

# KUNGSLEDEN

**The shareholders of Kungsleden AB (publ) are hereby invited to attend the Annual General Meeting, to be held on Friday 26 April 2019 at 11.00 a.m. at Kungsleden AB's (publ) premises at Warfvinges väg 31 in Stockholm, Sweden. Entry to the Annual General Meeting will commence at 10.00 a.m.**

## **Participation**

Shareholders who wish to participate in the Annual General Meeting

- shall be registered in the shareholders' register maintained by Euroclear Sweden AB on Thursday 18 April 2019, and
- shall notify the company of their intention to attend the Annual General Meeting not later than on Thursday 18 April 2019
- on [www.kungsleden.se/agm2019](http://www.kungsleden.se/agm2019),
  - by post to Kungsleden AB (publ), Att: Chanette Claesson-Zsuppán, PO Box 70414, SE-107 25 Stockholm, Sweden, or
  - by telephone, +46 (0)8 503 052 00 between 10.00 a.m. and 4.00 p.m.

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

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

Shareholders participating through a proxy or a representative should, in order to facilitate the entering at the Annual General Meeting, submit their proxy, certificates of registration or other documents of authorisation to the company not later than on Thursday 18 April 2019. Please note that any proxy must be dated and submitted in original. A template proxy form is available for download on the company's website at [www.kungsleden.se/agm2019](http://www.kungsleden.se/agm2019).

## **Nominee-registered shares**

Shareholders whose shares are registered in the name of a nominee 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 on Thursday 18 April 2019, 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 2018 and in this connection the CEO's report on the business.
9. Resolution regarding
  - a) adoption of the income statement and the balance sheet, and the consolidated income statement and the consolidated balance sheet for 2018,
  - b) disposition of the company's profits in accordance with the approved balance sheet for 2018, 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 2018.
10. Report on the work of the Nomination Committee.
11. Resolution regarding the number of members of the Board of Directors.
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:
  - (a) Charlotte Axelsson (re-election, the Nomination Committee's proposition),
  - (b) Ingall Berglund (re-election, the Nomination Committee's proposition),
  - (c) Jonas Bjuggren (re-election, the Nomination Committee's proposition),
  - (d) Ulf Nilsson (re-election, the Nomination Committee's proposition),
  - (e) Charlotta Wikström (re-election, the Nomination Committee's proposition), and
  - (f) Christer Nilsson (new election, the Nomination Committee's proposition).
14. Election of Chairman of the Board of Directors.
15. Election of members of the Nomination Committee.
16. Election of auditor.
17. The Board of Directors' proposal for approval of guidelines concerning remuneration to the senior executives.

18. The Board of Directors' proposal for resolution to authorise the Board of Directors to resolve on repurchase and transfers of own shares.
19. Closing of the Annual General Meeting.

### Proposals

- Item 2* The Nomination Committee proposes that the Chairman of the Board of Directors, Charlotte Axelsson, is elected Chairman of the Annual General Meeting.
- Item 9 b)* The Board of Directors proposes the Annual General Meeting to resolve on a dividend of in total SEK 2.40 per share, to be paid quarterly in four instalments of SEK 0.60 per share until the next Annual General Meeting. The record dates for the quarterly dividend are proposed to be Tuesday 30 April 2019, Friday 28 June 2019, Monday 30 September 2019 and Monday 30 December 2019. In the event that such day is not a banking day, the record date shall be the preceding banking day. The dividend are estimated to be paid by Euroclear Sweden AB on the third banking day after each record date.
- Item 11* The Nomination Committee proposes that the Board of Directors shall consist of six members.
- Item 12* The Nomination Committee proposes that:
- an annual amount of SEK 220,000 (unaltered) shall be paid to members of the Board of Directors, who are not employed by the company, and that an annual amount of SEK 500,000 (unaltered) shall be paid to the Chairman of the Board of Directors,
  - an annual amount of SEK 40,000 per assignment (unaltered) shall be paid to members of the Board of Directors, who are not employed by the company, for work in committees established by the Board of Directors, except for the Chairman of the Audit Committee, to whom an annual amount of SEK 60,000 shall be paid,
  - the total remuneration to the Board of Directors, including committee work, shall not exceed SEK 1,860,000 (SEK 1,960,000), and that
  - remuneration to the auditors during the term of office shall be paid by approved accounts.
- Item 13* The Nomination Committee proposes that Charlotte Axelsson (elected 2014), Ingalill Berglund (elected 2017), Jonas Bjuggren (elected 2018), Ulf Nilsson (elected 2018) and Charlotta Wikström (elected 2009) are re-elected as members of the Board of Directors and that Christer Nilsson is elected as new member of the Board of Directors until the close of the next Annual General Meeting. Liselotte Hjorth has declined re-election.
- Further information regarding the proposed members of the Board of Directors is available on the company's website at [www.kungsleden.se/agm2019](http://www.kungsleden.se/agm2019).
- Item 14* The Nomination Committee proposes that Charlotte Axelsson is re-elected as Chairman of the Board of Directors.
- Item 15* On 31 January 2019, Gösta Welandson with companies, Olle Florén with companies and Handelsbanken Fonder were among the largest shareholders of the company in terms of votes that also have notified their interest to participate in the nomination work for the Annual General Meeting 2019. These shareholders have nominated the following individuals as representatives to the Nomination Committee: Göran Larsson (Gösta Welandson with companies), Jonas Broman (Olle Florén with companies) and Michael Green (Handelsbanken Fonder). Furthermore, in accordance with the instruction for the Nomination Committee, the Chairman of the Board of Directors shall be a member of the Nomination Committee.
- Item 16* The Nomination Committee proposes, in accordance with the Audit Committee's recommendation, that the company shall have a registered accounting firm as auditor and that the registered accounting firm Ernst & Young AB shall be elected as auditor for the period until the close of the next Annual General Meeting. Ernst & Young AB has informed that they will appoint the chartered auditor Ingemar Rindstig to the auditor-in-charge if Ernst & Young AB is elected as auditor.
- Item 17* The Board of Directors of Kungsleden AB proposes that the Annual General Meeting resolves on the following guidelines concerning remuneration and other terms of employment to the senior executives. In this context, "senior executives" refers to the CEO and other executive employees in the Kungsleden group. Please note that the number of individuals qualifying as senior executives presently amounts to ten.
- The guidelines for remuneration also applies for the members of the Board to the extent they receive remuneration for services provided for the Kungsleden group outside their directorship.

*Fixed and variable remuneration and the link between performance and remuneration*

Kungsleden 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 their highest level in order to safeguard the interests of the shareholders.

The remuneration shall therefore be market-based, simple and transparent. The remuneration to the senior executives shall generally consist of a fixed part and a variable part. The variable part shall be based on the senior executives' individual performance in relation to established targets or linked to the Kungsleden share's total shareholder return. The targets shall be simple, transparent and measurable.

For variable remuneration the maximum outcome shall have a cap.

The fixed remuneration to senior executives shall be in line with the market and be based on competence, responsibility, level of experience and performance.

*Incentive program for the CEO and deputy CEO – short-term incentive (STI)*

The outcome of variable remuneration to the CEO and the deputy CEO, pursuant to the STI-program can be no more than 75 per cent of the fixed salary. The performance of the CEO and the deputy CEO is evaluated in relation to the company's management results per share.

*Incentive program for other senior executives – short-term incentive (STI)*

The maximum outcome for other senior executives' variable remuneration shall generally be 50 per cent of the fixed salary and be based on the senior executive's performance in relation to predetermined targets for the company's management result, which for respective executives is supplemented with management area or department specific targets.

*General regarding variable remuneration*

When designing systems for variable remuneration to the senior executives, that are paid in cash, the Board of Directors 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.

For further information regarding the variable remuneration and paid variable remuneration to senior executives during 2018, see note 7 in Kungsleden's annual report for 2018.

*Main conditions for non-monetary benefits, pensions, termination and severance payment*

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 and the municipality in which the senior executive is active.

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

In the event notice of termination of employment is served by the company, senior executives are entitled to notice salary on unaltered terms during a period of 3-12 months. In addition, the CEO and the deputy CEO may receive a non-pensionable severance pay of six (6) months fixed salary, which generally shall be deductible in relation to other income generated from new employment or assignments. In the event notice of termination of employment is served by the senior executive, a notice period of at least three (3) months shall apply.

*Remuneration to Board Members*

Board Members, elected at General Meetings, may in certain cases receive remuneration 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.

*How matters regarding remuneration to senior executives are prepared and decided within the framework and directives resolved by the Annual General Meeting*

The Board of Directors' Remuneration Committee administrates and prepares questions regarding remuneration to the senior executives.

Proposals regarding remunerations and other employment terms for the CEO are drawn by the Remuneration Committee, and shall be submitted to the Board of Directors for approval. The Board of Directors evaluates the work of the CEO annually.

Proposals regarding remunerations and employment terms for other senior executives than the CEO are drawn by the CEO based on frames and directives resolved by the Remuneration Committee, which monitors and evaluates the programs for variable remuneration in the company. The proposal is submitted to the Remuneration Committee for approval.

The Board of Directors shall be entitled to deviate from these remuneration guidelines if it, in a specific case, is required for certain reasons, for example additional variable remuneration for certain performances. In such a case, the Board of Directors shall account for the reason of the deviation at the following Annual General Meeting.

*Item 18*

The Board of Directors proposes that the Annual General Meeting authorises the Board of Directors to pass a resolution on repurchasing and transfer of the company's own ordinary shares.

The Board of Directors proposes that repurchasing of ordinary shares is allowed in accordance with the following conditions:

1. Repurchase of ordinary shares shall take place on Nasdaq Stockholm in accordance with Nasdaq Stockholm's rules regarding purchase and sale of own shares.
2. Repurchase of ordinary shares may take place on one or more occasions for the period up until the next Annual General Meeting.
3. Ordinary 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. Repurchase of ordinary shares on Nasdaq 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.

Furthermore, the Board of Directors proposes that transfer of own ordinary shares is allowed in accordance with the following conditions:

1. Transfer may be conducted of all own ordinary shares held by the company at the time of the resolution by the Board of Directors.
2. Transfer of ordinary shares may be conducted on one or more occasions for the period up until the next Annual General Meeting.
3. Transfer may be conducted on Nasdaq Stockholm or otherwise, including a right to resolve upon deviations from the shareholders' preferential rights. Transfer on Nasdaq Stockholm shall occur at a price within the share price interval registered at the time. Transfer of shares outside Nasdaq Stockholm shall be conducted at market terms at the time of the transfer.
4. Payment for the transferred shares shall be in cash, capital contributed in kind or by set-off.

The purpose of the authorisations on repurchase and transfer of the company's own ordinary shares, and the reason for the deviations from the shareholders' preferential rights, is to give the Board of Directors flexibility to continuously decide on changes in the capital structure and thereby contribute to increased shareholder value during the upcoming year. The purpose is also to enable repurchased shares as payment for acquisitions, or to settle any deferred payments for such acquisitions, or to finance such acquisitions or deferred payments.

**Majority requirement regarding proposal for resolution in item 18**

Resolution in accordance with the proposed resolution in item 18 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.

**Miscellaneous**

The Board of Directors further proposes that the Board of Directors, the CEO or the person that any of these appoint, shall be authorised to make the minor adjustments in the above resolutions as may be required in connection with registration at the Swedish Companies Registration Office and/or Euroclear Sweden AB.

**Documentation**

The accounting documents, the audit report, the reasoned statement from the Board of Directors in accordance with Chapter 18 Section 4 and Chapter 19 Section 22 of the Swedish Companies Act and the statement of the auditor in accordance with Chapter 8 Section 54 of the Swedish Companies Act will be available at the company's premises and on the company's website at [www.kungsleden.se/agm2019](http://www.kungsleden.se/agm2019), not later than on Friday 5 April 2019. The Nomination Committee's motivated opinion regarding its proposals and a presentation of the proposed Board of Directors are available on the company's website at [www.kungsleden.se/agm2019](http://www.kungsleden.se/agm2019). The documents will be sent by post to those shareholders who so request and state their postal address.

**Number of shares and votes**

As per the date of the announcement of this notice, the total number of shares in the Company amounted to 218,403,302 shares with one vote each, thus in total 218,403,302 votes.

**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.

**Processing of personal data**

For information regarding the processing of your personal data, please see the privacy notice available at Euroclear Sweden AB's website: <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

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Stockholm March 2019

**Kungsleden AB (publ)**

*The Board of Directors*