

## NOTICE TO ATTEND THE ANNUAL GENERAL MEETING OF WALLENSTAM AB (PUBL)

**The shareholders of Wallenstam AB (publ) corporate id. no. 556072-1523, are called to attend the Annual General Meeting (AGM) on Tuesday, April 24, 2018 at 4.00 p.m. at Liseberg Theatre, Liseberg main entrance, Örgrytevägen 5 in Gothenburg, Sweden. The venue opens for registration at 2.30 p.m. Light refreshments will be served before the AGM.**

### Registration etc.

Shareholders who wish to participate in the AGM must be registered as shareholders in the share register maintained by Euroclear Sweden AB on Wednesday, April 18, 2018, and must also notify the company of their intention to participate in the AGM no later than Wednesday, April 18, 2018 (preferably before 4.00 p.m.).

Registration to participate in the AGM may take place in the following ways:

- by telephone on +46 31 743 95 91
- by mail to Wallenstam AB (publ), FAO: Louise Wingstrand, SE 401 84 Gothenburg, Sweden
- on Wallenstam's website at [www.wallenstam.se/arsstamma](http://www.wallenstam.se/arsstamma)

During registration, shareholders must provide:

- their name (company name)
- civic registration number (corporate identity number)
- address and telephone number
- the name and civic registration number of any proxy
- the number of any accompanying assistants (no more than two)

Shareholders who have their shares registered with nominees must re-register their shares in their own name in order to have the right to participate in the AGM. Such registration, which may be temporary, must be completed at Euroclear Sweden AB on Wednesday, April 18, 2018. Shareholders should request their nominees to ensure re-registration in good time before this date.

Shareholders represented by proxy must issue a written, dated power of attorney for the proxy. Power of attorney forms can be obtained from [www.wallenstam.se/arsstamma](http://www.wallenstam.se/arsstamma). Power of attorney forms should be sent in original to the company at the above address in good time before the AGM. If the power of attorney is issued by a legal entity, the certificate of registration or equivalent legitimacy papers must be sent to the company. Note that shareholders who are represented by proxies must also register with the company according to the above instructions and be listed as shareholders in the share register on April 18, 2018.

### Proposed agenda

1. Opening of the meeting
2. Election of chairman for the meeting
3. Preparation and approval of the voting list
4. Approval of the agenda for the meeting
5. Election of one or two persons to verify the minutes
6. Determination of whether the meeting has been duly convened
7. Statements by the Chairman of the Board and the CEO
8. Presentation of the annual accounts and the consolidated financial statements and also the audit report for the parent company and the Group
9. Resolution regarding the adoption of the income statement and balance sheet and also the consolidated income statement and consolidated balance sheet

10. Resolution regarding the allocation of the company's profit according to the adopted balance sheet
11. Resolution regarding discharge from liability for the Board members and the CEO
12. Approval of the number of Board members and the number of auditors and deputy auditors
13. Approval of the remuneration to be paid to Board members and the auditor
14. Election of the Chairman of the Board and other Board members
15. Election of the auditor and deputy auditor
16. Election of the Nomination Committee
17. Resolution regarding guidelines for remuneration to senior executives
18. Resolution on establishment of a synthetic options scheme
19. Resolution regarding authorization for the Board to decide on the acquisition of the company's own shares
20. Resolution regarding authorization for the Board to decide on assignment of the company's own shares
21. Conclusion of the meeting

## **Motions**

**Item 2:** The Nomination Committee proposes that Chairman of the Board Christer Villard be elected as chairman of the meeting.

**Item 10:** The Board of Directors proposes that a dividend of SEK 1.80 per share shall be paid for the 2017 financial year, spread over two payment dates, of SEK 0.90 each per share. The record day for the first payment is proposed to be April 26, 2018 and October 31, 2018 for the second payment. If the AGM resolves in accordance with the proposal, Euroclear Sweden AB is expected to execute the first payment on May 2, 2018 and the second payment on November 5, 2018.

**Item 12:** The Nomination Committee proposes that five Board members be appointed and that one auditor and one deputy auditor be appointed.

**Item 13:** The Nomination Committee proposes that fees to Board members should be paid as follows (preceding year's resolution in parenthesis):

- Chairman of the Board of Directors: SEK 720,000 (SEK 700,000)
- Vice Chairman: SEK 255,000 (SEK 250,000)
- Other members: SEK 155,000 (SEK 150,000)

The sums include compensation for committee work. The proposed total compensation to Board members thus amounts to SEK 1,440,000 (1,400,000).

The Nomination Committee proposes that fees be paid to the auditor according to approved invoice.

**Item 14:** The Nomination Committee proposes the re-election of all the current Board members, i.e. Christer Villard, Ulrica Jansson Messing, Agneta Wallenstam, Anders Berntsson and Karin Mattsson Weijber. It is proposed to re-elect Christer Villard as Chairman of the Board.

A presentation of the individuals proposed by the Nomination Committee for election to the Board, as well as the Nomination Committee's reasoned statement regarding the proposed Board, are available on Wallenstam's website, [www.wallenstam.se/arsstamma](http://www.wallenstam.se/arsstamma).

**Item 15:** The Nomination Committee proposes the re-election of the Authorized Public Accountant Harald Jagner as the company's auditor and re-election of the Authorized Public Accountant Pernilla Lihnell as the company's deputy auditor, both from Deloitte AB, for the period until the end of the 2019 AGM. In Wallenstam, the Board of Directors fulfils the duties of an audit committee. The Nomination Committee's proposal is in line with the Board's recommendation concerning election of the auditor and deputy auditor.

**Item 16:** The Nomination Committee proposes that a new Nomination Committee be appointed for the 2019 AGM in accordance with the following:

If the AGM approves the Nomination Committee's proposal with regard to the Chairman of the Board, Christer Villard is proposed for election to the Nomination Committee in his capacity as Chairman of the Board, otherwise the individual elected as Chairman. It is further proposed that Hans Wallenstam be elected to the Nomination Committee in his capacity as principal shareholder, and also Lars-Åke

Bokenberger in his capacity as the AMF representative, which is one of the company's largest shareholders. The above-mentioned persons have declared that they wish to appoint Dick Brenner as a member of the Nomination Committee; accordingly, Dick Brenner is proposed for election as a member and chairman of the Nomination Committee.

Should a member resign prematurely, the remaining members shall if necessary appoint a new member according to this principle, to serve on the Nomination Committee until a new Nomination Committee is appointed.

**Item 17:** The Board of Directors proposes that the AGM resolve to adopt guidelines for remuneration to senior executives in the company, with regard to agreements entered into during the period between the 2018 AGM and the end of the 2019 AGM, as follows:

The guidelines shall cover the CEO and other individuals in the company's group management.

**Fixed salary**

Senior executives shall be offered fixed salaries, which are competitive, market-related and based on the employee's area of responsibility and performance.

**Pension benefits**

Senior executives shall be offered pension benefits on market-related terms chiefly in the form of premium-based pension agreements.

**Non-monetary benefits**

Senior executives shall be offered customary non-monetary benefits that facilitate the performance of their work. In addition to this, benefits in the form of accommodation, including cost benefits related thereto, may also be offered in individual cases.

**Variable remuneration**

In addition to fixed salary, variable remuneration may also be offered that rewards predetermined and measurable performance. Such variable remuneration should seek to promote the creation of long-term value within the Group. Variable remuneration shall be paid in the form of salary and may not exceed the fixed remuneration for the employee concerned for the year in question.

**Share-based incentive program**

Senior executives may be offered incentives in the form of so-called synthetic options if such an offer is directed to all permanently employed personnel in the company. The establishment of such a program is decided according to applicable rules and the more detailed terms and conditions of the program are determined by the Board or whoever is appointed by the Board. Payments under such incentive programs shall not be pensionable.

**Period of notice and termination benefits**

A reciprocal period of notice of six months applies to senior executives. Termination benefits, including salary during the period of notice, may not exceed 24 monthly salary payments.

**Departure from the guidelines in cases where particular reasons exist**

The Board retains the right to depart from the guidelines if there are particular reasons for this in individual cases.

**Item 18:** The Board proposes that the AGM resolve to introduce a cash-settled options scheme, which is related to the market price of Wallenstam's B share ("the Wallenstam share") as listed on Nasdaq Stockholm. The program ("the Options scheme") is proposed to be directed to all permanently employed personnel in Wallenstam and is to be carried out through the issue of synthetic options as below.

Wallenstam has previously carried out a number of synthetic options schemes, which were directed to all permanently employed personnel in the company, of which the most recent scheme matured in May 2017. The company and Board have very good experience from this type of options scheme. Like previous options schemes, the proposed Options scheme is expected to result in increased commitment and greater motivation among the employees. Wallenstam's Board is therefore of the view that the Options scheme will be of benefit for Wallenstam's shareholders as, aside from what is stated above, it will also help to recruit and retain skilled employees.

Since the options in the Options scheme are synthetic, the Options scheme does not result in any dilution of shareholdings.

In order to carry out the Options scheme, the Board proposes that the AGM resolve on the principal terms and conditions for issuing the synthetic options as below. The proposal has been drawn up together with external advisors and has been considered and subsequently adopted by the Board.

The principal terms and conditions of the Options scheme

The Board, or whoever is appointed by the Board, shall be responsible for the more detailed design and management of the Options scheme within the framework of the guidelines specified below and according to the following principal terms and conditions.

1. All permanently employed personnel in Wallenstam, of whom six persons today constitute senior executives, shall be invited to acquire synthetic options. Board members of Wallenstam are not covered by the offer. In total, a maximum of 5,000,000 synthetic options shall be issued in the Options scheme. The allocation of the synthetic options among the employees shall be determined by the Board, or whoever is appointed by the Board, whereupon the employee's performance, position and area of responsibility shall be considered, among other things. Allocation of synthetic options to senior executives shall be prepared by the Remuneration Committee and decided by the Board.
2. Employees' acquisition of options shall occur at market value. In order to determine the market value, a market valuation shall be performed of the synthetic options on the date they are transferred to the employee. The market value shall be calculated by using the Black & Scholes option pricing model and reviewed by an independent valuation company. Wallenstam shall, under certain circumstances, offer the employee the possibility of financing the acquisition of options.
3. The issuance of synthetic options to the employee shall occur by means of an agreement being entered into between Wallenstam and the employee, on the following principal terms and conditions:
  - a) The term of the Options scheme shall envisage a start date some time during the period from May 1 until June 29, 2018 with a final date of May 31, 2024.
  - b) One synthetic option gives the option holder the right to obtain a cash amount from Wallenstam that is calculated on the value of the Wallenstam share, i.e. the closing price according to Nasdaq Stockholm's official price list, on the date redemption of the option is called for ("the Redemption date"), less the strike price, which amounts to SEK 80 per option. Irrespective of whether the value of the Wallenstam share exceeds a quoted closing price of SEK 140 per share, Wallenstam will not redeem any synthetic option for a higher price than SEK 60 per option (maximum strike price). The maximum value per synthetic option for the option holder is thus SEK 60.

If the Redemption date does not correspond with the final date of the Options scheme (i.e. May 31, 2024), a market valuation shall be performed of the synthetic options' value on the Redemption date.

- c) The option holder has the right to call for redemption of the synthetic options on the final date of the Options scheme, i.e. May 31, 2024. However, if the Wallenstam share before this date reaches a quoted closing price according to Nasdaq Stockholm's official price list of at least SEK 140 per share, Wallenstam and the option holder have the possibility to call for early redemption.
  - d) The options shall be freely transferable but subject to a pre-emption right for Wallenstam to acquire the options.

Costs of the options scheme for Wallenstam

The synthetic options that Wallenstam will issue are transferred to the employee at market value.

Therefore, no cost arises for the company initially. The future cost for Wallenstam in respect of issued

synthetic options depends on the price trend in the Wallenstam share. The total cost in connection with a maximum strike price for redemption of the Options scheme amounts to SEK 300,000,000, calculated on a total of 5,000,000 issued synthetic options. Then there is Wallenstam's cost for the offer of financing to the employees in the form of social security contributions and other expenses such as compensation to external advisors and administration of the scheme. However, the maximum cost of the Options scheme for Wallenstam shall not exceed SEK 330,000,000.

#### Authorization to adjust the Options scheme

The Board, or whoever is appointed by the Board, shall have the right to adjust the strike price, the maximum strike price and the closing price according to item 3 c) above, in the event that the price of the Wallenstam share changes significantly from the time of the AGM's resolution until issuance of the options occurs.

The Board, or whoever is appointed by the Board, shall also have the right during the term of the Options scheme to make changes in the Options scheme to the extent deemed necessary or appropriate in view of the existing circumstances, for example in order to comply with legal, administrative or fiscal requirements.

#### Majority requirement

The AGM's resolution under this item shall be passed with due observance of the majority rules prescribed in Chapter 7, Section 40 of the Swedish Companies Act, to the effect that the resolution must be supported by shareholders representing more than half of the votes cast.

**Item 19:** The Board proposes that the AGM resolve to authorize the Board, on one or more occasions until the next AGM, to take decisions regarding the purchase of as many of its own B shares on Nasdaq Stockholm, such that the company's holding at any one time does not exceed 10 percent of all shares in the company. Such acquisitions shall take place within the prevailing price range at any given time (i.e. the spread between the highest buying price and lowest selling price).

The purpose of the authorization to acquire the company's own shares is to provide the Board with the freedom of action to adjust the company's capital structure and create value for the company's shareholders.

**Item 20:** The Board proposes that the AGM resolve to authorize the Board, on one or more occasions until the date of the next AGM, to take decisions on assignment of the company's own shares, as follows:

The Board shall have the right – with or without preferential rights for shareholders – to take decisions regarding the assignment of the company's own shares by other means than through Nasdaq Stockholm. Assignment may take place against cash payment, for valuable consideration in other assets than cash or by offsetting debt through the company's assignment of shares in exchange for a claim against the company. The Board's decision regarding assignment must be executed within the time period determined by the Board. The assignment may not exceed the number of the company's own shares held by the company at the time of assignment.

The purpose of the proposed authorization is to:

- promote a more efficient capital structure in the company, which is anticipated to have a positive effect on the price of the company's shares and thus contribute to creating the largest possible return for the shareholders,
- create flexibility in the company's ability to distribute capital to the shareholders,
- continually adapt the company's capital structure to its capital requirements at any given time in order to contribute to increased shareholder value, and
- enable the financing of acquisitions through payment with the company's own shares.

#### Number of shares and votes

At the time of issue of this convening notice, the number of shares in the company totaled 330,000,000, distributed among 34,500,000 A shares, which carry ten votes each and 295,500,000 B shares, which carry one vote each. Thus the number of votes in the company totaled 640,500,000. The company's holdings of repurchased own shares totaled 5,370,000 B shares, which cannot be represented at the AGM.

**Provision of documents**

The Nomination Committee's and Board of Directors' proposals and reasoned statements are available on the company's website at [www.wallenstam.se/arsstamma](http://www.wallenstam.se/arsstamma) and at the company's office at Kungsportsavenyen 2, Gothenburg.

The Annual Report, Audit Report and the Auditor's Statement pursuant to Chapter 8, Section 54 of the Swedish Companies Act (2005:551) will be available on the company website [www.wallenstam.se/arsstamma](http://www.wallenstam.se/arsstamma) and at the company's office at Kungsportsavenyen 2, Gothenburg, from April 2, 2018 at the latest.

From the date they are available, the above documents will also be sent to shareholders who so request and who provide their address. The documents will also be available at the AGM.

**Disclosures at the AGM**

The Board of Directors and the CEO shall, if any shareholder so requests and the Board considers that it may occur without material harm to the company, disclose information at the AGM about circumstances that may influence the assessment of an agenda item and circumstances that may affect the assessment of the company's or subsidiary's financial situation and also about the company's relationship with other Group companies.

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Gothenburg, March 2018  
Wallenstam AB (publ)  
Board of Directors

**For further information:**

Elisabeth Vansvik, Communications director **Wallenstam AB (publ)** tel. +46 31 20 00 00 or +46705-17 11 38

[www.wallenstam.se](http://www.wallenstam.se)

*Wallenstam is a property company that manages, builds and develops properties for sustainable living and enterprise in Gothenburg, Stockholm and Uppsala. The property holdings are valued at around SEK 41 billion and the customer base consists of about 8,000 households and 1,000 enterprises. The total lettable area is around 1 million sq m. Wallenstam is self-sufficient in renewable energy through the company and its own wind turbines in operation. The company's B shares have been listed on Nasdaq Stockholm since 1984.*