

## PRESS RELEASE

# Notice of JM's Annual General Meeting on April 24, 2014

According to the rules for companies on the NASDAQ OMX Stockholm, JM AB is announcing via this press release the notice of Annual General Meeting on April 24, 2014.

The notice is hereby made public and will be published on JM's website on March 26. On the same day, the notice will be published in Post- och Inrikes Tidningar (Swedish Official Gazette) and information that the notice has been published will be announced in Svenska Dagbladet.

## NOTICE OF ANNUAL GENERAL MEETING

Shareholders in JM AB (publ) are hereby invited to attend the Annual General Meeting to be held on Thursday, April 24, 2014, at 4 p.m. at JM's head office, Gustav III:s boulevard 64, in Solna, Sweden.

## NOTIFICATION

Shareholders who wish to participate at the Annual General Meeting must:

*in part* be entered in the register of shareholders maintained by Euroclear Sweden AB by Wednesday, April 16, 2014, and

*in part* have informed the Company of their intention to participate by 4:00 pm on Wednesday, April 16, 2014, using one of the following channels:

JM ABs website: [www.jm.se/en](http://www.jm.se/en) (only for private individuals)  
E-mail: [monica.charron@jm.se](mailto:monica.charron@jm.se)  
Mail: JM AB, SE-169 82 Stockholm  
Telephone +46 (0) 8-782 87 00

In order to be entitled to participate at the Meeting, shareholders whose shares are registered in the name of a nominee must request that their shares be temporarily registered in their own name in the register of shareholders by Wednesday, April 16, 2014.

Admission cards to the Annual General Meeting will be sent out.

## REPRESENTATIVES

Shareholders represented by proxy shall issue a power of attorney for the proxy. If the proxy is issued by a legal person, a certified copy of a valid registration certificate for the legal person must be appended. The proxy in the original and registration certificate (if required) should be sent well in advance of the Meeting to JM AB, Legal Affairs and Development, SE-169 82 Stockholm, Sweden.



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A proxy form is available on the JM AB website, [www.jm.se/en](http://www.jm.se/en). The proxy form will also be sent to those shareholders who request it and provide their mailing address.

## SHARES AND VOTES

JM AB's share capital amounts to SEK 79,817,357, equivalent to 79,817,357 ordinary shares and 0 Class C shares. Ordinary shares carry one vote and Class C shares carry one-tenth of a vote. As of March 26, 2014 the Company holds 2,873,057 own ordinary shares, equivalent to the same number of votes. These shares are not entitled to vote.

## DOCUMENTS

The accounts, the auditor's report, the Board of Directors' reasoned statements in accordance with Chapter 18, section 4 and Chapter 19, section 22 of the Swedish Companies Act, the auditor's statement in accordance with Chapter 8, section 54 of the Swedish Companies Act as well as the Board of Directors' complete proposal as set forth in items 16-18 below will be available no later than April 02, 2014, at JM AB's head office, Gustav III boulevard 64, Solna, and on JM AB's website, [www.jm.se/en](http://www.jm.se/en), under the tab "About JM – Corporate Governance". The documents referred to above will also be sent to those shareholders who request them and provide their mailing address. They will also be available at the Annual General Meeting.

Shareholders are advised that the evaluations of

- current programs for variable compensation for senior management as well as those that concluded during the year,
- application of the guidelines for benefits to senior executives adopted by the 2013 AGM, and
- compensation structures and remuneration levels within the JM Group are presented on JM AB's website under the tab "About JM – Corporate Governance" in compliance with point 10.3 of the Swedish Code of Corporate Governance. The evaluations in question were carried out by the Compensation Committee, which was established by the Board of Directors of JM AB. The conclusion of the evaluations is that the compensation systems are well designed and effective and that the compensation levels are market-based.

## OTHER

Upon request by any shareholder and where the Board believes that such may take place without significant harm to the Company, the Board and the President shall provide information at the Annual General Meeting in respect of

- any circumstances which may affect the assessment of a matter on the agenda and
- any circumstances which may affect the assessment of the company's financial position.



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### AGENDA

1. Call to order and election of Chairperson.
2. Preparation and approval of voting list.
3. Election of two people to check the minutes.
4. Determination of whether the meeting has been duly convened.
5. Approval of the agenda.
6. The Chairperson of the Board's report on the work of the Board and committees since the 2013 Annual General Meeting. The Chief Executive Officer's report on business operations in 2013 as well as the results for the first quarter of 2014, presentation of the annual report and the auditors' report, and the consolidated accounts and the auditors' report on the consolidated accounts, and resolutions concerning adoption of the income statement and balance sheet as well as the consolidated income statement and consolidated balance sheet.
7. Resolution about allocation of the Company's profit.
8. Resolution to discharge the Board of Directors and the President from liability.
9. Resolution on the number of Board members.
10. Determination of remuneration to the Board of Directors.
11. Adoption of remuneration to the auditing company.
12. Election of Chairman of the Board and other Directors.
13. Election of auditors.
14. Motion for resolution on adopting instructions to the Nomination Committee.
15. Motion for resolutions on guidelines for salary and other remuneration to senior executives.
16. Motion for resolution on authorization for the Board to decide on the acquisition of ordinary shares in JM AB on a regulated market.
17. Motion for resolution on JM Convertibles 2014/2018.
18. Motion for resolution on reducing the Company's share capital by elimination of own ordinary shares.

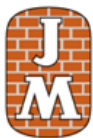
### Nomination Committee:

The Nomination Committee consists of Åsa Nisell, Chairperson (Swedbank Robur fonder), Lars-Åke Bokenberger (AMF), Anders Algotsson (AFA Försäkring), Jan Särllvik (Nordea Fonder) and Lars Lundquist, Chairperson of the Board of JM AB.

### Proposals for resolution:

**Item 1.** The Nomination Committee proposes that Lars Lundquist be appointed to chair the Annual General Meeting.

**Item 7.** The Board of Directors proposes that a dividend of SEK 7.25 per share be paid to shareholders. The proposed record date for the dividend is Tuesday, April 29, 2014. If the Annual



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General Meeting resolves to adopt the recommendation the dividend will be sent by Euroclear Sweden AB on Monday, May 5, 2014.

**Items 9 – 14.** The Nomination Committee proposes the following:

**Item 9.** Eight Directors elected by the Annual General Meeting.

**Item 10.**

### Directors' remuneration

The Chairperson shall be paid SEK 740,000 and Directors who are not employed by the Company will be paid SEK 310,000.

### Committee fees

Directors who are not employed by the Company will receive remuneration for work on Committees as follows:

Chairperson of the Audit Committee: SEK 120,000.

Directors on the Audit Committee: SEK 90,000.

Chairperson of the Compensation Committee: SEK 60,000.

Director on the Compensation Committee: SEK 60,000.

Chairperson of the Investment Committee: SEK 80,000.

Directors on the Investment Committee: SEK 60,000.

Proposed fees for the 2014 Annual General Meeting pertaining to seven paid Directors amounts to a total of SEK 3,220,000, including remuneration for work on Committees. Thus the proposal entails a raise of approximately SEK 100,000.

**Item 11.** Remuneration to auditors will be paid as per invoices issued by the auditing company and approved by JM AB.

**Item 12.** Re-election of Lars Lundquist as Chairman of the Board (elected 2005). Re-election of Board Directors Kaj-Gustaf Bergh (elected 2013), Johan Bergman (elected 2012), Anders Narvinger (elected 2009), Eva Nygren (elected 2013), Kia Orback Pettersson (elected 2010), Johan Skoglund (elected 2003) and Åsa Söderström Jerring (elected 2007).

Information about all Directors proposed for re-election to JM AB's Board as well as the reasoned statement of the Nomination Committee pertaining to the proposal is available on JM AB's website, [www.jm.se/en](http://www.jm.se/en), under the tab "About JM – Corporate Governance". These documents will be sent to those shareholders who request them and provide their mailing address. They will be available at the Annual General Meeting.



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**Item 13.** Re-election of Ernst & Young AB as auditing company. In accordance with the Swedish Companies Act, the term of service runs until the end of the 2015 Annual General Meeting.

**Item 14.** Approval of the instructions for the Nomination Committee that were adopted at the 2013 Annual General Meeting, with a revision to item 1.5 in the instructions. Item 1.5 in the instructions with thus have the following wording.

For the period from the statutory meeting of the Nomination Committee up to and including October 31 of each year, the following applies.

If one or more of the shareholders who appointed members of the Nomination Committee no longer belong to the four largest shareholders according to owner statistics on October 31, the members appointed by these shareholders will vacate their positions. The shareholder(s) who join the largest shareholders, shall have the right to appoint their representative(s) so that at any given time the Nomination Committee consists of four directors appointed by the shareholders. Shareholders who appointed a representative to the Nomination Committee have the right to dismiss such member and appoint a new representative.

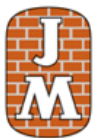
The composition of the Nomination Committee should not change after November 15 of each year in any way other than that a shareholder who is no longer qualified to participate may dismiss the member appointed by this shareholder. In order to replace a departing member, the Nomination Committee may offer other major shareholders representation on the Nomination Committee.

The instructions to the Nomination Committee are available on JM AB's website, [www.jm.se/en](http://www.jm.se/en), under the tab "About JM – Corporate Governance". This document will be sent to those shareholders who request it and provide their mailing address. It will be available at the Annual General Meeting.

The Nomination Committee's account of how the work was conducted between October 2013 – March 2014 is found in the Nomination Committee's report, which is available on JM AB's website, [www.jm.se/en](http://www.jm.se/en), under the tab "About JM – Corporate Governance". This document will be sent to those shareholders who request it and provide their mailing address. It will be available at the Annual General Meeting.

**Item 15.** The Board of Directors proposes that the Annual General Meeting approve the following guidelines for salary and other remuneration to senior executives.

Compensation to the CEO and other senior executives will consist of fixed salary, short and long-term variable salary programs, pension benefits and other benefits. "Other senior executives" refers to the Executive Management. Total compensation must be at market rates and competitive in the labor market in which the executive works. Fixed salary and short-term variable salary program will be related to the executive's responsibilities and authorities. The short-term variable salary program for senior executives will be capped at 50 percent of fixed salary. The short-term variable salary program will be based on performance in relation to established targets, which is usually the externally reported operating profit



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before tax, earnings per share and Customer Satisfaction Index. Long-term variable salary programs can be equity and/or cash-related and will be performance-based and, at the time of commitment, be capped at 50 percent of fixed salary. Termination of employment is normally subject to a mutual period of notice of six months. If notice of termination is given by JM, severance pay equivalent to six months' salary should also be payable.

Pension benefits shall be either defined-benefit or defined-contribution, or a combination thereof, and the normal retirement age is 65. The Compensation Committee will draft and the Board of Directors will approve the remuneration policy for the President and senior executives. The Board shall have the right to depart from the guidelines if extenuating circumstances are present in the individual case.

**Item 16.** The Board of Directors proposes that the Annual General Meeting resolve on authorization for the Board to decide on the acquisition of ordinary shares in JM AB on a regulated market.

The acquisition of ordinary shares in JM AB may only occur on NASDAQ OMX Stockholm. The authorization may be utilized on one or more occasions, although no longer than up until the 2015 Annual General Meeting. The number of ordinary shares that may be acquired is limited such that the Company's holdings do not at any point in time exceed ten (10) percent of all the Company's shares. The acquisition of ordinary shares in JM AB on NASDAQ OMX Stockholm may only occur at a price within the current spread on NASDAQ OMX Stockholm, which refers to the spread between the highest bid price and the lowest ask price. The objective of empowering the Board of Directors is to give it greater freedom of action and the possibility to adjust the Company's capital structure on a continuous basis.

In order for a resolution by the AGM to go into force it must be supported by shareholders with at least two-thirds of both the specified votes and the shares represented at the Meeting.

**Item 17.** The Board of Directors proposes that the Annual General Meeting resolve that JM AB raise a debenture loan with a maximum nominal value of SEK 120,000,000 by issuing a maximum of 460,000 convertibles aimed at all employees in Sweden.

The convertibles' issue price shall correspond to the nominal amount. It is to be possible to convert each convertible to an ordinary share, at a conversion price equivalent to 125 percent of the latest noted average price paid for ordinary shares in JM on the official exchange list of the NASDAQ OMX Stockholm AB for the period from April 25, 2014 through May 7, 2014.

Conversion may occur commencing on June 1, 2017 through May 18, 2018, with the exclusion of the period January 1 through the record date for dividends each year, or if the Annual General Meeting should not resolve on a dividend during a year, the third business day after the AGM. In the event of full participation in the offer as well as full conversion, JM's



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share capital could increase by a maximum of SEK 460,000, through the issue of a maximum of 460,000 ordinary shares, each with a quota value of 1 Swedish krona. This corresponds to dilution of about 0.58 percent of shares and votes in JM.

The term of the convertibles will begin on June 16, 2014, and fall due for payment on June 15, 2018, insofar as conversion has not already been undertaken. The interest rate is annual and based in part on the conversion rate and the calculated market value for the convertibles at issuance. The interest rate on the convertible bonds is determined biannually, the first time on June 12, 2014 (for the period June 16, 2014 to December 15, 2014). For subsequent biannual interest periods Swedbank will set the interest rate two banking days prior to the beginning of each interest period. Assuming an average share price of SEK 202 during the benchmark period and a conversion price of SEK 252.5, the interest rate would be STIBOR 6M plus 2.71 percentage points.

Interest is paid annually in arrears and is calculated using the actual/360 method. Interest falls due for payment on June 15 every year, or on the closest subsequent banking day if the due date should fall on a holiday or weekend, the first time on June 15, 2015. Rights to interest cease on conversion, effective from the due date immediately prior to conversion.

Only a wholly owned subsidiary of JM shall be entitled to subscribe to the convertibles, with waiver of shareholders' rights of pre-emption. The subsidiary must subscribe and pay for the convertibles during the period commencing on June 16, 2014 through June 18, 2014. The subsidiary shall have the right and obligation during the period commencing on May 19, 2014 through June 3, 2014 to offer those who as of April 24, 2014, are employees in the JM Group in Sweden, on market-based terms, the opportunity to acquire convertibles.

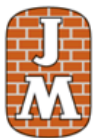
The Board cited the following reasons for waiving the shareholders' rights of pre-emption: Since the employees comprise an important component in JM's development, the Board of Directors' proposal is to offer those employees a long-term incentive program consisting of convertibles, in accordance with what was offered in 2007, 2008, 2009, 2010, 2011, 2012 and 2013. The employee's ownership commitment enhances and strengthens interest in JM's operations and future financial performance. It is the Board of Directors' assessment that increased employee motivation and participation in JM's operations is in the interest of the Company, the employees and existing stockholders.

Everyone entitled to subscribe for convertibles will be guaranteed a nominal amount of SEK 35,350, though a maximum of 140 convertibles.

In order for a resolution by the AGM to be valid it must be supported by shareholders with at least nine-tenths of both the specified votes and the shares represented at the Meeting.

**Item 18. The Board of Directors recommends a reduction of SEK 2,873,05 in the share capital without any repayment to the shareholders.**

At present, the Company holds a total of 2,873,057 of its own ordinary shares. The ordinary shares were acquired for the purpose of adjusting the Company's capital structure.



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Share capital of SEK 2,873,057 will be reduced through elimination of 2,873,057 ordinary shares. The reduction in the share capital shall be allocated to unrestricted equity in accordance with the Swedish Companies Act, Chapter 20, section 1, first paragraph, point 2.

Any resolution by the AGM to reduce the share capital as above may not be executed without permission from the Swedish Companies Registration Office or, in the case of a dispute, a general court of law.

Furthermore, the Board of Directors proposes that the 2014 Annual General Meeting authorize the company's CEO to make minor adjustments to the resolution as may prove to be necessary in conjunction with registration with the Swedish Companies Registration Office or Euroclear Sweden AB.

In order for a resolution by the AGM to be valid it must be supported by shareholders with at least two-thirds of both the specified votes and the shares represented at the Meeting.

Stockholm, March 2014

Board of Directors for JM AB (publ)

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### **For more information please contact:**

Maria Bäckman, General Counsel JM, Tel: +46 (0) 8-782 85 31

*JM is one of the leading developers of housing and residential areas in the Nordic region. Operations focus on new production of homes in attractive locations, with the main focus on expanding metropolitan areas and university towns in Sweden, Norway, Denmark, Finland and Belgium. We are also involved in the project development of commercial premises and contract work, primarily in the Greater Stockholm area. JM should promote long-term quality and environmental management in all its operations. Annual sales total approximately SEK 13 billion and the company has approximately 2,200 employees. JM AB is a public limited company listed on NASDAQ OMX Stockholm, Large Cap segment.*