

**Press release**

Nacka, 13 October 2014

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

**NOTICE TO ATTEND THE EXTRAORDINARY GENERAL MEETING**

**The shareholders of Hemfosa Fastigheter AB (publ) ("Hemfosa") are hereby invited to the Extraordinary General Meeting on Wednesday 12 November 2014 at 11 a.m. CET in Swedbank AB's premises, Regeringsgatan 30-32, Building A, Floor 4, in Stockholm.**

**NOTIFICATION ETC.**

Shareholders who wish to attend the Extraordinary General Meeting shall

- be entered in the share register maintained by Euroclear Sweden AB on Thursday 6 November 2014,
- give notice of their attendance no later than on Thursday 6 November 2014. Notification shall be submitted in writing to the address Hemfosa Fastigheter AB (publ), "Extraordinary General Meeting 2014", Box 2020, 131 02 Nacka, Sweden, or by telephone to 08-448 04 80. Notification can also be made via email to [bolagsstamma@hemfosa.se](mailto:bolagsstamma@hemfosa.se). The notification shall state name, personal identification number or company registration number, address, telephone number and accompanying advisors, if any (not more than two).

Shareholders whose shares are registered in the name of a nominee must temporarily re-register the shares in their own name in order to be entitled to attend and vote at the Extraordinary General Meeting. Such re-registration must be effected with Euroclear Sweden AB no later than Thursday 6 November 2014, which means that the shareholder must inform their nominees well before this date.

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

**PROPOSED AGENDA**

1. Opening of the General Meeting
2. Election of Chairman of the General Meeting
3. Preparation and approval of the voting list
4. Election of one or two persons to check and verify the minutes

5. Determination of whether the General Meeting has been duly convened
6. Approval of the agenda
7. Resolution regarding:
  - (a) amendment to the Articles of Association (introduction of a new class of shares (preference shares) etc.);
  - (b) authorisation for the Board to resolve upon new issues of preference shares; and
  - (c) dividend on preference shares.
8. Closing of the General Meeting.

## PROPOSED RESOLUTIONS

### Resolutions regarding preference shares etc. (item 7)

#### *Information regarding the Board's proposals*

The resolutions under items 7 (a) – 7 (c) are conditional upon each other and are therefore to be approved together as one resolution by the General Meeting.

*The Board's proposal for a resolution to amend the Articles of Association (introduction of a new class of shares (preference shares) etc.) (item 7 (a))*

To enable the introduction of a new class of shares, the Board proposes that the General Meeting resolves on the amendments and addendums to the Articles of Association as stated below.

In § 4 "Share Capital", the following amendment is proposed:

The share capital of the company shall be no less than SEK 50,000,000 and no more than SEK 200,000,000.

In § 5 "Number of shares", the following amendment is proposed (including new title "Number of shares etc."):

The number of shares of the company shall be no less than 50,000,000 shares and no more than 200,000,000 shares.

It shall be possible to issue two classes of shares, ordinary shares and preference shares. Each ordinary share entitles the holder to one (1) vote. Each preference share entitles the holder to one-tenth (1/10) of a vote. Ordinary shares and preference shares may be issued up to an amount corresponding to no more than 100 per cent of the share capital.

The following addendums are proposed as new §§ 6-9 in the Articles of Association (the previous §§ 6-11 will be re-numbered to §§ 10-15):

#### **"§ 6 Dividend**

##### *Preference shares have priority to dividend*

If the General Meeting resolves on a dividend, preference shares shall carry preferential rights before ordinary shares to a dividend as set out below.

##### *Calculation of the Preference Dividend*

The preference shares shall confer a preferential right over the ordinary shares to an annual dividend of SEK twenty (20) per preference share with quarterly payment of SEK five (5) per preference share (the "Preference Dividend"), with record days as set out below.

#### *Payment of dividend*

Payment of dividend on preference shares shall, the first time following the registration of the preference shares with the Swedish Companies Registration Office (*Sw. Bolagsverket*), be made quarterly in cash. The record days for the payments of dividend on preference shares shall be 20 January, 20 April, 20 July and 20 October. In the event such day is not a banking day, the record date shall be the closest preceding banking day. Dividend payments on preference shares shall be made on the third banking day after the record date. With "banking day" means a day that is not a Sunday, a public holiday or a day that in relation to the payment of debt instruments is equal to a public holiday (such equal days are at the time of the adoption of this Articles of Association Saturday, Midsummer Eve, Christmas Eve and New Year's Eve).

#### *Calculation of Outstanding Amount*

If no dividend is paid on preference shares, or if only a dividend of less than the Preference Dividend has been paid, the preference shares shall carry entitlement to, in addition to future Preference Dividend, receive an amount evenly distributed on each preference share, corresponding to the difference between what should have been paid according to the above and the amount that was paid ("Outstanding Amount") before dividend to holders of ordinary shares can be made. The Outstanding Amount shall be adjusted upwards by a factor corresponding to an annual interest rate of ten (10) per cent, whereby upward adjustment shall start from the quarterly date when payment of part of the dividend was made (or should have been made, in the event that no dividend was paid at all). Dividend of the Outstanding Amount is also conditional upon that the General Meeting resolves to pay dividend.

#### *Recalculation at certain events of the company*

In the case of a change in the number of preference shares through a reverse share split, a share split or other company events that have a similar effect, the amount that the preference share is entitled to according to §§ 6-8 in these Articles of Association shall be recalculated to reflect this change.

#### *Miscellaneous*

The preference shares shall not otherwise carry entitlement to dividend.

### **§ 7 Redemption of preference shares**

A reduction of the share capital, although not below the minimum capital, may be effected through redemption of a certain number of, or all, preference shares following a decision by the General Meeting.

The allocation of which preference shares that shall be redeemed shall be made pro rata in relation to the number of preference shares that each preference shareholder owns at the time of the General Meeting's resolution on redemption. If the allocation as set out above does not amount to an even number of shares, the Board of Directors shall decide on allocation of the additional preference shares to be redeemed. If the resolution is approved by all holders of preference shares the General Meeting can however decide which preference shares are to be redeemed.

The redemption amount for each redeemed preference share shall be an amount calculated as follows:

- i. Up to the fifth anniversary of the first new issue of preference shares (the "Initial Issue"), an amount corresponding to 130 per cent of the amount in SEK paid for each preference share at the Initial Issue ("Initial Subscription Price") plus any Outstanding Amount adjusted upwards by an annual interest rate as set out in § 6 above. The redemption amount for each redeemed preference share shall however never be lower than the share's quota value.
- ii. As from, and including, the fifth anniversary of the Initial Issue up to the tenth anniversary of the Initial Issue, an amount corresponding to 120 per cent of the Initial Subscription Price plus any Outstanding Amount adjusted upwards by an annual interest rate as set out in § 6 above. The redemption amount for each redeemed preference share shall however never be lower than the share's quota value.
- iii. As from, and including, the tenth anniversary of the Initial Issue and for the time thereafter, an amount corresponding to 110 per cent of the Initial Subscription Price plus any Outstanding Amount adjusted

upwards by an annual interest rate as set out in § 6 above. The redemption amount for each redeemed preference share shall however never be lower than the share's quota value.

#### **§ 8 Dissolution of the company**

If the company is dissolved, preference shares shall carry preferential rights before ordinary shares to receive from the company's assets an amount per preference share corresponding to 130 per cent of the Initial Subscription Price plus any Outstanding Amount adjusted upwards by an annual interest rate as set out in § 6 above, prior to any distribution to owners of ordinary shares. Preference shares shall otherwise not carry any entitlement to a share of distribution.

#### **§ 9 Preferential rights of shareholders**

Should the company decide to issue new shares of more than one class through a cash issue or a set-off issue, holders of ordinary shares and preference shares shall have pre-emption right to subscribe for new shares of the same class in proportion to their existing shareholding in that class (primary preferential right). Shares that are not subscribed for with primary preferential right shall be offered to all shareholders for subscription (secondary preferential right). Should the number of shares offered in this way not be enough for subscription through subsidiary preferential right, said shares shall be apportioned among subscribers in proportion to their existing shareholdings, regardless of whether the shares in the company already held by them are ordinary shares or preference shares. To the extent this is not possible as regards a certain share or certain shares, the distribution shall be made by lottery.

Should the company decide to issue new shares of only one class through a cash issue or a set-off issue, the existing shareholders of the class of shares that is the subject of the new issue shall carry pre-emption right to such new shares in proportion to their existing shareholding in that class (primary preferential right). Shares not subscribed for with primary preferential right shall be offered to all shareholders for subscription (subsidiary preferential right). Should the number of shares offered in this way not be enough for subscription through subsidiary preferential right, said shares shall be apportioned among subscribers in proportion to their existing shareholdings, regardless of whether the shares in the company already held by them are ordinary shares or preference shares. To the extent this is not possible as regards a certain share or certain shares, the distribution shall be made by lottery.

Should the company decide through a cash issue or a set-off issue to issue subscription warrants or convertibles, shareholders shall have pre-emption right to subscribe for subscription warrants as if the issue was in respect of the shares that may be subscribed for by exercising the subscription warrants and to subscribe for convertibles as if the issue was in respect of the shares that the convertibles may be exchanged for.

The aforesaid shall not imply any limitation in the possibility of a decision on cash issue or set-off issue with divergence from shareholders' preferential rights.

An increase of the share capital by a bonus issue, where new shares are issued, may only occur by an issue of new ordinary shares. In such case, only holders of ordinary shares have pre-emption right to such new ordinary shares in proportion to their existing shareholding of ordinary shares. What has just been said shall not imply any limitation in the possibility to issue new classes of shares through a bonus issue, after necessary amendments to the Articles of Association."

*The Board's proposal for a resolution regarding authorisation for the Board to resolve upon new issues of preference shares (item 7 (b))*

The Board proposes that the Extraordinary General Meeting resolves to authorise the Board to, at one or more occasions before the next Annual General Meeting, with or without deviation from the pre-emption right of shareholders, resolve upon a new issue of preference shares in the company, to the extent such new issue can be made without amending the Articles of Association. The authorisation shall comprise a maximum of 5,000,000 preference shares. Such new preference shares shall be issued to a market subscription price, subject to customary market discount where

applicable, and the payment for such shares can be made, in addition to payment in cash, by assets contributed in kind or by set-off, or subject to other terms and conditions.

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

*The Board's proposal for a resolution regarding dividend on preference shares (item 7 (c))*

The Board has proposed that the Extraordinary General Meeting resolves to authorise the Board to resolve on new issues of preference shares in the company (item 7 (b) above). Provided that the company issues preference shares during the period until the 2015 Annual General Meeting, the Board proposes that the General Meeting resolves that a dividend on all new preference shares, which may be issued by the Board pursuant to the authorisation – a maximum of 5,000,000 preference shares – prior to the 2015 Annual General Meeting, shall be paid quarterly in an amount of SEK five (5), although a maximum of SEK ten (10), with effect from the date they are entered in the share register kept by Euroclear Sweden AB in accordance with the provisions in the company's Articles of Association.

At the time of the issuing of this notice, the funds at the Extraordinary General Meeting's disposal amount to SEK 2,504,536,608.

The following dates are proposed as record dates for the quarterly dividends: 20 January 2015 and 20 April 2015. Payments are expected to be made by Euroclear Sweden AB on 23 January 2015 and 23 April 2015.

The first time payment of a dividend on preference shares that may be issued in the event of utilisation of the authorisation may be made is on the payment date which occurs after the first record date after the shares have been registered with the Swedish Companies Registration Office.

*Miscellaneous*

The Board, the Chief Executive Officer or the person that any of these appoint, shall be authorised to make the minor adjustments in the resolution in this item 7 as may be required in connection with registration at the Swedish Companies Registration Office and/or Euroclear Sweden AB.

**MISCELLANEOUS**

**Shares and votes**

As of the date of this notice, there is a total number of 65,720,104 shares in Hemfosa representing one vote each, i.e. the total number of votes amounts to 65,720,104. The company does not hold any own shares.

**Majority requirements**

The resolutions under items 7 (a) – 7 (c) are conditional upon each other and are therefore to be approved together as one resolution by the General Meeting. Such a resolution is valid only if

supported by shareholders holding not less than two-thirds of both the votes cast and the shares represented at the Extraordinary General Meeting.

### **Shareholders' right to request information**

The Board and the Chief Executive Officer shall, if any shareholder so requests and the Board believes that it can be done without material harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that can affect the assessment of the company's or its subsidiaries' financial situation and the company's relation to other companies within the group and the consolidated accounts.

### **Documentation**

The Board's complete proposals according to the above, together with thereto related documents such as the reasoned statement of the Board pursuant to Ch 18 Sec 4 of the Companies Act (2005:551), the Board's report pursuant to Ch 18 Sec 6 of the Companies Act (2005:551) and the Auditor's statement thereof, the annual report, including the Auditor's report, and the Articles of Association in the proposed new wording will be available at the company at the address Hästholmsvägen 28, Nacka in Stockholm and at the company's website, [www.hemfosa.se](http://www.hemfosa.se), no later than 22 October 2014, and will be sent, without costs, to those shareholders who so request and state their address. All of the above mentioned documents will be presented at the Extraordinary General Meeting.

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Nacka, October 2014

HEMFOSA FASTIGHETER AB (PUBL)

*The Board*

### **Other information**

Schedule for the Extraordinary General Meeting:

10.00 a.m. CET - The doors open for shareholders.

11.00 a.m. CET - The Extraordinary General Meeting commences.

### **About Hemfosa Fastigheter**

Hemfosa is a Swedish property company with a property portfolio characterized by a balanced geographic spread and a high proportion of community service properties with the government and municipalities as the largest tenants. This generates stable revenue flows and a healthy yield. Hemfosa also aims to create value by actively participating in the transaction market. As of June 30, 2014, Hemfosa owns commercial properties in Sweden with a total property value of approximately SEK 20.5 billion, including the company's share of the property value in joint ventures. The company's share is listed on the NASDAQ Stockholm Mid Cap exchange as of 21 March 2014.

**Hemfosa Fastigheter AB (publ)**

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