eastnine

The board of directors' proposal regarding (a) the establishment of LTIP 2020, and (b) transfers of own shares to the participants in LTIP 2020

This is an unofficial translation of the Swedish proposal. In case of any discrepancies between the Swedish proposal and this English translation, the Swedish proposal shall prevail.

The board of directors of Eastnine AB (publ) proposes that the annual general meeting resolves to establish a long-term incentive programme ("**LTIP 2020**") directed to employees of the group in accordance with the following. The board of directors intends to propose long-term incentive programmes similar to LTIP 2020 to the annual general meetings to be held the coming years.

LTIP 2020 in brief

The board of directors' proposals involves the establishment of LTIP 2020 under which the employees in total may be granted a maximum of 65,000 shares in the company subject to the satisfaction of certain vesting requirements (see the proposal under item (a) below) and, for the purpose of ensuring delivery of shares, transfers of 65,000 own shares (see the proposal under item (b) below).

The rationale for LTIP 2020 is to promote shareholder value and the company's long-term value creation capability by creating conditions for retaining and recruiting competent personnel, increasing the motivation amongst the participants, promoting a personal shareholding as well as aligning the participants' interest with the interest of the company's shareholders.

The company has an outstanding long-term incentive programme resolved upon on the annual general meeting 2018.

(a) Establishment of LTIP 2020

The board of directors proposes that LTIP 2020 be established in accordance with the following principal terms and conditions.

1. LTIP 2020 is directed to employees of the group who have been employed since 1 January 2020, divided into the following three categories: Category A (CEO), Category B (CFO and other senior executives, approx. ten persons) and Category C (other employees, approx. ten persons), collectively referred to as the "**Participants**".

2. Participation in LTIP 2020 requires that the Participant has a personal shareholding in the company with a value corresponding to one month of the Participants annual gross fixed salary as of 1 April 2020 (“**Fixed Salary**” and “**Participation Shares**”). If applicable insider rules and regulations prohibit a Participant from purchasing Participation Shares in the company prior to applying to participate in LTIP 2020 and during the period up until 30 June 2020, the board of directors has the right to postpone the last day of investment for such Participant.
3. Each Participant shall receive performance shares rights free of charge (“**Share Rights**”) and each Share Right entitles the Participant to receive up to one share in the company (“**Performance Shares**”), subject to the satisfaction of the performance requirements.
4. Performance Shares are expected to be allotted to the Participants within 45 days from the publication of the company’s interim report for January–June 2023, however, the board of directors shall be entitled to adjust such date. The period from 30 June 2020 up until the date of the publication of the company’s interim report immediately following the third anniversary of the implementation of LTIP 2020 is below referred to as the “**Vesting Period**”.
5. The allotment of Performance Shares is conditional upon the Participant’s employment not having been terminated and the Participation Shares being retained by the Participant during the entire Vesting Period. The board of directors has the discretion to waive this condition for good leavers (for example, where employment is terminated as a result of the Participant’s long-term illness, disability or death) or if the employer has given notice of termination of the Participant’s employment due to redundancy (Sw. *arbetsbrist*). In such case, the board of directors shall determine the number of Performance Shares to be allotted adjusted for the number of days in the Vesting Period which the Participant was employed and the allotment shall be determined based on the satisfaction of the performance requirements.
6. The number of Share Rights allotted to a Participant shall be calculated by dividing a certain percentage as determined by the board of directors of up to 50 per cent of the Participant’s Fixed Salary with the share price corresponding to the volume weighted average price of the company’s

shares on Nasdaq Stockholm during the ten trading days immediately prior to the allotment of the Share Rights (“**Initial Share Price**”).

7. The total number of allotted Share Rights shall not exceed 65,000. If the Initial Share Price would result in a higher total number of Share Rights, the number of Share Rights allotted to the Participants shall be adjusted downwards on a *pro rata* basis.

8. Should the Share Price at Allotment of the Performance Shares (as defined below) exceed 300 per cent of the Initial Share Price (the “**Share Price Cap**”), the number of Performance Shares to be allotted shall be reduced by way of multiplying the number of Share Rights that entitle to allotment by a factor equal to the Share Price Cap divided by the Share Price at Allotment. The value of the company’s shares in connection with allotment (the “**Share Price at Allotment**”) shall be calculated based on the volume weighted average price of the company’s share on Nasdaq Stockholm during the ten trading days immediately following the publication of the company’s interim report for the period January–June 2023.

9. If the Participant is absent due to sick leave or other long-term absence (not including parental leave, vacation or similar) for more than four weeks in total during a fiscal year or is part-time employed during the Vesting Period, the Participant’s Share Rights will be reduced on a *pro rata* basis. However, if the Participant has a disability, consideration will be given to making an adjustment to any allotment due depending on the circumstances of the individual case.

10. In order to further increase alignment between the long term interests of the Participants and the company’s shareholders, a requirement for participation in the company’s long term incentive programmes going forward shall be that Participants in Categories A and B retain at least 50 per cent of all allotted Performance Shares (net of tax for such allotment) until the Participant’s shareholding in the company is equal in value to the Participant’s Fixed Salary.

11. The Allotment of Performance Shares is conditional upon the degree of satisfaction of the performance requirements set out below compared to minimum and maximum target levels as determined by the board of directors during the relevant measurement periods. Each performance requirement represents one third (1/3) of the total LTIP 2020 allotment of

Performance Shares. Fractions of the allotted Performance Shares shall be rounded-off to the immediate lower whole number.

- **Requirement 1**

  The development of the company's return on equity, *i.e.* average profits/losses related to the average shareholder's equity, during the period 1 July 2020–30 June 2023.

- **Requirement 2**

  The size of the company's profits from property management during the period 1 April 2023–30 June 2023.

- **Requirement 3**

  The percentile ranking of the company's total shareholder returns, *i.e.* average share price growth including any dividends, during the period 1 April 2020–30 June 2023 compared to a peer group (the "**Peer Group**") consisting of 20 European real estate companies[1].

12. If the minimum level of a performance requirement is not reached, no Performance Shares under that performance requirement will be allotted, whereas if the maximum level is reached, one third (1/3) of the maximum number of Performance Shares under LTIP 2020 will be allotted. If the outcome falls between the minimum level and the maximum level, a linear *pro rata* allotment of Performance Shares for the relevant performance requirement shall apply.

13. The board of directors will determine the level of satisfaction of each of the performance requirements and intends to present the satisfaction level in the company's interim report made public at the end of the Vesting Period. Performance Shares are expected to be allotted to the Participants within 45 days from the end of the Vesting Period.

14. In order to maintain representative and relevant performance requirements during the Vesting Period, the board of directors may adjust the Peer Group or determine other performance benchmarks for Requirement 1–3.

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[1]The reference group consists of the following companies: Alstria Office, CA Immo, Covivio, Derwent London, Entra, Fabege, Gecina, Klövern, Kungsleden, Workspace Group, Wihlborgs, Globalworth, Globe Trade Center, CLS Holdings, Immofinanz, Norwegian Property, PSP Swiss Property, Aroundtown, DEMIRE Real Estate AG and Atrium Ljungberg. Total shareholder return will be measured in EUR for all companies in line with best practice.

15. The number of Share Rights and the Share Price Cap may be recalculated by the board of directors in the event of share issues, share splits, reversed share splits, merger, reduction of share capital or any similar event that may affect the capital structure of the company. When determining the final vesting level for the allotment of Performance Shares, the board of directors shall examine whether the vesting level as well as the performance requirements are reasonable considering the company's financial results and position, conditions on the stock market and other circumstances, and if not, as determined by the board of directors, change the vesting level as deemed appropriate by the board of directors.
16. The company will not compensate the Participants for any dividends during the Vesting Period. The Share Rights must not be assigned, pledged or disposed of in any way (except in the event of the Participant's death, to his or her beneficiaries) and will lapse immediately on any attempt to do so or if the Participant is declared bankrupt. Participants are not entitled to perform any shareholder's rights regarding the Share Rights during the Vesting Period. If a Participant is subject to a disciplinary process or there is a dispute pending or threatened, the board of directors may delay allotment of Performance Shares until the conclusion of such a process.
17. If significant changes occur in the company or on the market, or in the event the costs for LTIP 2020 significantly exceed the estimated costs, and this, in the opinion of the board of directors, results in a situation where the conditions for allotment of Performance Shares become unreasonable or no longer appropriate, the board of directors is entitled to adopt different conditions or make adjustments to LTIP 2020, including, among other things, to resolve on a reduced allotment of Performance Shares, or to not allot any Performance Shares at all.
18. In case a public offer for all shares in the company is completed resulting in the offeror owning more than 90 per cent of the shares in the company, LTIP 2020 shall be closed down by the earlier execution of any outstanding Share Rights and amending the vesting and performance requirements in proportion to the time elapsed since the implementation of LTIP 2020 and the last measurable point of performance prior to the completion of the public offer.

19. Participation in LTIP 2020 requires that it is permitted and appropriate with regard to applicable laws and regulations in the jurisdiction in which the relevant Participant is resident and that the board of directors deems it feasible at reasonable administrative and financial costs.
20. In the event delivery of Performance Shares to a Participant cannot take place under applicable law or at reasonable cost or with reasonable administrative effort, the board of directors may pay a part of or the entire allotment to such Participant in cash instead of shares.
21. The board of directors may retain allotted Performance Shares and settle a part of the allotment in cash in order to facilitate the payment of the Participants' tax liabilities.
22. The board of directors is responsible for the detailed design and implementation of LTIP 2020. Accordingly, the board of directors is to prepare and execute any necessary full-text documentation to the Participants and otherwise manage and administer LTIP 2020.

(b) Transfer of own shares

The board of directors proposes, for the purpose of securing delivery of shares under LTIP 2020, that a maximum of 65,000 own shares be transferred to the Participants on the following terms and conditions.

1. The right to receive shares shall, with deviation from the shareholders' preferential rights, be granted to the Participants, with right for each of the Participants to receive no more than the maximum number of shares allowed under the terms and conditions of LTIP 2020. Furthermore, subsidiaries within the group shall have the right to receive shares, free of consideration, and such subsidiaries shall be obligated to immediately transfer, free of consideration, such shares to the Participants in accordance with the terms and conditions of LTIP 2020.
2. The Participants' right to receive shares are conditional upon the fulfilment of the terms and conditions of LTIP 2020.
3. The shares shall be transferred within the time period set out in the terms and conditions of LTIP 2020.
4. The shares shall be transferred free of charge.
5. The number of shares that may be transferred to the Participants may be recalculated in the event of share issues, share splits, reversed share splits or similar events having an impact on the total number of shares in the

company or otherwise in accordance with the terms and conditions of LTIP 2020.

Hedging arrangements

The company intends to use up to 85,000 own shares previously repurchased (corresponding to approx. 0.4 % of the total number of shares) in order to ensure the delivery of shares to the Participants and to secure and cover the costs that arise as a result of LTIP 2020 (for example social security charges and tax). The Board thus do not propose any further actions to hedge the company's obligations under LTIP 2020. In the event that the required majority for approval to transfer shares to the Participants is not reached under item (b) above, the board of directors intends to hedge the financial exposure of the LTIP 2020 by the company entering into an equity swap agreement with a third party, under which the third party shall, in its own name, acquire and transfer shares in the company to Participants covered by the LTIP 2020.

Estimated costs and dilution for LTIP 2020

The costs for LTIP 2020 will be calculated in accordance with IFRS 2 and distributed over the Vesting Period.

Assuming that one third (1/3) of the maximum number of Performance Shares are allotted, resulting in the allotment of 17,300 Performance Shares, an Initial Share Price of SEK 104, and an annual share price increase of 5 per cent during the Vesting Period, the total cost for LTIP 2020, including social security costs, is estimated to approximately EUR 0.25 million.

Assuming that the maximum number of Performance Shares are allotted, resulting in the allotment of 52,000 Performance Shares, an Initial Share Price of SEK 104, and an annual share price increase of 5 per cent during the Vesting Period, the total cost for LTIP 2020, including social security costs, is estimated to approximately EUR 0.73 million.

The costs should be viewed in relation to the company's total costs for salaries and other remuneration to employees, which for 2019 amounted to EUR 2.56 million, including social security costs.

Effect on key ratios

The company will not issue any new shares due to LTIP 2020, but intends to use up to 85,000 shares held in treasury for delivery to the Participants and for hedging of costs for LTIP 2020. The costs for LTIP 2020 are expected to have a marginal effect on the group's key ratios.

Preparation of the board of directors' proposal

The proposal has been prepared by the board of directors in consultation with external advisors.

Majority vote requirements

The board of directors' proposals under item (a) is valid only if supported by shareholders holding not less than half of the votes cast represented at the meeting and (b) is valid only if supported by shareholders holding not less than nine tenths (9/10) of both the votes cast and the shares represented at the meeting.

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Stockholm in April 2020
EASTNINE AB (publ)
The board of directors