

# KUNGSLEDEN

**The shareholders of Kungsleden AB (publ) are hereby invited to attend the Annual General Meeting, to be held on Thursday 23 April 2020 at 2.00 p.m. CET at Kungsleden AB's (publ) premises at Warfvinges väg 31 in Stockholm, Sweden. Entry to the Annual General Meeting will commence at 1.45 p.m. CET.**

## 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 17 April 2020, *and*

shall notify the company of their intention to attend the Annual General Meeting not later than on Friday 17 April 2020

- on [www.kungsleden.se/agm2020](http://www.kungsleden.se/agm2020),
- 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. CET on weekdays

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

## Information regarding the coronavirus

As a precautionary measure to reduce the risk of spreading the coronavirus, the Board of Directors of Kungsleden has decided to keep planned speeches at the meeting to a minimum and that no refreshments will be served following the meeting. Participation at the meeting by members of the Board of Directors and management as well as the number of non-shareholders present at the meeting will be limited.

For shareholders who are worried about the spread of infection due to the coronavirus, we want to emphasize the possibility of not attending in person at Kungsleden's Annual General Meeting and instead appoint a proxy holder who can vote on their behalf. Kungsleden also encourages such solution for anyone displaying symptoms of illness, who has recently travelled to a risk area, or who is considered to be part of a risk group.

Shareholders who want to authorise a proxy holder can find relevant documents on the company's website. The CEO's speech will be posted on the company's website after the general meeting.

## 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 Friday 17 April 2020. 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/agm2020](http://www.kungsleden.se/agm2020).

## 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 Friday 17 April 2020, 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 2019.
9. Resolution regarding
  - (a) adoption of the income statement and the balance sheet, and the consolidated income statement and the consolidated balance sheet for 2019,
  - (b) disposition of the company's profits in accordance with the approved balance sheet for 2019, and determination of the record date for dividends, and
  - (c) discharge from personal liability of the Board of Directors and the CEO for 2019.
10. Report on the work of the Nomination Committee.
11. Determination of the number of members of the Board of Directors.
12. Determination of remuneration to the Board of Directors and to the members of the committees of the Board of Directors and determination of 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) Charlotta Wikström (re-election, the Nomination Committee's proposition),
  - (e) Christer Nilsson (re-election, the Nomination Committee's proposition),
  - (f) Fredrik Wirdenius (new election, the Nomination Committee's proposition), and
  - (g) Jonas Olavi (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. Resolution on guidelines for remuneration to the senior executives.
  18. Resolution on approval of the Board of Directors' resolution on incentive plan 2020-2022 for senior executives.
  19. Resolution on authorisation for the Board of Directors to resolve on repurchase and transfer of own shares.
  20. Resolution on authorisation for the Board of Directors to resolve on new issues of ordinary shares.
  21. Resolution on amendments to the articles of association.
  22. 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 2.60 per share, to be paid quarterly in four instalments of SEK 0.65 per share, until the next Annual General Meeting. The record dates for the quarterly dividend are proposed to be Monday 27 April 2020, Tuesday 30 June 2020, Wednesday 30 September 2020 and Wednesday 30 December 2020. The dividend is expected to be paid by Euroclear Sweden AB on the third banking day after the respective record date.
- 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 (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 2,120,000 (SEK 1,860,000), 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), Charlotta Wikström (elected 2009) and Christer Nilsson (elected 2019) are re-elected as members of the Board of Directors and that Fredrik Wirdenius and Jonas Olavi are elected as new members of the Board of Directors until the close of the next Annual General Meeting. Ulf Nilsson 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/agm2020](http://www.kungsleden.se/agm2020).
- Item 14* The Nomination Committee proposes that Charlotte Axelsson is re-elected as Chairman of the Board of Directors.
- Item 15* On 31 January 2020, 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 2020. 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 Niklas Johansson (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 Jonas Svensson as auditor-in-charge if Ernst & Young AB is elected as auditor.
- Item 17* The Board proposes that the Annual General Meeting resolves on the following guidelines and other terms of employment for senior executives. Senior executives in this context means the CEO and other executive employees within the Kungsleden group. The guidelines shall apply to remuneration agreed after the guidelines have been adopted by the Annual General Meeting 2020. The guidelines do not apply to remuneration decided by the general meeting, such as share- and share price-related remuneration as well as fees to the Board of Directors.

### ***The guidelines' promotion of Kungsleden's business strategy, long-term interests and sustainability***

Kungsleden shall create long-term values for customers, employees, the society, shareholders and other stakeholders through three collaborative key activities - active and sustainable management, value-creating development and refinement, and strategic acquisitions and optimization. Kungsleden's long-term goal is to become one of Sweden's most profitable and successful listed real estate companies by having the market's most satisfied customers and committed employees and to deliver an attractive total return to shareholders.

For further information regarding Kungsleden's business strategy, please see the company's website [www.kungsleden.se/en/](http://www.kungsleden.se/en/).

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its

long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. This requires that the company is able to offer competitive remuneration. These guidelines enable the company to offer a competitive total remuneration to senior executives.

The Board of Directors of Kungsliden has proposed that the Annual General Meeting 2020 adopts a long-term share price-related incentive plan for the period 2020-2022 (the "LTI plan"). The proposed LTI plan shall be resolved upon by the Annual General Meeting and is therefore not covered by these guidelines. The CEO, deputy CEO and other senior executives in Kungsliden participate in the LTI plan. The performance criteria used to assess the outcome of the LTI-plan, the total return that the shareholders receive on Kungsliden's share, are distinctly linked to Kungsliden's strategy and long-term objective and thereby to the company's long-term value creation, including its sustainability. The LTI-plan further stipulates that half of the cash amount that is paid to the participants shall be invested in Kungsliden shares. For more information regarding the LTI-plan, including the criteria which the outcome depends on, please see the company's website, [kungsliden.se/en/](http://kungsliden.se/en/).

Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability, and the outcome has therefore mainly been linked to Kungsliden's customer satisfaction and management results.

#### ***Types of remuneration etc.***

Kungsliden 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 types of remuneration shall be market-based, simple and transparent. The remuneration to senior executives shall normally consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration corresponding to the LTI-plan.

The fixed salary (the "annual salary") for senior executives shall be in line with the market practice and be based on competence, responsibility, experience and performance.

The short-term variable cash remuneration during one and the same financial year may amount to a maximum of 75 per cent of the annual salary for the CEO and deputy CEO, and the highest outcome for other senior executives is 50 per cent of the annual salary during one and the same financial year.

Additional variable cash remuneration may be paid in exceptional circumstances, provided that such extraordinary arrangements are made only at an individual level, either for the purpose of recruiting or retaining executives or as compensation for extraordinary work in addition to the person's ordinary duties. Such remuneration shall not exceed 100 per cent of the annual salary during one and the same financial year.

The pension terms for the senior executives shall be in line with market practice in relation to what applies to corresponding executives on the market where the respective senior executive operates and shall be based on defined contribution pension solutions or follow a general pension plan, in Sweden the ITP-plan. Variable short-term cash remuneration shall not qualify for pension benefits for the CEO or the Deputy CEO. Regarding other senior executives, variable short-term cash remuneration shall qualify for pension benefits, insofar that is agreed with the senior executive. The LTI-plan and corresponding long-term share- and share price-related remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall during one and the same financial year amount to a maximum of 30-35 per cent of the annual salary.

Other benefits may include, for example, life insurance, health insurance (Sw: sjukvårdsförsäkring) and company cars. Such benefits may amount to a maximum of 10 per cent of the annual salary during one and the same financial year.

#### ***Termination of employment***

In the event of termination by the company of a senior executive, dismissal pay is applied with unchanged terms during 3-12 months. In addition, the CEO and deputy CEO may receive a severance pay of six (6) months' salaries that shall not qualify for pension benefits, which should normally be deductible against other income from a new employment or new assignment. In the event of termination by the senior executive, the notice period shall be at least three (3) months.

#### ***Criteria for awarding variable cash remuneration, etc***

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. There may also be individualized objectives. The fulfilment of the criteria for payment of short-term variable cash remuneration shall be measured over a period of one year. The criteria shall be designed to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the senior executive's long-term development. The short-term variable cash remuneration for the CEO and deputy CEO shall therefore, to a significant extent, be dependent on Kungsliden's management results and the remainder shall be dependent on Kungsliden's customer satisfaction. For other senior executives, the short-term variable cash remuneration shall, to a significant extent, be dependent on Kungsliden's management results, and the remainder shall be dependent on Kungsliden's customer satisfaction and individual objectives respectively.

To which extent the criteria for awarding variable cash remuneration have been satisfied shall be evaluated when the measurement period has ended. The Remuneration Committee is responsible for the evaluation so far as it concerns variable remuneration to the senior executives. For financial objectives, the evaluation shall be based on the latest financial information made public by the company. The remuneration committee should exercise its discretion to decide on short-term variable remuneration in a way that means that there is a link between such remuneration and the company's results. In its discretionary assessment, the Remuneration Committee shall also consider sustainability issues.

The Board of Directors shall have the right, under applicable law or contractual provisions, subject to the restrictions that may apply thereunder, to in whole or in part reclaim variable remuneration paid on incorrect grounds.

***Salary and employment conditions for employees***

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for the company's employees have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time in the remuneration committee's and the Board of Directors' basis for the decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to senior executives and remuneration to other employees will be disclosed in the remuneration report.

***Remuneration to board members***

Board members, elected at general meetings, may in certain cases receive compensation for services performed within their respective areas of expertise, outside of their board duties. Compensation for such services shall be paid on 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 Remuneration Committee processes and prepares remuneration matters concerning senior executives. The Remuneration Committee's tasks include preparing the Board of Directors' resolution on proposal for guidelines for remuneration to senior executives. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting for resolution. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration to the senior executives, the application of the guidelines for remuneration to senior executives as well as the current remuneration structures and compensation levels in the company. The CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

***Derogation from the guidelines***

The Board of Directors may resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability.

***Item 18***

Subject to approval by the Annual General Meeting, the Board of Directors has resolved to introduce a new incentive plan 2020-2022 for senior executives in Kungsleden. The Board of Directors proposes that the Annual General Meeting approves the incentive plan.

The Board of Directors of Kungsleden considers it important that Kungsleden offers a remuneration structure, employment terms and the incentives required to retain and recruit key personnel with the right competence and capacity to achieve set targets and create long-term shareholder value. The Board of Directors' proposal for an incentive plan consists of two parts - a short-term variable cash remuneration based on the company's results over three independent one-year performance periods ("STI"), and a long-term share price-related cash remuneration based on the total return of the Kungsleden share over the entire three-year period ("LTI").

The proposal is for the period 2020-2022, but it is the intention of the Board of Directors that the structure of the incentive plan shall be long-term, and the Board of Directors therefore intends to return, after evaluating the program, with the corresponding proposal for the Annual General Meetings following this period. The incentive plan is designed with the aim of aligning the interests of the senior executives with the shareholders' requirements of long-term value creation as well as to enable an increased shareholding in Kungsleden for the participants by conditioning that the payment of LTI to a certain extent shall be invested in shares in Kungsleden. The proposed incentive plan sets high and challenging objectives, distinctly linked to the company's strategy and long-term value creation, while also being an important part of an attractive and competitive total remuneration package for senior executives and key personnel within Kungsleden.

Below is a description of the essential terms of the proposed incentive plan.

***Participants in the incentive plan***

The incentive plan comprises ten senior executives, which are divided into the following three levels: CEO and deputy CEO ("Level 1"), five senior executives in the management team with operational roles ("Level 2") and three senior executives with staff positions in the management team ("Level 3").

### ***General conditions for the incentive plan***

The essential terms of the incentive plan are as follows:

- Payment of STI and LTI requires, with certain exceptions regarding LTI, that the participant is still an employee within the Kungsleden group at the time of the payment in question and is based on the degree of fulfilment of the incentive plan's performance conditions.
- STI is paid annually in cash after Kungsleden's year-end report has been published and is based on the annual salary (basic salary) that the participant had as of July of the financial year in question (i.e. the performance period).
- LTI is paid in cash, on two occasions in equal parts, at the beginning of 2023 and is based on an average of the annual salary (basic salary) that the participant had per July during the period 2020-2022. For the amount the participant receives, net after tax, in the first LTI payment, the participant shall acquire shares in Kungsleden on Nasdaq Stockholm. The second payment is conditional on the participant proving to Kungsleden that the shares have been acquired.
- The maximum annual STI outcome is limited to six months' salaries for Level 1, five months' salaries for Level 2 and three-months' salaries for Level 3. The maximum LTI outcome is limited to 18 months' salaries for Level 1, 15 months' salaries for Level 2 and 9 months' salaries for Level 3.
- For Level 1, STI shall not qualify for vacation- or pension benefits.
- For Level 2-3, STI shall qualify for pension benefits, but not for vacation benefits.
- LTI shall not qualify for vacation- or pension benefits.

### ***Performance conditions***

Payment of STI and LTI is based on the extent of achievement of targets of up to five performance conditions (maximum three for STI and two for LTI). Each of the performance conditions is measured separately. In cases where the level of achievement is between the target level and the maximum level, allocation will be made on a linear basis. If the target level is not reached, no payment will be made for the relevant performance condition.

*The participants' STI is based on the following performance conditions:*

Kungsleden's budgeted management results for the financial years 2020, 2021 and 2022 respectively;

Kungsleden's customer satisfaction measured in an annual (2020, 2021 and 2022) customer survey for the real estate industry, "Fastighetsbarometerens NKI-study" (Satisfied Customer Index (Sw: *Nöjd-Kund-Index*)) or a corresponding customer satisfaction survey of relevant comparable companies in the real estate industry.

The target and maximum levels will be set by the Board of Directors before each year.

Individual targets related to each participant's unit/department, which shall be relevant to Kungsleden's development and results, as well as individual targets.

For Level 1, three quarters of the total outcome in STI are measured by Kungsleden's management results, and one quarter is measured by customer satisfaction within Kungsleden.

For level 2-3, half of the total outcome in STI is measured by Kungsleden's management results, one quarter is measured by customer satisfaction within Kungsleden and one quarter is measured by individual objectives.

*The participants' LTI is based on the following performance conditions:*

The total return that the shareholders receive on Kungsleden's share during the financial years 2020-2022 shall exceed 0 percent as the target level and 30 percent as the maximum level ("Absolute Total Return").

The total return that the shareholders receive on Kungsleden's share during the financial years 2020-2022 shall correspond to the average total return for the shareholders in a reference group of comparable real estate companies<sup>1</sup> (the "Reference Group") as target level and exceed the average total return for the shareholders in the Reference Group by 3 percent as a maximum level ("Relative Total Return").

Half of the total outcome in LTI is measured on Kungsleden's Absolute Total Return, and half on the Relative Total Return.

### ***Handling of the incentive plan***

The Board of Directors has decided on the detailed terms and conditions for the incentive plan in accordance with this proposal for resolution. The Board of Directors and the Remuneration Committee are entitled to resolve on minor deviations from the conditions of the incentive plan if the Board of Directors finds that there

<sup>1</sup> The reference group is based on Carnegie's Real Estate Index which as of 31 December 2020 included the following shares in addition to Kungsleden: Atrium Ljungberg B, Fastighetsbolaget Balder B, Brinova Fastigheter B, Castellum, Catena, Corem Property Group A, Corem Property Group B, Diös Fastigheter, Eastnine, Fabege, Fast Partner, Heba A, Hembla B, Hemfosa Fastigheter, Hufvudstaden A, Hufvudstaden C, JM, John Mattsson Fastighetsföretag, Klöver A, Klöver B, Ljungbergföretagen B, Magnolia Bostad, NP3 Fastigheter, Nyfosa, Oscar Properties Holding, Platzer Fastigheter Holding B and Pandox.

are special reasons for this in an individual case, provided that such deviations do not mean that outgoing remuneration exceeds the maximum remuneration that can be paid within the framework of each part of the incentive plan.

The maximum annual STI outcome for Level 1 participants is reduced (from 75 percent to 50 percent of the annual salary). Subject to the Annual General Meeting approving the incentive plan, the Board of Directors has therefore decided to compensate these participants with a cash remuneration corresponding to a total of nine months' salaries to be paid in 2020. Subject to the Annual General Meeting approving the incentive plan, the highest short-term variable cash remuneration that may be paid to the CEO and the deputy CEO will amount to 50 per cent of the annual salary and for other senior executives, the highest outcome for such remuneration will be 42 per cent.

***Costs and effects on important key ratios***

Assuming a 100 per cent achievement of the performance conditions, the maximum cost for Kungsleden for the proposed incentive plan for senior executives amounts to approximately SEK 18 million per year (including social security contributions).

Costs are expected to have a marginal impact on the Company's key figures.

***Preparation of the proposal***

The remuneration committee of Kungsleden has established the incentive plan in consultation with external advisers. The incentive plan has also been discussed at board meetings during the second half of 2019 and the first months of 2020.

*Item 19*

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 can be made 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 can be made at 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 shall be made at a price within the share price spread 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 made in cash.

Furthermore, the Board of Directors proposes that transfer of own ordinary shares can be made in accordance with the following conditions:

1. Transfer can be made 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 can be made at one or more occasions for the period up until the next Annual General Meeting.
3. Transfer can be made on Nasdaq Stockholm or otherwise, including a right to resolve upon deviations from the shareholders' preferential rights. Transfer on Nasdaq Stockholm shall be made at a price within the share price interval registered at the time. Transfer of shares outside Nasdaq Stockholm shall be made at market terms at the time of the transfer.
4. Payment for the transferred shares shall be made in cash, by 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.

*Item 20*

The Board of Directors proposes that the Annual General Meeting authorises the Board of Directors to, at one or several occasions during the period up until the next Annual General Meeting, with or without deviation from the shareholders' preferential rights, to resolve on issue of new ordinary shares, insofar as such share issues can be made without amending the articles of association. The total number of ordinary shares issued under the authorisation may not exceed 10 per cent of the total number of ordinary shares in Kungsleden at the time of exercise of the authorisation. Share issues made under the authorisation shall be made at a subscription price in line with market terms and, in addition to cash payment, payment may be made by contribution in kind or by set-off.

The purpose of the authorisation and the reasons for any deviation from the shareholders' preferential rights

is that share issues could be made to fund acquisitions of real estate or real estate companies, or parts of real estate or real estate companies, or to fund investments in new or existing real estate in situations where the Board of Directors and management of Kungsleden sees opportunities to carry out real estate acquisitions to increase the company's growth and improve profit and cash flow, and thereby safeguard the shareholders' interests.

*Item 21* The Board of Directors proposes that the Annual General Meeting resolves on amending the articles of association, for the purpose of *inter alia* amending the articles of association in accordance with already applicable as well as upcoming changes in the Swedish Companies Act (Sw. *aktiebolagslagen*) and applicable stock exchange regulations.

*Current wording*

*Proposed wording*

§ 1

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

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

§ 10

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

The Board of Directors comprises between three and eight members elected by the general meeting.

§ 11

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

One (1) or two (2) auditors with or without deputies, or one registered public accounting firm, shall be appointed. *The assignment as auditor shall be valid until the end of the Annual General Meeting held during the first, second, third or fourth financial year after the year in which the auditor was appointed.*

**§ 12, second paragraph**

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*

Shareholders intending to participate in shareholders' meeting shall notify the company no later than the day stated in the notification to attend the meeting.

§ 15

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

The company's shares will be recorded in a control register pursuant to the *Central Securities Depository* and 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).

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 *Central Securities Depository* and 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).

**Majority requirement regarding proposals for resolution in items 19 to 21.**

Resolutions under items 19 to 21 are 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 them may 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 as well as the proposed new Articles of Association will be available at the



company's premises and on the company's website at [www.kungsleden.se/agm2020](http://www.kungsleden.se/agm2020), not later than on Thursday 2 April 2020. 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/agm2020](http://www.kungsleden.se/agm2020). 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 ordinary shares 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**

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Stockholm in March 2020

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*The Board of Directors*