

2023 Corporate Governance Report

Rikshem AB (publ) (“Rikshem” or “the Company”) is a Swedish limited liability company. Rikshem’s Corporate Governance Report was prepared in accordance with the Swedish Annual Accounts Act for the 2023 fiscal year. The report is included as part of Rikshem’s Annual Report and Sustainability Report for 2023.

Rikshem’s corporate governance is based on internal and external regulations. The main external regulations include the Swedish Companies Act, regulations for issuers in the marketplaces where the Company’s bonds are listed, and the Market Abuse Regulation (MAR). Important internal rules are the ownership directive, the Articles of Association, the rules of procedure for the Board of Directors and the Board’s committees, the CEO’s instructions, the Code of Conduct, the Financial Policy and other internal policies and guidelines.

Rikshem’s Articles of Association state, among other things, the name of the Company to be Rikshem AB (publ) and that the Company is publicly listed and is headquartered in Stockholm. The aim of the Company’s business operations is to directly or indirectly, through wholly or jointly owned companies or via purchased services, own, develop and manage real estate and pursue related activities, including the provision of property-related services.

Rikshem is not formally covered by the Swedish Corporate Governance Code (“the Code”) (or any other corporate governance code) as a result of the Company not having shares admitted to trading on a regulated market in Sweden, but following the rules on corporate governance set out in the law or other statutes. According to Rikshem’s ownership directives, the Code shall serve as a guide for corporate governance. The Company therefore mainly applies the Code, but deviates from certain provisions, mainly as a result of the Company’s ownership structure and the fact that the Com-

pany’s shares are not listed in a marketplace. The Company has bonds issued under its previous MTN program, which are listed on Nasdaq OMX Stockholm (Stockholm Stock Exchange), as well as bonds issued under its Euro Medium Term Note (EMTN) program, which are listed on Euronext Dublin (Irish Stock Exchange). The Company therefore complies with the respective market place regulations for issuers. Rikshem has chosen Ireland as its home member state.

For the internal and external disclosure of information, the Company has adopted a communication policy that regulates, among other things, how and what type of information the Company is to communicate with the market.

Shareholders and owner directives

As of December 31, 2023, Rikshem’s share capital amounted to SEK 99,727,900, distributed over 997,279 shares with one vote each. All of Rikshem’s shares are owned by Rikshem Intressenter AB. Rikshem Intressenter AB is jointly owned by the Fourth Swedish National Pension Fund (AP4) and AMF Tjänstepension AB, each holding a 50% stake (joint “Owners”).

The Annual General Meeting has adopted an ownership directive for the business. The ownership directive addresses issues such as the return target, risk management and capital structure, the rate of investment and dividend policy, ethics and sustainability, general corporate governance principles, the Board of Directors, auditors, coordination between the Board and the owners, and financial reporting. The ownership directive is discussed annually at the Annual General Meeting. At the 2023 Annual General Meeting, an updated ownership directive was adopted, which included mainly editorial amendments in relation to the previous version.

General meetings of shareholders

Shareholders have the right to make decisions about Rikshem’s affairs at general meetings of shareholders. At general meetings of shareholders, each voting-qualified person is entitled to vote, without restriction, for the full number of shares represented. The Annual General Meeting (AGM) is to be held in Stockholm no later than June 30 each year. The Swedish Companies Act and the Articles of Association regulate what the Annual General Meeting will decide on. Rikshem held its AGM on March 21, 2023, in Stockholm.

All of Rikshem Intressenter AB’s shares were represented at the Annual General Meeting. All members of the Board, the CEO and the Company’s chief auditor attended the meeting. The Annual General Meeting resolved to re-elect Pernilla Anrud Melin, Andreas Jensen, Siv Malmgren, Zdravko Markovski, Per-Gunnar Persson and Peter Strand to the Board and to elect Kerstin Lindberg Göransson. Kerstin Lindberg Göransson was elected Chair of the Board. Chairman Per Uhlén and board member Liselotte Hjorth had declined re-election. The election of Board members had been preceded by work on the Nomination Committee. The AGM also resolved that the Company shall have a Nomination Committee prior to the 2024 AGM and decided to adopt instructions for the Nomination Committee.

In December 2023, the Company held an extraordinary general meeting at which Frida Olsson replaced Andreas Jensen, in connection with his departure from the Fourth Swedish National Pension Fund.

Nomination Committee

According to the instructions for the Nomination Committee, the Nomination Committee shall consist of one member appointed by AMF Tjänstepension AB and one member appointed by Fourth Swedish National Pension Fund (AP4)

and by the Chairman of the Board. The Chairman of the Board shall be the Chairman of the Nomination Committee, but shall not have the right to vote on matters regarding proposals concerning the Chairman of the Board and the Chairman's fees. The Nomination Committee is to prepare proposals concerning Board members, the Chairman of the Board and Board fees, including the distribution between the Chairman and the other members of the Board, as well as fees for committee work.

The Nomination Committee shall take into account that the Board shall have an appropriate composition defined by diversity and breadth in terms of the competence, experience and background of the Board members, taking into consideration the Company's operations, development phase and other circumstances. The instructions for the Nomination Committee also state that Rikshem's Diversity and Equality Policy must be taken into account when nominating Board members. The Board of Directors consisted of three women and four men after the 2023 AGM and four women and three men after the December EGM.

The Nomination Committee shall also, following a recommendation from the Audit Committee, propose auditors and auditors' fees. Fees are not paid to members of the Nomination Committee.

Board of Directors

Composition

In accordance with the Articles of Association, the Board of Directors is to comprise no less than three and no more than ten members with zero to ten deputy members. At the beginning of the year, the Board consisted of eight ordinary members elected by the Annual General Meeting and at the 2023 Annual General Meeting it was resolved that the Board should have seven ordinary Board members with no deputies. The CEO is not a member of the Board of Directors but attends all Board meetings. Board members provide expertise in both property and finance. The members of the Board of Directors are presented on page 66. Rikshem's General Counsel serves as Board secretary.

Duties of the Board

The work of the Board of Directors is governed by, inter alia, the Swedish Companies Act, the Articles of Association and

the Board's rules of procedure approved annually by the Board for its work. Under the Swedish Companies Act, the Board of Directors is ultimately responsible for Rikshem's organization and management. The Board of Directors' rules of procedure describe the forms of the work to be carried out by the Board in respect of Board meetings, minutes, the duties of the Chairman and the CEO, etc. The rules of procedure also include regulations regarding how the conditions of employment for people in executive positions are to be determined. The CEO reports regularly at Board meetings.

The Chairman of the Board leads the work of the Board and is responsible for convening Board meetings and planning these meetings in consultation with the CEO. The Chair is also responsible for coordination between the Board and the owners as well as evaluating the work of the Board and the CEO.

The Board's work in 2023

The Board of Directors adopts an annual plan for its work, with meetings scheduled at set times that take into consideration the fact that the Board must publish financial reports at certain times. At Board meetings, the CEO regularly submits a report on the Company's operations, results and financial position. The CEO will also inform the Board of Directors of particularly important events in day-to-day operations. Board meetings involve reporting on the proceedings at meetings of the Board's committees. In 2023, the Board's work included decisions regarding the Company's strategic development and the customary decisions on interim reports, the year-end report and the annual and sustainability report, the adoption of the business plan and budget for the coming year, decisions on financing issues, decisions on investments and major leases in properties and sales, as well as decisions regarding the revision of central governing documents. The Board also made decisions per *capsulam* during the year.

Evaluation of the Board of Directors

The ownership directive and the Board's rules of procedure state that the Board is to carry out an annual evaluation of its own work. According to the rules of procedure, the Chairman is responsible for carrying out the evaluation. During the year, the evaluation was conducted with the help of

a digital tool from an external operator. The outcome has been reviewed by the Board and reported to the Owners and the Nomination Committee. The outcome is used to develop the Board's work and in work to ensure that the Board has the right composition.

Remuneration of the Board of Directors

The Annual General Meeting decides on the remuneration of the Board. For the period up to and including the 2024 Annual General Meeting, the AGM resolved that annual fees amounting to SEK 645,000 would be paid to the Chairman of the Board of Directors and SEK 222,000 to other members, that the annual fee for work in established committees may not exceed SEK 375,000 per year to be distributed according to decisions by the Board of Directors, and that the total fee to the Board of Directors including committee fees may not exceed SEK 2,500,000 per year. The AGM resolved that fees for Board and committee work would not be paid to members of the Board who are employees of any of the Owners. The Board of Directors decided at the statutory Board meeting that an annual fee of SEK 98,000 would be paid to the Chairman of the Audit Committee and SEK 37,000 to each member of the Audit Committee, that an annual fee of SEK 88,000 would be paid to the Chairman of the Investment Committee and SEK 37,000 to each member of the Investment Committee, and that an annual fee of SEK 20,000 would be paid to the Chairman of the Remuneration Committee and SEK 10,000 to each member of the Remuneration Committee.

Board committees

The ownership directive states that a committee is to be established to address issues related to risk management, internal control and financial reporting. The Board has therefore established an Audit Committee. In addition, the Board itself assesses the need for additional committees and has established a Remuneration Committee and an Investment Committee. The Board of Directors has adopted rules of procedure for each committee. The Committee's main task is to prepare the Board's decisions in each area. All committees must consist of three members of the Board of Directors appointed for one year at a time at the inaugural meeting of the Board of Directors. The CEO reports regularly in the committees.

Audit Committee

The Audit Committee shall, for example, monitor the Company's financial reporting, prepare the Annual Report and interim reports, review and monitor the impartiality and independence of the auditor, prepare governing documents that fall within the remit of the committee, and prepare strategic issues relating to the Company's financial structure. The Audit Committee annually selects an area for specific review to ensure, for example, that adequate procedures and processes are in place. At the beginning of the year, the Audit Committee consisted of Liselotte Hjorth, Chair, Siv Malmgren and Per-Gunnar Persson. In March 2023, Liselotte Hjorth was replaced by Andreas Jensen. At the same time, Siv Malmgren was appointed chair of the committee. In December 2023, Andreas Jensen was replaced by Frida Olsson.

Investment Committee

In accordance with its rules of procedure, the Investment Committee shall, for example, decide on acquisitions, sales and investments that fall within the committee's mandate. It shall also be a preparatory body for decisions by the Board of Directors on matters concerning acquisitions, sales and investments that go beyond the Committee's mandate. The Investment Committee in 2023 consisted of Zdravko Markovski, Chairman, Pernilla Arnrud Melin and Peter Strand.

Remuneration Committee

The Remuneration Committee shall, among other things, prepare proposals for and evaluate principles for remuneration and other terms of employment for the CEO and other senior executives (remuneration policy), prepare questions

regarding variable salary schemes, monitor remuneration structures and remuneration levels in the Company, and prepare governing documents that fall within the Committee's remit. At the start of the year, the Remuneration Committee consisted of Per Uhlén, Chairman, Pernilla Arnrud Melin and Andreas Jensen. In March 2023, Per Uhlén was replaced by Kerstin Lindberg Göransson, and in December 2023, Andreas Jensen was replaced by Frida Olsson.

CEO and management team

The CEO is responsible for the day-to-day administration of the Company, taking into account the directions and instructions established by the Board of Directors and presented in, for example, the CEO's instructions and the decision-making and authorization procedures, both of which are adopted annually by the Board of Directors. The CEO is responsible for financial reporting in the Company. The CEO has established a management team, which reports directly to the CEO. The management team holds regular meetings to address Group-wide and strategic issues. In 2023, ten ordinary and two extraordinary management team meetings were held, with a number of short review meetings in between. At the start of the year, Rikshem's management team consisted of Anette Frumerie, CEO, Maria André Ahlgren, Head of HR, Andrea Cedwall, Head of Portfolio Strategy and Transactions, Carl Conradi, General Counsel, Fredrik Edlund, Head of Residential Properties, Sandra Isberg, Head of Operations, Petter Jurdell, Head of Commercial Operations, Anders Lilja, CFO, Elin Sjöstrand, Head of Project Development, Catrin Viksten, Head of Properties for Public Use and Jennie Wolmestad, Head of Communications. In 2023, Johan Brändström and Linda Forsell, both Head of Residential Properties, have replaced Fredrik Edlund in the management team. A more detailed presentation of the management team can be found on page 67. The CEO assistant is secretary to the management team.

BOARD REMUNERATION, ETC.

	ELECTED	TOTAL ANNUAL FEES, SEK ' THOUSAND	ATTENDANCE AT MEETINGS ²			
			BOARD MEETINGS ³	REMUNERATION COMMITTEE	AUDIT COMMITTEE	INVESTMENT COMMITTEE
Per Uhlén ⁴	2020	144	3 (3)	1 (1)	-	-
Kerstin Lindberg Göransson ⁵	2023	518	10 (10)	3 (3)	-	-
Pernilla Arnrud Melin	2018	No remuneration	12 (13)	4 (4)	-	5 (5)
Liselotte Hjorth ⁶	2016	69	2 (3)	-	2 (2)	-
Andreas Jensen ⁷	2019	No remuneration	13 (13)	4 (4)	4 (4)	-
Siv Malmgren	2022	305	12 (13)	-	6 (6)	-
Zdravko Markovski	2022	308	13 (13)	-	-	5 (5)
Frida Olsson ⁸	2023	No remuneration	-	-	-	-
Per-Gunnar Persson	2016	257	13 (13)	-	6 (6)	-
Peter Strand	2021	256	13 (13)	-	-	5 (5)

1) The AGM decides on the total annual fees paid to members of the Board for the work they carry out. Fees for the work in committees are determined by the Board of Directors within the framework decided by the AGM. The fees are recognized as an expense and paid in 12 equal monthly instalments.

2) The figure in brackets refers to possible meetings for the period, i.e., where appropriate from the time the Board member was elected or to the time the Board member left the Board or Committee.

3) Including protocol-based decisions by correspondence.

4) Resigned from the Board in March 2023

5) Elected to the Board in March 2023.

6) Resigned from the Board in March 2023.

7) Resigned from the Board in December 2023.

8) Elected to the Board in December 2023.

AB was re-elected as auditor for the period until the end of the next AGM. Ernst & Young AB has been the Company's auditor since 2011. The auditor reviews, among other things, the company's Annual Report, Consolidated Financial Statements and accounting records, as well as the administration of the Board of Directors and the CEO, and submits an Auditor's Report to the Annual General Meeting. The audit is conducted in accordance with the Swedish Companies Act, international auditing standards and generally accepted auditing standards in Sweden. The auditor expresses an opinion on the Corporate Governance Report and the Company's Sustainability Report. The independence of the auditor in relation to the company is ensured by limiting the scope of non-audit services provided by the appointed auditor. The chief auditor attended two Board meetings and five Audit Committee meetings in 2023. The auditor has met with the Board without the presence of the CEO or any other member of management. The Annual General Meeting resolved that the fee to the Company's auditor will be paid as per the approved invoice in accordance with customary charging standards. In 2023, Mikael Ikonen stepped down as auditor-in-charge due to retirement, and Katrine Söderberg was appointed as the new auditor-in-charge.

In 2023, Rikshem conducted a tender for the election of an auditor at the 2024 Annual General Meeting. An overall assessment was made, in which the company analyzed and weighed, among other things, the composition of the audit team, industry expertise, commitment and availability, audit model including tools and digitalized approach, quality assurance, independence, expertise in sustainability and fees. In the evaluation, Ernst & Young AB was deemed to have the most attractive offer to meet the Company's requirements. The Audit Committee has decided to recommend to the Nomination Committee the re-election of the registered accounting firm Ernst & Young AB as auditor for the period until the end of the Annual General Meeting 2025.

Internal control of financial reporting

Under the Swedish Companies Act, the Board of Directors is responsible for internal control. Internal control is based on documented policies, guidelines, instructions, the allocation

of responsibilities and duties such as the Board's rules of procedure, committee rules of procedure, the CEO's instructions, decision-making and authorization procedures, the Financial Policy and other documents, all of which seek to ensure a clear division of responsibilities for the effective management of the operation's risks and high-quality financial reporting. Compliance with the Company's governing documents is continuously monitored and evaluated, and a comprehensive follow-up and review of policies and other governing documents is carried out annually. Rikshem has identified essential business processes designed, among other purposes, to identify and reduce risks or to mitigate the consequences of the Company's risks. Risks and opportunities are also identified and managed in the business planning and budget processes for each department and the Company as a whole. Furthermore, an assessment is made of the financial risks on the basis of the income statement and balance sheet, where items are evaluated based on risk and materiality. In financial reporting, control activities are based on risk assessments and are integrated into the Company's processes, which are evaluated on an ongoing basis.

The process for valuation of investment properties includes estimates and assumptions with a major potential impact on the carrying amounts of assets. Accordingly, special attention is paid to ensuring that financial reporting in this regard does not contain material errors. Rikshem's properties are valued at the end of each quarter. The property valuation is carried out in accordance with the Company's policy for valuation of properties. Investment properties are valued externally by independent, authorized valuation institutions with relevant qualifications. Development properties, new construction projects and undeveloped land must be assessed both externally and internally, where the external valuation is responsible for quality assurance of the internal valuation. If both an external and internal valuation of a property has been made, the value according to the internal valuation is used in the Company's accounts.

Each year, the Company's auditor reports their observations from the review and assessment of the internal control linked to the Group's financial statements to the Board of Directors and the management team. The interim report for the period January–September is reviewed by the

Company's auditor. Internal control is continuously being improved with respect to implementation and is considered suitable for the Company's purposes. Each year Rikshem considers whether a special function for internal auditing should be established and during the year decided not to establish such a function.