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Material to AGM, p. 15

Resolution regarding guidelines for remuneration to senior executives (item 15)

The Board of Directors proposes that the AGM resolve on guidelines below for salary and other remuneration to senior executives in Balder. The guidelines shall apply until the AGM resolves to adopt new guidelines.

Application

These guidelines shall apply on management of the Balder group. The guidelines shall apply on agreed remunerations and alterations of already agreed remunerations after the adoption of the guidelines by the AGM 2023. The guidelines do not apply on remunerations resolved by the General Meeting. These guidelines also apply on board members elected by the General Meeting in Balder. Board members may receive compensation in cash, in addition to the board remuneration, for services made for the Company. Such compensation shall not exceed an amount corresponding to the board remuneration resolved by the AGM.

The guidelines promotion of Balder's business strategy, long term interests and sustainability

Balder's overall business strategy is to create value through a local connection while purchasing, developing, and managing commercial properties in city centers and residential properties in communities with growth and a positive development.

For further information about the Company's business strategy, please visit the website, www.balder.se.

Balder shall offer the compensations and terms of employment necessary to recruit and keep competent and qualified co-workers, whose employments are a prerequisite to enable the Company to successfully implement the business strategy and to achieve the long-term interest of the Company, including its sustainability. Balder shall be able to offer remuneration and other terms of employment that are market-related and competitive.

The compensation consisting of a fixed salary, pension benefits and other customary non-monetary benefits that Balder offers its employees are overall evaluated by the Board of Directors. The guidelines provide that the management can receive a competitive total compensation.

As per today, the Company has not established any incentives for the employees related to shares.

Remuneration etc.

The remuneration to CEO and management shall consist of a fixed salary paid in cash, pension benefits and other customary non-monetary benefits.

Fixed salary

Each member of the management of the Balder group shall as sole remuneration be offered a fixed salary paid in cash, which shall be competitive in relation to the difficulty of the position, the manager's experience, competence, responsibility, and performance. The fixed salary shall in general be revised yearly.

Variable remuneration

No variable remuneration shall be paid.

Pension

The CEO shall have a pension agreement with defined benefits, and other members of management shall be subject to pension plans with fixed fees. The pension premiums paid by the company shall not exceed 35 percent of the CEO's fixed yearly salary while the pension premiums for the rest of the management shall not exceed 25 percent.

Non-monetary benefits

Other conventional non-monetary benefits may include e.g., health insurance, life insurance, health care insurance, and car benefit.

Termination of employment

Salary and severance payment shall not together exceed 18 months. If the CEO resigns, a mutual period of notice of six months applies. If the Company gives the CEO notice, the Company shall pay a severance payment for 12 months, from which no right to pension or vacation salary can derive. For other members of management, a mutual notice time of six months applies. No severance payment shall be made.

Payment and terms of employment for employees

Balder has established a compensation committee that prepares guidelines for salary and terms of employment for management. During the preparation of the Board of director's proposal for these guidelines, and during the evaluation whether the guidelines and their limitations are reasonable, salary and terms of employment for the company's employees has been considered, since information about employees' total compensation, the composition of the compensation, the increase of compensation and the historical rate of increase of compensation has formed the board's basis for the proposal.

The decision procedure to establish, monitor and apply the guidelines

The compensation committee has drafted the proposal of these guidelines, whereas the Board of Directors has resolved to submit the proposal at the AGM. The compensation committee shall draft new proposals to new guidelines for remuneration to management when necessary – at least every fourth year – and submit the proposal to the AGM.

The guidelines shall apply until the AGM resolves to adopt new guidelines. The compensation committee shall monitor and evaluate variable compensation plans for the management, the application of the guidelines to compensation of management and the structures of compensation and levels of compensations in the company.

To the extent they are affected by the matter, the CEO or any other member of the management shall not be present when the Board of Directors discuss or resolve on matters related to compensation.

Deviation from the guidelines

The Board of Directors may temporarily deviate from the guidelines, in part or entirely, if there are reasonable arguments in a particular matter and a deviation is necessary to achieve the company's long-term interests, including its sustainability, or to secure the company's financial strength. As described above, the compensation committee shall prepare the board's decision in matters regarding compensation, and this assignment includes to prepare deviations from the guidelines.