



Press release, 28 February 2022

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

Shareholders of Bonava AB (publ), 556928-0380, ("Bonava"), are hereby invited to attend the annual general meeting, to be held on Friday, 1 April 2022 at 15.00, at Finlandshuset, Snickarbacken 4, Stockholm, Sweden. Registration at the meeting will open at 14.30.

The board of directors has decided that the shareholders may also exercise their voting right by postal voting, pursuant to article 13 in Bonava's articles of association.

#### **Participation**

Shareholders who wish to attend the annual general meeting must:

- be listed in the shareholders' register maintained by Euroclear Sweden AB on Thursday, 24 March 2022, and
- give notice to the company of their intention to attend the annual general meeting no later than 28 March 2022 at the address Bonava AB, c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden, or by telephone +46 8 402 92 26.

Shareholders who are physical persons can also give notice at the company's website [bonava.com/en/general-meeting/annual-general-meeting-2022](https://bonava.com/en/general-meeting/annual-general-meeting-2022). When giving notification please state your name, personal identification number or corporate registration number, address and daytime telephone number.

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 March 2022 will include voting registrations made no later than 28 March 2022. Therefore, shareholders should inform their nominees well in advance before this date.

Shareholders who wish to attend the meeting in person or through a proxy representative are entitled to bring one or two assistants. Shareholders represented by proxy shall issue a dated and signed power of attorney for the proxy. If the shareholder is a legal entity, a certificate of incorporation or corresponding document, shall be enclosed. In order to facilitate the registration at the general meeting, the power of attorney in the original together with certificate of incorporation and other documents of authority should be provided to the company at the address stated above no later than 31 March 2022. Power of attorney forms are available on Bonava's website [bonava.com/en/general-meeting/annual-general-meeting-2022](https://bonava.com/en/general-meeting/annual-general-meeting-2022) and will be sent free of charge for the recipient to the shareholders who so request and state their postal address.

Shareholders who wish to exercise their right to advance voting shall do that in accordance with the instructions under the heading "*Postal voting*" below. In case of such advance voting, no further notification is needed.

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## **Postal voting**

A designated form shall be used for postal voting. The form is available on Bonava's website, [bonava.com/en/general-meeting/annual-general-meeting-2022](https://bonava.com/en/general-meeting/annual-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 meeting.

The completed voting form must be received by Euroclear Sweden AB (being the administrator of the forms for Bonava), no later than on 28 March 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 AGM 2022").

If a shareholder votes in advance by proxy, a power of attorney shall be enclosed with the form. Power of attorney forms are available at [bonava.com/en/general-meeting/annual-general-meeting-2022](https://bonava.com/en/general-meeting/annual-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. 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 financial statements and the auditors' report on the consolidated financial statements
8. 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
9. Determination of the number of members of the board elected by the meeting and auditors
10. Determination of the remuneration payable to the board members elected by the meeting and auditors
11. Election of the board, chairman of the board and audit firm or auditors

12. Election of members to the nomination committee and chairman of the nomination committee
13. Resolution regarding guidelines for remuneration to senior executives
14. Presentation of remuneration report for approval
15. Resolutions regarding:
  - A. long-term performance-based incentive plan, and
  - B. transfer of shares of series B in Bonava under the incentive plan
16. Resolution regarding authorisation for the board of directors to resolve on execution of acquisition and transfer of shares of series B in Bonava
17. Closing of the general meeting

## Proposals

The nomination committee of Bonava, that for the annual general meeting 2022 consists of Peter Hofvenstam (Nordstjernan AB, chairman of the nomination committee), Lennart Francke (Swedbank Robur Fonder), Mats Gustafsson (Lannebo Fonder), Olof Nyström (Fjärde AP-fonden, since November 2021) and Mats Jönsson (adjunct member in his capacity as chairman of the board), has submitted proposals in accordance with items 2 and 9-11 in the agenda.

### Item 2:

The nomination committee proposes Mats Jönsson as chairman of the meeting, or if he is unable to attend the meeting, any person assigned by the nomination committee.

### Item 3:

The voting list which is proposed to be approved under item 3 shall be the voting list drawn up by Euroclear Sweden AB at the request of the company based on the meeting's share register, shareholders who have given notice to attend and are present at the meeting and postal votes received.

### Item 5:

The board of directors proposes that (A) Kristian Åkesson, representative of Didner & Gerge, and (B) Oskar Börjesson, representative of Skandia Liv, or, if any or both of them are unable to attend the meeting, any of the persons assigned by the board, shall together with the chairman of the board verify the minutes.

### Item 8 B:

The board of directors proposes that the earnings at the disposal of the annual general meeting, a total of SEK 6,998,149,344, shall be distributed so that SEK 3.50 per share, a total of SEK 375,166,634<sup>1</sup>, is distributed to the shareholders and that the remaining amount is carried forward. The board of directors proposes that the proposed dividend shall be distributed in two instalments. At the first instalment, SEK 1.75 per share shall be distributed and at the second instalment, SEK 1.75 per share shall be distributed.

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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 23 February 2022.

The board of directors proposes that the record date for the first instalment shall be Tuesday 5 April 2022. If the annual general meeting resolves in accordance with the proposal, a dividend of SEK 1.75 per share is expected to be distributed by Euroclear Sweden AB on Friday 8 April 2022.

The board of directors proposes that the record date for the second instalment shall be Monday 3 October 2022. If the annual general meeting resolves in accordance with the proposal, a dividend of SEK 1.75 per share is expected to be distributed by Euroclear Sweden AB on Thursday 6 October 2022.

**Item 9:**

The nomination committee proposes that the number of board members elected at the annual general meeting shall be seven (7) ordinary members without any deputy members.

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

**Item 10:**

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 2,720,000 SEK (previously SEK 2,330,000), of which SEK 800,000 (previously SEK 780,000) shall be paid to the chairman and SEK 320,000 (previously SEK 310,000) to each other member elected by the meeting.

In addition to above proposed fees, for every physical board meeting that is held in the Nordics, each member resident in Europe but outside the Nordics shall receive a meeting fee of SEK 20,000. The proposal is motivated by the additional time and expenses that travelling will mean for members of the board that reside outside the Nordics.

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

In addition to ordinary board fees, the nomination committee proposes that remuneration to the members of the remuneration committee with SEK 75,000 (unchanged) shall be paid to the chairman and SEK 35,000 (previously no remuneration) to each other member.

Further, it is proposed that fees to the auditors shall be paid according to approved invoice.

**Item 11:**

For the period until the end of the next annual general meeting, the nomination committee proposes re-election of the board members Viveca Ax:son Johnson, Åsa Hedenberg, Mats Jönsson, Angela Langemar Olsson and Per-Ingemar Persson for the period until the end of the next annual general meeting. The nomination committee further proposes new election of Andreas Segal and Nils Styf as board members for the period until the end of the next annual general meeting. Frank Roseen has declined re-election. The nomination committee proposes re-election of Mats Jönsson as chairman of the board for the period until the end of the next annual general meeting. Information about the proposed board members is available on the company's website, [bonava.com/en/general-meeting/annual-general-meeting-2022](https://bonava.com/en/general-meeting/annual-general-meeting-2022).

The nomination committee proposes re-election of the audit firm Öhrlings PricewaterhouseCoopers AB ("PwC"). PwC has announced that Patrik Adolfson will continue

as the auditor in charge if the annual general meeting elects PwC. The proposed auditor is in accordance with the audit committee's recommendation.

**Item 12:**

Shareholders representing more than 50% of the total amount of votes in the company proposes the following nomination committee for the annual general meeting 2023: Peter Hofvenstam, Nordstjernan AB, Lennart Francke, Swedbank Robur Fonder, and Olof Nyström, Fjärde AP-fonden, and the chairman of the board as an adjunct member. Peter Hofvenstam is proposed to be the chairman of the nomination committee.

**Item 13:**

The board proposes the following guidelines for remuneration to senior executives shall be valid at the latest until the annual general meeting 2026.

**The board of directors' proposal regarding guidelines for remuneration to senior executives**

The CEO and other members of the company's executive management fall within the provisions of these guidelines. After the guidelines have been adopted by the annual general meeting, they shall be applied to remuneration agreed, and amendments to remuneration already agreed. The guidelines shall apply until new guidelines are adopted by the general meeting. These guidelines do not apply to any variable cash remuneration which is paid in accordance to synthetic shares and any other remuneration decided or approved by the general meeting.

Remuneration to the CEO is decided by the board of directors of Bonava AB based on the remuneration committee's recommendation. Remuneration to other members of the company's management is decided by the CEO in consultation with the chairman and is reported to the board of directors / remuneration committee.

**1. The guidelines' promotion of the company's business strategy, long-term interests and sustainability**

Bonava's strategic goal is to be a leading and sustainable residential developer in Europe. To achieve the strategic goals, we work with focus areas in accordance with an appropriate business model. We stand on a stable foundation with fundamental values and our core is our sustainability agenda with environmental, social and ethical focus.

A prerequisite for the successful short term and long-term implementation of the company's business strategy and sustainability agenda is that the company is able to recruit and retain qualified members of the executive management. An important part in this is that the company can offer a competitive total remuneration, which is made possible through these guidelines.

**2. Remuneration components and other terms for members in the company's executive management**

The total remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable remuneration, pension benefit and other benefits. In addition to what is stipulated in the guidelines, the annual general meeting may resolve on, among other things, share-related or share price-related remuneration.

### **Fixed cash salary**

The annual fixed cash salary shall reflect areas of responsibility, experience and achieved results. Salary levels are reviewed either every year or every other year to ensure continued competitiveness and to reward individual performance.

### **Variable remuneration**

Variable remuneration covered by these guidelines shall aim to promote the company's business strategy and long-term interests, including its sustainability. Variable remuneration consists of both cash (short-term) and share-based (long-term) components.

#### ***Variable cash remuneration***

Variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial, but shall have a clear connection to the company's predefined financial or qualitative objectives. Furthermore, they may be individualized, quantitative or qualitative objectives. The criteria shall be designed to contribute to the company's business strategy and long-term interests, including the sustainability agenda, by for example being clearly linked to the business strategy.

Once the period for measuring the satisfaction of criteria for awarding variable cash compensation expires, the outcome will be determined. The outcome shall be related to the achievement of set targets regarding profitability as well as sold housing, for the group and/or the business unit of which the executive manager has responsibility for the results. The board of directors is responsible for the evaluation of the CEO's outcome, while the CEO is responsible for the outcome evaluation for other members of the company's management. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

The measurement period for fulfilment and possible payment of variable cash compensation must be measurable over a period of one or more years. The variable cash remuneration may amount to a maximum of 60% of fixed annual cash remuneration for the CEO and 50% for other members of the executive management during the measurement period for such criteria.

#### ***Variable share-based remuneration***

Long-term incentives ("LTI-programs") are usually share-based and are resolved upon by the general meeting and therefore not covered by these guidelines. The board annually evaluates whether a share-based LTI-program should be proposed to the annual general meeting. LTI-programs must have a clear connection to the business strategy and must always be designed in order to link the shareholders' and participants' interests for long-term value creation.

### **Pension and other benefits**

For all members of the company's management (that is not covered by collective agreed pension benefits, ITP-plan) the pension premiums may not exceed 30% of the fixed cash salary. Variable cash remuneration shall not qualify for pension benefits unless this is provided by mandatory collective agreement provisions.

Other benefits may include, inter alia, life insurance, medical insurance (Sw. *sjukvårdsförsäkring*) as well as company cars. Premiums and other costs for such benefits may amount to not more than 10%<sup>2</sup> of the fixed cash salary. For members of the

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<sup>2</sup> For employees temporarily working abroad, the value of the benefits may amount to a total of 40% of the fixed salary. Examples on benefits that may be included are residence allowance, school fees, cost-of-living allowance, removal expenses etc.



company's management operating in another country, pension benefits and other benefits are regulated in accordance with established or mandatory local practice, but adjustments shall be made to the extent possible within the framework of these guidelines.

### **3. Termination of employment**

A member of the company's management whose employment is terminated on the company's initiative, is normally entitled to a maximum of nine months' notice period with a severance pay corresponding to nine months' fixed salary. The company shall be entitled to deduct remuneration paid by a new employer from the severance payment during these nine months. Regarding the Chief Executive Officer, a twelve months' notice period with a severance pay corresponding to twelve months' fixed salary is applied. If the employment is terminated by the employee, the notice period shall not exceed six months.

### **4. Salary and employment conditions for employees**

In the preparation of the board of directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the board of directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

### **5. The decision-making process to determine, evaluate and apply the guidelines**

The board of directors' task is to prepare decisions regarding proposals for guidelines for executive remuneration. The board of directors shall prepare a proposal for new guidelines at least every fourth year and submit the proposal to the general meeting. Adopted guidelines are in force until new guidelines are adopted by the general meeting.

Furthermore, the board of directors shall monitor and evaluate programs for variable remuneration for the company's management and the application of the guidelines regarding compensation levels and structures. The members of the executive management do not participate in the board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

### **6. Derogation from the guidelines**

The board of directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the board of directors' tasks include preparing resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

### **7. Material changes to the guidelines and how the views of shareholders' have been taken into consideration**

For 2022, the maximum outcome of variable cash remuneration has been adjusted to a maximum of 60% of fixed annual cash remuneration for the CEO and 50% for other members of the executive management during the measurement period for such criteria.

At the 2021 annual general meeting, no comments were presented by the shareholders regarding the guidelines. The company has therefore not had any comments to take into consideration during the year.

**Item 14:**

The board of directors presents the remuneration report<sup>3</sup> and proposes that the annual general meeting shall decide to approve the report.

**Item 15:**

The board of directors proposes that the annual 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 55 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 months' 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,

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<sup>3</sup> The remuneration report 2021 will be published at the same time as the annual report 2021, no later than 11 March 2022.





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 annual 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.

The maximum value that a participant can receive through allocation of shares of series B and payment of cash compensation is limited to 400% of the share price (including any compensation that the participants receive for paid dividends). 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 (20) trading days immediately following the annual general meeting 2022.

### 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 3.5 billion and the maximum level to an accumulated operating profit of SEK 4.2 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>4</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 19.1% over three years (based on an annual TSR of 6%) and the maximum level for the performance target shall amount to a TSR of 40.5% over three years (based on an annual TSR of 12%). Where the level of fulfilment is in line with the minimum level, allocation and payment of cash compensation will be made corresponding to ¼ 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 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.

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<sup>4</sup> Including returned dividends.

### **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 143,324 shares which represents approximately 0.13% of all shares and approximately 0.07% of all votes in the company. The cash payment may as maximum be based on 143,324 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 annual general meeting shall resolve on transfer of shares of series B in Bonava that are held by the company as well as to authorise the board of directors to execute acquisition of shares of series B in Bonava (see item B below and item 16 in the agenda). The board of 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 costs for payment of cash compensation and social security contributions 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 costs for payment of cash compensation and social security costs that accrue under the LTIP 2022.

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

Based on the assumption of a share price of SEK 79.85 at the time of investment and at the time of allocation and payment respectively, all persons who have been offered to participate in the plan participates and that they make a maximum investment, a 100% fulfilment of the two performance targets as well as that all participates stay in the plan until allocation and payment, 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 0.29% of Bonava's market capitalization based on the average closing price for shares of series B Bonava between 3 February – 9 February 2022. Assuming a positive share price development of 20% during the duration of the program, the cost increases to MSEK 30, which corresponds to approximately 0.35% 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) at the latest from 11 March 2022.

### **1.13 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 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 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 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 annual general meeting resolves to transfer shares of series B in the company in accordance with the following.

- Not more than 143,324 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.

#### **Item 16:**

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 next annual general meeting, acquire a maximum number of shares of series B so that the company's holding, at any time following the acquisition, does not exceed 10% of all the shares of series B in Bonava. 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 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 delivery of shares of series B and to cover costs (including costs for social security costs and payments according to synthetic shares) 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 16 above is valid when supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the general meeting, while a resolution by the general meeting in accordance with item 15 B above is valid only when supported by shareholders representing at least nine tenths of both the votes cast 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.



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

The shareholders have the right to receive information from the board of directors and CEO regarding circumstances that may affect the assessment of an item on the agenda or circumstances that may affect the assessment of the company's financial situation or circumstances regarding the company's relationship with other group companies, if the board of directors believes that such information can be provided without causing material damage to the company.

### **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 nomination committee's complete proposals and reasoned statement and information regarding proposed directors is today available at the company's website [bonava.com/en/general-meeting/annual-general-meeting-2022](https://bonava.com/en/general-meeting/annual-general-meeting-2022). 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 at the company's office at Lindhagensgatan 72 in Stockholm, Sweden, and on the company's website no later than three weeks before the general meeting. The documents will also be sent to the shareholders who so request and state their postal or email address. The documents will be presented at the meeting.

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Stockholm in February 2022

**Bonava AB (publ)**

*The board of directors*