

*Please note – this is an unofficial translation of the Swedish original.*

## **Item 14 - Decision regarding guidelines for remuneration of senior executives**

### **The Board of Directors' proposals regarding guidelines for remuneration of senior executives**

These guidelines apply to the members of company management at Faberge. Company management is defined as the Chief Executive Officer (CEO) and members of the Executive Management Team. The guidelines shall be applied to remuneration that is agreed and changes that are made to already agreed remuneration after the guidelines are adopted at the company's 2025 Annual General Meeting. The guidelines do not apply to remuneration approved at the Annual General Meeting.

#### *Effect of the guidelines in promoting the Company's business strategy, long-term interests and sustainability*

Faberge works on sustainable urban development, with a primary focus on commercial properties within a limited number of well-located submarkets in the Stockholm area. Faberge creates value via management and upgrading of, and active work, on its property portfolio in order to grow the potential of its property portfolio.

- Faberge's overarching objective is - through its well-situated portfolio, its business model and its expertise - to create and realise values, in order to provide its shareholders with an overall return that ranks among the best of property companies on the Stockholm Stock Exchange.
- Faberge will create profitability by being a development-based and customer-led company
  - with committed employees
  - with satisfied clients
  - that is the natural choice for current and potential customers in the Stockholm market
  - that contributes to sustainable development in Stockholm and the UN's sustainable development goals.

To successfully implement the company's business strategy and safeguard the company's long-term interests, including its sustainability, the company must be able to recruit and retain highly-qualified personnel. In turn, this requires the company to be able to offer competitive remuneration. These guidelines make it possible to offer senior executives a competitive overall remuneration package.

The company has not established any further incentive programmes with approval from the Annual General Meeting other than the remuneration packages encompassed by these guidelines.

Variable cash remuneration encompassed by these guidelines shall aim to promote the company's business strategy and long-term interests, including its sustainability.

*Forms of remuneration etc.*

Remuneration shall be in line with the market and may consist of the following components: fixed cash salary, variable cash salary, pension benefits and other (minor) benefits, as well as allocation(s) to the Company's profit-sharing fund. The Annual General Meeting may in addition - and irrespective of these guidelines - approve, for example, share-based and share price related forms of remuneration.

The fixed salary is to be reviewed annually. It must be possible to measure and follow up attainment of criteria for payment of variable cash remuneration annually (over the calendar year). The variable cash remuneration may amount to a total of nine monthly salary payments, representing no more than 75 per cent of the fixed annual cash salary.

The retirement age is 65. Pension benefits are to be equivalent to the ITP supplementary pension plan for salaried employees in industry and commerce or be contribution-based with a maximum contribution of 35 per cent of pensionable salary. The variable cash remuneration shall be included in the pensionable amount.

Where other benefits are paid, they shall represent a limited proportion of the fixed remuneration items. Other benefits may include, for example, life assurance, health insurance and use of a company car. Such benefits may amount to a total of no more than 10 per cent of the fixed annual cash salary.

The company has a profit-sharing fund covering all employees of the company. Allocations to the profit-sharing fund are based on the return on equity achieved and are capped at two base amounts per year per employee.

*Termination of employment*

In the case of termination of employment by the company, the period of notice must be no more than twelve months. Termination salary and severance pay must not exceed 24 monthly salary payments in total.

In the case of termination of employment by the employee, the period of notice must be no more than six months, with no right to severance pay.

*Criteria for allocation of variable cash remuneration etc.*

The variable cash remuneration shall be linked to predetermined and measurable criteria that may be financial or non-financial. It may also be made up of individually-based quantitative or qualitative goals. The criteria shall be structured in such a way that they promote the Company's business strategy and long-term interests, including its sustainability, for example by being clearly linked to the business strategy or promoting the executive's long-term development. Responsibilities and performance outcomes that coincide with the interests of shareholders are to be reflected in the remuneration.

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For 2025, the following criteria apply:

2025	Andel		Target 2025
Financial targets	10%	Income from property management	SEK 1 450m
	10%	Surplus ratio	74%
	10%	Total return on properties, Top 2, benchmark five companies	Benchmark
	10%	Net letting, management properties	SEK 30m
	10%	New letting, project properties	SEK 100m
Sustainability targets	10%	Energy consumption, kWh/sqm	Max 70 kWh/sqm
	10%	Co2 scope3, 35% reduction compared to 2019	286 CO2e/sqm
	10%	GRESB, index	>90
Relations	5%	Employee survey, GPTW, index	89
	5%	Customer satisfaction index, NKI	Minimum 80
Other	5%	Exceed index OMX Sthlm Real Estate GI 1/1-21/12	Index
	5%	Discretionary to be decided by the board	According to decision board

Outcomes for all goals are measured over the calendar year. When the measurement period for attainment of the criteria for payment of variable cash remuneration has ended, the Remuneration Committee shall determine the extent to which the criteria have been attained. As far as financial goals are concerned, the judgement shall be based on the latest financial information published by the company.

Senior executives who receive variable remuneration undertake to make a long-term investment (for a period of at least three years) of at least two-thirds of this variable remuneration component after tax in shares in the company. The aim is to encourage participation and commitment by offering senior executives the opportunity to become shareholders in a more structured manner. Variable remuneration to company management must not exceed a maximum total annual cost for the company of around SEK 17m (excluding social security fees), calculated on the basis of the number of persons who currently constitute senior executives.

### *Salary and employment conditions for employees*

During preparation of the Board of Directors' proposals for these remuneration guidelines, salary and employment conditions for the company's employees have been taken into account by including details of total remuneration for employees, the components of remuneration and the increase in the remuneration and the speed of increase over time as part of the Remuneration Committee's and the Board's decision documentation in assessing the reasonableness of the guidelines and the restrictions arising from them. The trend of the gap between the remuneration paid to the senior executives and that paid to other employees will be reported on in the remuneration report.

### *Decision-making process for determining, reviewing and implementing the guidelines*

The Board of Directors has established a Remuneration Committee. The Committee's tasks include preparing the Board's decisions on proposals for guidelines on remuneration to senior executives. The Board shall draw up proposals for new guidelines every four years and shall present their proposals for resolution at the Annual General Meeting. The guidelines shall be

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valid until new guidelines are adopted at the Annual General Meeting. The Remuneration Committee shall also monitor and evaluate variable remuneration programmes for the company management, implementation of guidelines on remuneration to senior executives and prevailing remuneration structures and remuneration levels in the company. The members of the Remuneration Committee are independent of the company and the company management. During the Board's consideration of and decisions on remuneration-related matters, the CEO and other members of the company management - to the extent that they are concerned by such matters - are not present.

### *Departure from the guidelines*

The Board of Directors may decide to depart temporarily from the guidelines, wholly or in part, if in any individual case particular reasons exist to justify doing so and if such a departure is necessary to meet the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As stated above, the Remuneration Committee's tasks include preparing the Board's decisions on remuneration matters, including decisions on any departure from the guidelines.

### *Description of major changes to the guidelines and how the views of shareholders have been taken into account*

These guidelines have been prepared in accordance with the requirements applied prior to the 2020 Annual General Meeting when the link to the company's business strategy and criteria for variable remuneration was made clearer. Prior to the 2025 Annual General Meeting, the criteria for bonuses to senior executives have been updated. Otherwise, the same guidelines as before apply, regarding both fixed and variable remuneration, other benefits, allocation to the company's profit-sharing fund, conditions of employment etc.

### *No remuneration commitments*

At the time of the 2025 Annual General Meeting, the company has no remuneration commitments that had not fallen due for payment, other than ongoing commitments on behalf of senior executives in accordance with the remuneration principles adopted at the 2024 Annual General Meeting.

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Stockholm, March 2025  
Fabege AB (publ)  
Board of Directors