

Notice to Annual General Meeting in Atrium Ljungberg AB (publ)

The shareholders of Atrium Ljungberg AB (publ) are hereby invited to the Annual General Meeting to be held on Wednesday 25 March 2020 at 5.00 p.m. at Marcusplatsen 19 in Sickla, Nacka

Notice of Attendance

Shareholders who wish to attend the General Meeting shall:

- (i) have entered into the share register kept by Euroclear Sweden AB on Thursday 19 March 2020; and
- (ii) give notice of his or her intention to participate at the General Meeting no later than Friday 20 March 2020. Notice of attendance at the General Meeting shall be made in writing to Atrium Ljungberg AB, P.O. Box 4200, SE-131 04 Nacka, or by telephone +46 8 615 89 00, or via the Company's website www.al.se, or by e-mail to info@al.se. When giving notice of participation, the shareholder shall state name, personal identification number or company registration number, telephone number and number of shares represented at the General Meeting. If participation is by way of proxy, such document should be submitted in connection with the notice of participation at the General Meeting. For shareholders who wish to participate at the General Meeting by proxy, a proxy form will be available at the company's website, www.al.se and may be ordered by contacting the Company at the above telephone number.

Shareholders with nominee-registered shares must, in order to participate at the General Meeting, temporarily register the shares in his or her own name. Such shareholder must notify its nominee regarding the above-mentioned matter in due time prior to 19 March 2020.

Matters to be dealt with at the Meeting

1. Election of Chairman of the Meeting
2. Approval of the agenda
3. Preparation and approval of the voting list
4. Election of at least one person to certify the minutes
5. Establishment of whether the Meeting has been duly convened
6. Presentation of the Annual Report and the Auditor's Report and the Consolidated Financial Statement and the Group Auditor's Report
7. Resolution regarding adoption of the profit and loss statement and the balance sheet and the consolidated profit and loss statement and consolidated balance sheet
8. Resolution regarding discharge from liability for the members of the Board of Directors and the Managing Director
9. Resolution regarding appropriation of the company's profit according to the adopted balance sheet
10. Resolution regarding the number of members of the Board of Directors
11. Resolution regarding fees for the Board of Directors and the Auditors



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12. Election of members of the Board of Directors
13. Resolution regarding Guidelines for remuneration of the Senior Executives of the Company
14. Authorisation for the Board of Directors to resolve to issue new shares
15. Authorisation for the Board of Directors to resolve to purchase and transfer own shares of the Company
16. Resolution regarding amendments of the Articles of Association
17. Closing of the Meeting

Proposals

Election of Chairman of the Meeting (item 1)

The Nomination Committee, consisting of Per-Erik Hasselberg (also Chairman of the Nomination Committee), representing the Holmström Family, Lars Ericson, representing Konsumentföreningen Stockholm, Hans Hedström, representing Carnegie Fonder, Johan Ljungberg, representing the Ljungberg Family and Ilkka Tomperi, representing Ömsesidiga arbetspensionsförsäkringsbolaget Varma, proposes Johan Ljungberg to be elected as Chairman of the Meeting.

Resolution regarding appropriation of the company's profit according to the adopted balance sheet (item 9)

The Board of Directors proposes a distribution of SEK 5.00 per share to be paid as ordinary dividend for the financial year 2019. It is proposed that record date for the dividend shall be Friday 27 March 2020. If the General Meeting is resolving in accordance with the proposal, the dividend is expected to be paid via Euroclear Sweden AB on Wednesday 1 April 2020.

Election of members of the Board of Directors, fees etc. (items 10-12)

The Nomination Committee has presented the following proposals:

- that the Board of Directors shall consist of six ordinary members of the Board of Directors;
- that the fees for the Board of Directors shall be SEK 1,540,000 of which SEK 440,000 shall be allocated to the Chairman and SEK 220,000 to each of the other members of the Board of Directors;
- that remuneration for work in the Audit Committee regarding the period up to the next Annual General Meeting shall be paid by SEK 70,000 to the Chairman of the Committee and 50,000 to each of the other members of the Committee appointed by the Board of Directors;
- that remuneration for the auditors shall be paid in accordance with approved invoices; and
- that the following members of the Board of Directors shall be re-elected: Johan Ljungberg (also re-elected as Chairman of the Board of Directors), Simon de Château, Conny Fogelström, Erik Langby and Sara Laurell, and that Gunilla Berg shall be elected as new member of the Board of Directors.

Resolution regarding Guidelines for remuneration of the Senior Executives of the Company (item 13)

The Board of Directors proposes that the General Meeting 2020 resolves that the following Guidelines for remuneration of the Senior Executives of the Company shall apply until the Annual General Meeting 2024, unless circumstances arise that require prior revision. The Guidelines include the CEO and other members of the Senior Management. Remuneration included in the Guidelines shall include salary and other remuneration to the Senior Management. Remuneration is also including the transfer of securities and the granting of the right to acquire securities from the Company in the future. The incentive programme for the employees of the Group and the loan subsidy programme for the Senior Management in connection with acquisition of shares in the Company were approved by the Annual General Meeting 2018 are not covered by these Guidelines, but are described below (*) to get an understanding of the Company's total remuneration package.

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

The Company's business strategy is to develop attractive and sustainable urban environments where people want to live, work and stay, today and in the future. For further information on the Company's business strategy, please visit www.al.se. The purpose with the remuneration package is to motivate, retain and reward qualified personnel for their contribution to achieving the Company's business strategy, long-term interests and sustainability.

Types of remuneration, etc.

The remuneration offered shall be on market terms and consists of a fixed salary. No variable salary or performance-related compensation is paid. The pension benefits are premium defined, which means that the Company has no further obligation after payment of the annual premiums. Other benefits offered include a company car and wellness allowance.

Termination of employment

In the event of termination of employment by the Company, the CEO has twelve months' notice period. Others members of the Senior Management have up to six months' notice period. In the event of termination of employment by the Company, the CEO is entitled to severance pay amounting to twelve months' salary. No other severance pay exists.

Salary and employment conditions for employees

Salary and employment conditions for the employees of the Company have been taken into account in the preparation of these remuneration guidelines by including information on the employees' total income, the components of the remuneration and the increase and growth rate over time have been part of the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the Guidelines and the limitations set out herein are reasonable. In the remuneration report to be prepared regarding paid and outstanding remuneration covered by the Guidelines, the development of the gap between the remuneration of the Senior management and the remuneration of other employees will be reported.

The decision-making process to determine, review and implement the guidelines

The Remuneration Committee consists of all members of the Board of Directors. The committee's tasks include preparing the Board of Directors' decision relating to remuneration guidelines, remuneration and other terms of employment for the Senior management of Company. The Remuneration Committee shall also monitor and evaluate ongoing and completed programs during the year for variable remuneration to the Senior Management of the Company. They shall also follow and evaluate the application of the guidelines for remuneration to the Senior Management of the Company that the Annual General Meeting is required by law to adopt as well as the applicable remuneration structures and remuneration levels in the Company.

The Board of Directors shall prepare proposals for new Guidelines at least every four years and submit the proposal to the Annual General Meeting for resolution. The CEO and other members of the Senior Management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The Board of Directors may resolve to derogate from the Guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability.

The proposal is essentially in line with the guidelines approved at the Annual General Meeting in 2019.

(*)

Incentive programme for the employees of the Group

All employees in the Group (except for employees of TL Bygg AB) were offered in 2018 to acquire up to 1,000 call options each in Atrium Ljungberg AB. In total, 94,500 call options were acquired. The options can be exercised during the period 16 August - 31 December 2021. The purpose of the proposal was to retain competent personnel for the Group and to increase the motivation of the employees. The Board of Directors considered the program to be of benefit to the Company and the shareholders of the Company. The total cost of the Company for the option scheme is estimated at a maximum of SEK 2 million.

Loan subsidy programme for Senior Management when acquiring shares in the Company

In 2018, the Senior Management of the Company was offered an increase of base salary corresponding to interest on loans for financing purchases of shares in the Company, corresponding to the interest expense arising from borrowing in a bank. The financing is conditional on continued employment, is available until 2023 and expires if shares acquired with the support of the financing are divested. The increased base salary may at most correspond to interest compensation for a loan of SEK 1.5 million for each member of the senior management team. However, for the CEO, a maximum loan of SEK 4.5 million will apply. The Company's annual cost for the loan subsidy program described above is estimated to amount to no more than

SEK 1.1 million including social security contributions and an assumed annual interest rate of 3 percent. The purpose of the program was to stimulate the Senior Management's shareholding in the Company and thereby strengthening management's long-term interest in a positive development of the value of the share. The Board of Directors considered that the programme was to the benefit of the Company and the Company's shareholders.

Authorisation for the Board of Directors to resolve to issue new shares (item 14)

The Board of Directors proposes that the General Meeting authorizes the Board of Director, on one or more occasions during the period until the next Annual General Meeting, to resolve on share issue of a maximum of 13,300,000 Class B shares (corresponding to a dilution of approximately 10.0 percent of share capital and approximately 7.9 percent of the votes).

The purpose with the authorization is that the Company in a time efficient way shall be able to make payment in shares in connection with possible acquisitions of properties or businesses that the Company may undertake.

Authorisation for the Board of Directors to resolve to purchase and transfer own shares of the Company (item 15)

The Board of Directors proposes that the General Meeting resolves to authorize the Board of Directors until the next Annual General Meeting, on one or more occasions, to resolve on repurchasing so many Class B shares that the Company's holding at no time exceeds 10 percent of all shares in the Company. The shares shall be acquired on Nasdaq Stockholm and only at a price within the price range registered at any given time, i.e. the range between the highest bid price and the lowest offer price, or through a public offer to all shareholders, whereby the purchase shall be made at a price equivalent to the lowest quoted share price at the time and a maximum of 150 per cent of the current quoted share price. Payment for shares repurchased shall be in cash.

The Board may resolve to repurchase its own shares within the context of a repurchase program in accordance with Article 5 of the EU Market Abuse Regulation, provided the purpose of the acquisition is merely to reduce the Company's share capital.

Furthermore, the Board of Directors proposes that the General Meeting resolves to authorize the Board of Directors until the next Annual General Meeting, on one or more occasions, to resolve on the transfer of own Class B shares. The number of Class B shares transferred may not exceed the total number of shares held by the Company at any time. Transfers may be conducted on or outside Nasdaq Stockholm, including a right to resolve upon deviations from the shareholders' preferential rights. The transfer of shares on Nasdaq Stockholm shall be conducted at a price within the registered price range at the time of the transfer. The transfer of shares outside Nasdaq Stockholm shall be made at a price in cash or value in property received that in all material respect corresponds to the share price at the time of the transfer of the Class B shares in the Company.

The purpose of the above authorisations is to give the Board of Directors greater scope to act when working with the Company's capital structure and thereby contribute to increased shareholder value and that the Company in a time efficient way shall be able to make payment



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with own shares in connection with possible acquisitions of properties or businesses that the Company may undertake.

A valid resolution requires approval of shareholders representing at least two-thirds of the votes cast and the shares represented.

Resolution regarding amendments of the Articles of Association (item 16)

The Board of Directors proposes that the General Meeting resolves that § 9, second paragraph of the Articles of Association should read as follows: "In order to participate in the General Meeting, shareholders must register with the Company no later than the date specified in the notice to convene the Meeting."

The reason for the proposed amendment to the Articles of Association is that the right to attend the General Meeting is regulated by the Swedish Companies Act and therefore does not need to be regulated by the Articles of Association and that an expected change in the law in 2020 will mean that the current wording is contrary to the Swedish Companies Act.

Miscellaneous

The Annual Report for the financial year 2019 and the Board of Directors' statement in respect of the above proposal regarding profit distribution and authorisation to purchase own shares will be available at the Company as from 4 March 2020 at the address Smedjegatan 2C in Nacka and on the Company's website www.al.se. The Annual Report will also be distributed to shareholders prior to the AGM and can be ordered by telephone +46 8 615 89 00 or by e-mail: info@al.se. Shareholders are reminded of their right to request information at the General Meeting from the Board of Directors and the Managing Director pursuant to Chapter 7, section 32 of the Swedish Companies Act.

As of 19 February 2020, a total of 133,220,736 shares exist in the Company, representing a total of 169,220,736 votes, divided into 4,000,000 Class A shares and 129,220,736 Class B shares. The Company currently holds 3,382,000 own Class B shares.

Nacka, February 2020
Atrium Ljungberg AB (publ)
Board of Directors