

KLÖVERN

Press release
27 March 2020

Notice of Annual General Meeting of Klöver AB (publ)

Shareholders of Klöver AB (publ), corporate ID number 556482-5833, are hereby notified of the Annual General Meeting at 14.00 on Friday 24 April 2020, at Kista Gate, Torshamnsgatan 48, Kista. Registration starts at 13.00.

Notification of attendance

Shareholders wishing to participate in the Annual General Meeting must;

- (i) be registered in the share register kept by Euroclear Sweden AB on Saturday 18 April 2020 (please note that shareholders must be entered in the share register by Friday 17 April 2020 as the record date falls on a Saturday),
- (ii) and notify their attendance to the Company at the latest by the 20 April 2020, preferably before 12.00 noon, at the address: Klöver AB, c/o Walthon Advokater, Klöver Årsstämma 2020, Box 716, 114 11 Stockholm, by telephone 010-482 70 00 or via Klöver's website klovern.se.

When making notification, shareholders must state their name, date of birth/Swedish personal ID no./company registration no., address, telephone number as well as any assistants or representatives that may wish to accompany them to the meeting.

Nominee registered shares

Shareholders whose shares are nominee registered must request that their shares are registered in their own name in due time before 18 April 2020, to be able to participate in the Annual General Meeting. Since the record date falls on a Saturday, such registration must be carried out no later than Friday 17 April 2020. The registration can be temporary. Requests for such registration must be made to the bank or securities institution administering the shares in due time.

Representatives and power of attorney

In cases where a representative participates in the meeting, a written and dated power of attorney shall be issued for the representative. If the power of attorney is issued by a legal entity, a certified copy of the registration certificate is also to be enclosed. The power of attorney and the registration certificate must not have been issued earlier than one year before the date of the meeting, unless a longer period of validity is specified in the power of attorney, in which case the period of validity may not exceed five years. The power of attorney in original and the registration certificate, if applicable, should be sent to the Company at the above address in due time before the meeting. A power of attorney form is available on Klöver's website klovern.se, or can be sent to shareholders upon request.

Processing of personal data

In connection with the notification of attendance, the Company will process the personal data about shareholders that is required above. Personal data that is collected from the share register and the notification of attendance as well as data regarding representatives and assistants will be used for registration, establishment of voting and, where applicable, minutes of the Annual General Meeting. The data is used only for the 2020 Annual General Meeting and processing will occur in accordance with *The Privacy Policy regarding processing of personal data in connection with Annual General Meeting*. For information regarding how your personal data is processed, please visit <https://www.euroclear.com/dam/ESw/Legal/Integritetspolicy-bolagsstammor-svenska.pdf>.

Number of shares

The Company has a total of 932,437,980 shares, of which 69,358,703 are Class A ordinary shares, 846,635,277 are Class B ordinary shares and 16,444,000 are preference shares. Class A ordinary shares have one vote per share and Class B ordinary shares and preference shares have one tenth of a vote per share. The total number of votes amounts to 155,666,630.7.

The Company holds 90,956,740 own Class B ordinary shares at the time of this notice, corresponding to 9,095,674 votes, which shares may not be represented at the Annual General Meeting.

Proposed agenda

1. Opening of the meeting.
2. Election of chairman at the meeting.
3. Preparation and approval of the voting register.
4. Appointment of one or two persons to verify the minutes of the meeting.
5. Consideration of whether the meeting has been duly convened.
6. Approval of the agenda.
7. Speech by the CEO.
8. Presentation of the annual report and the audit report as well as the consolidated financial statements and audit report for the group.
9. Decisions on:
 - a) the adoption of the statement of income and the balance sheet and the consolidated statement of income and consolidated balance sheet,
 - b) appropriations concerning the Company's profit or loss in accordance with the adopted balance sheet,
 - c) discharge from liability for the board members and the CEO, and
 - d) the record dates, in the event of the Annual General Meeting deciding on a dividend.
10. Determination of the number of board members, auditors and deputy auditors or registered public accounting firm.
11. Determination of fees for the Board and auditor.
12. Election of board members and Chairman of the Board.
13. Election of auditors and deputy auditors or registered public accounting firm.
14. Decision on guidelines for remuneration of senior executives.
15. Decision relating to the composition of the Nominations Committee.
16. Decision on authorisation for the Board to acquire and transfer the Company's own shares.

17. Decision on authorisation for the Board to decide on new issues of shares.
18. Decision on adjusted principles for allocation to Klöver's profit-sharing foundation.
19. Decision on allocation to Klöver's profit-sharing foundation.
20. Decision on Option Program 2020.
21. Decision on authorization for the Board to undertake minor adjustments of the decisions.
22. Closure of the meeting.

Proposed decisions

Chairman of the meeting, item 2

The Nominations Committee proposes that Pia Gideon will be appointed as chairman of the meeting.

Dividend, item 9 b and d

The Board proposes a dividend of SEK 0.26 per ordinary share of Class A and Class B and SEK 20.00 per preference share for the 2019 financial year.

It is proposed that the record dates for dividend for ordinary shares shall be;

- I. 30 December 2020 with expected payment date being 7 January 2021, and
- II. 31 March 2021 with expected payment date being 7 April 2021.

It is proposed that the record dates for dividend for preference shares shall be;

- III. 30 June 2020 with expected payment date being 3 July 2020,
- IV. 30 September 2020 with expected payment date being 5 October 2020,
- V. 30 December 2020 with expected payment date being 7 January 2021, and
- VI. 31 March 2021 with expected payment date being 7 April 2021.

The dividend amount per ordinary share of Class A and Class B in a total amount of SEK 0.26 shall be divided into two payments, each of SEK 0.13. The dividend amount per preference share in a total amount of SEK 20.00 shall be divided in four payments, each of SEK 5.00.

The Board further proposes that the remaining earnings, of which a portion may be used for dividend for additional ordinary and preference shares as stated below, shall be carried forward.

The Board proposes that the Annual General Meeting decides that all new ordinary shares and preference shares that may be issued pursuant to the Annual General Meeting's authorisation in accordance with item 17 below, confer entitlement to dividend from the date that the shares have been registered in the share register kept by Euroclear Sweden AB. This entails a first dividend of SEK 0.13 per ordinary share and a first dividend of SEK 5.00 per preference share with the first record date as above after registration in the share register.

Determination of the number of board members and auditors, determination of fees and election of the Board of Directors and auditors, items 10 – 13

The Nominations Committee, consisting of Mia Arnhult, chairman of the Nominations Committee (Rutger Arnhult via companies), Christina Tillman (Corem Property Group AB), Lars Höckenström (Gårdarike), Johannes Wingborg (Länsförsäkringar Fondförvaltning AB) and Pia Gideon (Chairman of the Board of Klöver), proposes that the Board shall continue to consist of five (5) members. The Nominations Committee proposes that the Company shall continue to have one (1) registered public accounting firm as auditor.

The Nominations Committee proposes that the Annual General Meeting decides a total fee of SEK 1,060,000 to be paid to the Board. The proposal means an increase of in total SEK 40,000 compared to the decided fee for 2019. The fee is to be distributed in accordance with the following, where the decided fee for 2019 is shown in parentheses.

- Chairman of the Board: SEK 430,000 (SEK 420,000)
- Member of the Board SEK 210,000 (SEK 200,000)

A board member who is at the same time employed by the Company shall not receive any director's fee. No further payment is made to board members who serve on committees of the Board.

It is proposed that payment shall be made to the auditors in accordance with approved invoices.

The Nominations Committee proposes that Rutger Arnhult, Eva Landén, Pia Gideon, Johanna Fagrell Köhler and Ulf Ivarsson shall be re-elected as members of the Board.

The Nominations Committee proposes that Pia Gideon shall be re-elected as Chairman of the Board.

The Nominations Committee proposes re-appointment of the registered public accounting firm Ernst & Young AB as the Company's auditor. Ernst & Young AB has notified that in the event of them being appointed, they will appoint Fredric Hävrén as auditor-in-charge.

Guidelines for remuneration of senior executives, item 14

The Board proposes that the Annual General Meeting resolves on the following guidelines for determining salary and other remuneration for senior executives in Klöver, to be valid for the longest until the 2024 Annual General Meeting.

The guidelines are decided by the Annual General Meeting and shall be applicable on compensations agreed upon, as well as changes made to compensations already agreed upon, after the 2020 Annual General Meeting has adopted the guidelines. The Remuneration Committee, which during the course of 2019, has consisted of Pia Gideon, Ulf Ivarsson and Malin Lundgren (as person responsible for reporting on the case), are preparing the issue of establishing guidelines for remuneration and other terms of employment for the senior executives and proposes the guidelines for the Board.

The definition of senior executives includes the CEO and other members of the Executive management. At the beginning of 2020, these amount to five (5) people; CEO, Head of Transactions, Head of Finance, Corporate lawyer and Head of Strategy and Research.

The Guidelines' promotion of the Company's business strategy, long-term interests and sustainability

Klövern's business strategy can be briefly described as follows:

Klövern shall, with closeness and commitment, offer attractive premises and actively contribute to urban development in growth regions. Sustainability is a prerequisite for good business, and an

important part of Klöver's business strategy is the Company's sustainability strategy, which is based on the vision, the business concept and the Company's values. A well-integrated sustainability work in the business model and the organisation creates conditions for good profitability from a long-term perspective through attractive properties, satisfied customers and committed employees.

For more information about the business strategy of the Company, please visit www.klovern.se.

The possibility to be able to recruit and retain qualified senior executives is an important prerequisite for Klöver's business strategy and sustainability agenda to be implemented in the Company in a successful way, from both a short term and long-term perspective. An important part of this is that the Company can offer a competitive total remuneration, made possible through these guidelines.

Variable cash based remuneration, covered by these guidelines shall aim to promote the business strategy and long-term interests of the Company, including its sustainability.

Remuneration components and terms for management members of the Company

Klöver shall offer market oriented and competitive remuneration, which is in relation to responsibilities and authority. Moreover, the remuneration shall be based on factors such as the importance of the task assignment, the competence of the employee, experience and accomplishment. The remuneration shall consist of a fixed salary, variable remuneration if applicable, pension benefits and other benefits. In addition, the Annual General Meeting can – irrespective of these guidelines – decide on, among other things equity-based remuneration.

Fixed Salary

The fixed salary shall be market oriented and competitive and take into account the individual's areas of responsibility and experience. The basic salary shall be subject to annual review. Senior executives do not receive fees for board assignments in the Company or its subsidiaries.

Variable remuneration

Variable Remuneration must be linked to pre-determined and measurable criteria, designed in the purpose of promoting the long-term value creation of the Company. For the CEO no variable remuneration shall be paid, and for other ordinary senior executives variable remuneration may amount to a maximum of 25 per cent of the fixed annual salary. Rewarded variable remuneration is paid in the form of salary not conferring pension rights.

Senior executives, excluding the CEO, shall in addition be offered to participate in long-term incentive programs if such programs are established within the Company.

Pension benefits

Senior executives shall receive pension benefits in the form of retirement pension and exemption of premiums, including pre-defined premiums, and health insurance, including pre-defined benefits. Pension premiums for senior executives can amount to a maximum of 35 per cent of the fixed annual salary, and the retirement age is 65 years. Variable cash remuneration shall not confer pension rights.

Other benefits

In addition to salary, variable remuneration and pension, benefits are provided in the form of company car, health insurance, food benefits and a share in Klöver's profit-sharing foundation. Allocation to the foundation can amount to a maximum of one price base amount per employee and year and is based on a combination of Klöver's financial result, return requirements and dividend to the shareholders.

Premiums and other costs arising from such benefits may amount to a maximum of ten (10) per cent of the fixed annual salary. For members of the Executive Management operating in another country, pension benefits and other benefits are to be regulated in accordance with fixed or coercive local practice. However, adjustments must be kept within the framework of these guidelines as far as possible.

Long-term incentive programs

In Klöver, a long-term cash-settled option program has been established for senior executives, excluding the CEO, and key personnel in the Company ("Option Program 2017"). The Annual General Meeting of 2017 decided on the Option Program 2017. The Annual General Meeting may decide on new programs and the Board has, in accordance with item 20 below, proposed that the Annual General Meeting of 2020 decides to introduce a new long-term incentive program ("Option Program 2020") on essentially the same terms as the Option Program 2017 since Option Program 2017 expires in 2020.

The design of Option Program 2017 and Option Program 2020 (jointly the "Option Programs") is based on the objective of connecting the members of the management's interests with the interests of the shareholders, since the Option Programs are expected to increase the level of commitment and motivation for the program participants and so that the participants are more strongly tied to Klöver. Option Program 2020 entails that senior executives, excluding the CEO, and other key personnel within the Company are offered to acquire synthetic options at a value corresponding to a minimum of one (1) monthly salary and a maximum of four (4) monthly salaries based on the current salary level at the start of the program. Option Program 2017 entails that senior executives, excluding the CEO, and other key personnel in the Company are offered to acquire synthetic options at a value corresponding to at least one (1) monthly salary and a maximum of three (3) monthly salaries based on the current salary level at the start of the program. According to the Option Programs, a synthetic option shall give the option holder the right to receive from Klöver a monetary amount calculated based on the price development for Klöver's ordinary shares of Class B, however such an amount may amount to a maximum of ten (10) times the option's purchase price.

According to the Option Program 2017, the option duration is three (3) years and according to the Option Program 2020, the option duration is at least three (3) years. The redemption period is the 15th of May – the 15th of June 2020 according to the Option Program 2017 and one (1) month before the option has expired according to the Option Program 2020. The Remuneration Committee shall decide on the allocation in the Option Programs. The performance requirement used to assess the allocation of the Option Programs has a clear connection to the business strategy and thus to the Company's long-term value creation, including its sustainability. The Option Programs also impose requirements on own investment, remaining employment and perennial holding time.

Termination of employment and severance pay

The notice period, upon termination from the Company, shall be six to twelve months and the notice period shall be six months in the event of termination from a senior executive. During the notice period, full salary and other employment benefits are paid, with deduction for salary and other remuneration received from other employments or activities that the employee has during the notice period. Severance pay is not paid.

Criteria for payment of variable remuneration

Variable cash remuneration shall clearly connect to the Company's financial and qualitative goals, which in turn shall be measurable and predetermined. Furthermore, criteria can consist of individually tailored quantitative or qualitative goals. The criteria shall be designed in order for them to promote the

Company's business strategy and long-term interests, including the sustainability agenda through, for instance, a strong connection to the business strategy or promotion of the executives' personal development over time.

Fulfilment of the criteria for payment of variable remuneration must be measurable during a period of one (1) year. When the measurement period for fulfilment of criteria for payment of variable remuneration ends it shall be assessed and determined to what extent the criteria have been fulfilled. The CEO is responsible for the evaluation and assessment of other senior members of the Executive Management. The assessment of outcome is based on financial goals from the latest published financial information of the Company.

The possibility to reclaim variable remuneration is determined by the applicable terms.

Salary and terms of employment for employees

In the preparation of the Board's proposal for these remuneration guidelines, the salary and terms of employment of the Company's employees have been taken into account through the fact that information regarding the employees' total remuneration, the components of the remuneration and the increase and rate of increase over time have formed part of the Remuneration Committee's and the Board's basis for decision when evaluating the fairness of the guidelines and the limitations set out that follow as a result.

The decision-making process in order to determine, review and apply the guidelines

The Board's decision regarding proposals for guidelines for remuneration for senior executives are prepared by the Remuneration Committee. A proposal for new guidelines shall be established by the Board at least every fourth year. The proposal is submitted for decision by the Annual General Meeting. Guidelines adopted at the Annual General Meeting are valid until new guidelines are adopted by the General Meeting. In the event of a need for significant changes to the guidelines, the Board shall prepare a proposal for new guidelines.

The Remuneration Committee is commissioned to further monitor and evaluate, during the year, ongoing and completed programs for variable remuneration for the Company's management, as well as current remuneration levels and remuneration structures in the Company. The Remuneration Committee shall also, within the framework of the guidelines decided by the Annual General Meeting, prepare proposals regarding remuneration to the CEO and other senior executives. Members of the Executive Management do not attend the Board's consideration of, and decisions regarding, remuneration-related matters, insofar as they themselves are affected by the matters.

Derogation from the guidelines

The Board shall have the right to derogate from the guidelines entirely or partially if there are special circumstances applicable in the individual case and if a derogation is necessary in order to serve the Company's long-term interests, including its sustainability, or in order to ensure the Company's economic viability. It is the Remuneration Committee's task to prepare the Board's decision regarding remuneration, which includes decisions regarding derogation from the guidelines.

In case of significant changes in the guidelines and how the shareholders' views were taken into account

Applicable from the adoption of the first new guidelines and onwards.

Information on previously decided remuneration that has not been due for payment

At the time of the 2020 Annual General Meeting the Company has commitments towards the Executive Management for the cash-settled option program decided at the Annual General Meeting in 2017 that has not yet been due for payment. The option program runs until 2020. References are made to the Company's annual report for 2017, note 3, regarding costs for the Company's commitments during the option program. In addition to the option program the Company, at the time of the 2020 Annual General Meeting, does not have any other remuneration commitments to the Executive Management that have not been due for payment except on-going commitments to senior executives in accordance with the remuneration principles that were decided at the 2019 Annual General Meeting.

The composition of the Nominations Committee, item 15

The Nominations Committee proposes that the following unchanged principles as well as instructions shall apply for the composition of the Nominations Committee.

The Nominations Committee shall consist of five (5) members, of which one (1) member shall be the Chairman of the Board. The Chairman of the Board shall contact the four (4) largest shareholders by voting power of the Company as of the last day of share trading in September the year preceding the Annual General Meeting. In the event of a requested shareholder not wishing to appoint a member to the Nominations Committee, the next largest shareholder, who has not been asked to appoint a representative to the Nominations Committee, shall be asked. The Nominations Committee shall appoint a Chairman from among its members, who may not be a member of the Board of the Company.

A member of the Nominations Committee shall, before the assignment is accepted, carefully consider whether a conflict of interest or other circumstances exist, which makes it unsuitable to become a member of the Nominations Committee.

The appointed members shall, together with the Chairman of the Board as convenor, constitute the Company's Nominations Committee. The names of the members who are to constitute the Nominations Committee, as well as the shareholders they represent, shall be published on the Company's website klovern.se, at the latest six months prior to the following Annual General Meeting.

In the event of a shareholder who has appointed a member to the Nominations Committee dispose a significant part of its shareholding before the work of the Nominations Committee has been completed, the member appointed by the shareholder shall, if the Nominations Committee so decides, resign and be replaced by a new member, who shall be appointed by the shareholder who at that point in time is the largest shareholder by number of votes which is not represented on the Nominations Committee. Should any of the members of the Nominations Committee cease to represent the shareholder who has appointed the member before the work of the Nominations Committee is completed, such member shall, if the Nominations Committee so decides, be replaced by a new member appointed by the shareholder in question. If ownership is significantly changed in another way before the work of the Nominations Committee is completed, the composition of the Nominations Committee shall be changed in accordance with the principles stated above, if so decided by the Nominations Committee. A change in the composition of the Nominations Committee must be announced.

The period of office of the Nominations Committee shall extend until a new Nominations Committee has been appointed.

No compensation shall be paid to the members of the Nominations Committee. At the request of the Nominations Committee, the Company shall, however, provide personnel resources to facilitate the work of the Nominations Committee, such as, for example, secretaries. When required, the Company

shall also be responsible for other reasonable costs which are necessary for the Nominations Committee's work.

The Nominations Committee shall perform the tasks ensuing from the Swedish Code of Corporate Governance. The Nominations Committee shall furthermore produce proposals on the following matters to be presented to the Annual General Meeting for decision:

- a) A proposal on the chairman of the meeting,
- b) A proposal on the Board of Directors,
- c) A proposal on the Chairman of the Board,
- d) A proposal on fees for the Board members and the Chairman,
- e) A proposal on remuneration for work on Board committees,
- f) A proposal on auditors,
- g) A proposal on fee for the Company's auditors, and
- h) A proposal on the composition of the Nominations Committee.

Authorisation for the Board to acquire and transfer the Company's own shares, item 16

The Board proposes that the Annual General Meeting decides to authorise the Board, at the longest until the next Annual General Meeting, to decide to acquire and transfer Klöver's own shares as follows.

Acquisitions may take place of at most the number of ordinary shares of Class A and Class B and preference shares so that the Group's total shareholding of its own ordinary shares of Class A and Class B and preference shares corresponds to a maximum of ten (10) per cent of all registered shares issued by the Company. Acquisitions may take place by trading on the regulated market place Nasdaq Stockholm. Payment for the shares acquired shall be made in cash.

All Klöver shares held by the Company on the date of the Board's decision may be transferred by trading on Nasdaq Stockholm or in other ways to a third party in connection with property acquisitions or company acquisitions. Compensation for transferred shares shall be paid in cash, in kind, by set-off of a claim on the Company, or otherwise with conditions attached pursuant to Chapter 2, section 5, of the Companies Act.

Purchase and transfer of shares may take place on one or more occasions during the period until the next Annual General Meeting, at a price per share that is within the price range registered at each occasion. In the event of a transfer other than at Nasdaq Stockholm, the price shall be set so that it does not fall below what is market oriented, however, a discount on market terms in relation to the market price may be applied.

The Board's proposal for authorisation is intended to provide the Board with greater possibilities to adapt the capital structure of the Company to the capital requirement from time to time and thus be able to contribute to increased shareholder value. In addition, the authorisation is intended to enable the Board to transfer shares in connection with financing of acquisitions of properties or companies through payment in the form of the Company's own shares. The intention of the authorisation does not allow the Company to trade in its own shares with the intention of generating short-term profits.

The Company holds 90,956,740 of its own Class B ordinary shares at the time of this notice.

Authorisation for the Board to decide on new issues of shares, item 17

The Board proposes that the Annual General Meeting decides to authorise the Board, on one or more occasions, during the period until the next Annual General Meeting to decide on new issues of ordinary shares of Class A and/or Class B and/or preference shares, with or without derogation from the shareholders' pre-emption rights.

The number of shares issued pursuant to this authorisation shall correspond to an increase in the share capital of at most ten (10) per cent based on the total share capital of the Company at the time of the 2020 Annual General Meeting. The number of ordinary shares of Class A that may be issued pursuant to the authorisation may, however, amount to at most ten (10) per cent of the share capital consisting of ordinary shares of Class A issued on the date of the 2020 Annual General Meeting, the number ordinary shares of Class B that may be issued pursuant to the authorisation may, however, amount to at most ten (10) per cent of the share capital consisting of ordinary shares of Class B issued on the date of the 2020 Annual General Meeting, and the number of preference shares which may be issued pursuant to the authorisation may amount to at most ten (10) per cent of the share capital consisting of preference shares issued at the time of the 2020 Annual General Meeting.

Shares may be subscribed to in cash, by payment in kind, through a set-off, or on conditions following from Chapter 2, section 5, of the Companies Act.

A new issue decided upon pursuant to the authorisation shall take place with the intention of acquiring properties or participation rights in legal entities that own properties or with a view to capitalising the Company prior to such acquisitions. A new issue pursuant to the authorisation that takes place derogating from the shareholders' pre-emption rights shall take place at the market subscription price. However, an issue discount may be given at the market level in the event of new issues of preference shares and/or ordinary shares of Class B that take place in derogating from the shareholders' pre-emption rights, and which are subscribed to in cash. An issue discount at the market level shall be given in the event of rights issues.

Adjusted principles for allocation to Klöver's profit-sharing foundation, item 18

The Board proposes that the Annual General Meeting decides on adjusted principles for allocation to Klöver's profit-sharing foundation in accordance with the following.

- The maximum allocation shall amount to a price base amount per employee.
- The size of the allocation must be determined with the guidance of established goals in Klöver's business plan.
- The assessment shall be made by the Board.
- An annual review of the goals shall be carried out.

Allocation to Klöver's profit-sharing foundation, item 19

The Board proposes that the Annual General Meeting decides to resume the allocation to Klöver's profit-sharing foundation.

Furthermore, the Board proposes that allocations as from the year 2019 are made in accordance with the proposed adjusted principles for allocation to Klöver's profit-sharing foundation according to item 18 above.

Option program 2020, item 20

The Board proposes that the Annual General Meeting decides to introduce a cash-settled option program to senior executives, excluding the CEO, and key persons in the Company related to the price development for Klöver's ordinary Class B shares. The program is proposed to be implemented through the issuance of synthetic options ("Option Program 2020").

The current long-term incentive program expires in 2020, which is why the Board believes that a new long-term incentive program should be established during the year, which is also in line with the decision made by the Board in 2017 prior to the introduction of the current long-term incentive program. The Board believes that a program that in the long term connects senior executives and other key personnel with the Company's long-term value growth is positive for the Company. The CEO and the Board are not included in the concept of senior executives regarding the Option Program 2020. The Option Program 2020 is expected to result in increased commitment and motivation for the program's participants and to make those covered by the program more strongly tied to Klöver. In addition, the Option Program 2020 is expected to bring the long-term interests of participants and shareholders together.

The Option Program 2020 is intended to include a maximum of 30 current and future senior executives and key personnel within Klöver. The following groups will be offered to be included in the Option Program 2020:

- a. senior executives (Executive Management);
- b. extended management team;
- c. managers who in their current position are considered to have an impact on Klöver's development in the long term, and
- d. employees who are judged to be able to develop favourably to senior executives or other key positions within the Group and thereby influence Klöver's long-term development (key personnel).

The Board of Klöver is of the opinion that Option Program 2020 will be of benefit to Klöver's shareholders and that it will contribute to the opportunities to recruit and retain competent employees.

In order to be able to implement Option Program 2020, the Board of Directors proposes that the Annual General Meeting decides on the central conditions for issuing synthetic options related to the price development for Klöver's ordinary Class B shares over a period of at least three (3) years to senior executives and other key persons.

The proposal entails that participants are offered to acquire synthetic options at market price. Since the acquisitions are made at market price, initially no cost is incurred for Klöver and the future cost for the Company depends on the price development of Klöver's ordinary shares of Class B. The value per synthetic option may amount to a maximum of ten (10) times the purchase price of the option.

The total value of the synthetic options at the end of Option Program 2020, adjusted with the participants' purchase price and the exercise price, will be Klöver's cost for Option Program 2020.

The proposal has been prepared together with external advisers and has been subject to consideration by the Remuneration Committee and the Board. The proposal was adopted by the Board on 11 February 2020.

The Annual General Meeting shall decide on the offer for the acquisition and conclusion of agreements regarding synthetic options on the following terms:

- a. Key personnel and senior executives shall be offered the opportunity to acquire synthetic options at a value corresponding to a minimum of one (1) monthly salary and a maximum of four (4) monthly salaries. "Monthly salary" refers to the total cash-related gross salary per individual based on the current salary level at the start of the program. In total, the program will be directed to a maximum of 30 people. Board members in Klöver are not included in the offer.
- b. In total, a maximum of 75,000,000 synthetic options shall be issued in the Option Program 2020.
- c. The Program will be initiated during 2020 and participants shall, at the latest two (2) weeks before the start of the program announce how many synthetic options the participant wishes to acquire.
- d. Employees' acquisition of synthetic options shall be effected by entering into an agreement between Klöver and the employee on the following general terms:
 - I. A synthetic option shall give the option holder the right to receive from Klöver a monetary amount calculated on the basis of the price development of Klöver's ordinary shares of Class B, however such an amount may amount to a maximum of ten (10) times the purchase price of the option,
 - II. The acquisition price paid for the option must correspond to the market value of the option at the time it is acquired based on Black & Scholes,
 - III. The exercise price per option shall be no less than 110 per cent of the share price for Klöver's shares of Class B ordinary shares upon implementation of Option Program 2020,
 - IV. The duration of the option shall be at least three (3) years,
 - V. The option redemption period is one (1) month before the option expires,
 - VI. The option must be freely transferable, with a post-transfer purchase rights clause, with the right for Klöver to acquire the option,
 - VII. Participants are encouraged to reinvest at least fifty (50) per cent of possible profit received after tax in the Company's shares, tentatively Klöver's ordinary Class B shares.
- e. The Board shall be responsible for the detailed design and management of Option Program 2020 within the framework of the above-mentioned central terms and guidelines. The Remuneration Committee shall decide the allocation in Option Program 2020.
- f. The maximum cost of Option Program 2020 for the Company is estimated to be approximately SEK 75 000 000.
- g. Other costs for Option Program 2020 are compensation to external advisers and administration of the program. Since the options in Option Program 2020 are synthetic, this does not lead to any dilution in the shareholding.

The decision of the Annual General Meeting according to the above shall be taken in accordance with the majority rules set out in Chapter 7. Section 40 of the Companies Act, which means that the decision must be accepted by shareholders representing more than half of the votes cast.

Authorisation for the Board to make minor adjustments of the decisions, item 21

The Board proposes that the Annual General Meeting authorises the Board, the CEO or the person otherwise designated by the Board, to undertake such minor adjustments and clarifications of the decisions made at the Annual General Meeting to the extent required for registration of the decisions.

Information at the Annual General Meeting

According to Chapter 7. Section 32 of the Swedish Companies Act, shareholders have the right to request information regarding conditions that may affect the assessment of a matter on the agenda and conditions that may affect the assessment of the Company's financial situation. The Board and the CEO shall provide such information if the Board considers that this can be done without material harm to the Company. The duty of disclosure also applies to the Company's relationship with other group companies, the consolidated accounts and the conditions mentioned above with regard to subsidiaries.

Shareholders are entitled to ask questions at the Annual General Meeting regarding the matters and proposals that are to be raised at the Annual General Meeting.

Majority requirements

The decisions of the Annual General Meeting in accordance with item 16 and 17 are valid only if the decisions are approved by shareholders with at least two thirds of both the votes cast and the shares represented at the Annual General Meeting.

Other

The Nomination Committee's complete proposals for decisions, motivated opinions and information about proposed members and auditors and related documents are available at the Company at the office at Spelhagsvägen 13 in Nyköping and at the Company's website klovern.se. The Annual Report, Consolidated Accounts, Auditor's Report and Auditor's Statement, the Board's complete proposals for decisions and related documents, as well as the Board's report on the evaluation of remuneration and the application of the Annual General Meeting's guidelines for salaries and other remuneration to senior executives, as well as the auditor's statement on application is available at the Company's office and the website at the latest three (3) weeks prior to the Annual General Meeting. The documents are sent to the shareholders who request it and state their postal address and will also be available at the Annual General Meeting. The documents will be presented at the Annual General Meeting.

Stockholm in March 2020

Klövern AB (publ)

The Board of directors

For additional information, please contact:

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Klövern is a real estate company committed to working closely with customers to offer them attractive premises in growth regions. Klöver is listed on Nasdaq Stockholm. For further information, see www.klovern.se.

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This is a translation of the original Swedish language press release. In the event of discrepancies, the original Swedish wording shall prevail.