



Press release

15 August 2016

The board of directors of Bonava proposes a long-term incentive plan

The board of directors of Bonava AB (publ) has today resolved to propose that an extra general meeting of the company resolves to implement a long-term performance-based incentive plan ("LTIP 2016"). The plan is proposed to comprise of approximately 25 employees consisting of members of the senior management and other key personnel within the Bonava group.

The incentive plan in brief:

- To participate in LTIP 2016, an own investment in Bonava shares is required. The participants will be offered to invest a maximum of two months' salaries, before taxes, in Bonava shares of series B. The offer to invest a maximum of two months' salaries is an extended investment opportunity for the participants, which the board of directors deems appropriate considering that there are no former incentive plans in Bonava.
- Following a defined vesting period of three years, shares of series B in Bonava will be allocated, free of charge, to the participants provided that certain conditions are fulfilled, which, in addition to continued employment and continued shareholding, relates to Bonava's operating profit (EBIT) and average return on capital employed (ROCE). Allocation of shares of series B shall, however, be reduced if the total shareholder return (TSR) on Bonava's shares of series B should be negative over the plan's term.
- The maximum number of shares of series B in Bonava that can be allocated under LTIP 2016 in total is limited to 338,903.
- Based on a constant share price during the plan's term, a vesting period of three (3) years and some additional assumptions, the total cost of LTIP 2016 including social security costs is estimated to amount to approximately SEK 40 million.

The primary reason for implementing LTIP 2016, after the admission to trading of Bonava's shares on Nasdaq Stockholm in June 2016, is to align the interests of the shareholders with the interests of the senior management and other key personnel to ensure maximum long-term increase in value.

The board of directors of Bonava considers that it is appropriate to resolve on implementing a long-term performance-based incentive plan at an extra general meeting as there are no former share related incentive plans in Bonava.

The board of directors will shortly issue a notice to an extra general meeting in Bonava to be held on 26 September 2016 in Stockholm and in connection therewith publish the board of directors' complete proposal.



For more information, please contact:

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Bonava is a leading residential development company in Northern Europe. Born out of NCC, Bonava has been creating homes and neighbourhoods since the 1930's. Today Bonava has 1,400 employees and operates in Sweden, Finland, Denmark, Norway, Germany, St. Petersburg, Estonia and Latvia with sales of SEK 13 billion. Bonava's shares are listed on Nasdaq Stockholm.

For more information about us: bonava.com