



## Kindred Group plc

NOTICE IS HEREBY GIVEN that THE ANNUAL GENERAL MEETING (“AGM”) of Kindred Group plc (“the Company”) will be held on **Tuesday 12 May 2020** at 10.00 CEST at Kindred People’s office, Regeringsgatan 29, Stockholm, for the following purposes:

Notice to holders of Swedish Depository Receipts (“SDR’s”)

Holders of SDR’s who wish to attend and/or vote at the AGM must:

- (i) be registered in the register kept by Euroclear Sweden AB **by 17.00 CEST Thursday 30 April 2020**;
- (ii) notify Skandinaviska Enskilda Banken AB (publ) (SEB) of their intention to attend the AGM **no later than 17.00 CEST on Wednesday 6 May 2020 and**
- (iii) send an original signed proxy form to the Company **no later than 17.00 CEST on Thursday 7 May 2020** (unless the holder will attend the AGM in person).

Requirement (i): Holders of SDR’s whose holding is registered in the name of a nominee must, to be able to exercise their voting rights at the AGM (by proxy or in person), temporarily register their SDR’s in their own name in the register kept by Euroclear Sweden AB **by 17.00 CEST on Thursday 30 April 2020**. Such holders must well before that day contact their custodian bank or brokerage to request that their holding be temporarily registered in their own name with Euroclear Sweden AB before Thursday 30 April 2020.

Requirement (ii): Holders of SDR’s must, to be able to exercise their voting rights at the AGM (by proxy or in person), give notice to SEB of their intention to attend **no later than 17.00 CEST on Wednesday 6 May 2020**. This must be done by completing the enrolment form provided on [www.kindredgroup.com/AGM](http://www.kindredgroup.com/AGM). The form must be completed in full and delivered electronically.

Requirement (iii): Holders of SDR’s who will not attend the AGM in person must send their original signed proxy forms by post or courier so as to arrive at Kindred Group plc, c/o Kindred People, Regeringsgatan 25, 111 53, Stockholm, Sweden, no later than **17.00 CEST on Thursday 7 May 2020**. Proxy forms are available on [www.kindredgroupplc.com/AGM](http://www.kindredgroupplc.com/AGM).

**In light of the instructions from the authorities, all SDR holders are encouraged to consider using the option of proxy form as described above instead of attending the meeting in person.**

The convening notice in full and the agenda of the shareholders meeting together with other AGM papers can be found on the Company’s website [www.kindredgroup.com/AGM](http://www.kindredgroup.com/AGM)

Please note that conversions to and from SDR’s and ordinary shares will not be permitted between 30 April and 12 May 2020.

## Proposed Agenda

It is proposed that the AGM conducts the following business:

### **Resolution:**

- 1 Opening of the Meeting
- 2 Election of Chairman of the Meeting
- 3 Drawing up and approval of the voting list
- 4 Approval of the agenda
- 5 Election of one or two person(s) to approve the minutes
- 6 Determination that the Meeting has been duly convened
- 7 The CEO’s presentation

### **Ordinary Business**

- 8 To receive, consider and approve the Report of the Directors and the Consolidated Financial Statements (Annual Report) prepared in accordance with International Financial Reporting Standards for the year ended 31 December 2019, together with the Report of the Auditors<sup>1)</sup> *Resolution (a)*
- 9 To approve the remuneration report set out on pages 51-56 of the Company’s Annual Report and Financial Statements for the year ended 31 December 2019 *Resolution (b)*

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| 10 | To determine the number of Board members  | <i>Resolution (c)</i> |
| 11 | To determine the Board members' fees  | <i>Resolution (d)</i> |
| 12 | To re-elect Peter Boggs as a director of the Company  | <i>Resolution (e)</i> |
| 13 | To re-elect Gunnel Duveblad as a director of the Company  | <i>Resolution (f)</i> |
| 14 | To re-elect Erik Forsberg as director of the Company  | <i>Resolution (g)</i> |
| 15 | To re-elect Stefan Lundborg as director of the Company  | <i>Resolution (h)</i> |
| 16 | To re-elect Carl-Magnus Månsson as director of the Company  | <i>Resolution (i)</i> |
| 17 | To re-elect Anders Ström as director of the Company   | <i>Resolution (j)</i> |
| 18 | To appoint the Chairman of the Board  | <i>Resolution (k)</i> |
| 19 | Resolution on guidelines for how the Nomination Committee shall be appointed  | <i>Resolution (l)</i> |
| 20 | To reappoint PricewaterhouseCoopers as auditors of the Company and to authorise the directors to determine their remuneration | <i>Resolution (m)</i> |

**As Special Business, to consider the following resolutions which will be proposed as Ordinary Resolutions**

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|----|--|-----------------------|
| 21 | To vote on the remuneration policy and other terms of employment for senior management | <i>Resolution (n)</i> |
| 22 | To vote on a stock option plan to the key executives                                   | <i>Resolution (o)</i> |

**As Special Business, to consider the following resolutions which will be proposed as Extraordinary Resolutions**

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|----|--|-----------------------|
| 23 | <p>The meeting will be requested to consider and if thought fit, approve, by extraordinary resolution, the following further resolution: it being noted that</p> <p>(i) at a Board of Directors' meeting held on 10 March 2020, the directors resolved to obtain authority to buy back GBP 0.000625 Ordinary Shares/SDR's in the Company (the purpose of buyback being to achieve added value for the Company's shareholders); and</p> <p>(ii) pursuant to article 106(1) (b) of the Companies Act (Cap.386 of the Laws of Malta) a company may acquire any of its own shares otherwise than by subscription, provided inter alia authorisation is given by an extraordinary resolution, which resolution will need to determine the terms and conditions of such acquisitions and in particular the maximum number of shares/SDR's to be acquired, the duration of the period for which the authorisation is given and the maximum and minimum consideration,</p> <p>given this it is proposed that the Company, through the Board, be generally authorised to make purchases of ordinary shares/SDR's of GBP 0.000625 each in its capital, subject to the following:</p> <p>(a) the maximum number of shares/SDR's that may be so acquired is 22,689,967;</p> <p>(b) the minimum price that may be paid for the shares/SDR's is 1 SEK per share/SDR's exclusive of tax;</p> <p>(c) the maximum price that may be paid for the shares/SDR's is 200 SEK per share/SDR's exclusive of tax;</p> <p>(d) the purchases may take place on multiple occasions and will be based on actual market price and terms, and</p> <p>(e) the authority conferred by this resolution shall expire on the date of the 2021 Annual General Meeting but not so as to prejudice the completion of a purchase contracted before that date.</p> | <i>Resolution (p)</i> |
| 24 | Closing of the meeting   |                       |

**Agenda item 2**

The Nomination Committee proposes that Gunnar Johansson be elected Chairman of the Meeting.

**Agenda item 8**

The 2019 Annual Report was finalised and signed on 6 March 2020 and reflects events up to that date. On the 2 April 2020 the Board of Directors has decided to withdraw the previous recommendation to shareholders/SDR holders to declare a dividend of GBP 0.176 (0.496) per share/SDR. Accordingly, the sections in the Annual Report which refer to this dividend have been superseded as a result of this decision and the Annual Report is to be read and construed accordingly.

**Agenda item 9**

The Board of Directors proposes that the AGM approves the remuneration report on pages 51-56 of the Company's Annual Report and Financial Statements for the year ended 31 December 2019.

**Agenda item 10**

The Nomination Committee proposes that the Board of Directors should consist of six Directors.

**Agenda item 11**

The Nomination Committee proposes that a total fee of maximum GBP 673,000 (2019: GBP 752,000) be paid to Directors elected at the AGM, who are not employees of the Company. It is proposed that the fee will be apportioned within the Board so that the Chairman will receive a fee of GBP 260,000 (unchanged), and a fee of GBP 57,000 (unchanged) be paid to each other Director, and an additional GBP 22,000 (unchanged) be paid for Audit Committee work and GBP 12,000 (unchanged) for Remuneration Committee work.

As the US market presented new opportunities, and Kindred Group has taken its first steps into this market, the two members of the US Committee formed last year should receive an additional GBP 12,000 (unchanged).

An additional GBP 8,000 (unchanged) be paid to the Chairman of the three Committees.

This means that a total fee of maximum GBP 673,000 is proposed which is GBP 79,000 lower than last year.

The total fee is subject to that the Remuneration Committee will be comprised of three members and the Audit Committee and US Committee will be comprised of two members.

**Agenda item 12-17**

CVs for Directors are to be found on page 36-37 in the Kindred Group plc Annual Report for 2019 and on the Company's website.

**Agenda item 18**

The Nomination Committee proposes that Anders Ström is appointed the Chairman of the Board.

**Agenda item 19**

The Nomination Committee proposes that the Annual General Meeting resolves that, until the general meeting of the shareholders decides otherwise, the Nomination Committee shall consist of not less than four and not more than five members. The members of the Nomination Committee shall represent all shareholders and be appointed by the largest shareholders at the end of August 2020 having expressed their willingness to participate in the Nomination Committee. Should any of these shareholders appoint the Chairman of the Board of Directors as its member, the Nomination Committee shall consist of five members. Otherwise, the Chairman of the Board shall be adjunct to the Nomination Committee. The other members shall be appointed by each of the other largest shareholders expressing their willingness to participate in the Nomination Committee within one week from that they are asked. The appointment of a member of the Nomination Committee shall state which shareholder has appointed that member. Should one shareholder waive its right to appoint a member of the Nomination Committee, the opportunity to appoint a member shall thereafter be passed on in order of the largest shareholding who not already have a member in the Nomination Committee. The members of the Nomination Committee shall appoint the committee chair among themselves. The Chairman of the Board shall not chair the Nomination Committee. The names of the members of the Nomination Committee shall be announced not later than the date of the publication of the Company's interim report for the third quarter of 2020.

Should the ownership in the Company change, after the announcement of the Nomination Committee but before the end of the fourth quarter of 2020, to such extent that the members of the Nomination Committee no longer reflect the shareholding as stipulated above, and the Nomination Committee so considers appropriate, then the member of the Nomination Committee representing the shareholder with the lesser number of shares in the Company shall resign from the committee and the shareholder who has become the larger shareholder in the Company shall, in the order corresponding to its shareholding in the Company, be offered to appoint a new member of the Nomination Committee. Minor changes in the shareholding of the Company shall not be taken into account. Shareholders who have appointed a member in the Nomination Committee have the right to dismiss that member and appoint a new member. Should a member of the Nomination Committee leave his/her assignment prematurely and if the Nomination Committee deems it appropriate, a new member shall be appointed by the shareholder who

appointed the resigning member or that other shareholder who at that point of time has the larger shareholding in the Company.

All changes of the Nomination Committee will be announced.  
No remuneration will be paid to the members of the Nomination Committee.

#### **Agenda item 20**

The Nomination Committee proposes that PricewaterhouseCoopers are re-appointed as auditors for the Company for 2020 and that the auditor fees be paid against approved account.

#### **Agenda item 21**

The Board of Directors proposes that the 2020 Annual General Meeting resolves to approve the Board of Directors' proposal regarding guidelines for remuneration and other terms of employment for the CEO and other member of the Executive Management set forth below. Subject to the shareholder approval, the effective date of these guidelines will be 12 May 2020. The intention of the Board of Directors is that these remuneration guidelines will remain in place for four years from the date of approval.

#### **Remuneration principles to support Kindred's long-term business strategy and sustainability**

A successful implementation of our remuneration policy will ensure that Kindred can attract and retain the best people, enabling us to execute our business strategy and serve our long-term interests, including our sustainability goals. The policy of the Board is to attract, retain and motivate the best management by rewarding them with competitive compensation packages linked to the Group's financial and strategic objectives. The compensation packages are designed to be competitive, but importantly, also fair and reasonable in comparison with companies of a similar size, industry and international scope, and to strike the appropriate balance between risk and reward.

The short-term and long-term incentive plans are designed to support key business strategies and financial objectives and contribute to creating strong, sustainable performance for the Group. The performance measures used for short and long-term incentive plans are closely linked to our strategic objectives for sustainable growth. Performance measures as well as any corresponding targets are reviewed annually by the Committee to ensure that they continue to drive the right behaviours in executive managers and create value for our shareholders.

#### **Remuneration guidelines by element**

The components of remuneration for the Executive Management comprise base salary, short-term and long-term incentive plans, pension and other benefits. The remuneration guidelines do not apply to share-based incentive plans, which are subject to a separate resolution at the Annual General Meetings.

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary levels, incentive structures and employment conditions for other employees of the company have also been considered.

##### *Base salary*

Executive managers receive base salaries based on position, responsibilities, performance and competencies.

##### *Short-term incentives*

Short-term incentives for the Group typically take the form of annual bonuses and are paid in cash. Maximum variable cash-based incentives are capped at 100 percent of base salary.

Awards for any short-term incentive plans are contingent on financial measures such as for example EBITDA and Gross Contribution (aggregated across the Group or per individual markets), as well as customer experience, sustainability measures and business critical objectives. The Board selects and approves the performance measures, targets and relative weightings at the start of each year to ensure strong alignment with business strategy and that targets are sufficiently stretching. Achievement of targets is assessed and formal approval for payment of awards is sought following the publication of the relevant period's financial results.

##### *Long-term incentives*

The long-term incentive incentives align the interests of executives with those of shareholders by granting performance shares and share options as a reward for delivery of long-term performance objectives, and for creating value for stakeholders. Performance measures, weightings and targets for these selected measures are set at the start of the 3-year performance/vesting period by the Board of Directors to ensure they continue to support Kindred's long-term strategy. Performance measures may include, but are not limited to, financial and share-price related measures.

##### *Pension*

Pension arrangements for the CEO and the other members of the Executive Management, are provided in the form of defined contribution plans, are competitive and appropriate in context of the market practice in the applicable country of executives' employment or residence and total remuneration.

#### *Other benefits*

Other benefits that may be provided are in accordance with market practice in the applicable country of executives' employment or residence and may change from time to time. Executive Management members may be eligible for benefits such as health insurance, life insurance, travel allowance, relocation support (where applicable), and to participate in whatever all-employee plans may be offered at any given point.

#### **Share Ownership Guideline**

The Board of Directors believes that the Executive Management members will most effectively pursue the long-term interests of our shareholders if they are shareholders themselves. As a result, share ownership guidelines are being introduced. Our policy requires that the CEO maintains one times net base salary and other Executive Management members maintain 0.5 times net base salary to comply with this guideline.

#### **Employment contract, termination of employment and severance pay**

Executive contracts are typically with indefinite duration but may be offered on occasion for fixed term. Upon termination of employment, the notice period may not exceed six months. Fixed cash salary during the notice period and any severance pay may combined not exceed an amount equivalent to two year's salary.

Upon termination of employment a non-compete clause may restrict the employee from engaging in a competing business. The non-compete clause restriction covers no more than twelve months following termination of employment. During the non-compete clause period Kindred may pay the former employee an amount corresponding to no more than 60 per cent of twelve months' salary.

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

The Board of Directors has established a Remuneration Committee. The Committee's tasks include preparing the Board of Directors decision to propose remuneration guidelines for the CEO and the Executive Management. Proposal for new remuneration guidelines shall be prepared at least every fourth year and submitted to the Annual General Meeting. The remuneration guidelines shall be in force until new guidelines are adopted by the Annual General Meeting. The Remuneration Committee shall also monitor the annual implementation of these guidelines. In order to avoid any conflict of interest, remuneration is managed through well-defined processes ensuring no individual is involved in the decision-making process related to their own remuneration.

#### **Malus & Clawback**

The Board of Directors, under exceptional circumstances, may limit or cancel payments of variable remuneration provided that such actions are deemed reasonable (malus). The Board of Directors shall also have the possibility, under applicable law or contractual provisions and subject to the restrictions that may apply under law or contract, to in whole or in part reclaim variable remuneration paid on incorrect grounds (clawback).

#### **Deviation from the guidelines**

The Board of Directors may temporarily resolve to deviate from the guidelines, in whole or in part, if there in an individual case are special circumstances where a deviation is necessary in order to serve the Company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in respect to remuneration-related matters for the CEO and the Executive Management. This includes any resolutions to temporarily deviate from the guidelines.

#### **Agenda item 22**

The Board of Directors proposes that the 2020 Annual General Meeting resolves to approve the Board of Directors' proposal regarding a stock option plan ('SOP') to the key executives in Kindred Group. The plan is divided into four parts as follows: SOP 2020, SOP 2021, SOP 2022 and SOP 2023, each part to run on a staggered cycle of 3 years. The detailed proposal is published on the Kindred Group website, [www.kindredgroup.com/AGM](http://www.kindredgroup.com/AGM) and is subject to the shareholder approval at the 2020 Annual General Meeting.

The intention of the Board of Directors is that the stock option plan will drive shareholder value by further increasing the top management's alignment with long-term shareholder value creation. The suggested stock option plan may in total comprise no more than approximately 3.20 per cent of all issued shares in Kindred, i.e. each annual SOP may comprise no more than approximately 0.80 per cent shares in Kindred. The total estimated maximum cost of each annual stock option plan is SEK 11.5 million and the annual plans will be limited in such a way that the total LTIP grants (PSP and stock options) each year will be capped at 1.00 per cent of total shares outstanding.

#### **Agenda item 23**

The Board of Directors proposes that the acquisition of shares/SDR's shall take place on Nasdaq Stockholm or via an offer to acquire the shares/SDR's to all shareholders. Repurchases may take place on multiple occasions and will be based on actual market price and terms, prevailing regulations and the

capital situation at any given time. Notification of any purchase will be made to Nasdaq Stockholm and details will appear in the Company's annual report and accounts.

The objective of the buyback is to achieve added value for the Company's shareholders and to give the Board increased flexibility with the Company's capital structure.

Following repurchase the intention of the Board would be to either cancel, use as consideration for an acquisition or issue to employees under a Share Option programme or Share Performance Scheme.

Once repurchased under Companies Act (Cap.386 of the Laws of Malta) further shareholder approval will be required before those shares could be cancelled only.

If used as consideration for an acquisition, the intention would be that the actual Shares/SDRS would be offered to any potential transferor.

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The Annual Report in English together with other documents regarding the AGM are available on the Company's website [www.kindredgroup.com/AGM](http://www.kindredgroup.com/AGM).

For information on how personal data are processed please see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

By order of the Board  
Kindred Group plc  
Malta, April 2020

NOTE

1. The parts in the Annual Report which refer to the recommendation of the directors to declare a dividend for 2019 have been superseded as a result of the decision of the Board of Directors taken on 2 April 2020 to withdraw the said recommendation. The Annual Report is to be read and construed accordingly.

2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his or her behalf. A proxy need not also be a member.