

THE PROPOSAL BY THE BOARD OF DIRECTORS OF HEMFOSA FASTIGHETER AB (PUBL) REGARDING GUIDELINES FOR REMUNERATION TO THE SENIOR EXECUTIVES (AGENDA ITEM 15)

The Board of Directors proposes that the Annual General Meeting resolves on the following guidelines for remuneration to the company's senior executives.

Hemfosa shall apply the remuneration levels and employment terms necessary in order to attract and retain a highly competent management with capacity to achieve set goals. The forms of remuneration shall motivate the senior executives to do their utmost to secure the shareholders' interests.

Accordingly, the remuneration structure shall be in line with market terms and be competitive. It shall also be simple, long-term and measurable. The remuneration to senior executives may comprise a fixed and variable part. The fixed salary for senior executives is to be adapted to market conditions and based on competence, responsibility and performance. A variable part shall reward results clearly linked to targets and improvements in simple and transparent structures and shall be maximised. Any outcome must relate to the fulfilment of pre-determined goals with respect to results, cash flow and growth. Variable remuneration to each senior executive may not exceed four months' salary and shall not entitle to pension benefits. The variable salary for all senior executives in the group, taken as a whole, may not exceed SEK three million. Regarding the right and possibility to receive variable remuneration, the CEO and the CFO are excluded.

Senior executives' non-monetary benefits shall facilitate the work of the senior executives and correspond to what may be deemed reasonable in relation to standard practices on the market in which each senior executive is active. Senior executives may be offered incentive schemes which shall primarily be share based or related to the share price. Any incentive scheme must ensure long-term 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 of shareholders.

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 ITP1 plan in Sweden. Salary during the notice period upon termination and severance pay for a senior executive is not to exceed a total of 18 months' salary, if the company terminates the employment and six months if the senior executive resigns. In this context, senior executives are defined as the CEO, CFO and other members of the group executive management.

The Board of Directors 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 of Directors shall give an account for the reason for deviation from the guidelines for remuneration to senior executives at the next Annual General Meeting.

Nacka, March 2016
Hemfosa Fastigheter AB (publ)
Board of Directors