

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

NOTICE TO ATTEND THE ANNUAL GENERAL MEETING

The shareholders of Hemfosa Fastigheter AB (publ) ("Hemfosa") are hereby invited to the Annual General Meeting on Tuesday 7 May 2019 at 2.00 p.m. CET at Berns Stockholm (Kammarsalen), Berzelii Park in Stockholm, Sweden. Entry to the Annual General Meeting will commence at 1.00 p.m. CET.

NOTIFICATION ETC.

Shareholders who wish to attend the Annual General Meeting

shall be entered in the share register maintained by Euroclear Sweden AB on Tuesday 30 April 2019,

shall give notice of their attendance to Hemfosa no later than on Thursday 2 May 2019. Notification shall be submitted in writing to Hemfosa Fastigheter AB (publ), c/o Euroclear Sweden AB, "Annual General Meeting 2019", Box 191, 101 23 Stockholm, Sweden, or by telephone to +46 (0)8-402 92 96. Notification can also be made via Hemfosa's website, www.hemfosa.se. The notification shall state the name, personal identification number or company registration number, address, telephone number and accompanying advisors, if any (not more than two).

Shareholders whose shares are registered in the name of a nominee must temporarily re-register the shares in their own name in order to be entitled to attend and vote at the Annual General Meeting. Such re-registration must be effected with Euroclear Sweden AB on Tuesday 30 April 2019, which means that the shareholder must inform its nominee well before this date.

Shareholders attending by proxy or a representative should send powers of attorney in original, certificates of incorporation and any other documents of authorisation to the company at the address above well before the Annual General Meeting. A template proxy form is available on the company's website, www.hemfosa.se. Shareholders cannot vote or in other ways attend the Annual General Meeting by remote access.

PROPOSED AGENDA

1. Opening of the meeting
2. Election of Chairman of the meeting
3. Preparation and approval of the voting register
4. Election of one or two persons to check and verify the minutes
5. Determination of whether the meeting has been duly convened
6. Approval of the agenda

7. Presentation of the annual report and the auditor's report and the consolidated financial statements and the auditor's report for the group
8. Report by the Chairman of the Board of Directors on the work of the Board of Directors
9. Presentation by the CEO
10. Resolutions regarding
 - a) adoption of the income statement and the balance sheet and the consolidated income statement and the consolidated balance sheet,
 - b) disposition of the company's earnings in accordance with the adopted balance sheet, and
 - c) whether the Board members and the CEO should be discharged from liability
11. Determination of remuneration to be paid to the Board members and the auditor
12. Election of Board members and auditor
13. Resolution regarding authorisation for the Board of Directors to resolve upon new issue of ordinary shares
14. Resolution regarding guidelines for remuneration to senior executives
15. Resolution regarding warrant program including issue and transfer of warrants
16. Closing of the meeting

PROPOSED RESOLUTIONS

Item 2 – Election of Chairman of the meeting

The nomination committee proposes that Wilhelm Lüning, member of the Swedish Bar Association, is elected Chairman of the Annual General Meeting.

Item 10 b – Resolution regarding disposition of the company's earnings in accordance with the adopted balance sheet

The Board of Directors proposes that the Annual General Meeting resolves that, until the next Annual General Meeting, a dividend to the shareholders of ordinary shares shall be paid in a total amount of SEK 2.40 per ordinary share, with quarterly payments of SEK 0.60 per ordinary share. Proposed record days for the quarterly dividends on the ordinary shares are 9 May 2019, 10 July 2019, 10 October 2019 and 10 January 2020. In the event that such day is not a banking day, the record day shall be the immediate preceding banking day. The dividend payments on the ordinary shares are estimated to be distributed by Euroclear Sweden AB on the third banking day after each record day.

The Board of Directors further proposes that the Annual General Meeting resolves that, until the next Annual General Meeting, a dividend to the shareholders of preference shares shall be paid in a total amount of SEK 10.00 per preference share, with quarterly payments of SEK 2.50 per preference share. Proposed record days for the quarterly dividends for the preference shares are 10 July 2019, 10 October 2019, 10 January 2020 and 10 April 2020. In the event that such day is not a banking day, the record day shall be the immediate preceding banking day. The dividend payments on the preference shares are estimated to be distributed by Euroclear Sweden AB on the third banking day after each record day.

In aggregate, the proposed dividend as set out above amounts to SEK 512,547,788.

The Board of Directors has furthermore proposed that the Annual General Meeting authorises the Board of Directors to resolve upon new issue of ordinary shares (item 13 on the agenda). The Board of Directors proposes that the new ordinary shares that may be issued pursuant to the authorisation shall entitle to dividend as set out above as of the day on which they are entered in the share register maintained by Euroclear Sweden AB. At a maximum use of the authorisation, the dividend for the new ordinary shares may amount to SEK 40,254,780.

The Board of Directors proposes that the remaining profits are carried forward.

Item 11 – Determination of remuneration to be paid to the Board members and the auditor

The nomination committee proposes that an annual remuneration of SEK 525,000 (previously SEK 475,000) shall be paid to the Chairman of the Board of Directors and that SEK 220,000 (previously SEK 210,000) shall be paid to each of the other Board members. The nomination committee further proposes that an annual remuneration of SEK 90,000 (previously SEK 60,000) shall be paid to the Chairman of the audit committee and SEK 45,000 (previously SEK 35,000) to each of the other members of the audit committee. For work in the remuneration committee, it is proposed that an annual remuneration of SEK 40,000 (previously SEK 0) shall be paid to the Chairman of the remuneration committee and SEK 20,000 (previously SEK 0) to each of the other members of the remuneration committee.

The nomination committee proposes that remuneration to the company's auditor shall be paid in accordance with approved invoices.

Item 12 – Election of Board members and auditor

The nomination committee proposes that the Board of Directors shall consist of eight ordinary members. As Board members for the period until the end of the next Annual General Meeting, it is proposed that Bengt Kjell, Gunilla Högbom, Anneli Lindblom, Per-Ingemar Persson and Caroline Sundewall shall be re-elected, that Anneli Jansson, Anders Kupsu and Carl Mörk shall be elected as new Board members and that no deputy directors shall be elected. Ulrika Valassi has declined re-election and the previous Board member Jens Engwall resigned at his own request from his assignment as Board member in November 2018 after the shares of the previous subsidiary Nyfosa AB were distributed to the ordinary shareholders of Hemfosa.

The nomination committee further proposes that Bengt Kjell is re-elected as Chairman of the Board of Directors.

A report on the nomination committee's proposals and further information regarding the proposed Board members is available on the company's website, www.hemfosa.se.

The nomination committee further proposes, in accordance with the audit committee's recommendation, that the registered accounting firm KPMG AB is re-elected as auditor until the end of the next Annual General Meeting. KPMG AB will appoint Peter Dahllöf to be auditor in charge.

Item 13 – Resolution regarding authorisation for the Board of Directors to resolve upon new issue of ordinary shares

The Board of Directors and management see continued good potential to carry out acquisitions of real property in order to increase company growth and improve the result and the cash flow, and thereby attend to the interests of the shareholders.

The Board of Directors therefore proposes that the Annual General Meeting resolves to authorise the Board of Directors to, on one or more occasions for the period until the end of the next Annual General Meeting, with or without deviation from the shareholders' pre-emption right, resolve upon a new issue of ordinary shares to the extent that such new issue can be made without amending the articles of association. The total number of ordinary shares that may be issued pursuant to the authorisation may not exceed ten per cent of the total number of ordinary shares in Hemfosa, at the time of exercising the authorisation. Such new ordinary shares shall be issued at a subscription price corresponding to market terms and payment can be made, except for payment in cash, by assets contributed in kind or by set-off.

The purpose of the authorisation, and the reason for any deviation from the shareholders' pre-emption right, is that the Board of Directors shall be able to resolve on issues 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 Board of Directors proposes that the CEO, or any person appointed by the CEO, shall be authorised to make minor adjustments of the resolution mentioned above, as may be required in connection with the registration of the decision with the Swedish Companies Registration Office.

Item 14 – Resolution regarding guidelines for remuneration to senior executives

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 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 of 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. 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 for example results, cash flow, growth, value and individually measurable goals. Variable remuneration may amount to a maximum of six months' salary for the CEO and a maximum of four months' salary to the other senior executives 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 four million.

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 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 company shall be able to pay remuneration in cash linked to senior executives' acquisitions of shares or share-related instruments. Such remuneration in cash shall not generally exceed 15 per cent 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 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' salary if a 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.

Item 15 – Resolution regarding warrant program including issue and transfer of warrants

1. Issue of warrants

- 1.1 The Board of Directors proposes that the Annual General Meeting resolves to carry out a directed issuance in respect of not more than 1,400,000 warrants, entailing an increase in the share capital of not more than SEK 700,000 if the issuance is fully taken up. The resolution shall otherwise be governed by the following terms and conditions.
- 1.2 The right to subscribe for the warrants shall, with deviation from the shareholders' preferential right, be vested in the company's wholly-owned subsidiary Hemfosa Bråtabergen Fastighets AB, 556811-5298 (the "Subsidiary"), with the right and obligation for the Subsidiary to transfer the warrants to employees pursuant to Section 2 below. Over-subscription is not possible. The warrants shall be issued at no consideration to the Subsidiary.
- 1.3 The reason for not applying the shareholders' pre-emption rights is to introduce an incentive program and thereby a remuneration element 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 must be completed no later than four weeks after the resolution on issue of warrants. The Board of Directors shall be entitled to extend the subscription period.
- 1.5 Each warrant entitles a right to subscribe for one (1) ordinary share in the company. The warrants may be exercised to subscribe for new ordinary shares, in accordance with the terms and conditions of the warrants, during the following periods:
- (i) a two week period from the day following the publication of the interim report for the period 1 July-30 September 2022, but not earlier than 25 October 2022,
 - (ii) a two week period from the day following the publication of the year-end report for the period 1 January-31 December 2022, but not earlier than 25 January 2023, and
 - (iii) a two week period from the day following the publication of the interim report for the period 1 January-31 March 2023, but not earlier than 25 April 2023, but not further than up to and including 10 June 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 (strike price) per share shall be the average price of the ordinary share at the time of issuance of the warrants, to be increased or decreased according to the average development of all listed real estate companies, calculated in accordance with Carnegie's Real Estate Index (CREX) based on an average index value during the period from 8 May 2019 up to and including 21 May 2019, compared to an average index value for the period from 1 September 2022 up to and including 14 September 2022. The average price of the ordinary share at the time of issuance of the warrants is the average closing price during the period from 8 May 2019 up to and including 21 May 2019 according to Nasdaq Stockholm's public listing information. However, if the company has insider information during the aforementioned period, the Board of Directors shall have the right to postpone the measurement period for the average price of the ordinary share. The subscription price cannot be below the quota value of the ordinary share.
- 1.8 Shares which are newly issued following subscription shall carry an entitlement to participate in dividends for the first time on the first record date for dividends which occurs after subscription is effected.
- 1.9 The Board of Directors 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 which are not transferred in accordance with Section 2. Cancellation shall be registered with the Swedish Companies Registration Office.
- 1.10 The Board of Directors or a person appointed by the Board of Directors is authorized to make such minor adjustments to the Annual General Meeting's resolution which may be necessary in order to register the warrants with the Swedish Companies Registration Office.
- 1.11 Other terms and conditions according to the full text warrant terms.

2. Approval of transfer of warrants

2.1 The Board of Directors proposes that the Annual General Meeting approves the Subsidiary's transfer of warrants on the following conditions.

2.2 The right to acquire warrants from the Subsidiary shall vest in the following categories of employees:

Category	Guaranteed number of warrants/person	Maximum number of warrants/person
A. Managing director (not more than 1 person)	120,000	180,000
B. Management (not more than 5 persons)	60,000 (Category: 300 000)	90,000 (Category: 450 000)
C. Key employees (not more than 12 persons)	30,000 (Category: 360 000)	45,000 (Category: 540 000)
D. Other employees (not more than 62 persons)	10,000 (Category: 620,000)	15,000 (Category: 930,000)

2.3 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.

2.4 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 of Directors of the company shall be entitled to set a corresponding application period for new employees whose acquisitions are made after the expiration of the initial application period.

2.5 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 of Directors. Furthermore, the Board of Directors of the company shall be entitled to, with regard to certain participants, alter the program to a cash based program or a program based on synthetic warrants, should this according to the Board of Directors be motivated due to for instance tax and/or legal reasons.

Application and allotment

2.6 Application for acquisition of warrants shall be made during the period from 8 May 2019 up to and including 23 May 2019. The Board of Directors of the company 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 as well as to extend the application period for acquisitions in case the company has insider information during the stated application period.

2.7 Should warrants remain with the Subsidiary after all applications have been satisfied up to the guaranteed level as set out in Section 2.2 above, 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 certain category amounting to the maximum number of warrants set out in the table under Section 2.2 above. Should not all participants who wish to subscribe for the maximum number of warrants set out in the table under Section 2.2 above 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 as set out in the table under Section 2.2. The Board of Directors of the company shall determine the final allotment.

Price and payment etc.

- 2.8 The warrants shall be transferred on market terms at a price (premium) established on the basis of a market value of the warrants calculated by an independent valuation institute using a well-established 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 preliminary been calculated to be SEK 2.45 per warrant based on a share price of SEK 77.30 and a subscription price per share of SEK 77.30.
- 2.9 Payment for the allocated warrants shall be made in cash no later than five days following notification of the allotment. The Board of Directors shall establish a corresponding date of payment for acquisitions made by new employees.
- 2.10 The company will by means of a cash bonus subsidize up to 100 per cent of the participants premium. The bonus consists of two payments, each of 50 per cent, 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 not more than SEK 4.4 million including social security contributions, for the entire term of the warrant program. Accrued payroll taxes due to the bonus shall be paid by the participants.
- 2.11 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 given notice or been given notice of termination of employment and not having transferred his or her warrants. Furthermore, only the participants' premium as regards warrants up to the guaranteed level as set out in Section 2.2 is subsidized.
- 2.12 The warrants shall be subject to market terms and conditions.

2.13 Pre-emption 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 to the lower of the acquisition cost and the market value. Furthermore, the warrants shall be subject to a right for the company to repurchase the warrants to the lower of the acquisition cost and the market value should a participant's employment with or assignments for the company be terminated or the employee give notice or be given notice of termination

of employment during the term of the programme. Additionally, the termination of a participant's employment results in the right to subsidization as regards the premium being limited in accordance with Section 2.11 above.

3. Further information on the warrant program

3.1 Dilution

Upon full exercise of all warrants, 1,400,000 new shares can be issued, which corresponds to a dilution of approximately 0.83 per cent of the total number of ordinary shares and the total number of votes in the company, however, subject to recalculation according to the terms and conditions for the warrants. Calculated based on the total number of shares in the company, including preference shares, the dilution amounts to approximately 0.78 per cent.

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

The 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 issuance, 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, assuming full participation, is expected to amount to approximately SEK 4.4 million, to be 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 Directors of the company. The proposal has been prepared with the assistance of external advisors and after consultation with shareholders. The Board of Directors has thereafter decided to submit this proposal to the Annual General Meeting. Except for the employees who prepared the matter pursuant to instructions from the Board of Directors, no employee that may be included in the program has taken part in the preparation thereof.

3.4 Other share related incentive programs etc.

There is currently one share based long-term incentive plan in the company, resolved by the Annual General Meeting 2017. For more information, please see the Annual Report for 2018, note 5.

3.5 Instruction to the Board of Directors

The Board of Directors proposes that the Annual General Meeting instructs the company's Board of Directors to execute the resolution in accordance with Section 1 above and to ensure that the Subsidiary's board of directors carries out the transfer of the warrants in accordance with Section 2 above.

MISCELLANEOUS

Shares and votes

As of the date of this notice, there is a total number of 178,728,248 shares in Hemfosa of which 167,728,249 are ordinary shares, carrying one vote per share and 10,999,999 are preference shares, carrying one-tenth of a vote per share, corresponding to a total number of 168,828,248.9 votes in the company. The company does not hold any own shares.

Majority requirements

The resolution under item 13 is valid only if supported by shareholders holding not less than two-thirds of the votes casted and the shares represented at the Annual General Meeting. The resolution under item 15 is valid only if supported by shareholders holding not less than nine-tenths of the votes casted and the shares represented at the Annual General Meeting.

Shareholders' right to request information

The Board of Directors and the CEO shall, if any shareholder so requests and the Board of Directors believes that it can be done without material harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that can affect the assessment of the company's or its subsidiaries' financial situation and the company's relation to other companies within the group and the consolidated accounts.

Documentation

The annual report, audit report, the auditor's report regarding whether the previously adopted guidelines for remuneration to senior executives have been complied with and the complete proposals for resolutions such as the reasoned statement of the Board of Directors pursuant to Chapter 18 Section 4 of the Swedish Companies Act (2005:551) (item 10 b) will be available at the company's premises at the address Hästholmsvägen 28 in Nacka, Sweden, and at the company's website, www.hemfosa.se, no later than on Tuesday 16 April 2019 and will be sent to those shareholders who so request and state their address. All of the above mentioned documents will be presented at the Annual General Meeting.

Process of personal data

For information regarding the processing of your personal data, please see the privacy notice available at Euroclear Sweden AB's website: <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Nacka, April 2019
Hemfosa Fastigheter AB (publ)
Board of Directors

Other information

Schedule for the Annual General Meeting:

1.00 p.m. CET - The doors open for shareholders.

2.00 p.m. CET - The Annual General Meeting commences.
