



# Corporate governance



# Corporate governance in Annehem

Annehem Fastigheter AB is a Swedish public limited company. Corporate governance at Annehem aims to ensure that rights and obligations are distributed between the company's bodies in accordance with applicable laws, regulations and processes. Effective and transparent corporate governance offers the owners an opportunity to assert their interests towards the company's management while clarifying the division of responsibilities between the Board and management and also within the rest of the company. Such a clear and transparent corporate governance results in effective decisions, which enables Annehem to act swiftly when business opportunities arise. The Corporate Governance Report provides an overview of Annehem's corporate governance system and includes the Board's description of internal control and risk reporting relating to financial reporting. Corporate governance in Annehem is based on law, the Articles of Association and Nasdaq Stockholm's Rule Book for Issuers, and applies the Swedish Corporate Governance Code (the "Code") together with the rules and recommendations published by relevant organisations.

Annehem applies the Code. The Code itself provides for the possibility to deviate from the rules, provided that any such deviations and the chosen alternative solutions are described and the reasons therefore are explained in the corporate governance report (according to the comply or explain principle).

Annehem complies with the Code except that no separate Remuneration Committee has been established. Instead, the Board constitutes the Remuneration Committee and thus fulfils the duties of such a committee.

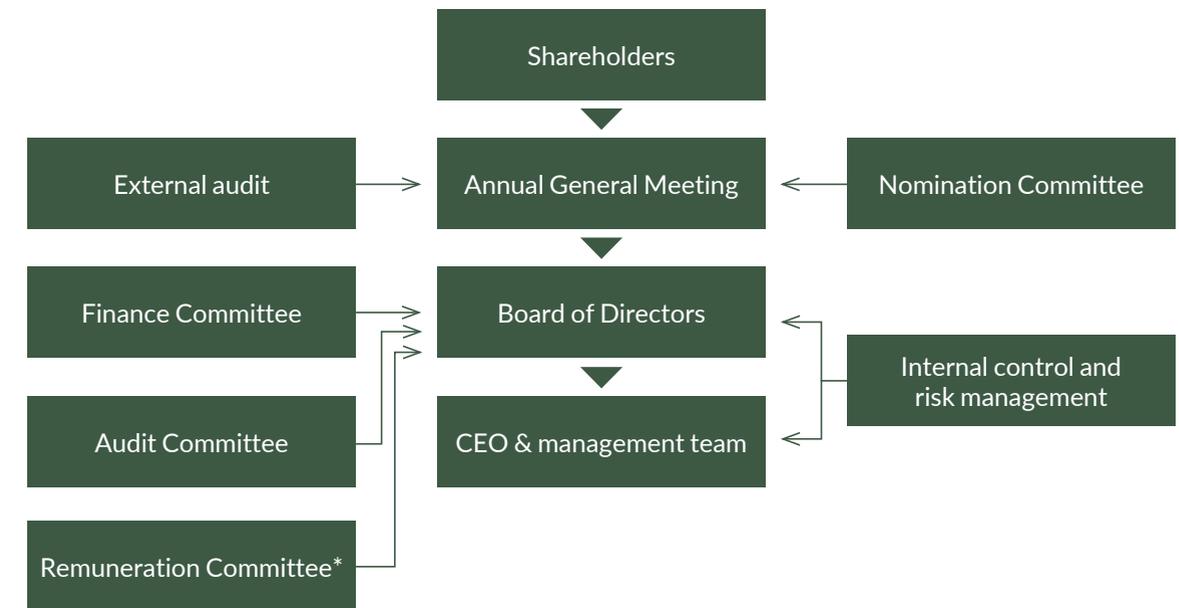
### External rules;

- Swedish Companies Act
- Nasdaq Stockholm's Rule Book for Issuers and Designation Green Equity
- The Swedish Corporate Governance Code.
- IFRS

### Key internal rules

- Articles of Association
- The Board's Rules of Procedure and CEO's instructions
- Signing authority, attestation order and financial handbook
- Policy for information, information security and IR, insider policy
- Finance, valuation and sustainability policy
- Policy for IT, internal control, risk management, related parties and Annehem's relationship to Peab
- Processes for internal control and risk management etc.

## Corporate governance in Annehem



\*comprises the entire Board



## Articles of Association

The registered name of the company is Annehem Fastigheter AB (publ). The company's registered office is in Ängelholm. The object of the company's business is to, directly or indirectly, own, manage and develop properties and property-related assets as well as conduct activities related therewith. Changes to the Articles of Association take place in accordance with the provisions of the Swedish Companies Act. The Articles of Association, which also contain information about share capital, number of board members and auditors and provisions regarding the notice and agenda for the Annual General Meeting (AGM), are available in full on [annehem.se](http://annehem.se).

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## THE SHARE AND OWNERS

At year-end, Annehem had 31,489 shareholders. The company has two share classes, Class A shares that entitle the holder to ten votes at shareholders' meetings and Class B shares that entitle the holder to one vote at shareholders' meetings. The company's largest shareholder, Ekhaga Utveckling AB, held 23 percent of capital and 49.4 percent of the votes. For further information, see page 42, The Annehem share.

## SHAREHOLDERS' MEETINGS

### General

According to the Swedish Companies Act (2005:551) (Sw. aktiebolagslagen), the shareholders' meeting is the company's ultimate decision-making body. At the shareholders' meeting, the shareholders exercise their voting rights in key issues, such as the adoption of income statements and balance sheets, appropriation of the company's results, discharge from liability of members of the Board of Directors and the CEO, election of members of the Board of Directors and auditors and remuneration to the Board of Directors and the auditors.

The AGM must be held within six months from the end of the financial year. In addition to the AGM, extraordinary general meetings may be convened. According to the Articles

of Association, shareholders' meetings are convened by publication of the convening notice in the Swedish National Gazette (Sw. Post- och Inrikes Tidningar) and on the company's website.

At the time of the notice convening the meeting, information regarding the notice shall be published in Svenska Dagbladet.

### Right to participate in shareholders' meetings

Shareholders who wish to participate in a shareholders' meeting must be included in the share register maintained by Euroclear Sweden on the day falling six banking days prior to the meeting, and notify the company of their participation no later than on the date stipulated in the notice convening the meeting. Shareholders may attend the shareholders' meetings in person or by proxy and may be accompanied by a maximum of two assistants. Typically, it is possible for a shareholder to register for the shareholders' meeting in several different ways as indicated in the notice of the meeting. A shareholder may vote for all Company shares owned or represented by the shareholder.

### Shareholder initiatives

Shareholders who wish to have a matter brought before the shareholders' meeting must submit a written request to the Board of Directors. Such request must normally be received by the Board of Directors no later than seven weeks prior to the shareholders' meeting. Shareholders who wish to contact the Board may do so via [ir@annehem.se](mailto:ir@annehem.se).

### 2022 ANNUAL GENERAL MEETING

The 2022 AGM was held on 19 May. The AGM resolved to re-elect Göran Grosskopf, Pia Andersson, Karin Ebbinghaus, Jesper Göransson, Anders Hylén, Axel Granlund and Lars Ljungälv as members of the Board and to appoint Henrik Saxborn as a new member of the Board and to re-elect Göran Grosskopf as Chairman of the Board.

The AGM also resolved to pay Board fees, including remuneration for committee work, of not more than SEK 1,690,000.

The AGM resolved to amend the Articles of Association to enable the collection of powers of attorney and postal votes at the shareholders' meeting.

The AGM also resolved to authorise the Board to approve a new issue of B shares to an extent that corresponds to dilution of no more than 10 percent of the number of shares outstanding on the date of the AGM's resolution concerning authorisation, calculated after full exercise of the issue authorisation.

The AGM also resolved to authorise the Board to make a decision on the acquisition of no more than the number of own B shares required so the company's holding at any given time does not exceed 10 percent of all shares in the company. A decision was also taken to authorise the Board to resolve on the transfer of own B shares.

### NOMINATION COMMITTEE

The Nomination Committee is tasked with submitting proposals for resolution to the AGM with respect to the chairman of the general meeting, members of the Board, Board fees, election of the auditors and audit fees.

The Extraordinary General Meeting on 6 November 2020 voted to adopt the following instructions for the Nomination Committee, which will apply until resolved otherwise.

### Principles for appointing the Nomination Committee

The company shall have a Nomination Committee consisting of a member appointed by each of the three shareholders representing the shareholder with the largest number of votes or ownership group, together with the Chairman of the Board. The Nomination Committee shall be constituted based on shareholder statistics from Euroclear Sweden AB on 30 September each year and other reliable ownership information provided to the company at the time and the Board's Chairman who will also convene the first meeting of the Nomination Committee.

The Board member representing the largest shareholder shall be appointed Chairman of the Nomination Committee, unless the Nomination Committee unanimously appoints someone else. If earlier than three months prior to the AGM, one or more of the shareholders having appointed representatives to the Nomination Committee no longer are among

the three largest shareholders, representatives appointed by these shareholders shall resign and the shareholders who then are among the three largest shareholders may appoint their representatives. Should a member resign from the Nomination Committee before its work is completed and the Nomination Committee considers it necessary to replace him or her, such substitute member is to represent the same shareholder, or, if the shareholder is no longer one of the largest shareholders, the largest shareholder in turn. Shareholders who have appointed a representative to be a member of the Nomination Committee shall have the right to dismiss such member and appoint a new representative of the Nomination Committee. Changes to the composition of the Nomination Committee must be announced immediately.

The company is to pay any necessary expenses that the Nomination Committee may incur in its work, for example, costs for external consultants deemed necessary by the Nomination Committee in order for the Nomination Committee to fulfil its duties. The term of office for the Nomination Committee ends when the composition of the following Nomination Committee has been announced.

### The composition of the Nomination Committee

Prior to Annehem's 2023 AGM, the following shareholder representatives were appointed as members of the Nomination Committee.

### Current members of the Nomination Committee

*Göran Grosskopf, Chairman of the Board of Directors*  
*Ulf Liljedahl, representing Volito*  
*Fredrik Paulsson, representing Ekhaga Utveckling*  
*Anders Sundström, representing Mats Paulsson*

### BOARD OF DIRECTORS

The Board of Directors is the second-highest decision-making body of the company after the shareholders' meeting. The Board of Directors is responsible for the organisation of the company and the management of the company's affairs, which means that the Board of Directors is responsible for, among other things, setting targets and strategies, securing routines and systems for evaluation of set targets, continuously



assessing the financial condition and profits as well as evaluating the operating management.

Moreover, the Board of Directors appoints the company's CEO. According to Annehem's Articles of Association, the members of the Board of Directors shall be not less than three and not more than nine members with no deputy members. Members of the Board of Directors are appointed each year by the shareholders' meeting for the period until the end of the next AGM.

At the end of 2022, Annehem's Board consisted of eight ordinary members, including the Chairman of the Board, without deputies of whom Göran Grosskopf, Pia Andersson, Karin Ebbinghaus, Jesper Göransson, Anders Hylén, Lars Ljungälv and Axel Granlund were re-elected at the AGM on 19 May 2022. Henrik Saxborn was elected as a new member of the Board. Göran Grosskopf was re-elected Chairman of the Board of Directors. For information about the members of the Board of Directors and their assignments outside the company and shareholdings in Annehem, see page 37.

Information about remuneration of members of the Board of Directors as adopted by the 2022 AGM can be found in Note 5, on page 67.

**The work of the Board of Directors**

Annehem's Board of Directors held ten meetings in 2022 – of which one was a statutory meeting. According to the applicable rules of procedure, the Board shall hold at least six ordinary meetings each calendar year, of which one statutory meeting. The Board meetings are held in conjunction with the company's reporting, when the annual accounts, the proposed distribution of profit and questions in connection with the AGM are addressed in January, interim reports in April, July and October, strategy in August and the budget for the next year at the meeting in December. At each of the ordinary Board meetings, issues of material importance for the company are addressed, such as investments and any divestments of properties as well as financing. The Board is also informed of the current business situation in the rental and property market and the credit market. Issues concerning work environment, incident reporting and customer-related questions are dealt with on an ongoing basis by the Board. The

Board also has meetings with auditors without the presence of management. Routine matters discussed by the Board in 2022 also included company-wide policies, overall strategy plan, the rules of procedure for the Board, capital structure and financing needs, sustainability work, operating model and organisational issues, as well as the company's insurance situation. In 2022, the work of the Board focused on efforts connected to the impact of the coronavirus pandemic that was ongoing during the year, the war in Ukraine and its repercussions – particularly in the form of inflation, raised interest rates and higher electricity prices – on the entire property market. The Board also spent a great deal of time on replacing CEO and on evaluating acquisition opportunities, sustainability issues and risk management. In autumn 2022, the Board resolved to conduct an assessment of the Board of Directors, committees, with the help of an external party. The review will take place in the first quarter of 2023.

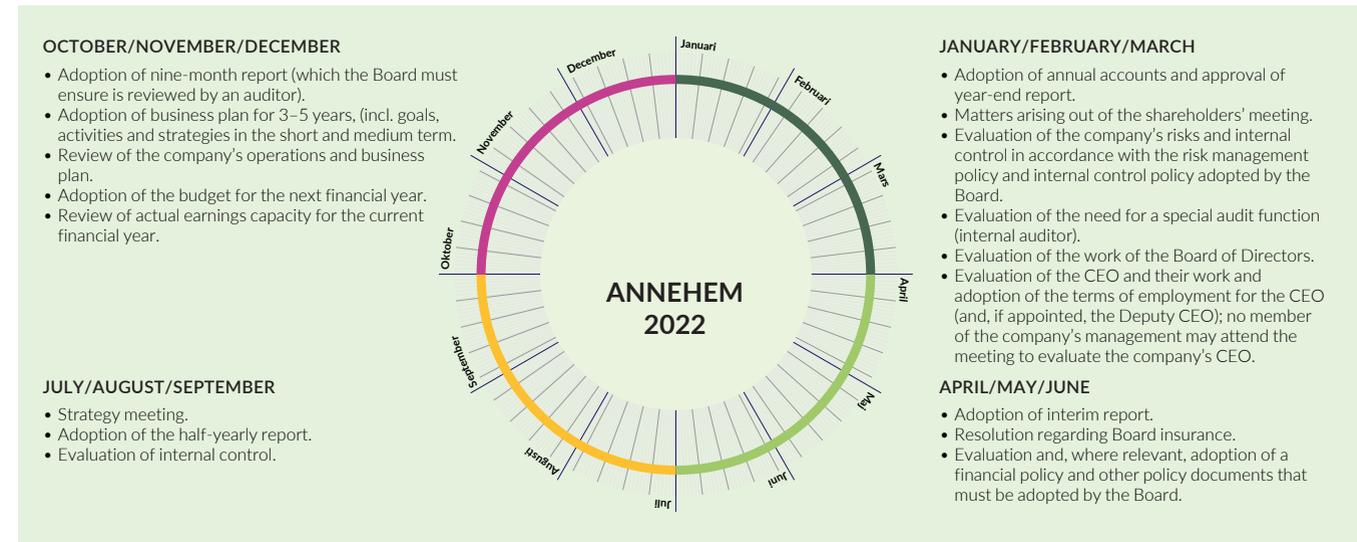
**Audit Committee**

Annehem has an Audit Committee consisting of three members: Karin Ebbinghaus, Göran Grosskopf and Lars Ljungälv with Göran Grosskopf as Chairman. The Audit Committee shall, without it affecting the responsibilities and tasks of the Board of Directors, monitor the company's financial reporting, monitor the efficiency of the company's internal controls and risk management, keep informed of the auditing of the annual report and the consolidated accounts, review and monitor the impartiality and independence of the auditors and pay close attention to whether the auditors are providing other services besides audit services for the company, and assist in the preparation of proposals for the shareholders' meeting's decision on election of auditors.

In 2022, the Audit Committee held five minuted meetings which addressed the aforementioned items.

**Finance Committee**

Annehem has an Finance Committee consisting of three members: Pia Andersson, Henrik Saxborn and Jesper Göransson, with Henrik Saxborn as Chairman. The company's CEO presents reports to the Finance Committee. The Finance Committee shall, without prejudice to the Board of Director's



responsibilities and tasks in general, among other things, oversee work with capital structure and other financing matters and prepare investments/divestments of immovable property ahead of a decision by the Board. Ensure the financial policy is updated and complied with. The Finance Committee held five meetings in 2022.

**Remuneration Committee**

The Board of Annehem carries out the duties of the Remuneration Committee in their entirety.

The Board's duties in this respect consist of making decisions about remuneration principles, remuneration and other terms of employment for the senior executive team, including submitting recommendations to the AGM on guidelines for salary and other remuneration of Board members, the CEO, Deputy CEO and other senior executives. In addition, the Board is to monitor and evaluate the variable remuneration programmes for the senior executive team that are current or have been completed during the year, to monitor and evaluate the application of guidelines for salary and other remuneration of the CEO, Deputy CEO and Board members that the AGM will resolve on, as well as the company's current remuneration

structures and levels. Refer also to Remuneration to the members of the Board of Directors, CEO and senior executives.

**Attendance at meetings**

Attendance by the members of the Board at Board meetings and Committee meetings in 2022 is shown in the table below.

Name	Function	Joined	Board	Finance	Audit
			meetings	Committee	Committee
Göran Grosskopf	Chairman	March 2020	10/10		5/5
Lars Ljungälv	Member	Aug 2020	10/10		5/5
Karin Ebbinghaus	Member	Aug 2021	9/10		4/5
Jesper Göransson	Member	March 2020	8/10	5/5	
Pia Andersson	Member	March 2020	10/10	4/5	
Anders Hylén	Member	March 2020	10/10		
Axel Granlund	Member	May 2021	10/10		
Henrik Saxborn *)	Member	May 2022	5/10	5/5	
<b>Total number of meetings</b>			<b>10</b>	<b>5</b>	<b>5</b>

\*) Joined at the Meeting on 19 May 2022



## THE CEO AND OTHER SENIOR EXECUTIVES

The CEO is subordinated to the Board of Directors and is responsible for the everyday management and operations of the company. The division of work between the Board of Directors and the CEO is set out in the rules of procedure for the Board of Directors and the CEO's instructions. The CEO is also responsible for the preparation of reports and compiling information for the Board meetings and for presenting such materials at the Board meetings.

According to the instructions for the financial reporting, the CEO is responsible for the financial reporting in the company and consequently must ensure that the Board of Directors receives adequate information for the Board of Directors to be able to evaluate the company's financial condition.

The CEO must continuously keep the Board of Directors informed of developments in the company's operations, the development of sales, the company's result and financial condition, liquidity and credit status, important business events and all other events, circumstances or conditions which can be assumed to be of significance to the company's shareholders.

### Remuneration to the members of the Board of Directors, CEO and senior executives

#### Remuneration to the members of the Board

Fees and other remuneration to the members of the Board of Directors, including the Chairman, are resolved by the shareholders' meeting. At the AGM held on 19 May 2022, it was resolved that the fee to the Chairman of the Board of Directors should be SEK 470,000 and that the fee to the other members should be SEK 160,000 and for committee work SEK 20,000.

The members of the Board of Directors are not entitled to any benefits following termination of their assignments as members of the Board.

### Guidelines for remuneration to the CEO and other senior executives

The 2023 Annual General Meeting will resolve on guidelines for remuneration to the CEO and other senior executives.

Decisions as to the current remuneration levels and other conditions for employment for the CEO and the other senior executives have been resolved by the Board of Directors.

Agreements concerning pensions shall, wherever possible, be based on fixed premiums and must be in accordance with the levels, practice and collective bargaining agreements applicable in Sweden.

The CEO has a period of notice of six months and the employer a period of notice of twelve months. For the other senior executives, the period of notice is either six months if the senior executive terminates the employment and nine months if the company terminates the employment, or a period of notice in accordance with applicable collective agreement, meaning a mutual notice period of one month. All senior executives shall receive unchanged salary and other employment benefits during the notice period.

Information about remuneration of the CEO is given in the remuneration report on page 36.

### INTERNAL CONTROL

The Board is responsible for the company's internal control. Operational management processes are established by business management systems. The CEO is responsible for the company's process structure.

The company's internal control includes control of the company's and the Group's organisation, procedures and support measures. The company's main area of focus in internal processes and controls is based on the company's risk assessment, which is revised annually. Processes and measures of control have been developed in close collaboration with the company's advisors but is based on Annehem's needs and current industry practice within the line of business of which the company operates. The company's objective is to ensure reliable and accurate financial reporting, that the company's and the Group's financial statements are prepared in accordance with applicable law and generally accepted accounting principles, that the company's assets are protected, and to ensure compliance with other applicable requirements, regulations and recommendations. The company's internal controls are also designed to monitor compliance with the company's

and the Group's policies, principles and instructions. The company's internal controls also include risk assessment and follow-up of incorporated information and business systems.

The company identifies, assesses and manages risks based on the Group's vision and targets. Strategic, compliance, operational and financial risks are assessed annually by the CFO. As Annehem does not have an internal audit unit, external auditors also review the internal control report, after which the risk assessment is presented to the Audit Committee and the Board. Self-assessment processes and defined controls for each process are performed annually and reported to the Board. The CFO is responsible for the self-assessment process and reporting on previous deviations or assignments from the Board. The year's assessment showed that the internal control of the company is very good.

### AUDITING

The auditor shall review the company's annual reports and accounting, as well as the management of the Board of Directors and the CEO. Following each financial year, the auditor shall submit an audit report and a consolidated audit report to the AGM. Pursuant to the company's Articles of Association, the company shall have not less than one and not more than two auditors and not more than two deputy auditors. The company's auditor is KPMG AB, with Peter Dahllöf as Auditor in Charge.

### BOARD'S PROPOSAL FOR GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

These guidelines apply to senior executives who together constitute the company's senior executive team. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after the guidelines were adopted by the 2022 AGM. These guidelines do not apply to any remuneration decided or approved by the shareholders' meeting.

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

The company's strategy is essentially to own and manage high-quality commercial, community service and residential

properties with a clear environmental profile located near good transport links in the Nordic growth areas. The company builds lasting relationships and value through management close to customers. For further information on the company's business strategy, see [www.annehem.se/om-annehem/](http://www.annehem.se/om-annehem/).

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. These guidelines enable the company to offer the senior executives a competitive total remuneration. Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

### Types of remuneration, etc.

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the shareholders' meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration may amount to not more than 50 percent of the total fixed annual cash salary. Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 50 percent of the fixed annual cash salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the Board of Directors.

For the CEO, pension benefits, including health insurance (Sw: sjukförsäkring), shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension for the CEO



shall amount to not more than 35 percent of the fixed annual cash salary. The CEO's retirement age is 67. For other senior executives, the retirement age is 65. Pension benefits should correspond to the ITP plan or be premium based and be capped at 35 percent of the pensionable salary. Variable cash remuneration shall qualify for pension benefits.

Other benefits may include, for example, life insurance, medical insurance (Sw: sjukvårdsförsäkring) and company cars. Such benefits may amount in total to not more than 10 percent of the total fixed annual cash salary.

#### Termination of employment

Upon termination of an employment by the company, the notice period may not exceed 12 months. Fixed cash salary during the notice period may not exceed an amount corresponding to the fixed cash salary for 12 months. When termination is made by the senior executive, the notice period may not exceed six months.

#### Criteria for awarding variable cash remuneration, etc.

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial, such as net operating income, or non-financial, such as employee satisfaction surveys or customer satisfaction index. They may also be individualised quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests, including the implementation of its sustainability agenda, by for example being clearly linked to the business strategy or promote the executive's long-term development.

After the end of the measurement period for fulfilment of the criteria for payment of variable cash remuneration, the level of criteria fulfilment is to be assessed and confirmed.

The Board of Directors is responsible for the evaluation of variable remuneration to the senior executive unless the Board resolves that the CEO shall be responsible for the evaluation of senior executives with the

exception of him/herself. For financial objectives, the starting point for the evaluation shall be the latest financial information made public by the company.

#### Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase in the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to the senior executives and remuneration to other employees in Annhem Fastigheter AB (publ) will be disclosed in the remuneration report.

#### The decision-making process to determine, review and implement the guidelines

The Board of Directors has not established a Remuneration Committee. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the AGM. The guidelines shall be in force until new guidelines are adopted by the shareholders' meeting. The Board shall also monitor and evaluate programmes for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and remuneration levels in the company. The CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

#### Derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's

long-term interests, including its sustainability, or to ensure the company's financial viability.

#### THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for that the corporate governance statement on pages 30-35 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

*KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Annhem Fastigheter AB by the general meeting of the shareholders on the 19 May 2022. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2019.*

Stockholm, 17 April 2023

KPMG AB

Peter Dahllöf  
Authorized Public Accountant