

## **RESOLUTIONS PROPOSED BY THE BOARD OF DIRECTORS**

### **ITEM 4**

#### **AGENDA**

1. Opening of the Meeting.
2. Election of a Chairman for the Meeting.
3. Establishment and approval of the register of shareholders.
4. Approval of the agenda.
5. Election of one or two members to verify the minutes.
6. Determination of whether the meeting has been duly convened.
7. Statement by the CEO.
8. Presentation of the Annual Report and the Auditors' Report together with the Consolidated Financial Statement and Consolidated Auditors' Report.
9. Resolutions concerning:
  - a) the adoption of the income statement and balance sheet together with the consolidated income statement and consolidated balance sheet,
  - b) the appropriation of the company's profit on the basis of the balance sheet adopted,
  - c) discharge to the members of the Board and the CEO for their activities during the financial year, and
  - d) the record date, if the AGM approves the profit distribution proposal.
10. Determination of the number of members of the Board and deputy Board members.
11. Approval of the Board of Directors' and the auditor's remuneration.
12. Election of Chairman and members of the Board.
13. Election of auditors.
14. Approval of policies for remuneration and terms of employment for the members of the management team.
15. Approval of policies regarding the composition of the Nominating Committee.
16. Resolution to authorise the Board of Directors to buy back and transfer shares of the company.
17. Resolution to authorise the Board of Directors to resolve on new share issues.
18. Resolution to amend the Articles of Association.
19. Other business.
20. Closing of the meeting

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Östersund, March 2019

**Diös Fastigheter AB (publ)**  
The Board of Directors

## RESOLUTIONS PROPOSED BY THE BOARD OF DIRECTORS CONT.

### ITEMS 9 B AND 9 D

#### DIVIDEND AND RECORD DATE

The Board proposes that the AGM declare a dividend of SEK 3.00 per share for 2018, to be distributed in two separate payments of SEK 1.50. The proposed record date for the first dividend payment is 25 April 2019 and the proposed record date for the second payment is 30 October 2019. If the AGM approves the proposed dividend, payments will be made through Euroclear Sweden AB on 30 April 2019 and 4 November 2019.

The statement of the Board of Directors pursuant to Chapter 18, Section 4 of the Swedish Companies Act (2005:551).

#### THE PROPOSAL OF THE BOARD OF DIRECTORS

In its proposed allocation of profits the Board proposes that the shareholders attending the 2019 AGM resolve to approve the payment by Diös Fastigheter AB (publ) of a dividend of SEK 3.00 per share in respect of the financial year 2018, resulting in a total payment of SEK 403,537,314.

#### DIÖS FINANCIAL POSITION

Diös financial targets was:

- a return on equity which exceeds 12 per cent;
- an equity/assets ratio of at least 30 per cent;
- a loan-to-value ratio not exceeding 60 per cent.

All of the company's financial targets for 2018 were achieved.

Diös consolidated equity ratio was 37.2 per cent, as stated in the Annual Report. After the proposed dividend, the consolidated equity/assets ratio would be 35.3 per cent. The Board expects that the equity ratio will be restored through increased revenues in the property management business. The proposed dividend represents 5.1 per cent of consolidated equity and 12.2 per cent of parent company equity.

The financial instruments in the Group have been measured at fair value in accordance with Chapter 4, Section 14a of the Swedish Annual Accounts Act. Amounts relating to unrealised gains and losses on financial instruments in the consolidated income statement for 2018 were SEK 16 million and has effected the equity in the Group balance sheet with the same amount. Gains and losses for properties have been recognised in the income statement and amounts to SEK 687 million for 2018.

#### REASONED OPINION OF THE BOARD OF DIRECTORS

By reference to the aforesaid the Board of Directors considers that the proposed dividend payment is justifiable in view of the provisions set forth in Chapter 17, Section 3, second and third paragraphs of the Swedish Companies Act.

The nature and scope of the operations do not entail risks to a greater extent than what is normal in the industry.

Based on the Board's assessment of the parent company's and Group's financial position, the dividend is justifiable in view of the parent company and consolidated equity requirements arising from the nature, scope and risks of the operations and the consolidation needs, liquidity and position of the parent company and Group.

The Board does not expect that the proposed dividend will affect Diös ability to meet its short-term and long-term obligations or to make necessary investments.

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Östersund, March 2019

**Diös Fastigheter AB (publ)**  
The Board of Directors

**RESOLUTIONS PROPOSED BY THE BOARD OF DIRECTORS CONT.***ITEM 14***PRINCIPLES FOR REMUNERATION AND OTHER TERMS OF EMPLOYMENT FOR MANAGEMENT**

The Board of Directors proposes following guidelines for remuneration of Senior management. Senior management includes the CEO and other members of Executive management.

Remuneration and benefits to the CEO are decided by the company's Board of Directors. Remuneration to other senior executives is decided by the CEO in consultation with the company's Board of Directors.

Variable incentive compensation plans may exist for the company's Senior executives will depend on the extent to which pre-established goals have been met within the framework of the company's operations. No share-based compensation occurs. Variable compensation is capped at one month's salary. The CEO is entitled to a company car, apartment and insurance and retirement benefits in accordance with the ITP scheme applicable during the period of employment. Individual investment options are available. Insurance and pension premiums are based on cash salary only. The retirement age for the CEO is 65 years. The

period of notice given by the company to the CEO is 12 months. The period of notice given by the CEO to the company is 4 months.

Remuneration during a period of notice is deducted from income from another employer. Other senior executives are entitled to a company car. During the period of employment with the company, other executives are entitled to insurance and pension benefits in accordance with the ITP scheme applicable at the time. Individual investment options are available. Insurance and pension premiums are based on cash salary only.

The retirement age for other senior executives is 65 years. The contracts of other members of Group management are terminable by either party on three to six months' notice.

Diös has a profit-sharing foundation for all its employees. Provision to the profit-sharing foundation is based on a combination of the profit, return on equity and dividend and is capped at SEK 30,000 per year per employee.

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Östersund, March 2019

**Diös Fastigheter AB (publ)**  
The Board of Directors

## **RESOLUTIONS PROPOSED BY THE BOARD OF DIRECTORS CONT.**

### *ITEM 16*

#### **AUTHORISATIONS FOR THE BOARD OF DIRECTORS TO BUY BACK AND TRANSFER SHARES OF THE COMPANY**

A. The Board of Directors proposes that the AGM resolve to authorise the Board to buy back shares of the company subject to the following terms and conditions:

1. Shares may be purchased on the Nasdaq Exchange Stockholm.
2. Purchases may be made on one or several occasions during the period until the AGM.
3. The number of shares repurchased may not exceed such number as would cause the Group's total holding of treasury shares after the share buybacks to exceed ten (10) per cent of all outstanding shares of the company.
4. Shares may be purchased at a price per share which is within the registered spread at the time of purchase.
5. Repurchased shares of the company must be paid for in cash.

B. The Board of Directors proposes that the AGM resolve to authorise the Board to transfer shares of the company subject to the following terms and conditions:

1. Shares may be transferred on the Nasdaq Exchange Stockholm or in another manner in disapplication of the pre-emption rights of existing shareholders.
2. Transfers of treasury shares may be made on one or several occasions during the period until the next AGM.
3. A transfer of treasury shares may comprise all treasury shares held at the time of the Board's resolution.
4. Transfers of treasury shares on the Nasdaq Exchange Stockholm must be made at a price

per share that is within the spread registered at the time of transfer. Where shares are transferred in another manner the transfer shall be made at an estimated market value.

5. Payment for transferred shares must be made in cash, in kind or by offset of a claim on the company or in another manner subject to terms and conditions.

The purpose of the authorisations described in A and B above is to ensure that the company is able to continually adapt its capital requirements and thereby increase shareholder value, and to ensure that the company is able to transfer shares as payment for or to fund any future property or corporate acquisitions.

The statement of the Board of Directors pursuant to Chapter 19, Section 22 of the Swedish Companies Act (2005:551).

The Board of Directors proposes that the Annual General Meeting resolve to authorise the Board to acquire shares up to a maximum of ten (10) per cent of all outstanding shares of the company during the period until the next AGM. The company currently holds no treasury shares. The total number of issued shares is 134,512,438.

Based on the grounds described in the Board's statement pursuant to Chapter 18 Section 4 of the Companies Act concerning the proposed dividend, the Board considers that the proposed authorisation is justifiable with regard to the parameters specified in Chapter 17 Section 3 paragraphs two and three of the Companies Act (the precautionary principle).

## **RESOLUTIONS PROPOSED BY THE BOARD OF DIRECTORS CONT.**

### *ITEM 16*

#### **AUTHORISATION FOR THE BOARD OF DIRECTORS TO BUY BACK AND TRANSFER SHARES OF THE COMPANY**

Consequently, the Board is of the opinion that the proposed authorisation is justifiable with regard to:

1. the requirements imposed by the nature, scope and risks of the business (company and Group) on the size of equity, and
2. the company's and Group's consolidation requirements, liquidity and general position.

The Board also takes into consideration that it is incumbent on the Board, in the event that such authorisation is used, to present a new reasoned opinion on whether the share buyback effected in such circumstances is defensible in view of what is stated in Chapter 17, Section 3, paragraphs 2 and 3 of the Companies Act.

The proposal of the Board of Directors described in the present Item requires the approval of a majority of at least two thirds of both the votes cast and the shares represented at the AGM.

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Östersund March 2019

**Diös Fastigheter AB (publ)**  
The Board of Directors

## **RESOLUTIONS PROPOSED BY THE BOARD OF DIRECTORS CONT.**

### *ITEM 17*

#### **AUTHORISATION OF THE BOARD OF DIRECTORS TO RESOLVE ON NEW SHARE ISSUES**

The Board of Directors proposes that the AGM resolve to authorise the Board as follows:

1. The Board is authorised, during the period up to the next AGM, to decide, on one or several occasions, to issue new shares with or without pre-emption rights for existing shareholders.
2. The number of shares issued under the authorization may not exceed ten (10) percent of the company's share capital at the time of the Board's first decision to issue new shares under the authorisation.
3. Payment for new shares may be made in the form of a cash or non-cash consideration or in lieu of debt.
4. New shares may be subscribed for in disapplication of the pre-emption rights of existing shareholders. Existing shareholders' pre-emption rights may be disappplied for the purposes specified in Section 5 below.
5. The purpose of the authorisation is to enable property or corporate acquisitions in which payment is made in the form of shares of the company or, alternatively, to capitalise the company prior to such acquisitions. The issuance of shares under the authorisation must be made on market terms.
6. The Board of Directors, or a person appointed by the Board of Directors, shall have the right to make minor adjustments to the decision on authorisation that may prove to be necessary when registering with the Swedish Companies Registration Office.

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Östersund, March 2019

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## **RESOLUTIONS PROPOSED BY THE BOARD OF DIRECTORS CONT.**

### *ITEM 18*

#### **RESOLUTION TO AMEND THE ARTICLES OF ASSOCIATION**

The Board of Directors proposes that the AGM resolve to amend the Articles of Association §6, Notice of General Meeting:

*Present wording*

“A notice convening a General Meeting shall be issued through publication in the Swedish Official Gazette and on the Company’s website. Information that notice has been issued shall be announced in Svenska Dagbladet.”

*Proposed wording*

“A notice convening a General Meeting shall be issued through publication in the Swedish Official Gazette and on the Company’s website. Information that notice has been issued shall be announced in Dagens Industri.”

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Östersund, March 2019

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