

## Notice to extraordinary general meeting in Bonava AB (publ)

Shareholders of Bonava AB (publ) ("**Bonava**"), are hereby invited to an extraordinary general meeting, to be held on Thursday 2 June. The extraordinary general meeting will be carried out only through postal voting in accordance with the Act (2022:121) on temporary exceptions to facilitate the execution of general meetings in companies and other associations. It will not be possible to attend the meeting in person or by proxy.

### Participation

To be entitled to participate at the meeting, a shareholder must:

- be listed in the shareholders' register maintained by Euroclear Sweden AB on Tuesday 24 May and
- give notice to the company of their intention to attend the meeting no later than Wednesday 1 June (the weekday before the extraordinary general meeting) by casting its advance vote in accordance with the instructions under the heading *Postal voting* below, so that the postal voting form is received by Euroclear Sweden AB no later than Wednesday 1 June.

Shareholders whose shares are nominee-registered must temporarily re-register their shares in their own name in the shareholders' register maintained by Euroclear Sweden AB in order to be entitled to participate in the general meeting. The shareholders' register as of the record date on 24 May 2022 will include voting registrations made no later than 27 May 2022. Therefore, shareholders should inform their nominees well in advance before this date.

### Postal voting

The shareholders may exercise their voting rights at the extraordinary general meeting only by voting in advance, through so called postal voting in accordance with the Act (2022:121) on temporary exceptions to facilitate the execution of general meetings in companies and other associations. A designated form shall be used for postal voting. The form is available on Bonava's website, [www.bonava.com/en/general-meeting/extra-general-meeting-2022](http://www.bonava.com/en/general-meeting/extra-general-meeting-2022) and will be sent free of charge for the recipient to the shareholders who so request and state their postal address. The postal voting form is considered as the notification of participation at the extraordinary general meeting.

The completed voting form must be received by Euroclear Sweden AB (being the administrator of the forms for Bonava), no later than on 1 June 2022. The completed form shall be sent to Bonava AB, c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden. The completed form may alternatively be submitted electronically either through BankID signing as per instructions available on <https://anmalan.vpc.se/euroclearproxy> or through sending the completed voting form by e-mail to [GeneralMeetingService@euroclear.com](mailto:GeneralMeetingService@euroclear.com) (with reference "Bonava extraordinary general meeting 2022").

If a shareholder votes in advance by proxy, a power of attorney shall be enclosed with the form. The proxy form is available at [www.bonava.com/en/general-meeting/extra-general-meeting-2022](http://www.bonava.com/en/general-meeting/extra-general-meeting-2022), and will be sent free of charge for the recipient to the shareholders who so request and state their postal address. If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed with the form. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote (i.e. the advance vote in its entirety) is invalid. Further instructions and conditions are included in the form for postal voting.

## Proposed agenda

1. Election of chairman of the meeting
  2. Drawing up and approval of the voting list
  3. Approval of the agenda
  4. Election of two persons to check the minutes, in addition to the chairman
  5. Determination of whether the meeting has been duly convened
  6. Resolutions regarding:
    - A. long-term performance-based incentive plan, and
    - B. transfer of shares of series B in Bonava under the incentive plan
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## Proposals

### Item 1:

The board proposes Mats Jönsson as chairman of the meeting.

### Item 2:

The voting list which is proposed to be approved under item 2 shall be the voting list drawn up by Euroclear Sweden AB at the request of the company based on the meeting's share register and postal votes received. The list shall be controlled by the persons verifying the minutes.

### Item 4:

The board of directors proposes that (A) Johannes Wingborg representative of Länsförsäkringar Fonder and (B) Oskar Börjesson, representative of Livförsäkringsbolaget Skandia ömsesidig, or, if any or both of them are unable to attend the meeting, any of the persons assigned by the board of directors, shall verify the minutes. The persons verifying the minutes shall also check the voting list and that received postal votes are correctly reflected in the minutes.

### Item 6:

The board of directors proposes that the extraordinary general meeting resolves on a long-term performance-based incentive plan (LTIP 2022) for Bonava AB (publ) ("Bonava") and on transfer of shares of series B in Bonava in accordance with items A and B below. Participation in LTIP 2022 requires own shareholding in Bonava.

## A. LONG-TERM PERFORMANCE-BASED INCENTIVE PLAN

### 1.1 LTIP 2022 in brief

The primary reason for implementing a long-term performance-based incentive plan is to align the interests of the shareholders with the interests of the executive management and other key personnel to ensure maximum long-term value creation. The LTIP 2022 provides a long-term group-wide focus on value growth among the participants. The incentive plan is also considered to facilitate Bonava's recruitment and retention of executive management

and other key personnel. The synthetic shares allow participants to pay the tax resulting from the allotment of shares as a result of the LTIP 2022 without having to immediately divest the shares.

The incentive plan runs for three years. To participate in the LTIP 2022, an own shareholding in Bonava-shares is required. Following the defined vesting period, the participants will, free of charge, be partly allocated shares of series B in Bonava, partly receive a cash compensation corresponding to the share price of the Bonava-share at the time of payment, provided that certain conditions are fulfilled.

## **1.2 Participants in LTIP 2022**

The LTIP 2022 comprises approximately 45 employees consisting of members of the executive management and certain key personnel within the Bonava group, divided into four categories. The first category comprises Bonava's Chief Executive Officer (CEO), the second category comprises the executive management, the third category comprises regional heads, and the fourth category comprises employees who are responsible for certain functions in Bonava. New personnel that have been recruited but not yet commenced their employment with the Bonava group when the notification of participation in the plan must take place, can be offered participation on the condition that their employment starts.

## **1.3 The personal investment and allotment of share rights and synthetic shares**

To participate in the LTIP 2022, the participant must invest in a personal shareholding in Bonava ("Investment Shares"), which shall be allocated to the LTIP 2022. The Investment Shares shall be acquired specifically for the LTIP 2022, or alternatively, for participants who fulfil Bonava's shareholding recommendation below, an existing shareholding that does not constitute Investment Shares in another ongoing LTIP may be used as Investment Shares. The participant can invest a maximum of one month's salary (according to salary levels on 1 January 2022) before taxes in the LTIP 2022. The investment can be made at any of the following investment levels: 50 or 100% of the maximum investment. For the first category, each Investment Share entitles to 2.25 share rights and 2.25 synthetic shares, for the second category of participants, each Investment Share entitles to 1.8 share rights and 1.8 synthetic shares, for the third category, each Investment Share entitles to 1.35 share rights and 1.35 synthetic shares, and for the fourth category, each Investment Share entitles to 0.9 share right and 0.9 synthetic share. The share rights and the synthetic share are divided into performance share rights and matching share rights as further specified under the heading "Terms for share rights and synthetic shares" below.

Participants in Bonava's LTI programs are recommended to, by way of allocation of LTI shares and personal investments, over time accumulate and retain shares in Bonava to the extent that their respective shareholdings amount to a value corresponding to at least six (6) months' salary before taxes. For the CEO the recommendation is instead a shareholding corresponding to at least twelve (12) month's salary before taxes.

## **1.4 Terms for share rights and synthetic shares**

The share rights are allocated free of charge a certain time after the extraordinary general meeting.

The share rights or the synthetic shares may not be transferred or pledged.

Each share right may entitle the holder the right to receive a B-share in the company free of charge after the disclosure of Bonava's interim report for the first quarter of 2025.

Each synthetic share may entitle the holder the right to, at the same time, receive a cash payment corresponding to the share price of the Bonava B-share at the time of payment.

The right to receive shares of series B pursuant to the share rights and the right to receive cash payment pursuant to the synthetic shares requires that the participant has not sold any of the Investment Shares and, with some limited exceptions, that the participant remains employed within the Bonava group until the publication of Bonava's interim report for the first quarter of 2025.

The share rights and the synthetic shares are divided into performance share rights and matching share rights. One-ninth of all share rights and synthetic shares the participant is allotted in total shall be matching share rights (i.e. the number of matching share rights corresponds to one-eighth of the number of performance share rights), for which no target fulfilment is required other than retained shareholding and continued employment in accordance with the paragraph above.

Allocation of shares of series B and payment of cash compensation under the performance share rights also requires that Bonava fulfils the performance targets as described under the heading "Performance targets" below.

In order to align the participants' interests with those of the shareholders, Bonava will compensate the participants if Bonava's dividends, viewed over the whole vesting period, exceed the level stipulated in the company's dividend policy. Dividend compensation is made in relation to the shares of series B and the cash payment that the participants receive.

### **1.5 Performance targets**

Allocation of shares of series B and payment of cash compensation under the performance share rights require fulfilment of two performance targets. The following applies to the performance share rights; 60% shall refer to target 1 (EBT) and 40% shall refer to target 2 (absolute TSR).

*Target 1* The performance target is related to Bonava's accumulated operating profit (EBT) during the period 2022-2024. The minimum level for the performance target shall amount to an accumulated operating profit of SEK 3.0 billion and the maximum level to an accumulated operating profit of SEK 3.7 billion. Where the level of fulfilment is between the minimum and the maximum level, the outcome will be calculated on a linear basis and the allocation, and payment of cash compensation, respectively, will be made based on achieved outcome.

*Target 2* The performance target is related to the total shareholder return (TSR)<sup>1</sup> on Bonava's shares of series B on Nasdaq Stockholm during a certain measurement period (see below). The minimum level for the performance target shall amount to a TSR of 20 % over a little less than three years (based on an annual TSR of 6.2 %) and the maximum level for the performance target shall amount to a TSR of 90 % over a little less than three years (based on an annual TSR of 23.9 %). Where the level of fulfilment is in line with the minimum level, allocation and payment of cash compensation will be made corresponding to 1/4 of the maximum allocation for the performance target. Where the level of fulfilment is between the minimum and the maximum level, the outcome will be calculated on a linear basis and the allocation will be made based on achieved outcome.

The measurement period for measuring absolute TSR (Target 2) shall be the following. The starting value shall be the volume weighted average price on the company's shares of series B on Nasdaq Stockholm during the five (5) days of trading following the publication of Bonava's interim report for the first quarter of 2022 and the end value shall be the volume weighted average price on the company's shares of series B on Nasdaq Stockholm during

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<sup>1</sup> Including re-invested dividends.

the five (5) days of trading following the publication of Bonava's interim report for the first quarter of 2025.

### **1.6 Formulation and administration**

The board of directors shall be responsible for the formulation and administration of the LTIP 2022, within the scope of terms and guidelines set out. The board of directors shall be entitled to make adjustments, including to modify the allocation between share rights and synthetic shares, to fulfil specific regulations or market prerequisites in other jurisdictions. The board of directors shall be entitled to introduce an alternative long-term incentive plan for participants of LTIP 2022 employed in such countries where participation in LTIP 2022 is not appropriate. If material changes occur in the Bonava group or in its business environment, that would entail that the decided terms for allocation and the possibility to exercise the share rights or the synthetic shares in accordance with the LTIP 2022 no longer are appropriate, the board of directors shall be entitled to make other adjustments. Before finally determining allocation of shares of series B on the basis of the share rights and the payment of cash compensation on the basis of the synthetic shares, the board of directors shall assess whether the outcome of the LTIP 2022 is reasonable. This assessment is made in relation to Bonava's financial earnings and position, conditions on the stock market and other circumstances. If the board of directors assesses that the outcome is not reasonable, the board of directors shall reduce the number of shares of series B to be allocated and decrease the cash compensation to be paid.

### **1.7 Scope**

The maximum number of shares of series B in Bonava which may be allocated under the LTIP 2022 shall be limited to 190,760 shares which represents approximately 0.18 % of all shares and approximately 0.09 % of all votes in the company. The cash payment may as maximum be based on 190,760 synthetic shares in which the value of a synthetic share is based on the share price of the shares of series B in Bonava at the time of payment. The number of shares of series B and the cash payment respectively included in the LTIP 2022 shall, in accordance with the detailed conditions that the board of directors stipulates be subject to recalculation if Bonava implements a bonus issue, a reversed share split or a share split, a rights issue, compensation for divided or similar actions, taking into account customary practice for similar incentive plans.

### **1.8 Hedging**

The board of directors has considered two alternative hedging methods for the LTIP 2022; either a hedging arrangement (equity swap) with a bank securing delivery of shares of series B under the plan or transfer of shares of series B in Bonava to entitled participants in the LTIP 2022. The board of directors considers the latter alternative to be preferable. The board of directors has therefore proposed that the extraordinary general meeting shall resolve on transfer of shares of series B in Bonava that are held by the company (see item B below). Should the extraordinary general meeting, however, not approve of the board of directors' proposal, the board of directors may enter into the hedging arrangement described above with a bank to secure the obligation of the company to deliver shares of series B under the plan.

### **1.9 Costs under the plan**

Based on the assumption of a share price of SEK 46,33 at the time of investment, all persons who have been offered to participate in the plan participates and that they make a maximum investment, that all participants stay in the plan until allocation and payment and that the maximum amount of shares are paid, the estimated total cost for LTIP 2022, including estimated cost for social security contributions, is approximately MSEK 25. The cost is equivalent to the value of approximately 0,5 % of Bonava's market capitalization based on

the average closing price for shares of series B Bonava between 2 May – 6 May 2022. Assuming a positive share price development of 20% during the duration of the program, the cost increases to MSEK 29, which corresponds to approximately 0,6 % of Bonava's market capitalization.

The annual cost of LTIP 2022, including social security contributions, is estimated to amount to approximately MSEK 8 in accordance with the conditions above which corresponds to 0.48% of Bonava's total staff costs, including social security contributions for the 2021.

LTIP 2022 will be accounted for in accordance with IFRS 2, meaning that the share rights shall be charged as staff costs and recognised during the vesting period. Furthermore, this means that the synthetic shares' fair value at the time of allocation shall be charged as a staff cost and recognised during the vesting period and constantly be revalued at each reporting date.

### **1.10 Effects on important key ratios**

The estimated annual cost for LTIP 2022 of MSEK 8 (based on the assumptions above) corresponds on a pro-forma basis for 2021 a negative effect on Bonava's operating margin of approximately 0.05 percentage points and a decrease of earnings per share of approximately SEK 0.06. However, the board of directors considers that the positive effects on Bonava's financial performance which are expected from an increased commitment, lock-in and shareholding by the participants as well as from the possibility to be allocated further shares under the program, outweighs the costs related to the LTIP 2022.

### **1.11 The preparation of the proposal**

The LTIP 2022 has been processed at board meetings and prepared in accordance with the guidelines adopted to be applied in LTIP 2021.

### **1.12 Other incentive plans in Bonava**

There are share-related incentive plans that has previously been implemented in Bonava, LTIP 2019, LTIP 2020 and LTIP 2021, see note 4 in Bonava's 2021 annual report, which is available at Bonava's website, [bonava.com](http://bonava.com).

### **1.13 The proposal by the board of directors.**

Referring to the description above, the board of directors proposes that the extraordinary general meeting resolves on the LTIP 2022.

### **1.14 Majority requirements**

A resolution to introduce the LTIP 2022 in accordance with the board of directors' proposal is valid when supported by shareholders holding more than half of the votes cast at the extraordinary general meeting.

## **B. TRANSFER OF SHARES OF SERIES B IN BONAVA UNDER THE INCENTIVE PLAN**

The board of directors' proposal on a resolution to transfer shares of series B in Bonava as set out below, provides that the extraordinary general meeting first has resolved on a long-term performance-based incentive plan (LTIP 2022) in accordance with item A above.

### **2.1 Transfer of shares of series B in Bonava to participants in the LTIP 2022**

The board of directors proposes that the extraordinary general meeting resolves to transfer shares of series B in the company in accordance with the following.

- Not more than 190,760 shares of series B in Bonava may be transferred (or the higher number of shares of series B due to recalculation as a result of a bonus issue, a reversed share split or a share split, rights issue, compensation for divided or similar actions).
- The shares of series B may be transferred to participants in the LTIP 2022 who under the terms for the LTIP 2022 are entitled to receive shares.
- Transfer of shares of series B shall be made at the time and otherwise according to the terms pursuant to the LTIP 2022.

The reason for deviating from the shareholders' preferential rights is that the transfer of shares of series B is part of the execution of the LTIP 2022. Therefore, the board of directors considers the transfer of shares of series B in accordance with the proposal to benefit the company.

### **Special majority requirements**

A resolution by the extraordinary general meeting in accordance with item 6 B above is valid when supported by shareholders representing at least nine-tenths of both the votes casted and the shares represented at the general meeting.

### **Shares and votes**

At the day of this notice the total number of shares in the company amounts to 108 435 822 shares, of which 11 304 982 are shares of series A and 97 130 840 are shares of series B. Each share of series A represents ten (10) votes and each share of series B represents one (1) vote. The total number of votes in the company amounts to 210 180 660 votes at the day of this notice. The company owns 1 245 355 own shares of series B at the day of publication of this notice, corresponding to 1 245 355 votes, which cannot be represented at the meeting.

### **Shareholder's right to request information**

The board and the CEO shall, if any shareholder so requests and the board believes that it can be done without material harm to Bonava, provide information regarding circumstances that may affect the assessment of an item on the agenda or the company's relationship with other companies within the group. A request for such information shall be made in writing to Bonava AB, Att: the board of directors, Lindhagensgatan 72, Stockholm or by e-mail to [bolagsstamma@bonava.com](mailto:bolagsstamma@bonava.com), no later than on 23 May 2022. The information will be provided by being kept available at the company and on the company's website, [www.bonava.com/en/general-meeting/extra-general-meeting-2022](http://www.bonava.com/en/general-meeting/extra-general-meeting-2022), no later than on 28 May 2022. Within the same period of time, the information will also be sent to the shareholders who so request and state their postal or email address.

### **Processing of personal data**

All processing of personal data in connection with the general meeting is conducted by Bonava and Euroclear Sweden AB in accordance with the following GDPR-policy: <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

### **Documentation**

The board of directors' complete proposals are included in the notice. The notice, postal voting form and proxy form is on the company's website and will also be sent to the shareholders who so request and state their postal or email address.

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Stockholm in May 2022  
**Bonava AB (publ)**  
*The Board of Directors*