

PRESS RELEASE

16 03 2017

Invitation to the Annual General Meeting of Kungsleden AB (publ)

The shareholders of Kungsleden AB (publ) are hereby invited to attend the Annual General Meeting, to be held on Tuesday 25 April 2017 at 2.00 p.m. at Kungsleden AB's (publ) premises at Warfvings väg 31, Stockholm, Sweden. Entry to the Annual General Meeting will commence at 1.00 p.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 Wednesday 19 April 2017, and
- shall notify the company of their intention to attend the Annual General Meeting not later than on Wednesday 19 April 2017
- on www.kungsleden.se/agm2017,
 - by post to Kungsleden AB (publ), Att: Sara Cederquist, 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 should 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 Wednesday 19 April 2017. 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/agm2017.

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 not later than on Wednesday 19 April 2017, 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 2016 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 2016,
 - b) disposition of the company's profits in accordance with the approved balance sheet for 2016, 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 2016.
10. Report on the work of the Nomination Committee.
11. Resolution regarding the number of 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:
 - (a) Charlotte Axelsson (re-election, the Nomination Committee's proposition),
 - (b) Joachim Gahm (re-election, the Nomination Committee's proposition),
 - (c) Liselotte Hjorth (re-election, the Nomination Committee's proposition),
 - (d) Göran Larsson (re-election, the Nomination Committee's proposition),
 - (e) Kia Orback Pettersson (re-election, the Nomination Committee's proposition),
 - (f) Charlotta Wikström (re-election, the Nomination Committee's proposition), and
 - (g) Ingalill Berglund, (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 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, Göran Larsson, is elected Chairman of the Annual General Meeting.
- Item 9 b)* The Board of Directors proposes a dividend of SEK 2.00 per share. The record date for dividend is proposed to be Thursday 27 April 2017. If the Annual General Meeting resolves in accordance with the Board of Directors' proposal, the dividend is estimated to be paid out by Euroclear Sweden AB on Wednesday 3 May 2017.
- Item 11* The Nomination Committee proposes that the Board of Directors shall consist of seven members.
- Item 12* The Nomination Committee proposes that:
- an annual amount of SEK 220,000 (SEK 200,000) shall be paid to members of the Board of Directors, who are not employed by the company, and that an annual amount of SEK 475,000 (450,000) 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,
 - the total remuneration to the Board of Directors, including committee work, shall not exceed SEK 2,315,000 (SEK 2,170,000), 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), Joachim Gahm (elected 2011), Liselotte Hjorth (elected 2014), Göran Larsson (elected 2013), Kia Orback Pettersson (elected 2010) and Charlotta Wikström (elected 2009) are re-elected as members of the Board of Directors and that Ingalill Berglund is elected as new member of the Board of Directors until the close of the next Annual General Meeting.
- Further information regarding the proposed members of the Board of Directors is available on the company's website at www.kungsleden.se.
- Item 14* The Nomination Committee proposes that Göran Larsson is re-elected as Chairman of the Board of Directors.
- Item 15* On 31 January 2017, Gösta Welandson with companies, Länsförsäkringar Fonder, Olle Florén with companies and Andra AP-fonden 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 2018. These shareholders have nominated the following individuals as representatives to the Nomination Committee: Göran Larsson (Gösta Welandson with companies), Eva Gottfridsdotter-Nilsson (Länsförsäkringar Fonder), Krister Hjelmstedt (Olle Florén with companies) and Martin Jonasson (Andra AP-fonden). 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

2018. 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 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 eight.

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 CEOs – 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 50 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.

Long-term incentive program for the CEO and deputy CEOs – long-term incentive (LTI)

The Board of Directors intend to implement a long-term incentive program for the CEO and the deputy CEOs. The purpose of the long-term incentive program is to strengthen the link between the executives' interests and the shareholders' interests. The outcome of the program will be dependent upon the Kungsleden share's total shareholder return. The incentive program runs for three years. The outcome of variable remuneration in accordance with the LTI-program shall be no more than 50 percent of the fixed salary during the three-year period. Long-term incentive programs in Kungsleden shall ensure long term commitment to the development of the company, align the managements' incentives with the shareholders' interests, be implemented on market terms and run for at least three years.

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

The maximum outcome for other senior executives' variable remuneration shall normally be in the interval between 25-50 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 2016, see note 7 in Kungsleden's annual report for 2016.

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.

Upon notice of termination of a member of the senior executives made by the company, a fixed salary during the notice period of 3-12 months, together with a non-pensionable severance pay of 3-12 months fixed salary, shall be paid. Severance payment shall generally be creditable in relation to other income generated from new employments or assignments. 3-6 months is the normal notification period for termination of senior executives' employments.

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 yearly 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 shall thereafter be submitted to the Remuneration Committee for approval.

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 remuneration for certain performances. In such a case, the Board of Directors shall account for the reason of the deviation on 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 the company's own ordinary 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 Stockholm in accordance with Nasdaq 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 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.

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.

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 (2005:551) and the statement of the auditor in accordance with Chapter 8 Section 54 of the Swedish Companies Act (2005:551) will be available at the company's premises and on the company's website at www.kungsleden.se/agm2017, not later than on Tuesday 4 April 2017. 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/agm2017. 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 182,002,752 shares with one vote each, thus in total 182,002,752 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.

Stockholm March 2017
Kungsleden AB (publ)
The Board of Directors

For more information, please contact:

Göran Larsson, Chairman of the Board | +46 (0)70 633 8590

Detta pressmeddelande finns tillgängligt på svenska på www.kungsleden.se/pressmeddelanden

The information was provided for public release on March 16, 2017 at 11:00 a.m.

Kungsleden is a long term property-owner that provides attractive, functional premises that enrich people's working days. We create value by owning, managing and developing offices and other commercial properties in Stockholm and Sweden's other growth regions. A large portion of our properties belong to attractively located clusters where we also engage in the development of the whole area. Kungsleden's goal is to deliver an attractive total return on our properties and for our shareholders. Kungsleden is listed on NASDAQ Nordic Large Cap.