



## Press release

March 21, 2018

## Notice to the annual general meeting in Bonava AB (publ)

Welcome to Bonava AB's (publ) ("Bonava") annual general meeting on Wednesday 25 April 2018 at 3 pm, at Hotel Rival, Mariatorget 3 in Stockholm. Registration at the general meeting will open at 2.00 pm.

### Participation

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

- be listed in the shareholders' register maintained by Euroclear Sweden AB on Thursday, 19 April 2018,
- give notice of his/her/its intention to attend the general meeting no later than on Thursday, 19 April 2018, and inform about the number of advisors, if any, who will accompany the shareholder.

Shareholders whose shares are registered in the name of a trustee with a bank or a stock broker must, in order to be entitled to participate at the general meeting, register such shares temporarily in the shareholder's own name with Euroclear Sweden AB. Such registration must be completed no later than Thursday, 19 April 2018, and should be requested with the trustee well in advance of this date. Notice of intention to attend the general meeting can be made in writing by mail to the following address: Bonava AB, c/o Euroclear Sweden AB, P.O. Box 191, 101 23 Stockholm, Sweden or by telephone +46 8 402 92 26. Shareholders who are physical persons are also able to give notice at the company's website [bonava.com](http://bonava.com). Name, personal identification number or corporate registration number, address, telephone number and registered shareholding as well as information about attorney and advisors (maximum two), if any, should be stated when notice is made. If participation is to be based on a power of attorney, such document must be evidenced in writing and be dated. If the power of attorney is issued by a legal entity, a certified copy of a certificate of registration or corresponding document for the legal entity shall be appended. If participation is to be based on a power of attorney, such a document and, where applicable, certificate of registration, should be submitted in connection with the notice of intention to attend the general meeting. Power of attorney forms are available on Bonava's website [bonava.com](http://bonava.com) and will be sent free of charge to those shareholders who so request and notify their postal address.

### Proposed agenda

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 two persons to check the minutes, in addition to the chairman
6. Determination of whether the meeting has been duly convened
7. Presentation of the annual report and the auditor's report and the consolidated annual report and the auditors' report on the consolidated annual report
8. The chairman of the board's report on the board work
9. Presentation by the CEO
10. Resolutions regarding:
  - A. the adoption of the income statement and balance sheet and the consolidated income statement and consolidated balance sheet,
  - B. allocation of profit or loss in accordance with the adopted balance sheet and the record date for any dividend, and
  - C. the discharge from liability of the board members and the CEO
11. Determination of the number of members of the board elected by the meeting and auditors
12. Determination of the remuneration payable to the board members elected by the meeting and auditors
13. Election of the board, chairman of the board and audit firm or auditors
14. Election of members to the nomination committee and chairman of the nomination committee
15. Resolution regarding instruction to the nomination committee
16. Resolution regarding guidelines for remuneration to senior executives
17. Resolutions regarding:
  - A. a long-term performance-based incentive plan, and
  - B. transfer of shares of series B in Bonava under the incentive plan
18. Resolution regarding authorisation for the board of directors to resolve on execution of acquisition and transfer of shares of series B in Bonava
19. Closing of the general meeting

### Proposals

The nomination committee of Bonava, that for the annual general meeting 2018 consists of Tomas Billing (chairman of the nomination committee, Nordstjernan AB), Tomas Risbecker (AMF – Försäkring och Fonder), Mats Gustafsson (Lannebo Fonder), and Carl Engström (adjunct member in his capacity as chairman of the board), submitted proposals in accordance with items 2, 11-13 and 15 in the agenda.

#### Item 2:

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

#### Item 10 B:

The board of directors proposes that the earnings at the disposal of the annual general meeting, a total of SEK 1,402,526,086, are disposed as dividends to shareholders of SEK

561,010,434.40<sup>1</sup>, equal to SEK 5.20 per share and that the remaining part is carried forward to a new account. The board of directors proposes that the proposed dividend shall be distributed in two installments. At the first installment, SEK 2.60 per share shall be distributed and at the second installment, SEK 2.60 per share shall be distributed.

The board of directors proposes that the record date for the first installment shall be Friday 27 April 2018. Should the annual general meeting resolve in accordance with the proposal, a dividend of SEK 2.60 per share is expected to be distributed by Euroclear Sweden AB on Thursday 3 May 2018.

The board of directors proposes that the record date for the second installment shall be Friday 26 October 2018. Should the annual general meeting resolve in accordance with the proposal, a dividend of SEK 2.60 per share is expected to be distributed by Euroclear Sweden AB on Wednesday 31 October 2018.

**Item 11:**

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.

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

**Item 12:**

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 2,340,000 (2,220,000), of which SEK 630,000 (600,000) shall be paid to the chairman and SEK 285,000 (270,000) to each other elected member, while remuneration for committee work is stated below.

In addition to ordinary board fees, the nomination committee proposes remuneration to the members of the audit committee with SEK 150,000 (100,000) to the chairman and SEK 75,000 (50,000) to the other members.

In accordance with the current interpretation of the rules for taxation of board fees, which was determined during 2017, Bonava will not allow board members to invoice the remuneration through companies. .

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

**Item 13:**

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, Mikael Norman and Anna Wallenberg. The nomination committee proposes election of Frank Roseen as a member. The nomination committee furthermore proposes re-election of Carl Engström as chairman for the period until the next annual general meeting.

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<sup>1</sup> The total amount of the proposed dividend is calculated based on the number of outstanding shares as of 16 March 2018.



Information about the proposed board members is available on the company's website, [bonava.com](http://bonava.com).

The nominating committee proposes election of the audit firm PricewaterhouseCoopers AB (PwC). PwC has announced that Patrik Adolfson will be appointed as the auditor in charge if the annual general meeting elects PwC. The proposed auditor is in accordance with the audit committee's recommendation following the audit procurement carried out by the company.

**Item 14:**

Shareholders representing more than 50 per cent of the total amount of votes in the company proposes the following nomination committee for the annual general meeting 2019: Tomas Billing, Nordstjernan AB, Tomas Risbecker, AMF – Försäkring och Fonder, Mats Gustafsson, Lannebo Fonder and the chairman of the board as an adjunct member. Tomas Billing is proposed to be the chairman of the nomination committee.

**Item 15:**

The nomination committee proposes that the instructions below regarding the nomination committee's composition and work in Bonava shall be valid until the annual general meeting decides otherwise. The instructions are unchanged from the previous year.

**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.

### **Item 16:**

The board proposes the following guidelines for remuneration to senior executives in Bonava shall be valid until the annual general meeting 2019. The guidelines encompass the CEO and other members of the company's executive management. The objective of the guidelines for remuneration to the company's executive management is to enable the company to offer a remuneration in line with market conditions that facilitates the

recruitment and retention of the best possible competence within the company. The total remuneration package shall support the company's long-term strategy. The remuneration to the company's executive management comprises fixed salary, short-term variable remuneration, long-term performance-based incentive plan, pension and other benefits.

**1. Fixed salary**

When determining the fixed salary, the individual executive's areas of responsibility, experience and achieved results shall be taken into account. The fixed salary is to be revised either annually or every second year.

**2. Short-term variable remuneration**

The short-term variable remuneration shall have a maximum limitation and be related to the fixed salary, as well as the outcome in relation to established targets, of which the financial targets account for the, by far, greatest proportion. The purpose of the variable remuneration is to motivate and reward value-adding activities that support the achievement of the company's long-term operational and financial targets.

The short-term variable remuneration for the CEO will have a maximum limitation at 50 per cent of the fixed salary. For other members of the company's executive management, the short-term variable remuneration will have a maximum limitation at between 30 and 50 per cent of the fixed salary. The variable short-term remuneration is to be revised annually.

**3. Long-term variable remuneration**

An additional part of the total compensation to the company's executive management is long-term incentive plans which are decided by the general meeting. At the company's extraordinary general meeting 2016 and annual general meeting 2017, it was decided to introduce three-year performance-based plans, featuring payment in shares. Participation in the plans require a personal investment in the company's shares, to be retained throughout the vesting period of the plans. The board of directors has proposed that the annual general meeting 2018, introduce another three-year performance-based plan, featuring payment in shares. This plan will also contain a requirement to make a personal investment in the company's shares.

**4. Pensions and other benefits**

The company aims to move gradually towards premium-based solutions, which means that the company pays a premium, representing a specific per cent of the employee's salary. Members of the company's executive management, employed in Sweden but who do not receive pension benefits pursuant to a collective agreement (ITP plan), are entitled to receive a maximum of 30 per cent of the fixed annual salary in the form of an annual pension provision. Members of the company's executive management, who are employed in another country, are covered by pension solutions in accordance with local practices.



The retirement age of members of the company's executive management shall be 65 years.

The company provides other benefits to members of the company's executive management in accordance with local practices. The aggregate value of such benefits in relation to the total remuneration shall represent a limited value and correspond to customary terms on the market.

## **5. Periods of notice and severance pay**

A member of the company's executive management who terminates his or her employment at the company's initiative is normally entitled to a nine-month period of notice combined with severance pay corresponding to nine months of fixed salary. The company shall be entitled to make deductions from the severance pay for remuneration received from a new employer during the aforementioned nine-month period. In relation to the CEO and the CFO, a notice period of twelve months and severance pay corresponding to twelve months may be applied instead. The period of notice is normally six months if the employment is terminated at the initiative of the employee.

## **6. Exemptions**

These guidelines may be deviated from by the board if there are specific circumstances in an individual case.

### **Item 17:**

The board of directors proposes that the annual general meeting resolves on a long-term performance-based incentive plan (LTIP 2018) for Bonava AB and on transfer of shares of series B in Bonava in accordance with items A and B below. The structure of the plan is in all material respects consistent with Bonava's previous long-term performance-based incentive plan. Participation in LTIP 2018 requires a personal investment in Bonava-shares and in addition, the maximal short-term variable compensation will be adjusted downwards with 5-15 percentage points, to the extent the participant's maximum short-term variable compensation has not already been adjusted downwards as a consequence of participation in LTIP 2016 or LTIP 2017.

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

#### **LTIP 2018 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 2018 will furthermore create 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 LTIP 2018 comprises of approximately 50 employees consisting of the executive management and certain key personnel. To participate in the LTIP 2018, a personal investment in Bonava-shares is required. Following the defined vesting period, the



participants may, free of charge, be allocated shares of series B in Bonava provided that certain conditions are fulfilled. The participant shall remain employed within the Bonava group and the personal investment in Bonava-shares must have been continuously maintained during the same period of time. Further, allocation of shares of series B relates to the fulfilment of two performance targets, whereof one relates to Bonava's average yearly growth in earnings per share (EPS CAGR) and the other relates to Bonava's average return on capital employed (ROCE). The allocation of shares of series B shall furthermore be subject to a conversion factor governed by the total shareholder return (TSR) on Bonava's shares of series B (change in share price plus dividends) during a period. The maximum number of shares of series B in Bonava which may be allocated under the LTIP 2018 shall be limited to 224,912<sup>2</sup> which represents approximately 0.21 per cent of all shares and approximately 0.10 per cent of all votes. The board of directors intends to propose that future annual general meetings in Bonava adopts long-term incentive plans based on principles similar to those of the now proposed LTIP 2018.

### **Participants in LTIP 2018**

The LTIP 2018 comprises approximately 50 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 CEO, the second category comprises the CFO and the BU-managers, the third category comprises regional heads and the rest of the executive management, and the forth 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 has to take place, can be offered participation on the condition that their employment starts.

### **The personal investment, number of share rights**

To participate in the LTIP 2018, the participant must invest in a personal shareholding in Bonava ("**Investment Shares**"), which shall be allocated to the LTIP 2018. The Investment Shares shall be acquired specifically for the LTIP 2018. The participant can invest a maximum of one months' salary (according to salary levels on 1 January 2018) before taxes in the LTIP 2018. The investment can be made at any of the following investment levels: 50 or 100 per cent of the maximum investment. For the CEO, each Investment Share entitles to six (6) share rights, for the second category of participants, each Investment Share entitles to five (5) share rights, for the third category, each Investment Share entitles to four (4) share rights, and for the forth category, each Investment Share entitles to three (3) share rights.

### **Terms for the share rights**

For the share rights the following conditions shall apply:

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

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<sup>2</sup> Subject to any recalculation.





- The share rights may not be transferred or pledged.
- Allocation of shares of series B in Bonava, if any, will normally take place within two (2) weeks after the disclosure of Bonava's interim report for the third quarter of 2021. The right to receive shares of series B pursuant to the share rights 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 third quarter of 2021. Allocation 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 that the participants receive.
- The program is limited to four times the initial value of the share rights, i.e. the maximum value per share (including any compensation that the participants receive for paid dividends) that a participant can receive is limited to 400 per cent of the initial share price. The share price shall then be calculated as the average last price paid for Bonava's share of series B on Nasdaq Stockholm during a period of twenty trading days immediately following the date of the annual general meeting.

### Performance targets

Allocation of shares of series B based on the participant's holding of share rights relates to the level of fulfilment of two performance targets, whereof one relates to Bonava's average yearly growth in earnings per share (EPS CAGR) and the other relates to Bonava's average return of capital employed (ROCE). Profits from completed land sales without associated projects shall be excluded in the assessment of the extent to which performance targets have been met. The measurement period for measuring to which extent the performance targets are fulfilled runs during the period 1 January 2019 – 31 December 2020 (the "**Measurement Period**"). A minimum level and a maximum level for each of the performance targets have been established by the board of directors. Where the level of fulfilment is between the minimum and maximum levels, allocation will be made on a linear basis, with 70 per cent weighting on the performance target for Bonava's average yearly growth in earnings per share (EPS CAGR) and 30 per cent weighting on Bonava's average return on capital employed (ROCE). Bonava intends to present the level of the performance targets set by the board of directors, and to what extent these have been fulfilled after the closure of the plan. The allocation of shares of series B shall furthermore be subject to a conversion factor governed by the total shareholder return (TSR) of Bonava's shares of series B (change in share price plus dividend), where the initial value consists of the volume weighted average price paid for the company's shares of series B on Nasdaq Stockholm during the first week of the third quarter of 2018 and the closing value, to compare to, consists of the volume weighted

average price paid for the company's shares of series B on Nasdaq Stockholm during the week following the company's publication of its half-yearly report during 2021. If the total return does not amount to a set minimum level, the conversion factor will lead to the scope of the plan and any allocation of shares of series B being reduced by 50 per cent, and if the total return exceeds a set maximum level, any allocations of shares of series B will increase with 20 per cent (but not exceeding the limit of the LTIP 2018 for a total of 224,912 shares of series B in Bonava<sup>3</sup>).

### **Formulation and administration**

The board of directors shall be responsible for the formulation and administration of the LTIP 2018, within the scope of terms and directions set out. The board of directors shall be entitled to make adjustments to fulfil specific regulation 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 2018 employed in such countries where participation in LTIP 2018 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 in accordance with the LTIP 2018 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, the board of directors shall assess whether the outcome of the LTIP 2018 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.

### **Scope**

The maximum number of shares of series B in Bonava which may be allocated under the LTIP 2018 shall be limited to 224,912 which represents approximately 0.21 per cent of all shares and approximately 0.10 per cent of all votes in the company. The number of shares of series B included in the LTIP 2018 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.

### **Hedging**

The board of directors has considered two alternative hedging methods for the LTIP 2018; 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 2018. The board of directors considers the latter alternative to be the main alternative. The board of directors has therefore proposed that the annual general meeting shall authorise the board of directors to resolve on execution of acquisition of shares of series B in Bonava as well as resolve on transfer of shares of series B in Bonava that are held by the company (see items 17B and 18 below). The board of

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<sup>3</sup> Subject to any recalculation.

directors also proposes that the board of directors shall have the right to execute transfer of shares of series B in Bonava, which are held by the company, on Nasdaq Stockholm to cover social security costs under the plan. Should the annual 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. Such a hedging arrangement with a bank may also be used for the purpose to cover social security costs that accrue under the LTIP 2018.

### **Scope and costs under the plan**

The share rights may not be pledged or transferred to others. Though, an estimated value for each share right may be calculated. The board of directors has estimated the average value of each share right to SEK 118.7. This estimate is based on the average closing price of Bonava's share of series B between 15-19 January 2018. Based on the assumption that all persons who have been offered participation in the plan participate, that they make the maximum investment and that there is a 100 per cent fulfilment of the two performance targets, the aggregate estimated value of the share rights is approximately MSEK 26.7. The value is equivalent to approximately 0.21 per cent of the market capitalisation for Bonava based on the average closing price for Bonava's share of series B between 15-19 January 2018.

The costs are recognised as staff costs in the profit and loss account during the vesting period, in accordance with IFRS 2 Share-based Payment. Social security costs shall be charged to the profit and loss account in accordance with UFR 7 during the vesting period. The size of these costs will be calculated based on the Bonava share price development during the vesting period and allocation of the share rights. Based on a constant share price during the plan's term, a vesting period of three (3) years as well as some additional assumptions, the maximal cost of the LTIP 2018 including social security costs is estimated to amount to approximately MSEK 31.0, which on an annual basis corresponds to approximately 2.7 per cent of Bonava's total staff costs during the financial year 2017.

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

In the event of full participation in the LTIP 2018, Bonava's staff costs may increase with a maximum of MSEK 10.3 annually (including social security costs) based on the assumptions above. On a pro-forma basis for 2017, these costs represent a negative effect on Bonava's operating margin of approximately 0.07 per cent per units and a decrease of earnings per share of approximately SEK 0.10. However, the board of directors considers that the positive effects on Bonava's financial performance which are expected from an increased shareholding by the participants and the possibility to be allocated further shares in Bonava under the LTIP 2018, outweighs the costs related to the LTIP 2018.

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

The LTIP 2018 has been processed at board meetings and prepared in accordance with the guidelines adopted to be applied in LTIP 2017. Some changes have, however, been



made to the detailed wording of the performance requirements, the requirement for total return on Bonava's share of series B and the measure period for the performance requirements.

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

There are share-related incentive plans that has previously been implemented in Bonava, LTIP 2016 and LTIP 2017, see note 3 in Bonava's 2017 annual report, which is available at Bonava's website, [bonava.com](http://bonava.com) at the latest from 20 March 2018.

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

Referring to the description above, the board of directors proposes that the annual general meeting resolves on the LTIP 2018.

#### **Majority requirements**

A resolution to introduce the LTIP 2018 in accordance with the board of directors' proposal is valid when supported by shareholders holding more than half of the votes cast at the annual 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 annual general meeting first has resolved on a long-term performance-based incentive plan (LTIP 2018) in accordance with item A above.

#### **Transfer of shares of series B in Bonava to participants in the LTIP 2018**

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

- Not more than 224,912 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 2018 who under the terms for the LTIP 2018 are entitled to receive shares.
- Transfer of shares of series B shall be made at the time and according to the other terms pursuant to which participants in the LTIP 2018 are entitled to receive shares of series B.

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 2018. Therefore, the board of directors considers the transfer of shares of series B in accordance with the proposal to benefit the company.

#### **Item 18:**

The board of directors proposes that the annual general meeting authorises the board of directors to, on one or several occasions for the period until the end of next annual general meeting, acquire a maximum number of shares of series B so that the company's holding following the acquisition does not exceed 10 per cent of all the shares of series B in Bonava at any time. Acquisitions shall be conducted on Nasdaq Stockholm and at a price per share of series B that is within the price range for the share price prevailing at any time (the so-called spread), i.e. the range between the highest ask price and the lowest bid price. In the event that the acquisitions are effected by a stock broker as assigned by the company, the share price may, however, correspond to the volume weighted average price during the time period within which the shares of series B were acquired, even if the volume weighted average price on the day of delivery to Bonava falls outside the price range. Payment for the shares of series B shall be made in cash.

Furthermore, the board of directors proposes that the annual general meeting authorises the board of directors to, on one or more occasions for the period until the end of the next annual general meeting, resolve on the transfer of own shares of series B. The number of shares of series B transferred may not exceed the total number of shares of series B held by Bonava at any time. Transfers may be conducted on or outside Nasdaq Stockholm, including a right to resolve upon deviations from the shareholders' pre-emption right. The transfer of shares of series B on Nasdaq Stockholm shall be conducted at a price within the registered price range at the time of the transfer. The transfer of shares of series B outside Nasdaq Stockholm shall be made at a price in cash or value in property received that corresponds to the share price at the point in time of the transfer of the Bonava shares of series B that are transferred with the deviation, if any, that the Board deems appropriate in each case.

The purpose of the above authorisations regarding acquisition and transfer of own shares of series B is to enable financing of acquisitions of companies and businesses by payment with own shares of series B and to continuously be able to adjust the capital structure of Bonava and thereby create added value to the shareholders as well as to enable that costs (including costs for social security costs) delivery are secured in connection with the implementation of Bonava's incentive plan at any time.

#### **Special majority requirements**

A resolution by the general meeting in accordance with item 17 B above is valid when supported by shareholders representing at least nine tenth of both the votes cast and the shares represented at the general meeting. A resolution by the general meeting in accordance with item 18 is valid when supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the annual general meeting.

#### **Shareholders' right to request information**

The shareholders are hereby reminded of their right to request information from the board of directors and the CEO in accordance with the Swedish Companies Act Ch. 7 § 32 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 13,130,033 are shares of series A and 95,305,789 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 226,606,119 votes at the day of this notice. Bonava owns 549,200 own shares of series B at the day of this notice, corresponding to 549,200 votes, which cannot be represented at the meeting.

### Documentation

The board of directors' complete proposals and other documents that shall be made available under the Swedish Companies Act and the Swedish Code of Corporate Governance, will be made available to the shareholders at the company's office at Lindhagensgatan 72 in Stockholm and on the company's website [bonava.com](http://bonava.com) no later than three weeks before the general meeting and will also be distributed to shareholders who have requested it and have stated their postal address.

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Stockholm in March 2018  
**Bonava AB (publ)**  
*The Board of Directors*

### 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 1930s. Bonava has 2,000 employees and operates in Sweden, Germany, Finland, Denmark, Norway, St. Petersburg, Estonia and Latvia, with sales of SEK 14.5 billion in 2017. Bonava's shares are listed on Nasdaq Stockholm.

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