

Translation of Minutes from the Annual General Meeting of shareholders of Kungsleden AB (publ), corporate identity no. 556545-1217, on 26 April 2019, 11 a.m. – 12.15 p.m. at Kungsleden AB's (publ) premises at Warfvinges väg 31 in Stockholm, Sweden.

Shareholders attending and voting list: [Appendix 1](#)

Other attendees: [Appendix 2](#)

### § 1

#### Opening of the Annual General Meeting (item no. 1 on agenda)

The Chairman of the Board of Directors, Charlotte Axelsson, declared the Annual General Meeting opened.

### § 2

#### Election of Chairman of the Annual General Meeting, Minutes (item no. 2 on agenda)

The Meeting resolved to appoint the Chairman of the Board of Directors, Charlotte Axelsson, as Chairman of the Meeting pursuant to the Nomination Committee's proposal.

The Chairman informed that Tone Myhre-Jensen, member of the Swedish Bar, had been asked to keep the minutes at the Annual General Meeting.

### § 3

#### Drawing up and approval of the voting list (item no. 3 on agenda)

The Meeting resolved to approve the procedure for adjusting and revising the voting list at the Annual General Meeting as presented by the keeper of the minutes, and resolved to approve the list of shareholders attending, with representatives and deputies as set out in [Appendix 1](#), to apply as the voting list for the Annual General Meeting.

It was noted that apart from the individuals stated in the voting list – the people set out in [Appendix 2](#) were also attending.

The Meeting resolved to approve that the people stated in [Appendix 2](#) were welcome to attend the Meeting.

§ 4

Approval of the agenda (item no. 4 on agenda)

The Meeting resolved to approve the agenda as proposed by the Board of Directors, which had been included in the notice convening the Meeting.

§ 5

Election of one or more persons to verify the minutes (item no. 5 on agenda)

The Meeting resolved that, apart from the Chairman, the minutes would be checked and verified by two minutes-checkers and appointed Peter Lundkvist, representing the Second Swedish National Pension Fund and the Third Swedish National Pension Fund, and Erik Fredin, representing Skandia Funds and Skandia Mutual Life Insurance Company, to jointly with the Chairman check and verify the minutes.

§ 6

Determination as to whether the Annual General Meeting had been duly convened (item no. 6 on agenda)

The Meeting concluded that the notice convening the Meeting had been issued at the time stated in the Articles of Association through an announcement in the Swedish Official Gazette (Sw. *Post- och Inrikes Tidningar*) on 22 March 2019 and available on the company's website since 19 March 2019. An announcement with information that notice had been given was published in the Swedish daily newspapers Dagens Nyheter and Svenska Dagbladet on 22 March 2019.

The Meeting resolved to approve the notice procedure and declared the Meeting duly convened.

§ 7

Report on the work of the Board of Directors and the Committees of the Board of Directors (item no. 7 on agenda)

The Chairman of the Board of Directors, Charlotte Axelsson, reported on the work of the Board of Directors, the Remuneration Committee, the Finance Committee and the Audit Committee for the financial year 2018.

§ 8

Presentation of the annual report and audit report and the consolidated financial statements and consolidated audit report for 2018 and in this connection the CEO's report on the business (item no. 8 on agenda)

The annual report, audit report, consolidated financial statements and consolidated audit report for the financial year 2018, were presented.

The CEO of the company, Biljana Pehrsson, reported on the financial year 2018, the first quarter of 2019 and the business' prospects for 2019.

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The auditor-in-charge, Ingemar Rindstig, Ernst & Young AB, reported on the audit of the company's accounting records. Ingemar Rindstig presented the audit report and consolidated audit report.

The CEO answered questions from the shareholders regarding, inter alia, hybrid general meetings, green financing, targets of the company, the economy function, the dividend policy, derivatives and value changes and the 2017 rights issue.

§ 9a

Resolution regarding the adoption of the income statement and the balance sheet, and the consolidated income statement and the consolidated balance sheet for 2018 (item no. 9a on agenda)

The Meeting resolved to adopt the balance sheet and consolidated balance sheet as per 2018-12-31 included in the annual financial statements, as well as income statement and consolidated income statement for the financial year 2018.

§ 9b

Resolution regarding disposition of the company's profits in accordance with the approved balance sheet for 2018, and determination of the record date for dividends (item no. 9b on agenda)

The Chairman presented the Board of Directors' proposal for the dispositions of the company's profits, that the funds at the disposal of the Annual General Meeting of SEK 8,143,384,007 would be disposed so that SEK 2.40 per share would be paid quarterly in four instalments of SEK 0.60 to the shareholders as dividends equivalent to SEK 524,167,925 and that SEK 4,485,668,917 would be carried forward and that the proposed record date for dividends would be:

- 30 April 2019,
- 28 June 2019,
- 30 September 2019, and
- 30 December 2019.

The Meeting noted that the Board of Directors had provided a reasoned statement regarding the proposal.

The Meeting resolved in accordance with the Board of Directors' proposal regarding dispositions of the company's profits and the record dates for dividends.

§ 9c

Resolution regarding discharge from personal liability of the Board of Directors and the CEO for the year 2018 (item no. 9c on agenda)

The Meeting resolved to discharge the Board members and the CEO during 2018 from personal liability for their administration of the company's affairs during the financial year 2018.

The Meeting noted that the persons concerned did not participate in the resolution as regarded themselves and that the resolution was supported by required majority.

§ 10

Report on the work of the Nomination Committee (item no. 10 on agenda)

The Chairman of the Nomination Committee, Göran Larsson, reported on the work and the proposals of the Nomination Committee.

§ 11

Resolution regarding the number of members of the Board of Directors (item no. 11 on agenda)

Pursuant to the proposal by the Nomination Committee, the Meeting resolved that the number of Board members shall consist of six ordinary members including the Chairman and with no deputy Board members.

§ 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 (item no. 12 on agenda)

Pursuant to the Nomination Committee's proposal, the Meeting resolved to approve the following:

- annual remuneration of SEK 220,000 (unaltered) to ordinary Board members not employed by the company and annual remuneration of SEK 500,000 (unaltered) to the Chairman of the Board,
- annual remuneration of SEK 40,000 (unaltered) per assignment for work in the Board committees to ordinary Board members not employed by the company, 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 shall not exceed SEK 1,860,000 (SEK 1,960,000), and
- remuneration to the auditors during the term of office shall be paid by approved accounts.

§ 13

Election of members of the Board of Directors (item no. 13a-13f on agenda)

The Nomination Committee proposed to re-elect the ordinary Board members Charlotte Axelsson, Ingalill Berglund, Jonas Bjuggren, Ulf Nilsson and Charlotta Wikström, and to elect Christer Nilsson as ordinary Board member for the period until the close of the next Annual General Meeting. Christer Nilsson presented himself to the Meeting.

The Meeting resolved to elect the Board members proposed by the Nomination Committee for the period until the close of the next Annual General Meeting.

It was noted that the Board of Directors subsequently has the following composition:

Charlotte Axelsson  
Ingalill Berglund  
Jonas Bjuggren  
Ulf Nilsson  
Charlotta Wikström  
Christer Nilsson

§ 14

Election of Chairman of the Board of Directors (item no. 14 on agenda)

The Nomination Committee proposed to re-elect Charlotte Axelsson as Chairman of the Board of Directors.

The Meeting resolved to elect the Chairman proposed by the Nomination Committee.

§ 15

Election of members of the Nomination Committee (item no. 15 on agenda)

In accordance with the current instruction for the Nomination Committee it was concluded that at least three members were to form the Nomination Committee and that the Chairman of the Board of Directors shall be included as a member of the Nomination Committee. Among the shareholders controlling the largest number of votes as per 31 January 2019, who had announced their interest to participate in the nomination work for the Annual General Meeting 2020, the following members had been nominated for the Nomination Committee. Göran Larsson (Gösta Welandson with company), Jonas Broman (Olle Florén with companies), and Michael Green (Handelsbanken Funds). Further, in accordance with the instruction of the Nomination Committee, the Chairman of the Board of Directors, Charlotte Axelsson, shall be a member of the Nomination Committee.

The Meeting resolved to elect the persons stated above as members of the Nomination Committee for the period up to and until the close of the next Annual General Meeting.

§ 16

Election of auditor (item no. 16 on agenda)

The Nomination Committee proposed, in accordance with the Audit Committee's recommendation, to elect Ernst & Young AB as auditor.

The Meeting resolved to elect the registered accounting firm Ernst & Young AB as auditor until the close of the next Annual General Meeting. The Meeting noted that Ernst & Young AB has announced that Ingemar Rindstig will be appointed auditor-in-charge.

§ 17

The Board of Directors' proposal for approval of guidelines concerning remuneration to the senior executives (item no. 17 on agenda)

The Meeting noted that the auditor had provided a statement regarding whether there had been compliance with the guidelines concerning remuneration in 2018.

The Meeting resolved, in accordance with the Board of Directors' proposal, to approve the guidelines concerning remuneration and other employment terms for the senior executives, as set out in Appendix 3.

§ 18

The Board of Directors' proposal for resolution to authorise the Board of Directors to resolve on repurchase and transfers of own shares (item no. 18 on agenda)

The Meeting noted that the Board of Directors had presented a reasoned statement in relation to the proposal concerning repurchase of own shares.

The Meeting resolved, with the required majority of at least two-thirds of both the votes cast and the shares represented at the Meeting, in accordance with the Board of Directors' proposal to authorise the Board of Directors to resolve on repurchase and transfers of own shares in accordance with Appendix 4.

§ 19

Closing of the Annual General Meeting (item no. 19 on agenda)

As no further matters had been submitted to the Meeting, the Chairman declared the Meeting closed.

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*Unofficial translation*

**At the Minutes**

Tone Myhre-Jensen

**Minutes Checkers**

Charlotte Axelsson

Peter Lundkvist

Erik Fredin

### Guidelines concerning remuneration to the senior executives

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 Kungsliden'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.

Repurchase and transfer of the company's own shares

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.