

NOTICE OF ANNUAL GENERAL MEETING IN K-FAST HOLDING AB

The shareholders of K-Fast Holding AB, corporate identity no. 556827-0390, are hereby invited to the Annual General Meeting on Tuesday 19 May 2020 at 5 p.m. CEST at Hotel Statt Hässleholm, Frykholmsgatan 13, Hässleholm, Sweden.

The English version is a translation of the original in Swedish for information purposes only. In case of a discrepancy, the Swedish original will prevail.

Registration etc.

Shareholders wishing to participate in the Annual General Meeting (AGM) must

- be included in the share register maintained by Euroclear Sweden AB on Wednesday 13 May 2020, and
- give notice of their intention to participate in the AGM by no later than Wednesday 13 May 2020.

Registration of participation in the AGM shall be made in writing to K-Fast Holding AB, FAO: Anders Antonsson, Bultvägen 7, SE-281 43 Hässleholm, Sweden, or by email at ir@k-fastigheter.se. Registration can also be made by phone on +46 709 994 970. Registration must include the shareholder's name, personal identity no. / corporate identity no., address, telephone number and shareholding.

Representatives and assistants

Shareholders that are represented by proxy must provide a signed and dated Power of Attorney. If the Power of Attorney is issued by a legal entity, a certified copy of a valid certificate of incorporation of the legal entity (or equivalent document for a foreign legal entity) must be attached. The Power of Attorney must not be older than one year, unless a longer period of validity (subject to a maximum of five years) has been specified in the Power of Attorney.

Shareholders may bring one or two assistants to the AGM, provided the shareholder registers their attendance in accordance with the procedure described above.

In order to facilitate registration, an original Power of Attorney and certificate of incorporation, and any other authorization documentation, must be submitted to the



company at the following address: K-Fast Holding AB, FAO: Anders Antonsson, Bultvägen 7, SE-281 43 Hässleholm, Sweden, in appropriate time before the AGM.

Power of Attorney forms for shareholders wishing to participate in the AGM through a proxy representative will be published on the company's website www.k-fastigheter.se.

Advance voting

Shareholders are entitled to exercise their right to vote at the AGM through advance voting, or postal ballot, according to section 3 § of the Act (2020:198) on temporary exceptions to facilitate the execution of AGMs. The aim of the Board resolution is to minimize the number of people gathering in the premises. K-Fastigheter urges all shareholders to utilize the option of advance voting (for more information, see "Precautionary measures due to the outbreak of Covid-19" below).

A specific form must be used for advance voting. The form can be found at <https://www.k-fastigheter.se/en/corporate-governance/general-meetings/>. Shareholders exercising their right to vote in advance do not need to register separately for the AGM. Submission of the advance voting form constitutes registration. K-Fast Holding AB must have received the completed form by no later than 13 May 2020. The completed form shall be submitted to the address indicated under "Registration etc." above. The completed form can also be submitted electronically to ir@k-fastigheter.se.

Nominee-registered shares

In order to participate in the AGM, shareholders whose shares are registered in the name of a nominee must temporarily re-register the shares under their own name with Euroclear Sweden AB. Shareholders seeking such re-registration must notify the nominee of their intention to re-register the shares in good time before Wednesday 13 May 2020.

Proposed agenda

1. Election of the Chairman of the AGM
2. Preparation and approval of the voting register
3. Election of one or two persons to approve the minutes of the AGM
4. Determining whether the AGM has been duly convened
5. Approval of the agenda
6. Presentation of the Annual Report and the Auditor's Report and the Consolidated Financial Statements and the Auditor's Report on the Consolidated Financial Statements for the period 1 January, 2019—31 December, 2019
7. Resolutions regarding
 - a. adoption of the Income Statement and Balance Sheet and Consolidated Income Statement, Consolidated Balance Sheet and Auditor's Report on the



Consolidated Financial Statements,

- b. allocation of profit or loss in accordance with the adopted Balance Sheet and,
- c. discharge from liability for Board members and the CEO

8. Determining the number of Board members
9. Determining the Auditors and Deputy Auditors
10. Determining fees to Board members and Auditors
11. Election of Board members
12. Election of Auditors and potential Deputy Auditors
13. Resolution on guidelines for remuneration to senior executives
14. Resolution regarding amendments to the Articles of Association
15. Resolution regarding authorizing the Board to resolve to issue new shares
16. Resolution regarding authorizing the Board to repurchase and transfer treasury shares
17. Closing the AGM

Nomination Committee proposed resolutions

The Nomination Committee consisted of Stefan Alvarsson, Chairman, appointed by Jacob Karlsson AB, Shahram Rahi, appointed by Erik Selin Fastigheter Aktiebolag, Jonas Eixmann, appointed by AP2, and Erik Selin, Chairman of K-Fast Holding AB.

Election of the Chairman of the AGM (item 1)

The Nomination Committee proposes that Erik Selin is elected Chairman of the AGM.

Determining the number of Board members (item 8)

The Nomination Committee proposes that the Board comprise six (6) Board members.

Determining the Auditors and Deputy Auditors (item 9)

The Nomination Committee proposes that a registered audit firm be appointed as Auditor.

Determining fees to Board members and Auditors (item 10)

The Nomination Committee proposes that a fee of SEK 200,000 shall be payable for the period up until the next AGM for each Board member not employed by the company, with the exception of Erik Selin. The Nomination Committee proposes that no fee be payable to Erik Selin. The proposed fees also include remuneration for committee work.

The Nomination Committee proposes that fees to the company's Auditors are payable in accordance with approved invoice.



Election of Board members (item 11)

The Nomination Committee proposes that the following Board members are re-elected for the period until the next AGM: Erik Selin, Jacob Karlsson, Christian Karlsson, Sara Mindus, Jesper Mårtensson and Ulf Johansson. The Nomination Committee also proposes that Erik Selin is re-elected as Chairman.

Election of Auditors and potential Deputy Auditors (item 12)

The Nomination Committee proposes that registered audit firm Ernst & Young AB is re-elected as the company's Auditor for the period until the end of the next AGM.

Ernst & Young AB has informed the company that Authorized Public Accountant Stefan Svensson will remain as Auditor in Charge if Ernst & Young AB is re-elected as Auditor. The Nomination Committee's proposal is endorsed by the company's Audit Committee.

Proposed resolutions

Resolution regarding allocation of the company's profit or loss in accordance with the adopted Balance Sheet (item 7b)

The following unrestricted equity is at the disposal of the AGM:

Retained earnings (SEK)	888,731,164
Profit after tax for the year (SEK)	107,622,969
Total (SEK)	996,354,133

The Board proposes that no dividend be paid for the financial year 2019 and that profit of SEK 996,354,133 be carried forward.

The reason for the proposal is that the Board considers that the company's growth should be prioritized over dividend to shareholders. The Board considers that unrestricted equity can be utilized more expediently by being reinvested in the operations, with the objective of creating the right conditions for reaching pre-determined growth targets.

Resolution regarding guidelines for remuneration to senior executives (item 13)

The Board proposes that the AGM adopts the following guidelines for determining remuneration and terms of employment for the CEO, Board members and members of Group management ("senior executives").

The guidelines apply to agreed remuneration and any changes to agreed remuneration after the guidelines have been adopted by the AGM 2020. The guidelines do not cover remuneration determined by the AGM.



The guidelines are intended to promote the company's business strategy, long-term interests and sustainability

The overarching goal of the business operations is the creation of long-term value growth for the company's shareholders. Value creation is measured as growth in long-term net asset value per share over a business cycle. This takes place by developing, constructing and managing residential properties in selected locations, working locally in close collaboration with partners and tenants, by having a presence in locations where the company is active, and by collaborating with social planners and public authorities. Sustainability is a key part of the company's business concept, and the company prioritizes environmental considerations by implementing energy-efficient solutions in its properties and by being a responsible and attractive employer that provides scope for professional development. For more information about the company's business strategy, long-term interests and sustainability focus, go to the company's website www.k-fastigheter.se. In order to promote the company's business strategy, long-term interests and sustainability, and to create long-term positive value growth for its shareholders, the company offers competitive remuneration on market terms, but is not a wage leader in relation to comparable businesses.

Types of remuneration etc.

Market-based remuneration and terms of employment are a pre-requisite for retaining and, when required, recruiting staff to senior positions with the appropriate competences and experience. Total remuneration shall be based on factors including position, performance and individual qualifications. Remuneration may include the following components: fixed salary, variable or performance-based salary, pension entitlement and other benefits. In addition, the AGM can—Independently of these guidelines—decide on share-based and share price-related remuneration.

Fixed salary

Remuneration shall be based on the nature of the relevant assignment, the competences required, previous experience, and performance. Fixed basic salary shall correspond to market-based compensation for satisfactory performance. Fixed basic salary shall be reviewed annually to ensure that it is on market terms and remains competitive.

Variable salary

Variable or performance-based salary to senior executives may correspond to a maximum of 50 percent of fixed salary per calendar year. No variable or performance-based remuneration is payable to the CEO.

Criteria for payment of variable cash remuneration etc.

Variable cash remuneration shall be linked to pre-determined and measurable criteria that can be financial or non-financial. These may also comprise individualized quantitative or qualitative targets. The criteria shall be designed to promote the company's business strategy and long-term interests, including its sustainability, for



example by having a clear link to the business strategy or by promoting the employee's long-term progress.

When the measurement period for meeting the criteria for payment of variable cash remuneration has ended, the extent to which the criteria have been met shall be evaluated/determined. The CEO is responsible for evaluating variable cash remuneration to other executives. With regard to financial targets, the evaluation shall be based on the most recent financial information presented by the company.

Pension benefits

Pension provisions can be made for the CEO and senior executives. The pensionable age for the CEO and other members of management is 65. Pension obligations shall be premium-based, implying that the company has no further obligations once annual premiums have been paid.

Other benefits

Other benefits shall be on market terms and contribute to facilitating the senior executive's ability to carry out relevant assignments. Such benefits can be provided in the form of healthcare insurance and company vehicles, for example.

Termination of employment

For the CEO, a mutual notice period of 12 months applies. Upon termination of employment by the company, the CEO is also entitled to severance pay corresponding to six months' salary. For other senior executives, market-based and customary termination procedures shall apply and no severance pay shall be payable. Upon termination of employment by the company, the termination period shall be a maximum of 12 months, and upon termination of employment by the employee, a maximum of 6 months. For senior executives, the terms applied by the company to other Group employees shall apply, either through collective agreement or in the form of individual undertakings to employees.

Salary and terms of employment

When producing the proposals for these remuneration guidelines, salary and employment terms for the company's employees have been considered by including information regarding total remuneration, components of such remuneration and any increase in remuneration and the rate of increase over time in the Remuneration Committee's and Board's decision-making data when evaluating the reasonableness of the guidelines and their ensuing limitations.

Decision-making process for determining, reviewing and implementing the guidelines

The Board has established a Remuneration Committee with the primary task of preparing Board decisions on matters relating to remuneration principles, remuneration and other employment terms for the CEO and senior executives.



Accordingly, the Remuneration Committee shall propose guidelines for remuneration to Board members, the CEO and senior executives, which the Board presents to the AGM for authorization at least every four years.

Furthermore, the Remuneration Committee shall monitor and evaluate current programs and schemes terminated in the year relating to variable remuneration payable to senior executives, and monitor and evaluate the application of the remuneration guidelines to Board members, the CEO and senior executives, as authorized by the AGM, as well as applicable remuneration structures and remuneration levels in the company. The Chairman of the Board can serve as Chairman of the Remuneration Committee. Other members shall be non-affiliated with the company, the CEO and senior executives. If the Remuneration Committee appoints an external consultant to carry out its work, the Committee shall ensure that there is no conflict of interest regarding other assignments held in relation to the company, CEO or senior executives. The remuneration to the CEO is prepared by the Remuneration Committee and is determined by the Board at regular Board meetings. The CEO does not participate in such decisions. The Board mandates the CEO to negotiate with senior executives in accordance with these guidelines. The Remuneration Committee prepares a proposal to the Board regarding remuneration levels to senior executives on the basis of a proposal from the CEO. If Board members carry out work on behalf of the company, in addition to their regular Board assignments, a consultancy fee and other remuneration shall be payable for such work subject to a special Board resolution. For regular Board work, no remuneration additional to the Directors' fees determined by the AGM shall be payable.

Deviating from the guidelines

The Board may deviate from the guidelines in whole or in part if there are special reasons in individual cases. As indicated above, the Remuneration Committee's tasks include preparing Board resolutions relating to remuneration, including decisions to deviate from the guidelines. Deviations are only permissible if they are considered necessary to satisfy the company's long-term interests and sustainability, or to safeguard the company's financial viability. If the Board deviates from the guidelines for remuneration to Board members, the CEO and senior executives, this shall be reported at the next AGM.

Resolution regarding amendments to the Articles of Association (item 14)

The Board proposes that the AGM decides that § 1 of the Articles of Association read as follows:

“§ 1

Business name

The company's business name is K-Fast Holding AB. The company is a public limited liability company (publ.).



The reason for the proposed change to the Articles of Association is that the earlier Company Names Act (1974:156) has been replaced by the Business Names Act (2018:1653), which has entailed certain linguistic modernizations. One of these modernizations is the replacement of the expression “company” with “business name”. The change to the Articles of Association has been proposed with the aim of adapting the Articles of Association linguistically to the new legislation.

The Board proposes that the AGM decides that § 8 of the Articles of Association read as follows:

“§ 8 Notice

The Notice convening the AGM shall be made through an announcement in the Swedish Official Gazette (*Post- och Inrikes Tidningar*) and by publishing the Notice on the company's website. At the time of publication of the Notice, information regarding the Notice shall be published in Swedish business daily *Dagens Industri*.

Shareholders wishing to participate in the negotiations at the AGM must register with the company by the date stated in the Notice convening the AGM.

Shareholders may bring one or two assistants to the AGM, provided that the company is notified of the number of assistants in accordance with the procedure for shareholder registration for the AGM.

Ahead of the AGM, the Board may decide that shareholders can exercise their voting rights through postal ballot.”

The reasons for the proposed change to the Articles of Association are that the right to participate in the AGM is governed by the Companies Act and therefore does not need to be governed by the Articles of Association, and that expected legislative changes in 2020 will place the current wording of the Articles of Association in contravention of the Companies Act. In addition, the change is intended to increase flexibility relating to shareholder participation and the exercise of voting rights at the AGM.

Resolution on authorizing the Board to resolve to issue new shares (item 15)

The Board proposes that the AGM decide:

- (i) to authorize the Board to make decisions regarding one or several new issues of class B shares;
- (ii) that such new issue/issues may be effected with deviation from shareholders pre-emptive rights;



- (iii) that payment for newly issued shares shall be made in cash, through offset or in the form of non-cash consideration;
- (iv) that the company may issue a maximum of 4,000,000 (four million) new class B shares under the authorization; and
- (v) that the authorization shall apply until the AGM 2021.

The purpose of the authorization, and the reason for any deviation from shareholders' pre-emptive rights, is to enable timely and cost-efficient new share issues, with the aim of financing the acquisition of properties or businesses by the company, or to carry out other investments. New share issues under this authorization, in deviation from shareholders' pre-emptive rights, shall be based on a market-based subscription price that reflects market conditions at the time of issue.

The CEO, or a party appointed by the Board, shall be entitled to make minor adjustments to the decision as required for registration.

**Resolution on authorizing the Board to repurchase treasury shares
(item 16)**

The Board proposes that the AGM decide:

- (i) to authorize the Board to decide, on one or several occasions, to acquire class B shares held in treasury;
- (ii) that acquisitions may only occur on a regulated market place where the company's shares are listed;
- (iii) that acquisitions may only occur at a price per share within the registered share price interval as applicable from time to time, corresponding to the interval between highest bid price and lowest offer price;
- (iv) that the authorization permits a maximum repurchase of shares corresponding to one tenth of the total number of shares issued in the company; and
- (v) that authorization applies up until the AGM 2021.

It is also proposed that the Board is authorized, deviating from shareholders' pre-emptive rights, to decide to transfer class B shares held in treasury as settlement in connection with acquisitions of properties or businesses, or in connection with other investments, at a price corresponding to the share price at the time of transfer.

The purpose of authorization is to create conditions that allow the Board to reach expedient decisions regarding the effective utilization of the company's capital and liquidity. Authorization permits the Board, if it is considered appropriate, to utilize potential surplus liquidity to effect reversals to shareholders without necessitating a dividend proposal and/or cancellation of shares to be presented to the AGM.

Authorization also aims to increase the company's flexibility to carry out acquisitions of properties, businesses or other investments.



Other information

Processing of personal data

For information about how the company processes personal data in connection with the AGM, please refer to the privacy policy on Euroclear Sweden AB's website, https://www.euroclear.com/dam/ESw/Legal/Privacy_notice_BOSS_20181023.pdf

Precautionary measures due to the outbreak of Covid-19

Due to the risk of contributing to the spread of the coronavirus in connection with the AGM, K-Fast Holding AB has decided to take the following precautions with the aim of minimizing the risk of spreading the virus:

- registration will take place from 4.30 p.m. CEST.
- no refreshments will be served in connection with the AGM.
- the number of Board members and members of management at the AGM will be restricted.
- advance voting will be permitted in accordance with the specifications indicated under "Advance voting" above.
- the CEO's presentation will be published on the company's website, www.k-fastigheter.se.

Shareholders belonging to risk groups or who are experiencing symptoms of any kind are hereby urged to refrain from participating in the AGM, and to opt for voting in advance or through a proxy representative in accordance with the procedure outlined above. All shareholders and representatives participating in the AGM are requested to take their own precautions and to remain vigilant in order to avoid the risk of spreading the virus.

K-Fast Holding AB closely monitors developments. Everyone intending to participate in the AGM is urged to stay updated regarding potential further measures. Any potential further information regarding the forms of the AGM will be published on the company's website, www.k-fastigheter.se.

Number of shares and votes

As of the date of the Notice convening the AGM, the company had a total of 33,888,528 shares, representing a total of 48,888,528 votes, divided over 3,750,000 class A shares and 30,138,528 class B shares. The company does not hold treasury shares.

Special resolutions regarding the proposals under items 14, 15 and 16

Special resolutions are required for the proposals under items 14, 15 and 16 of the proposed agenda, whereby decisions shall only be valid if they have been approved by



a minimum of two thirds of the votes held by shareholders, and the votes represented by such shareholders at the AGM.

Documentation

The documentation required under the Companies Act (2005:551), and the Board's presentation of the Remuneration Committee's evaluation of remuneration to senior executives, will be published by 28 April 2020 on the company's website www.k-fastigheter.se, at the company's address at Bultvägen 7, SE-281 43 Hässleholm, Sweden, and will be mailed free of charge to shareholders on request to their specified postal or email address. The Nomination Committee's motivation for the proposal to the Board, and information regarding the proposed Board members, and the Annual Report and Report of the Auditors, can be found on the company's website and at the company's offices at the address indicated above.

Shareholders' right to ask questions

The Board and CEO shall, on request by shareholders, and provided the Board considers that such action does not cause material damage to the company, provide information regarding conditions that may influence the consideration of an item on the agenda, and conditions that could impact the evaluation of the company's or a subsidiary's financial situation and the company's relationship to another Group company and the Consolidated Financial Statements. Individuals wishing to submit questions in advance may do so at the address indicated above.

Hässleholm, Sweden, April 2020

K-Fast Holding AB

The Board

For more information, please contact:

Anders Antonsson, IR Manager

e-mail: anders.antonsson@k-fastigheter.se, telephone: +46 709 994 970

As a property company, K-Fastigheter's objective is to add value for tenants by creating attractive homes with superior comfort. The Group's operations encompass active property management, project development and proprietary construction operations. To enhance cost efficiency and cut construction times, K-Fastigheter has chosen to work with three concept buildings, developed in-house and constructed for proprietary management. K-Fastigheter provides some 1,700 homes in several locations in the Öresund region, in the province of Småland and in western Sweden, and is assessing new markets as production capacity increases. The Group's property portfolio has a book value of SEK 4.4 billion, with an annual rental value of about SEK 200 million. Since November 2019, the company's class B shares have been traded on Nasdaq Stockholm (ticker: KFAST B). Read more at k-fastigheter.se

