

KUNGSLEDEN

ARTICLES OF ASSOCIATION

Kungsleden's Articles of Association, adopted at the Annual General Meeting on 23 April 2015.

§ 1

The corporate name is Kungsleden Aktiebolag, a public limited liability company (publ).

§ 2

The registered office is in the Municipality of Stockholm (Sweden).

§ 3

The company owns and manages shares in companies active in the property segment and conducts associated business.

§ 4

The share capital is a minimum of SEK 32,000,000 and a maximum of SEK 128,000,000.

§ 5

There will be a minimum of 76,800,000 shares and a maximum of 307,200,000 shares.

It shall be possible to issue two classes of shares, ordinary shares and preference shares. Each ordinary share entitles the holder to one (1) vote. Each preference share entitles the holder to one-tenth (1/10) of a vote. Ordinary shares may be issued up to the number corresponding to no more than one hundred (100) per cent of the share capital. Preference shares may be issued up to the number corresponding to no more than twenty-five (25) per cent of the share capital

§ 6

Preference shares right to dividend

If the General Meeting resolves on dividends, preference shares shall carry preferential rights before ordinary shares to a dividend as set out below.

Preference Dividend

The preference shares shall confer a preferential right over the ordinary shares to an annual dividend of SEK 20 per preference share ("The Annual Preference Dividend"), with quarterly payment of SEK 5 per preference share (the "Preference Dividend"), with record days as set out below.

Payment of dividends

Payment of dividend on preference shares shall, the first time following the day of the registration of the preference shares in Euroclear Sweden AB's share register, be made quarterly in cash. The record days for the payments of dividend on preference shares shall be 30 June, 30 September, 30 December and 31 March. In the event such day is not a banking day, the record date shall be the closest preceding banking day. Dividend payments on preference shares shall be made on the third banking day after the record date. With "banking day" means a day that is not a Sunday, a public holiday or a day that in relation to the payment of debt instruments is equal to a public holiday (such equal days are at the time of the adoption of this Articles of Association Saturday, Midsummer Eve, Christmas Eve and New Year's Eve).

Calculation of Outstanding Amount

If no dividend is paid on preference shares, or if only a dividend of less than the Annual Preference Dividend has been paid, the preference shares shall carry entitlement to, in addition to future Preference Dividend, receive an amount evenly distributed on each preference share, corresponding to the difference between what should have been paid according to the above and the amount that was paid ("Outstanding Amount") before additional preference shares may be issued or value transfer to holders of ordinary shares may be made. The Outstanding Amount shall be adjusted upwards by a factor corresponding to an annual interest rate of eight (8) per cent, whereby upward adjustment shall start from the quarterly date when payment of part of the Preference Dividend was made (or should have been made, in the event that no Preference Dividend was paid at all). Dividend of the Outstanding Amount is also conditional upon that the General Meeting resolves to pay dividend.

Recalculation at certain events of the company

In the case of a change in the number of preference shares through a reverse share split, a share split or other company events that have a similar effect, the amount that the preference share is entitled to according to §§ 6-8 in these Articles of Association shall be recalculated to reflect this change.

Miscellaneous

The preference shares shall not otherwise carry entitlement to dividend.

§ 7

A reduction of the share capital, although not below the minimum capital, may take place following a resolution by a General Meeting through redemption of preference shares as set out below.

The General Meeting resolves on the number of preference shares to be redeemed each time. The allocation of which preference share that shall be redeemed shall be made pro rata in relation to the number of preference shares that each preference shareholder owns at the time of the General Meeting's resolution on redemption. If the allocation as set out above does not amount to an even number of shares, the Board of Directors shall decide on allocation of the additional preference shares to be redeemed. If the resolution is approved by all holders of preference shares the General Meeting may however decide which preference shares are to be redeemed.

The redemption amount for each redeemed preference share shall be an amount calculated as follows:

a) Up to the fifth anniversary of the first new issue of preference shares (the "Initial Issue"), an amount corresponding to (i) 120 per cent of the amount in SEK paid for each preference share at the Initial Issue ("Initial Subscription Price"), (ii) plus possible accrued part of the Preference Dividends, (iii) plus any Outstanding Amount adjusted upwards by an annual interest rate as set out in § 6 above. The redemption amount for each redeemed preference share shall however never be lower than the share's quota value.

b) As from the fifth anniversary of the Initial Issue and for the time thereafter, an amount corresponding to (i) 110 per cent of the Initial Subscription Price, (ii) plus possible accrued part of the Preference Dividends, (iii) plus any Outstanding Amount adjusted upwards by an annual interest rate as set out in § 6 above. The redemption amount for each redeemed preference share shall however never be lower than the share's quota value.

"Accrued part of the Preference Dividends" refers to accrued Preference Dividends for the period commencing the day after the latest record day for dividend until and included the day for payment of the redemption amount. The number of days shall be calculated based on the actual number of days in relation to 90 days.

From the day when payment of the redemption amount falls due, all calculation according to §7 section 3 shall cease.

§ 8

If the company is dissolved preference shares shall carry preferential rights before ordinary shares to receive from the company's assets an amount per preference share corresponding to (i) 110 per cent of the Initial Subscription Price, (ii) possible accrued part of the Preference Dividends as set out in § 7 above, and (iii) any Outstanding Amount adjusted upwards by an annual interest rate as set out in § 6 above, prior to any distribution to owners of ordinary shares. Preference shares shall otherwise not carry any entitlement to a share of distribution.

§ 9

Should the company decide to issue new shares of more than one class through a cash issue or a set-off issue, holders of ordinary shares and preference shares shall have preferential right to subscribe for new shares of the same class in proportion to their existing shareholding in that class (primary preferential right). Shares that are not subscribed for with primary preferential right shall be offered to all shareholders for subscription (subsidiary preferential right). Should the number of shares offered in this way not be enough for subscription through subsidiary preferential right, said shares shall be apportioned among subscribers in proportion to their existing shareholdings, regardless of whether the shares in the company already held by them are ordinary shares or preference shares. To the extent this is not possible as regards a certain share or certain shares, the distribution shall be made by lottery.

Should the company decide to issue new shares of only one class through a cash issue or a set-off issue, the existing shareholders of the class of shares that is the subject of the new issue shall carry preferential right to such new shares in proportion to their existing shareholding in that class (primary preferential right).

Shares that are not subscribed for with primary preferential right shall be offered to all shareholders for subscription (subsidiary preferential right). Should the number of shares offered in this way not be enough for subscription through subsidiary preferential right, said shares shall be apportioned among subscribers in proportion to their existing shareholdings, regardless of whether the shares in the company already held by them are ordinary shares or preference shares. To the extent this is not possible as regards a certain share or certain shares, the distribution shall be made by lottery.

Should the company decide through a cash issue or a set-off issue to issue subscription warrants or convertibles, shareholders shall have preferential right to subscribe for subscription warrants as if the issue was in respect of the shares that may be subscribed for by exercising the subscription warrants and to subscribe for convertibles as if the issue was in respect of the shares that the convertibles may be exchanged for.

The aforesaid shall not imply any limitation in the possibility of a decision on cash issue or set-off issue with divergence from shareholders' preferential rights.

An increase of the share capital by a bonus issue, where new shares are issued, may only occur by an issue of new ordinary shares. In such case, only holders of ordinary shares have preferential right to such new ordinary shares in proportion to their existing shareholding of ordinary shares. What has just been said shall not imply any limitation in the possibility to issue new classes of shares through a bonus issue, after necessary amendments to the Articles of Association.

§ 10

The Board of Directors comprises between three and eight members with a maximum of two deputies.

§ 11

1-2 auditors with or without deputies, or one registered public accounting firm, shall be appointed.

§ 12

Notification of a General Meeting shall be published in the Official Swedish Gazette and at the company's website. An announcement with information that notification of the General Meeting has been issued shall be published in Dagens Nyheter. If Dagens Nyheter should cease to be a national daily newspaper, such notice shall instead be published in Svenska Dagbladet.

Shareholders intending to participate in shareholders' meetings must first be recorded in the print-out or other statement of the complete share register as of five days prior to such meeting, and secondly, notify the company by no later than 4 p.m. on the day stated in the notification to attend the meeting. This day may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve, and may not fall earlier than the fifth weekday prior to such meeting.

§ 13

The AGM is held annually within six months of the end of the financial year. The Chairman of the Board of Directors, or that party the Board appoints, opens the AGM and leads proceedings until the Chairman is elected.

The following matters are considered at the AGM:

1. Election of a Chairman of the Meeting;
2. Preparing and approving the voting list;
3. Approval of the agenda;
4. Election of one or more people to take the minutes;
5. Evaluation of whether the meeting has been duly convened;
6. Submission of the Annual Report and Audit Report, and where applicable, Consolidated Financial Statements and Consolidated Audit Report;
7. Resolution on;
 - a) adopting the Income Statement and Balance Sheet, and where applicable, the Consolidated Income Statement and Consolidated Balance Sheet
 - b) appropriation of the company's profit or loss pursuant to the adopted Balance Sheet
 - c) discharging the Board members and Chief Executive from liability;
8. Determination of the number of Board members and deputies to be elected by the Meeting;
9. Determination of the number of auditors and deputy auditors to be appointed by the Meeting or resolving that an audit firm be appointed, in those cases where auditors are elected;
10. Determination of Directors' and where applicable audit, fees;
11. Election of the Board of Directors and potential deputies;
12. Election of audit firm or auditor(s) and potential deputy auditors when such election occurs;
13. Other matters for consideration by the Meeting pursuant to the Swedish Companies Act (2005:551) or the Articles of Association.

§ 14

The company's financial year is the calendar year.

§ 15

The company's shares will be recorded in a control register pursuant to the Swedish Financial Instruments Act (1998:1479).

That shareholder or nominee recorded in the share register, and noted in a control register on the record date pursuant to chap. 4 of the Swedish Financial Instruments Act (1998:1479), or that party recorded in the control account pursuant to chap. 4 § 18 para. 1 clauses 6 – 8 of the above Act, will be considered authorized to exercise the rights pursuant to chap. 4 § 39 of the Swedish Companies Act (2005:551).