

*The English text is an unofficial translation of the Swedish original and in case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.*

## **NOTICE TO ATTEND THE ANNUAL GENERAL MEETING**

**The shareholders of Hemfosa Fastigheter AB (publ) ("Hemfosa") are hereby invited to the Annual General Meeting on Tuesday 19 April 2016 at 3.00 p.m. CET at Hotel Rival, Mariatorget 3, in Stockholm, Sweden. Entry to the Annual General Meeting will commence at 2.00 p.m. CET.**

### **NOTIFICATION ETC.**

Shareholders who wish to attend the Annual General Meeting

shall be entered in the share register maintained by Euroclear Sweden AB on Wednesday 13 April 2016,

shall give notice of their attendance no later than on Wednesday 13 April 2016. Notification shall be submitted in writing to Hemfosa Fastigheter AB (publ), c/o Euroclear Sweden AB, "Annual General Meeting 2016", Box 191, 103 98 Stockholm, Sweden, or by telephone to +46 (0)8-402 92 96. Notification can also be made via Hemfosa's website, [www.hemfosa.se](http://www.hemfosa.se). The notification shall state name, personal identification number or company registration number, address, telephone number and accompanying advisors, if any (not more than two).

Shareholders whose shares are registered in the name of a nominee must temporarily re-register the shares in their own name in order to be entitled to attend and vote at the Annual General Meeting. Such re-registration must be effected with Euroclear Sweden AB on Wednesday 13 April 2016, which means that the shareholder must inform its nominee well before this date.

Shareholders attending by proxy or a representative should send powers of attorney in original, certificates of incorporation and any other documents of authorisation to the company at the address above well before the Annual General Meeting. A template proxy form is available on the company's website, [www.hemfosa.se](http://www.hemfosa.se). Shareholders cannot vote or in other ways attend the Annual General Meeting by remote access.

### **PROPOSED AGENDA**

1. Opening of the meeting
2. Election of Chairman of the meeting
3. Preparation and approval of the voting register
4. Election of one or two persons to check and verify the minutes
5. Determination of whether the meeting has been duly convened
6. Approval of the agenda

7. Presentation of the annual report and the auditor's report and the consolidated financial statements and the auditor's report for the group
8. Report by the Chairman of the Board on the work of the Board
9. Presentation by the CEO
10. Resolutions regarding
  - a) adoption of the income statement and the balance sheet and the consolidated income statement and the consolidated balance sheet,
  - b) disposition of the company's result in accordance with the adopted balance sheet, and
  - c) whether the Board members and the CEO should be discharged from liability
11. Determination of remuneration to be paid to the Board members and the auditor
12. Election of Board members and auditor
13. Resolution regarding approval of the Board of Directors' decision on a new issue of ordinary shares with pre-emption right for the shareholders of ordinary shares
14. Resolution regarding authorisation for the Board of Directors to resolve upon new issue of ordinary shares
15. Resolution regarding guidelines for remuneration to the senior executives
16. Closing of the meeting

## **PROPOSED RESOLUTIONS**

### *Item 2 – Election of Chairman of the meeting*

The nomination committee proposes that Wilhelm Lünig, member of the Swedish Bar Association, is elected Chairman of the Annual General Meeting.

### *Item 10 b – Resolution regarding disposition of the company's result in accordance with the adopted balance sheet*

The Board of Directors proposes that the meeting resolves that, until the next Annual General Meeting, a dividend to the shareholders of ordinary shares shall be paid in a total amount of SEK 4.20 per ordinary share, with quarterly payments of SEK 1.05 per ordinary share. Proposed record days for the quarterly dividends on the ordinary shares are 21 April 2016, 10 July 2016, 10 October 2016 and 10 January 2017. In the event that such day is not a banking day, the record day shall be the immediate preceding banking day. The dividend payments on the ordinary shares are estimated to be distributed by Euroclear Sweden AB on the third banking day after each record day.

The Board of Directors further proposes that the meeting resolves that, until the next Annual General Meeting, a dividend to the shareholders of preference shares shall be paid in a total amount of SEK 10.00 per preference share, with quarterly payments of SEK 2.50 per preference share. Proposed record days for the quarterly dividends for the preference shares are 10 July 2016, 10 October 2016, 10 January 2017 and 10 April 2017. In the event that such day is not a banking day, the record day shall be the immediately preceding banking day. The dividend payments on the preference shares are estimated to be distributed by Euroclear Sweden AB on the third banking day after each record day.

In aggregate, the proposed dividend as set out above amounts to SEK 662,048,864.

The Board of Directors has furthermore resolved on an issue of new shares with pre-emption rights for the existing holders of ordinary shares, subject to approval by the general meeting (item 13 on the agenda). The Board of Directors proposes that the new ordinary shares that may be issued pursuant to the resolution by the Board of Directors regarding an issue of new shares shall entitle to dividend as set out above as of the day on which they are entered in the share register maintained by Euroclear Sweden AB. Provided that the Annual General Meeting approves the resolution by the Board of Directors regarding an issue of new shares, the dividend on the new ordinary shares may amount to up to SEK 105,000,000.

The Board of Directors has furthermore proposed that the Annual General Meeting authorises the Board of Directors to resolve upon new issues of ordinary shares (item 14 on the agenda). The Board of Directors proposes that the new ordinary shares that may be issued pursuant to the authorisation shall entitle to dividend as set out above as of the day on which they are entered in the share register maintained by Euroclear Sweden AB. At a maximum use of the authorisation, the dividend on the new ordinary shares may amount to SEK 51,903,666.

The Board of Directors proposes that the remaining profits are carried forward.

*Item 11 – Determination of remuneration to be paid to the Board members and the auditor*

The nomination committee proposes that an annual remuneration of SEK 400,000 (previously SEK 350,000) shall be paid to the Chairman of the Board of Directors and that SEK 180,000 (previously SEK 175,000) shall be paid to each of the other Board members elected by the Annual General Meeting who are not employed by the company. The nomination committee has further proposed that an annual remuneration of SEK 60,000 (unchanged) shall be paid to the Chairman of the audit committee and SEK 35,000 (unchanged) to each of the other members of the audit committee. No remuneration will be paid for work in the remuneration committee. Provided that it is cost neutral for the company, remuneration may be invoiced by a Board member through a wholly-owned company.

The nomination committee proposes that remuneration to the company's auditor shall be paid in accordance with approved invoices.

*Item 12 – Election of Board members and auditor*

The nomination committee proposes that the Board of Directors shall consist of six ordinary members and that Bengt Kjell, Jens Engwall, Anneli Lindblom, Caroline Sundewall and Ulrika Valassi are re-elected as Board members for the period until the end of the next Annual General Meeting, and that no deputy directors are elected. Per-Ingemar Persson is nominated for election as new Board member. Magnus Eriksson and Daniel Skoghäll have declined re-election.

The nomination committee deems it appropriate to, in the future, aim to have a Board of Directors consisting of seven members. Since the nomination committee shortly before publication of the notice to the Annual General Meeting was informed that Magnus Eriksson declines re-election, the

nomination committee has chosen to propose, to this Annual General Meeting, that the Board shall consist of six members, which is considered a requisite number of members.

The nomination committee further proposes that Bengt Kjell is re-elected as Chairman of the Board.

A report on the nomination committee's proposals and further information regarding the proposed Board members is available on the company's website, [www.hemfosa.se](http://www.hemfosa.se).

The nomination committee further proposes that the registered accounting firm KPMG AB is re-elected as auditor until the end of the next Annual General Meeting. KPMG AB will, if elected, appoint Björn Flink to be auditor in charge.

*Item 13 - Resolution regarding approval of the Board of Directors' decision on a new issue of ordinary shares with pre-emption right for the shareholders of ordinary shares*

The Board of Directors proposes that the Annual General Meeting approves the Board of Directors' resolution from 14 March 2016 to increase the share capital of the company by way of a new issue of ordinary shares with pre-emption right for the shareholders of ordinary shares, pursuant to the following terms and conditions. The issue proceeds of the new issue shall amount to approximately MSEK 1,800, before issue costs. It is intended to use the proceeds for property acquisitions which are continuously evaluated by the company in its day-to-day operations as well as for investments in the existing property portfolio.

The Board of Directors will not later than 14 April 2016 resolve on the amount by which the share capital shall be increased, the number of ordinary shares to be issued and the subscription price per ordinary share.

**Subscription rights, record date and allocation**

All shareholders of ordinary shares in the company shall have pre-emption right to subscribe for new ordinary shares in proportion to the number of ordinary shares held by them. Holders of ordinary shares registered as shareholders of the company on 21 April 2016 (the record date for the new share issue) are entitled to receive subscription rights. Subscription of ordinary shares shall also be possible without subscription rights. If not all ordinary shares are subscribed for with subscription rights (primary pre-emption right), the Board of Directors shall resolve on the allocation of ordinary shares subscribed for without subscription rights. In such case, allocation shall be made in accordance with the following. *Firstly*, shares not subscribed for with primary pre-emption rights shall be offered to all shareholders (secondary pre-emption rights). If the number of ordinary shares subscribed for with secondary pre-emption rights is insufficient for subscription demand, the remaining shares shall be distributed among the subscribers pro rata to the total number of shares in the company already held by them, regardless of whether such shares are ordinary shares or preference shares. To the extent that this is not possible in relation to certain share/shares, the distribution shall be made by drawing lots. *Secondly*, allocation shall be made to persons who have applied for subscription without pre-emption right and, in the case of over-subscription, pro rata in relation to the number of shares subscribed for, and, where this is not possible, by drawing lots.

**Subscription period and payment**

Subscription of new ordinary shares by the exercise of subscription rights shall be paid in cash during the period from and including 26 April 2016 up to including 10 May 2016. Subscription for new ordinary shares without the exercise of subscription rights shall be made on a separate subscription form during the same time period as stated above. Payment for new ordinary shares subscribed for without subscription rights shall be made no later than on the third bank day after information of allotment has been sent to the subscriber. The Board of Directors shall have the right to extend the subscription and payment periods.

### **Right to dividends**

The new ordinary shares shall carry a right to dividends commencing on the first record date that occurs after the registration of the shares with the Swedish Companies Registration Office.

### **Authorisation**

The CEO, or anyone appointed by him, shall be authorised to make such minor amendments to the resolution as may be necessary in connection with the registration of the resolution with the Swedish Companies Registration Office or Euroclear Sweden AB or due to other formal requirements.

#### *Item 14 – Resolution regarding authorisation for the Board to resolve upon new issue of ordinary shares*

The Board of Directors and management see continued good potential to carry out acquisitions of real property in order to increase company growth and improve results and cash flow, and thereby attend to the interests of the shareholders. Even though the Board of Directors proposes that the Annual General Meeting shall approve the resolution by the Board of Directors regarding a new issue of ordinary shares with pre-emption rights for the existing holders of ordinary shares (item 13 on the agenda), the Board proposes that the Board of Directors shall continue to have a limited authorisation to resolve on issues of ordinary shares to be well prepared to be able to explore acquisition opportunities which are considered to be beneficial to the company.

The Board of Directors therefore proposes that the Annual General Meeting resolves to authorise the Board of Directors to, on one or more occasions for the period until the end of the next Annual General Meeting, with or without deviation from the shareholders' pre-emption right, resolve upon a new issue of ordinary shares to the extent that such new issue can be made without amending the articles of association. The total number of ordinary shares that may be issued pursuant to the authorisation may not exceed ten per cent of the total ordinary shares in Hemfosa, at the time of exercising the authorisation. Such new ordinary shares shall be issued at a subscription price corresponding to market terms and payment can be made, except for payment in cash, by assets contributed in kind or by set-off.

The purpose of the authorisation, and the reason for any deviation from the shareholders' pre-emption right, is that the Board of Directors shall be able to resolve on new issues in order to finance acquisitions of real property or real property companies, or part of real property or real property companies, or in order to finance investments in new or existing real property.

The Board of Directors proposes that the CEO, or any person appointed by the CEO, shall be authorised to make minor adjustments of the above resolution, as may be required in connection with the registration thereof.

*Item 15 – Resolution regarding guidelines for remuneration to the senior executives*

The Board of Directors proposes that the Annual General Meeting resolves on the following guidelines for remuneration to the company's senior executives.

Hemfosa shall apply the remuneration levels and employment terms necessary in order to attract and retain a highly competent management with capacity to achieve set goals. The forms of remuneration shall motivate the senior executives to do their utmost to secure the shareholders' interests.

Accordingly, the remuneration structure shall be in line with market terms and be competitive. It shall also be simple, long-term and measurable. The remuneration to senior executives may comprise a fixed and variable part. The fixed salary for senior executives is to be adapted to market conditions and based on competence, responsibility and performance. A variable part shall reward results clearly linked to targets and improvements in simple and transparent structures and shall be maximised. Any outcome must relate to the fulfilment of pre-determined goals with respect to results, cash flow and growth. Variable remuneration to each senior executive shall not exceed four months' salary and shall not entitle to pension benefits. The variable salary for all senior executives in the group, taken as a whole, may not exceed SEK three million. Regarding the right and possibility to receive variable remuneration, the CEO and the CFO are excluded.

Senior executives' non-monetary benefits shall facilitate the work of the senior executives and correspond to what may be deemed reasonable in relation to standard practices on the market in which each senior executive is active.

Senior executives may be offered incentive schemes which shall primarily be share based or related to the share price. Any incentive scheme must ensure long-term commitment to the company's development and be implemented on market terms. Share based incentive schemes and incentive schemes related to the share price shall be resolved by the general meeting of shareholders.

The terms for pension benefits for senior executives will be based on defined contribution pension plans and comply with or correspond to general pension plans, the ITP1 plan in Sweden. Salary during the notice period upon termination and severance pay for a senior executive is not to exceed a total of 18 months' salary, if the company terminates the employment and six months if the senior executive resigns. In this context, senior executives are defined as the CEO, CFO and other members of the group executive management.

The Board of Directors shall be entitled to deviate from the guidelines for remuneration to senior executives set out above if there are special reasons in an individual case. In such a case, the Board of Directors shall give an account for the reason for deviation from the guidelines for remuneration to senior executives at the next Annual General Meeting.

**MISCELLANEOUS**

**Shares and votes**

As of the date of this notice, there is a total number of 142,440,207 shares in Hemfosa, of which 131,440,208 are ordinary shares carrying one vote per share and 10,999,999 are preference shares, carrying one-tenth of a vote per share, corresponding to a total number of 132,540,208 votes in the company. The company does not hold any own shares.

**Majority requirements**

The resolution under item 14 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.

**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.

**Documentation**

The financial accounts and the auditor's report, the auditor's report regarding whether the previously adopted guidelines for remuneration to the senior executives have been complied with, the complete proposals for resolutions according to the above together with thereto related documents such as the reasoned statement of the Board of Directors pursuant to Chapter 18 Section 4 of the Swedish Companies Act (2005:551) will be available at the company's premises at the address Hästholmsvägen 28 in Nacka, Sweden, and at the company's website, [www.hemfosa.se](http://www.hemfosa.se), no later than on Tuesday 29 March 2016 and will be sent, without costs, to those shareholders who so request and state their address. All of the above mentioned documents will be presented at the Annual General Meeting.

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Nacka, March 2016  
HEMFOSA FASTIGHETER AB (PUBL)  
*Board of Directors*

**Other information**

Schedule for the Annual General Meeting:

2.00 p.m. CET - The doors open for shareholders.

3.00 p.m. CET – The Annual General Meeting commences.

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*This constitutes information that Hemfosa Fastigheter AB (publ) is legally obliged to publish under the Securities Market Act and/or the Financial Instruments Trading Act. The information was issued for publication on 15 Mars 2016, at 7.35 a.m. (CET).*