

## **THE NOMINATION COMMITTEE'S WORK, PROPOSALS AND MOTIVATED STATEMENT FOR BONAVA'S ANNUAL GENERAL MEETING ON 4 APRIL 2017**

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### **Background**

The nomination committee of Bonava AB shall, as resolved by the annual general meeting 2016, consist of representatives of the three largest shareholders in terms of votes as of the last banking day of the month during which Bonava's shares were admitted to trading on Nasdaq Stockholm, i.e. as of 30 June 2016. In addition, the chairman of the board shall be an adjunct member of the nomination committee, without voting rights. The chairman of the nomination committee shall represent the largest shareholder unless otherwise agreed between the members.

The nomination committee for the annual general meeting 2017 was presented on the company website on 8 September 2016 and consists of Tomas Billing (chairman of the nomination committee, Nordstjernan AB), Tomas Risbecker (AMF - Försäkring och Fonder), Johan Strandberg (SEB Investment Management) and Carl Engström as an adjunct member in his capacity as chairman of the board.

### **Presentation of the work of the nomination committee**

The nomination committee for the annual general meeting 2017 has had three recorded meetings and contacts between the meetings by telephone and e-mail. The nomination committee has received a report from the chairman of the board, on the board's work during the year and the committee has also met with and interviewed all members of the board. The chairman of the board has furthermore shared the result of the board's self-evaluation of its work, with the nomination committee. The nomination committee has noted that the board is well functioning. The nomination committee has further noted that the board in terms of diversity and gender balance has a satisfying composition. The nomination committee has thereafter evaluated the company's needs and an appropriate composition of the board in relation to the current board members' backgrounds and competences and the conclusion is that the board should be complemented by an additional member with experience in financial and accounting. Based on this need, person specifications have been prepared and used by the nomination committee when identifying, interviewing and evaluating candidates. The nomination committee has furthermore evaluated the board's fees and discussed remuneration for work in the board's committees. All decisions by the nomination committee have been unanimous.

### **Motivated statement**

In its work, the nomination committee has applied section 4.1 in the Swedish Code of Corporate Governance as its diversity policy.

The nomination committee considers that the current board is well functioning and proposes therefore re-election of all current members. In addition, Mikael Norman is proposed as a new member. Mikael Norman complements the board both by his high

competence in accounting and his relevant market experience from his previous professional career as inter alia CFO of Nobia AB and as a member of other boards.

The nomination committee considers that the proposed board has an appropriate composition to meet the requirements that the company's operations impose on governance, strategic development and control.

The nomination committee considers, in line with the recommendations in the Swedish Code of Corporate Governance, that the board should have a diversity among its members regarding competence, experience and background. In relation to this, the nomination committee has mainly considered that the members as a group shall have the relevant expertise regarding the company's different strategic key areas and geographical markets. The nomination committee has specifically strived for a continued equal gender balance among the board members. The proposed board is made up to 57 % of men and 43 % of women.

All proposed members are considered to be independent in relation to the company and the executive management. Notably, Viveca Ax:son Johnson was previously classified as dependent in relation to the company and the executive management due to her role as a board member in Bonava's former parent company NCC. The companies have now been separated for a certain period of time and it has been possible to better assess the contact Viveca Ax:son Johnson has had in matters concerning business relations between the companies. Due to the aforementioned, the overall assessment concerning Viveca Ax:son Johnson is therefore now different. All members except Carl Engström and Viveca Ax:son Johnson are furthermore independent in relation to the company's larger shareholders. The proposed board thereby meets the requirements of the Swedish Code of Corporate Governance regarding independence.

### **Nomination Committee's proposals**

#### **1. Proposal to chairman of the annual general meeting**

The nomination committee proposes Carl Engström as chairman of the meeting.

#### **2. Proposal to number of members of the board to be elected by the general meeting**

The nomination committee proposes that the number of board members elected at the annual general meeting shall be seven (7) ordinary members and no deputy members.

#### **3. Proposal to chairman and other members of the board elected by the general meeting**

For the period until the next annual general meeting, the nomination committee proposes re-election of Carl Engström, Viveca Ax:son Johnson, Åsa Hedenberg, Samir Kamal, Magnus Rosén and Anna Wallenberg. The nomination committee further proposes election of Mikael Norman as a member. The nomination committee furthermore proposes

re-election of Carl Engström as chairman for the period until the next annual general meeting.

The proposal meets the requirement of independence among the members of the board in the Swedish Code of Corporate Governance.

Information about the proposed board members is available on the company's website, bonava.com.

#### **4. Proposal for remuneration payable to the board members, divided between the chairman and other members, and any remuneration for committee work**

The nomination committee proposes that board fees excluding fees for committee work, for the period until the next annual general meeting, shall in total amount to SEK 2,220,000, of which SEK 600,000 shall be paid to the chairman and SEK 270,000 to each other elected member.

The nomination committee's proposals in this part represent an increase of SEK 420,000 since the board expands by one member, the fee to the chairman of the board increases with SEK 100,000 and the fee to each of the other members of the board increases with SEK 10,000.

In addition to ordinary board fees, the nomination committee proposes remuneration to the members of the audit committee with SEK 100,000 to the chairman and SEK 50,000 to the other members.

The nomination committee proposes that the board members should only be able to invoice the remuneration through companies provided that it in advance is established that (i) it is cost neutral for the company, and (ii) the tax conditions are met for invoicing. If so, the invoiced fee shall be increased by an amount corresponding to statutory social security contributions and statutory VAT.

#### **5. Proposal to election of auditors**

The nomination committee proposes that the number of auditors shall be one (1) audit firm without a deputy auditor.

The nominating committee proposes re-election of the audit firm Ernst & Young AB for the period until the next annual general meeting. Ernst & Young has announced that Mikael Ikonen will continue as the auditor in charge if re-elected. The proposed auditor is in accordance with the audit committee's recommendation.

#### **6. Proposal to remuneration to auditors**

Fees to the auditors shall be paid according to approved invoice.

#### **7. Proposal to change the current instruction for the nomination committee**

The nomination committee shall perform its tasks in accordance with this instruction and applicable rules. The tasks includes to, prior to every annual general meeting, prepare and present proposals regarding:

## **1. DUTIES OF THE NOMINATION COMMITTEE**

The nomination committee shall perform its tasks in accordance with this instruction and applicable rules. The tasks includes to, prior to every annual general meeting, prepare and present proposals regarding:

- chairman of the annual general meeting,
- number of board members and auditors to be elected by the meeting,
- chairman of the board and other board members to be elected by the meeting,
- remuneration to the board, divided between the chairman of the board and the other members of the board as well as remuneration for committee work, if any,
- election of audit firm or auditors,
- remuneration to auditors, and
- changes to the current instruction to the nomination committee, if any.

The nomination committee shall motivate its board proposal in accordance with the requirement under the Swedish Code of Corporate Governance, that versatility, diversity and gender balance should be sought for within the board. The nomination committee shall account for the diversity policy it has applied.

At any general meeting other than the annual general meeting, if relevant, the nomination committee's proposal shall concern the election of board members or auditors to take place at that meeting.

The nomination committee's proposal shall, at least six weeks before the annual general meeting, be presented to the company through the chairman of the board and shall be formulated in accordance with the requirements in the Companies Act and the Swedish Code of Corporate Governance.

## **2. MEMBERS**

The nomination committee shall consist of at least three members, elected at the annual general meeting as representatives for the largest shareholders in the company. Members shall be appointed for the period until the next annual general meeting. The chairman of the nomination committee shall also be appointed at the annual general meeting. If a member should resign or die during the current term, the duties of the nomination committee shall be carried out by the remaining members. If the number of members should be less than two, the nomination committee shall be dissolved and a new nomination committee shall be appointed at the next annual general meeting. The chairman of the board shall be an adjunct member of the nomination committee, without a voting right.

## **3. MEETINGS**

The nomination committee shall meet as often as required in order for the committee to fulfil its duties, however at least once a year. Notice to meetings shall be issued by the chairman of the nomination committee. If a member requests a meeting, the request must be complied with.

The nomination committee is quorate if at least two members are present. Resolutions by the nomination committee shall be adopted by a simple majority of the members present. In the event of a tied vote, the chairman shall have the casting vote.

#### **4. REMUNERATION**

The members of the nomination committee shall not be paid any remuneration from the company. The company shall however defray all reasonable costs required for the work of the nomination committee.

#### **5. THE NOMINATION COMMITTEE'S ATTENDANCE AT GENERAL MEETINGS**

At least one member of the nomination committee shall always attend the annual general meeting.

#### **6. AMENDMENTS TO THESE INSTRUCTIONS**

The nomination committee shall continuously evaluate these instructions and its work and to the annual general meeting present proposals for amendments to these instructions, which the nomination committee has considered to be appropriate.

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Solna in February 2017

*Nomination Committee of Bonava AB (publ)*