairman of the board Ivar Tollefsen.
  - b) Member of the board of directors John Giverholt.
  - c) Member of the board of directors and CEO Patrik Hall.
  - d) Member of the board of directors Magnus Nordholm.
11. Determination of fees to the members of the board of directors and the auditor.
12. Resolution on the number of members of the board of directors and any deputy members of the board of directors.
13. Election of members of the board of directors and any deputy members of the board of directors.
  - a) Re-election of member of the board of directors Ivar Tollefsen.
  - b) Re-election of member of the board of directors John Giverholt.
  - c) Election of member of the board of directors Fredrik Reinfeldt.
  - d) Election of member of the board of directors Vibeke Krag.
14. Resolution on the numbers of auditors.
15. Election of auditors.
16. Resolution on amending the articles of association, share split, and authorisation for the board to decide on new issue of shares, encompassing:
  - a) Amendment of the articles of association.
  - b) Share split.
  - c) Authorisation for the board to decide on new issue of shares.
17. Closing of the meeting.

## **Election of the chairman of meeting (item 2)**

The board of directors proposes Patrik Hall as chairman of the general meeting.

## **Election of persons to verify the minutes of the meeting (item 4)**

The board of directors proposes Carl-Fredrik Streiby and Karmen Mandic, or in the event any or both of them are prevented from participating, the person or persons designated by the board of directors, to persons to verify the minutes. The adjusters' assignment also include checking the voting list and that incoming postal votes are correctly reproduced in the minutes.

## **Resolution in respect of allocation of the Company's result (item 9)**

The board of directors proposes that the annual general meeting resolves on a dividend to the shareholders as follows.

The board of directors has proposed an authorisation for the board to issue preference shares (item 16c)). For this reason, the board proposes dividends as follows.

- a) The board of directors proposes that the general meeting resolves to distribute dividends to holders of ordinary shares with SEK 75.73462587 per share (prior to the proposed share split), amounting to a total of SEK 1,000,000,000. The board of directors shall be authorised to determine the record date for the dividend.
- b) The board of directors proposes that the general meeting resolves to distribute dividends to the holders of preference shares with SEK 20 per share (or SEK 2.00 per share if the general meeting resolves pursuant to item 16), amounting to a total of SEK 46,875,000. Dividend to the preference shareholders shall be paid quarterly in an amount of SEK 5 per disbursement (or SEK 0.50 per disbursement if the general meeting resolves pursuant to item 16). Record dates for the dividends shall in accordance with the articles of association be 5 July 2021, 5 October 2021, 5 January 2022 and 5 April 2022.
- c) The board of directors proposes that the general meeting resolves to distribute a dividend for all those preference shares that may be issued by the board on the basis of the authorisation pursuant to the board's proposal in item 16c). The record dates for the dividend shall in accordance with the articles of association be 5 July 2021, 5 October 2021, 5 January 2022 and 5 April 2022. The dividend shall amount to SEK 20 per share (or SEK 2.00 per share if the general meeting resolves pursuant to item 16). Dividend to the preference shareholders shall be paid quarterly in an amount of SEK 5 per disbursement (or SEK 0.50 per disbursement if the general meeting resolves pursuant to item 16). If the authorisation were to be exercised to issue the maximum amount of preference shares possible, the dividend pursuant to the board's proposal will amount to a total of SEK 80,000,000. The dividend shall be paid commencing on the first record date that occurs

# Heimstaden

following the registration of the preference shares with the Swedish Companies Registration Office and their entering into the share register of Euroclear Sweden AB or such later date as may be specified in the issue decision.

The proposals above entail that a maximum of SEK 1,126,875,000 of the means at the disposal of the annual general meeting, which amount to SEK 18,302,020,985 shall be distributed to the shareholders. The remaining amount SEK 17,175,145,985, shall be carried forward.

If the record date stated above is not a business day, the record date shall be the nearest preceding business day. Disbursement of the dividend shall be executed the third business day following the record date.

## **The board, auditor, fees to the board and fees to the auditor (item 11–15)**

The shareholder Fredensborg AS who represents about 86.2 percent of the shares and about 98.4 percent of the votes in the Company proposes the following.

### **Determination of fees to the directors and the auditor (item 11)**

The shareholder proposes that director's fees shall be paid in a total amount of SEK 700,000, of which SEK 300,000 shall be paid to Fredrik Reinfeldt and SEK 400,000 shall be paid to Vibeke Krag. No director's fees are proposed to be paid to the other members of the board of directors.

The shareholder proposes that the Company's auditors' fee be paid on account as per approved invoice.

### **Resolution on the number of members of the board of directors and any deputy members of the board of directors (item 12)**

The shareholder proposes that the board of directors shall consist of four members with no deputy members of the board of directors, *i.e.*, no change in the number of members of the board of directors elected by the annual general meeting is proposed.

### **Election of members of the board of directors and any deputy members of the board of directors (item 13)**

The shareholder proposes, for the time until the end of the next annual general meeting, the re-election of the following members of the board of directors:

- a) Ivar Tollefsen
- b) John Giverholt

In addition to the individuals above, the shareholder proposes, for the time until the end of the next annual general meeting, new election of the following individuals as members of the board of directors:

# Heimstaden

- c) Fredrik Reinfeldt
- d) Vibeke Krag

Fredrik Reinfeldt is an experienced politician and business professional who led the Swedish Moderate Party for 12 years (2003-2015) and served eight years as Prime Minister of Sweden (2006-2014). He currently holds positions as Chairman of Centrum for AMP (2019-) and Political Advisor to Nordic Capital. He also has experience as Chairman of Extractive Industries Transparency Initiative (2016-2019), Senior Advisor to Bank of America Merrill Lynch (2016-2020) and member of the board of directors of Max Matthiessen AB (2016-2020). He has a Master of Business Administration from Stockholm University.

Vibeke Krag is a qualified professional with broad CEO and board experience from large corporations within finance, insurance and energy. She currently serves on the board of directors of several companies, including Gjensidige Forsikring ASA (2018-), Nykredit A/S (2017-) and the Danish Competition and Consumer Authority (2015-). From 2010 to 2014 she held the position of CEO at Codan Forsikring A/S. She has an LLM from the University of Copenhagen.

## **Resolution on the numbers of auditors (item 14)**

The board of directors proposes that the number of auditors shall remain unchanged and therefore be two.

## **Election of auditors (item 15)**

The board of directors proposes for the time until the end of the next annual general meeting, on re-election of the registered accounting firm Ernst & Young Aktiebolag and re-election of authorised accountant Ingemar Rindstig, at Ernst & Young Aktiebolag, as the auditors of the Company.

Ernst & Young Aktiebolag has informed that in the event that the accounting firm is elected, Peter von Knorring will continue to be the auditor in charge.

## **Resolution on amending the articles of association, share split, and authorisation for the board to decide on new issue of shares (item 16)**

The board of directors proposes that the proposals pursuant to items 16a)–16c) shall be conditional upon each other and adopted by the general meeting as one single resolution.

### ***a) Amendment of the articles of association***

The board of directors proposes that the general meeting resolves to amend the Company's articles of association in order to enable the proposed share split and to exercise the authorisation for the board to decide on new issue of shares, proposed in items 16b)–16c) below.

# Heimstaden

Furthermore, the board proposes that the wording regarding applicable dividend amounts and redemption amounts and amounts to which the preference shares are entitled at the Company's dissolution be adjusted so that exact dates are stated instead of time periods calculated from the date of the first issue of preference shares and that an adjustment is made to account for the share split proposed in item 16b).

Thus, the adjustment does not entail any material changes to the redemption amounts, the amounts to which the preference shares are entitled upon the Company's dissolution or in regards to dividends. Instead, the adjustment only aims to illustrate the rights of the preference shares in these respects in a more accessible manner. Furthermore, the board proposes an editorial change in § 1 of the articles of association, whereby the term business name (Sw. *företagsnamn*) shall be used instead of business name (Sw. *firma*).

The board also proposes that the limit for the maximum number of board members be adjusted to 15 board members.

In the board's proposal below, **underlined bold text** indicates additions to the now registered articles of association and ~~crossed-out text~~ indicates text to be deleted.

Only § 1, § 4, the relevant parts of § 5 and § 6 of the articles of association to which amendments are proposed are provided below.

## **Adjusted rules**

### § 1 ~~The Company~~ **Business name**

The company's ~~business name~~ **business name** is Heimstaden AB. It is a public company.

### § 4 Share capital

The share capital shall be at least SEK ~~30,000,000~~ **60,000,000** and no more than SEK ~~120,000,000~~ **240,000,000**.

### § 5 The number of shares

#### *1. Number of shares*

The number of shares shall be at least ~~6,000,000~~ **60,000,000** shares and no more than ~~24,000,000~~ **240,000,000** shares.

#### *4. Limitations regarding issuing of preference shares and transfer of value in certain cases*

As long as preference shares are issued and as long as the Ratio of the preference share (defined and estimated as shown below) exceed 1/2, decisions cannot be made regarding:

# Heimstaden

- (i) Issuance of additional preference shares, or
- (ii) Transfer of value to holders of ordinary shares.

The Ratio of the preference share is defined and estimated according to the following:

$$\frac{A \times B}{C}$$

where:

- A is the exercise price pursuant to point 6 (ii) below at the time of decision (including any accrued part of the Preference Dividend and any Accrued Amount regardless of the length of time passed since the ~~Initial Issue~~ **June 2015**);
- B is the total number of listed preference shares with the addition of adopted, but not registered, new issue of preference shares, preference shares that may apply through conversion or the use of convertible bonds and warrants as well as preference shares which can be issued according to other financial instruments, with the deduction of both preference shares held by the company itself and such preference shares that are subject of redemption following a decision by the general meeting or the board of directors; and
- C is the group's (the company being the parent company) booked equity pursuant to the latest quarterly report issued by the company with the deduction of any proposed but not adopted or implemented transfer of value as per point (ii) above and, any proposed but not adopted or implemented Preference Dividend as per point 5 below.

## *5. The right of dividend of the preference share*

If the general meeting decides to pay dividend, the preference shares should have preferential rights over the ordinary shares as set out below.

The precedence of dividend per preference share (“**Preference Dividend**”) shall amount to a quarter of the annual preference dividend (“**Annual Preference Dividend**”) per payment with record days as set out below.

From and including the first payment of the Preference Dividend, Annual Preference Dividend will be SEK ~~202.00~~ per preference share.

The payment of the preference share dividend will be made quarterly in Swedish Kronor. Record days for dividend will be on the 5th January, 5th April, 5th July and the 5th October. In cases when one of these days is not a banking day, the record day will be the closest previous banking day. The payment of the dividend



# Heimstaden

of preference shares will take place on the third banking day following the record day. "Banking day" means any day which is not a Sunday or a Bank holiday or a day which is assimilated to a Bank holiday upon payment of promissory notes (such assimilated days are currently Saturdays, Midsummer's Eve, Christmas Eve and New Year's Eve).

If no Preference Dividend has been provided or if only dividend less than the Preference Dividend has been provided, the preference shares carry the right to obtain an amount in addition to future Preference Dividend, evenly distributed on each share corresponding to the difference between what would have been paid as per above and amount paid ("**Accrued Amount**") before new issue of additional preference shares or transfer of value to holder of ordinary shares can take place. The Accrued Amount will be adjusted upwards by a factor corresponding to an annual interest rate of ten (10) percent, in which case the upward adjustment shall be made, starting from the quarterly point in time when dividend of part of the Preference Dividend has occurred (or ought to have occurred, in those instances in which no Preference Dividend has occurred). Dividend of Accrued Amount also requires a decision on dividend by the general meeting.

The preference shares shall otherwise not be entitled to any dividend.

## *6. Redemption of preference shares*

Reduction of the share capital, but not below the minimum capital, can occur by redemption of a certain amount or all preference shares following a decision by the board. When a decision of redemption is made, an amount corresponding to the reduction amount shall be set aside to the statutory reserve if the required funds are available therefore.

The allocation of the preference shares to be redeemed shall be made pro rata in proportion to the number of preference shares held by each preference shareholder. If the allocation as per above does not split evenly, the board shall decide on the allocation of excess preference shares to be redeemed. If the decision is approved by all holders of preference shares, the board may however decide which preference shares that shall be redeemed.

The redemption price of every redeemed preference share shall be an amount calculated according to the following.

- (i) ~~Until the tenth anniversary of the first issue of preference shares ("the Initial New Share Issue")~~ **Until 1 June 2025**, an amount corresponding to (i) SEK ~~375~~**37.50** together with (ii) any accrued part of Preference Dividend together with (iii) any Accrued Amount adjusted upwards with an amount corresponding to the annual interest rate as per point 5

# Heimstaden

above. The redemption price for every redeemed preference share shall however, never be less than the quotient value of the share.

- (ii) ~~As of the tenth anniversary of the initial new share issue~~ **From and including 1 June 2025** and for the time thereafter, an amount corresponding to (i) SEK ~~330~~**33.00** together with (ii) any accrued part of the Preference Dividend together with (iii) any Accrued Amount adjusted upwards with an amount corresponding to the annual interest rate as per point 5 above. The redemption price for every redeemed share shall however never be less than the quotient value of the share.

“**Accrued part of the Preference Dividend**” means the accrued Preference Dividend for the period beginning with the day following the most recent record day for dividend on preference shares until and including the day of payment of the redemption price. The number of days shall be calculated on the basis of the actual number of days in relation to 90 days.

## *7. The dissolution of the company*

At the company’s dissolution, preference shares shall confer preferential rights compared to ordinary shares to obtain an amount per preference share from the company’s assets according to the following before distribution is made to the holders of ordinary shares.

- (i) If the company is dissolved in the period between the ~~initial share issue~~ **1 June 2015** and the ~~tenth anniversary~~ **1 June 2025**, an amount calculated in the manner as stated in point 6 (i) above.
- (ii) If the company is dissolved in the period from and including the ~~tenth anniversary after the initial share issue~~ **1 June 2025** and the period thereafter, an amount calculated in the manner as stated in point 6 (ii) above.

Preference shares shall otherwise not be entitled to any distribution proceeds.

## § 6 Board of directors

The board of directors shall consist of at least three (3) and no more than ~~five~~ **(5) fifteen (15)** members of the board with at least zero (0) and at the most five (5) deputies. The board is elected annually at the annual general meeting for the period until the end of the next annual general meeting.

### **b) Share split**

The board of directors proposes that the general meeting shall resolve on a split of all the Company's existing shares, whereby each existing share in the company is split into 10 shares of the same share series (share split 10:1). Thus, the number of shares in the Company following the split will amount to:

# Heimstaden

- 132,040,000 ordinary shares
- 23,437,500 preference shares

The quotient value of each share following the split will be SEK 0.50.

The board proposes that the board be authorised to decide the record date for the share split, which at the time of the notice is expected to be around 26 April 2021. However, the record date may not be determined so that it occurs before the resolution on the split has been registered with the Swedish Companies Registration Office. The resolution on the split presupposes an amendment to the articles of association in accordance with item 16a) above.

### **c) Authorisation for the board to decide on new issue of shares**

The board of directors proposes that the general meeting authorises the board to, within the framework of the articles of association in force at any given time, on one or more occasions during the period up to the 2022 annual general meeting, with or without deviation from the shareholders' preferential rights, decide to increase the Company's share capital through new issue of no more than 40,000,000 preference shares against cash payment, with a provision for non-cash consideration or set-off or otherwise with conditions.

The purpose of the authorisation and the reason for allowing deviations from the shareholders' preferential rights is to enable the Company to raise capital (including in accordance with an accelerated timetable) as part of the Company's work to continue its growth, *inter alia*, through acquisitions and investments in existing holdings (directly and/or indirectly) and to achieve a more efficient capital structure in order to promote increased liquidity in the preference shares and a larger shareholder base.

To the extent that the issue is carried out with deviation from the shareholders' preferential rights, the issue shall be made at market terms, subject to a market issue discount where applicable.

### **Majority requirements and authorisations**

Resolutions in accordance with the proposals under items 16a) and 16c) requires that shareholders representing a minimum of two thirds (2/3) of both the votes cast and the shares represented at the general meeting approve the proposal. Resolutions in accordance with all other proposals that do not concern elections, including the proposal under item 16b), require that the proposals are approved by shareholders representing more than half of the votes cast at the general meeting.

The board of directors, or a person appointed by the board, shall be authorised to make such minor adjustments of the resolutions under items 16a)–16c) that may be required in connection with the registration of the resolutions at the Swedish Companies Registration Office or Euroclear Sweden AB.

# Heimstaden

## **Shareholders' right to request information**

At the annual general meeting, the board of directors and the CEO shall, upon request by a shareholder and provided that the board of directors consider that it can be done without significant damage to the Company, provide information on circumstances which may affect the assessment of an item of the agenda and circumstances that may affect the assessment of the financial situation of the Company or its subsidiaries as well as information regarding the Company's relation to another group company.

## **Processing of personal data**

For information on how your personal data is processed in connection with the general meeting, please see: <https://heimstaden.com/behandling-av-personuppgifter/>.

## **Documents etc.**

The complete proposals on resolutions and other documents that shall be made available prior to the general meeting pursuant to the Swedish Companies Act will be available at the Company and on the Company's website, [www.heimstaden.com](http://www.heimstaden.com), and will be sent free of charge to shareholders who so request and provide their postal address.

**Shareholders are much welcomed to the annual general meeting**

---

Malmö in March 2021

**Heimstaden AB (publ)**

*The board of directors*