



Kindred Group plc

NOTICE IS HEREBY GIVEN that THE ANNUAL GENERAL MEETING (“AGM”) of Kindred Group plc (“the Company”) will be held on **Tuesday 15 May 2018** at 10.00 CEST at Moderna Museet, Skeppsholmen, 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 Friday 4 May 2018**;

(ii) notify Skandinaviska Enskilda Banken AB (publ) (SEB) of their intention to attend the AGM **no later than 12.00 CEST on Wednesday 9 May 2018 and**

(iii) send an original signed proxy form to the Company **no later than 17.00 BST on Thursday 10 May 2018** (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 Friday 4 May 2018**. 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 Friday 4 May 2018.

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 12.00 CEST on Wednesday 9 May 2018**. This must be done by completing the enrolment form provided on 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 (London) Ltd, Kindred House, 17 Hartfield Road, London SW19 3SE, United Kingdom, no later than 17.00 BST on **Thursday 10 May 2018**. Proxy forms are available on www.kindredgroupplc.com/AGM.

The convening notice in full and the agenda of the shareholders meeting can be found on the Company’s website www.kindredgroup.com

Please note that conversions to and from SDR’s and ordinary shares will not be permitted between 4 May and 15 May 2018.

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. Declaration of Dividend in cash *Resolution (a)*
9. To receive and consider 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 2017, together with the Report of the Auditors *Resolution (b)*

- | | | |
|-----|---|-----------------------|
| 10. | To approve the remuneration report set out on pages 46-47 of the Company's Annual Report and Financial Statements for the year ended 31 December 2017 | <i>Resolution (c)</i> |
| 11. | To determine the number of Board members | <i>Resolution (d)</i> |
| 12. | To determine the Board members' fees | <i>Resolution (e)</i> |
| 13. | To re-elect Kristofer Arwin as a director of the Company | <i>Resolution (f)</i> |
| 14. | To re-elect Peter Boggs as a director of the Company | <i>Resolution (g)</i> |
| 15. | To re-elect Peter Friis as a director of the Company | <i>Resolution (h)</i> |
| 16. | To re-elect Stefan Lundborg 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 elect Helene Barnekow as new director of the Company | <i>Resolution (k)</i> |
| 19. | To elect Gunnel Duveblad as new director of the Company | <i>Resolution (l)</i> |
| 20. | To appoint the Chairman of the Board | <i>Resolution (m)</i> |
| 21. | Resolution on guidelines for how the Nomination Committee shall be appointed | <i>Resolution (n)</i> |
| 22. | To reappoint PricewaterhouseCoopers as auditors of the Company and to authorise the directors to determine their remuneration | <i>Resolution (o)</i> |
| 23. | To resolve on guidelines for remuneration and other terms of employment for senior management | <i>Resolution (p)</i> |

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

- | | | |
|-----|---|-----------------------|
| 24. | The meeting will be requested to consider and if thought fit, approve, by extraordinary resolution, the following further resolution: | <i>Resolution (q)</i> |
|-----|---|-----------------------|

That the directors be and are hereby duly authorised and empowered in accordance with Articles 85(2) and 88(7) of the Companies Act, with immediate effect, for a period of five years from the date of this resolution, to issue and allot up to a maximum of 8,000,000 shares, in the Company of a nominal value of GBP 0.000625 each, solely for the purpose of issuing shares to holders and future holders of performance share rights under the Kindred Group plc Performance Share Plan ("PSP) without first offering the said shares to existing shareholders. This resolution is being taken in terms and for the purposes of the approvals necessary in terms of the Companies Act and the Articles of Association of the Company.

This a renewal of the existing authority which was approved at the 2013 AGM and which was for 1,000,000 shares over five years. This 2013 authority was before the 8:1 share split which was approved by shareholders in December 2015 and hence the request is over the equivalent number of shares after this share split.

- | | | |
|-----|---|-----------------------|
| 25. | The meeting will be requested to consider and if thought fit, approve, by extraordinary resolution, the following further resolution: | <i>Resolution (r)</i> |
|-----|---|-----------------------|

it being noted that

(i) at a Board of Directors' meeting held on 7 March 2018, 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

(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, 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:

(a) the maximum number of shares/SDR's that may be so acquired is 23,012,620;

(b) the minimum price that may be paid for the shares/SDR's is 1 SEK per share/SDR's exclusive of tax;

(c) the maximum price that may be paid for the shares/SDR's is 200 SEK per share/SDR's exclusive of tax;

(d) the purchases may take place on multiple occasions and will be based on market terms, and

(e) the authority conferred by this resolution shall expire on the date of the 2019 Annual General Meeting but not so as to prejudice the completion of a purchase contracted before that date on actual market price and terms and prevailing regulations.

26. The meeting will be requested to consider and if thought fit, *Resolution (s)* approve, by extraordinary resolution, the following further resolution:

That the directors be and are hereby duly authorised and empowered in accordance with articles 85(2) and 88(7) in the Companies Act, on one or several occasions prior to the date of the next Annual General Meeting of the Company, to issue and allot up to a maximum of 23 million ordinary shares in the Company of a nominal value of GBP 0.000625 each (corresponding to a dilution of about 10 per cent) for payment in kind in connection with an acquisition without first offering the said shares to existing shareholders.

Such acquisition will be only in line with the Group's other strategy, and acquisition cost and the valuation of the acquisition will be clearly reported.

This resolution is being taken in terms and for the purposes of the approvals necessary in terms of the Companies Act and the Articles of Association of the Company.

The board has no intention to use the two authorisations in such manner that more than an aggregate of 10 percent of the total number of outstanding shares will be bought back or used to make an acquisition from the date of the authorisation until 2019 Annual General Meeting.

27. Closing of the meeting

Information about proposals related to Agenda items

Agenda item 2

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

Agenda item 8

The Board of Directors proposes that a dividend of GBP 0.551 (equivalent to SEK 6.16 on 13 February 2018 exchange rates and payable in SEK) per share/SDR be declared and paid to owners of shares/SDR's as at 17 May 2018. The ex-dividend date is proposed to be the 16 May 2017. A Euroclear Sweden AB record date of 17 May 2018 is proposed. If the AGM approves, the dividend is expected to be distributed by Euroclear Sweden AB on 22 May 2018. For accounting purposes the rate of exchange to be used shall be the SEK-GBP rate prevalent on 17 May 2018.

Agenda item 9

The 2017 Annual Report was finalised and signed on 9 March 2018 and reflects events up to that date.

Agenda item 10

The Board of Directors proposes that the AGM approves the remuneration report on pages 46-47 of the Company's Annual Report and Financial Statements for the year ended 31 December 2017.

Agenda item 11

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

Agenda item 12

The Nomination Committee proposes that a total fee of maximum GBP 730,000 (2017: GBP 695,000) be paid to Directors elected at the AGM, who are not employees of the Company. It is proposed that the Board of Directors will apportion the fee within the Board so that the Chairman will receive a fee of GBP 260,000 (2017: GBP 250,000), and a fee of GBP 57,000 (2017: GBP 55,000) be paid to each other Director, an additional fee of GBP 10,000 (2017: GBP 27,000) will be paid to the Deputy Chairman, and an additional GBP 22,000 (unchanged) be paid for Audit Committee work, GBP 12,000 (unchanged) for Remuneration Committee work and an additional GBP 8,000 (2017: GBP 4,000) be paid to the Chairman of the Audit Committee, and the Chairman of the Remuneration Committee.

The total fee is subject to that the Audit Committee and the Remuneration Committee will be comprised of three members. The increase in remuneration is approximately 5 per cent.

Agenda item 13-17

CVs for Directors are to be found on page 32-33 in the Kindred Group plc Annual Report for 2017 and on the Company's website.

Agenda item 18

Hélène Barnekow, born 1964, has been CEO at Telia Sweden since 2015. Helene joined Telia Sweden as Chief Commercial Officer in 2014 and has previously held a number of global marketing & product roles within Dell EMC and SonyEricsson. Since 2013 Hélène is a Member of the Board of GN Store Nord A/S and Member of the Board at Svenskt Näringsliv (Confederation of Swedish Enterprise). Hélène holds a master in International Business from Lund University, and has extensive experience from the mobile and IT business, and was appointed Leader of the Year within Telecoms in 2017.

Agenda item 19

Gunnel Duveblad, born 1955, has an extensive experience from listed companies both in executive management positions and at Board level. Gunnel has served in Senior Executive positions both at national and international level at IBM for 25 years and is today chairman of the Board of HiQ International AB and Team Olivia Group AB and Board member of Dustin Group AB and SWECO AB to name a few. Gunnel's background is Computer Science at Umeå University.

Agenda item 20

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

Agenda item 21

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, of which one shall be the Chairman of the Board of Directors. The members of the Nomination Committee shall represent all shareholders and be appointed by the four largest shareholders at the end of August 2018 having expressed their willingness to participate in the Nomination Committee. Should one of these shareholders appoint the Chairman of the Board of Directors as its member, the Nomination Committee shall consist of four members. The other three members shall be appointed by each of the other three of the four 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 of the four largest shareholders waive its right to appoint a member of the Nomination Committee, the opportunity to appoint a member shall be offered to the largest shareholder who not already have a member in the Nomination Committee. The opportunity to appoint a member of the Nomination Committee shall thereafter be passed on in order of the largest shareholding. The members of the Nomination Committee shall appoint the committee chair among themselves. 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 2018.

Should the ownership in the Company change, after the announcement of the Nomination Committee but before the end of the fourth quarter of 2018, 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 22

The Nomination Committee proposes that PricewaterhouseCoopers are re-appointed as auditors for the Company.

Agenda item 23

The Board of Directors proposes that the AGM resolves upon guidelines for remuneration to management.

The policy of the Board is to attract, retain and motivate the best managers by rewarding them with competitive salary and benefit packages linked to achieving the Company's financial objectives.

Senior Managers receive base salaries based on position, responsibilities, performance and skills. The base salary is a fixed amount, payable monthly, which is reviewed annually in January.

Benefits are based on the requirements of the country where the manager is employed.

The performance-related bonus is designed to support key business strategies and financial objectives and create a strong, performance-orientated environment. The performance targets are reviewed annually and are based on both quantitative and qualitative goals. The pay-out is conditional upon the Company achieving set financial targets. Thereafter, individual targets are mainly linked to financial objectives such as Gross Contribution and EBITDA. There is also a part which is based on delivery of specific projects and business critical processes. Achievement of targets is assessed on an annual basis. The amount of potential variable pay compared to basic salary varies depending on position and situation, but is in general less than half the amount of the basic salary. All variable elements have a limit, which means that they cannot exceed a predetermined amount.

Under the standard annual cycle of bonuses for the CEO and executive management, formal approval and payment of bonuses is typically completed after the publication of the results for the fourth quarter.

Senior Managers are eligible to receive awards under the Kindred Group plc Performance Share Plan ("PSP"). PSP awards are linked to the performance of the Group in order to align senior management's interests with those of the shareholders. The 1,049,041 shares subject to outstanding PSP awards at 31 December 2017 may generally only be exercised if the holder is employed by the Kindred Group at the date of exercise. Exceptions are made in special circumstances.

The PSP performance measures are non-market based conditions providing participants with a high degree of alignment to Company performance. PSP awards will depend on Kindred achieving financial performance targets over three financial years establishing a clearer link between how Kindred performs and the value that the PSP can deliver. These targets are Gross Contribution (Gross Winnings Revenue Less Cost of Sales less Marketing Costs), Free Cash Flow per Share and EBITDA and will be measured on an aggregate basis over three years. In 2018, the Company are building in measurable sustainability targets to the bonus structure to further emphasise the focus on sustainable growth.

Agenda item 24

As is noted above, it is also the Company's intention that an authority be granted by shareholders at the 2018 AGM to permit the issue of up to 8 million new shares for the purpose of the PSP for five years from the date of the 2018 AGM. This replaces the authority previously given at the 2013 AGM to issue and allot up to 1 million shares (taking into account the 8:1 share split in 2015 the proposed authority is equivalent to the 2013 Authority).

To date the Company has frequently used shares held within its share buy-back reserve to satisfy share scheme awards (including PSP awards) and this practice is expected to continue. In the five years to 31 December 2017, awards over 6,661,154 shares have been exercised for which 2,745,082 shares were transferred from the share buy-back reserve and 3,916,072 shares were issued. Accordingly, the Company is confident that it will manage operation of its share plans within the proposed authority.

Agenda item 25

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.

Agenda item 26

The objectives of the authorisation are to increase the financial flexibility of the Company and to enable the Company to use its own financial instruments for payment in kind to a selling partner in connection with any business acquisitions the Company may undertake or to settle any deferred payments in connection with business acquisitions. The market value of the shares on each issue date that will be used in determining the price at which shares will be issued, should be the same as the market value of the shares/SDR's listed on Nasdaq Stockholm.

Shareholders/SDR holders representing approximately 28.4 per cent of the voting rights of all shares in the Company have stated that they intend to vote in favour of the proposals of the Nomination Committee.

The Annual Report in English together with other documents regarding the AGM are available on the Company's website www.kindredgroup.com.

By order of the Board
Kindred Group plc
Malta, April 2018

NOTE

1. 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.