

# KUNGSLEDEN

The shareholders of

## **Kungsleden AB (publ)**

are hereby invited to attend the Annual General Meeting, to be held on Thursday 18 April 2013 at 2.00 p.m. at Hotel Rival, Mariatorget 3, Stockholm, Sweden.

### **Participation**

Shareholders who wish to participate in the Annual General Meeting

- shall be registered in the shareholders' register maintained by Euroclear Sweden AB on Friday 12 April 2013, and
- shall notify the company of their intention to attend the Annual General Meeting not later than 4.00 p.m. on Friday 12 April 2013:
- by post to Kungsleden AB (publ), Att: Sinikka Arfwidsson, PO Box 70414, SE-107 25 Stockholm, Sweden
  - by e-mail to: [arsstamma@kungsleden.se](mailto:arsstamma@kungsleden.se)
  - by telephone, +46 (0)8 503 052 00
  - by fax, +46 (0)8 503 052 01
  - on [www.kungsleden.se](http://www.kungsleden.se)

Upon notification, shareholders should state their name, personal-/corporate identity number, address, daytime telephone number, number of shares represented and, where applicable, number of proxies and advisors participating.

### **Representative, power of attorney etc.**

Shareholders represented by proxy or a representative should, in order to facilitate the entering at the Annual General Meeting, submit powers of attorney, certificates of registration or other documents of authorisation to the company not later than on Friday 12 April 2013. Please note that any powers of attorney must be submitted in original. A template proxy form is available for download on the company's website at [www.kungsleden.se](http://www.kungsleden.se).

### **Nominee-registered shares**

Shareholders whose shares are registered in the name of nominees must temporarily register their shares in their own name in the shareholders' register maintained by Euroclear Sweden AB, to be entitled to participate in the Annual General Meeting. Such procedure, so-called voting right registration, must be effected not later than on Friday 12 April 2013, which means that the shareholder must inform the nominee well in advance before this date.

### **Proposed agenda**

1. Opening of the Annual General Meeting.
2. Election of Chairman of the Annual General Meeting.
3. Drawing up and approval of the voting list.
4. Approval of the agenda.
5. Election of one or more persons to verify the minutes.
6. Determination as to whether the Annual General Meeting has been duly convened.
7. Report on the work of the Board of Directors and the Committees of the Board of Directors.
8. Presentation of the annual report and the audit report and the consolidated financial statements and the consolidated audit report for 2012 and in this connection the CEO's report.
9. Resolution regarding
  - a) adoption of the income statement and the balance sheet, and the consolidated income statement and the consolidated balance sheet for 2012,
  - b) disposition of the company's profits in accordance with the approved balance sheet for 2012, and determination of the record date for dividends, and
  - c) discharge from personal liability of the Board of Directors and the CEO for the year 2012.
10. Report on the work of the Nomination Committee.
11. Resolution regarding the number of members of the Board of Directors and deputy members of the Board of Directors, to be elected by the Annual General Meeting.
12. Resolution regarding remuneration to the Board of Directors, to the members of the committees of the Board of Directors and resolution regarding remuneration to the auditor.
13. Election of members of the Board of Directors and the Chairman of the Board of Directors.
14. Election of members of the Nomination Committee.
15. The Board of Directors' proposal for approval of guidelines concerning remuneration and other employment terms for the senior executives.
16. The Board of Directors' proposal for resolution to authorise the Board of Directors to resolve on repurchase of own shares.

## 17. Closing of the Annual General Meeting.

**Proposals**

- Item 2* The Nomination Committee proposes that the Chairman of the Board of Directors, Håkan Bryngelson, is elected Chairman of the Annual General Meeting.
- Item 9 b)* The Board of Directors proposes a dividend of SEK one (1) per share. The record date for dividend is proposed to be on 23 April 2013. If the Annual General Meeting resolves in accordance with the Board's proposal, the dividend is estimated to be paid out by Euroclear Sweden AB on 26 April 2013.
- Item 11* The Nomination Committee proposes that the Board of Directors shall consist of eight ordinary members and no deputy members.
- Item 12* The Nomination Committee proposes that:
- an annual amount of SEK 200,000 (decreased by SEK 20,000) shall be paid to members of the Board of Directors who are not employed by the company, and that an annual amount of SEK 450,000 (decreased by SEK 75,000) shall be paid to the Chairman of the Board of Directors,
  - an annual amount of SEK 30,000 (unaltered) shall be paid to members of the remuneration committee who are not employed by the company, an annual amount of SEK 30,000 (decreased by SEK 30,000) shall be paid to the Chairman of the audit committee, an annual amount of SEK 30,000 (unaltered) shall be paid to the members in the audit committee who are not employed by the company, an annual amount of SEK 30,000 shall be paid to members of the financial committee who are not employed by the company, an amount of SEK 30,000 shall be paid retroactively to members of the financial committee who are not employed by the company, commencing from the time of the committee's establishment in April 2012 and until the close of the 2013 Annual General Meeting, and, if the Board of Directors resolves to establish an investment committee with not more than three members, it is proposed that an annual amount of SEK 30,000 shall be paid to members of the investment committee who are not employed in the company,
  - remuneration to the auditors during the term of office shall be paid by approved accounts.
- Item 13* Håkan Bryngelson and Magnus Meyer have declined re-election.
- The Nomination Committee proposes that Göran Larsson, born 1944, Magnus Fernqvist, born 1955, and Peter Gustafson, born 1960, are elected as new members of the Board of Directors.
- Göran Larsson is the Chairman of the Board of Bertegruppen AB, Danir AB, Hestrahandsken AB, Hestravikens Vårdshus AB and Studentlitteratur AB. In 1989-2002, he was a Board member, Chief Operating Officer and Deputy Chief Executive Officer of Östgöta Enskilda Bank, and in 1983-1987, Chief Operating Officer of Gota Bank. Previous directorships include Klöver AB, Realia AB and Wihlborgs Fastigheter AB. Göran Larsson holds an M.Pol.Sc.
- Magnus Fernqvist is Chief Executive Officer and owner of Magne Group and his directorships include AB Adlon Hotell, Trollhättan Property Investors AB and HF Omsorgsfastigheter AB. Previous positions include being a Real Estate Manager for Consolidatorgruppen. Magnus Fernqvist holds an LL.M.
- Peter Gustafson is Chief Executive Officer and owner of Green Capital Partners AB. Previous positions include being a Director of HSH Nordbank AG, Head of Real Estate-related Corporate Finance for the Nordic Region, Partner of Arthur Andersen/Deloitte and Head of Real Estate-related Corporate Finance for the Nordic Region, as well as Nordic Business Development Manager of Catella AB. Peter Gustafson holds a BSc (Econ).
- The Nomination Committee proposes that Joachim Gahm (elected 2011), Lars Holmgren (elected 2011), Kia Orback Pettersson (elected 2010), Biljana Pehrsson (elected 2011) and Charlotta Wikström (elected 2009) are re-elected as members of the Board of Directors until the close of the next Annual General Meeting.
- The Nomination Committee further proposes that Göran Larsson is elected as Chairman of the Board of Directors.
- Further information regarding the proposed members of the Board of Directors is available on the company's website at [www.kungsleden.se](http://www.kungsleden.se).
- Item 14* On 31 January 2013, the shareholders controlling the largest number of votes were Gösta Welandson with companies, Länsförsäkringar Fondförvaltning, Olle Florén with companies and Andra AP-fonden. These

shareholders have notified their interest to participate in the nomination work for the Annual General Meeting 2014 and propose the following persons as representatives to the Nomination Committee: Göran Larsson (Gösta Welandson with companies), Eva Gottfridsdotter-Nilsson (Länsförsäkringar Fondförvaltning), Charlotta Wikström (Olle Florén with companies) and Martin Jonasson (Andra AP-fonden). Furthermore, according to the instruction for the Nomination Committee, shall the Chairman of the Board of Directors be a member of the Nomination Committee.

*Item 15*

The Board of Directors' proposal for guidelines concerning remuneration and other employment terms for the senior executives (the CEO and other members of the Leadership Team in Kungsleden Group), and the directors of the Board to the extent they are remunerated outside their Directorship, involves i.a. that the company shall apply the levels of remuneration and employment terms required in order to recruit and retain senior executives with high competence and capacity to reach the set targets, aimed at promoting the company's long term value creation.

The forms of remuneration shall motivate the senior executives to perform at its highest level in order to guarantee the interests of the shareholders and shall be market-based, simple, long-standing and measurable. The remuneration to the senior executives shall, in normal cases, consist of a fixed part and a variable part. The maximum of the variable salary to the senior executives shall, in normal cases, be within the interval of 40-75 percent of the annual base salary, and shall be related to the member of the senior executives' individual performance in relation to the company's and each division's in advanced established standard of result and growth. When designing systems for variable salary to the senior executives, that are paid in cash, the Board shall consider the need of imposing restrictions that (i) make payments of a certain proportion of such salary conditional on whether the performance on which it was based has proved to be sustainable over time, and (ii) that allow the company to reclaim such compensations that have been paid on the basis of information which later proves to be manifestly misstated.

The non-monetary benefits of the senior executives shall aim to facilitate the performance of the executive's work assignments and shall correspond to what can be considered feasible on the market in which the executive is active.

The pension benefits of the senior executives shall be market-based in relation to what can be considered applicable to an equivalent executives on the same market in which the executives is active, and shall be determined by pension plans with a fixed fee rate or according to the general pension scheme; in Sweden the ITP plan.

Upon notice of termination of a member of the senior executives made by the company, a fixed salary during the notice period of 6-12 months, together with a non-pensionable severance pay of 6-12 months fixed salary, shall be paid.

Proposals regarding remunerations and employment terms for the senior executives are drawn by the CEO based on frames and directives resolved by the Remuneration Committee. The proposal shall thereafter be submitted to the Remuneration Committee for approval.

Board Members, elected at General Meetings, may in certain cases receive a fee for services performed within their respective areas of expertise, outside of their Board duties. Compensation for these services shall be paid at market terms and be approved by the Board of Directors.

The Board of Directors shall be entitled to deviate from these remuneration guidelines if it, in a special case, is required by special reasons, for example additional variable salary for certain performances. In such a case, the Board is shall explain the reason for the deviation on the following Annual General Meeting. The Board of Directors shall be entitled to deviate from the above mentioned remuneration guidelines for the senior executives if required due to existing contracts.

*Item 16*

The Board of Directors proposes that the Annual General Meeting authorises the Board of Directors to pass a resolution on repurchasing the company's own shares if the purpose is to retire shares through a decrease of the share capital in accordance with the following conditions:

1. The repurchase of shares shall take place on the NASDAQ OMX Stockholm in accordance with NASDAQ OMX Stockholm's rules regarding purchase and sale of own shares.
2. The repurchase of shares may take place on one or more occasions for the period up until the next Annual General Meeting.
3. So many shares may, at the most, be repurchased so that the company's holding does not at any time exceed 10 per cent of the total number of shares in the company.
4. The repurchase of shares at the NASDAQ OMX Stockholm may occur at a price within the share price interval registered at that time, where share price interval means the difference between the highest buying price and lowest selling price.
5. Payment for the shares shall be in cash.

The purpose of the authorisation is to give the Board of Directors flexibility to continuously decide on changes to the capital structure during the year and thereby contribute to increased shareholder value.

The Board of Directors shall be able to resolve that repurchase of own shares shall be made within a repurchase program in accordance with the Commission's Regulation (EC) no 2273/2003, if the purpose of the authorisation and the repurchase only is to decrease the company's share capital.

#### **Special majority requirements with respect to the proposed resolution in item 16**

The resolution under item 16 is valid only if supported by shareholders holding not less than two-thirds of both the votes cast and the shares represented at the Annual General Meeting.

#### **Documentation**

The Nomination Committee's complete proposal regarding resolutions under items 2, 11-13 and the Board of Directors' proposal regarding resolutions under items 9 b) and 16 are as set out above. The accounting documents, the audit report, the statement from the Board of Directors in accordance with Chapter 18 Section 4 and Chapter 19 Section 22 of the Swedish Companies Act (2005:551), the statement of the auditor in accordance with Chapter 8 Section 54 of the Swedish Companies Act (2005:551), and the complete proposal regarding resolution under item 15 will be available at the company's premises and on the company's website at [www.kungsleden.se](http://www.kungsleden.se), not later than on Thursday 28 March 2013. The statement of the Nomination Committee regarding its work and motivated opinion regarding its proposals and a presentation of the proposed Board of Directors are available on the company's website. The documents will be sent by post to those shareholders who so request and state their postal address.

#### **Number of shares and votes**

The company has 136,502,064 shares representing one vote each, therefore the total number of votes are 136,502,064.

#### **Shareholders' right to request information**

The Board of Directors and the CEO shall, if any shareholder so requests and the Board of Directors believes that it can be done without material harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that can affect the assessment of the company's or its subsidiaries' financial situation and the company's relation to other companies within the group and the consolidated accounts.

#### **Schedule for the Meeting**

1.00 p.m. The doors open for shareholders.

2.00 p.m. The Annual General Meeting commences.

The company will offer light refreshments after the close of the Annual General Meeting.

Stockholm, March 2013

**Kungsleden AB (publ)**

*The Board of Directors*