

Corporate Governance Report

Bonava is a Swedish public limited company listed on Nasdaq Stockholm. Bonava complies with the Swedish Corporate Governance Code. Bonava's corporate governance aims to ensure an efficient and value-creating decision-making process through the clear distribution of roles and responsibilities between the owners, the Board of Directors and Executive Management. This transparency is a prerequisite for quick and appropriate responses to new business opportunities.

Corporate Governance Report

Bonava is a Swedish public limited company that was listed on Nasdaq Stockholm in 2016. Bonava's corporate governance is based on Swedish law, the Articles of Association, Nasdaq Stockholm's Rules for Issuers and regulations and recommendations issued by relevant organisations. In the countries where Bonava conducts operations, the company complies with local legislation and other regulations. Bonava also complies with accepted securities market practice, which includes the application of the Swedish Corporate Governance Code, "the Code". Bonava has not departed from the Code. There have been no instances of non-compliance with Nasdaq Stockholm's Rules for Issuers or accepted securities market practice. This Corporate Governance Report has been prepared by the Board of Directors and is presented in compliance with the Annual Accounts Act and the Code, presenting Bonava's Corporate Governance in 2019.

GENERAL MEETING

Notices convening General Meetings are made available on the company's website and through announcements in the Swedish Official Gazette (Post- och Inrikes Tidningar). Confirmation that the notice has been issued is published simultaneously in the Swedish daily broadsheet Dagens Nyheter.

GENERAL MEETINGS IN 2019

The Annual General Meeting (AGM) on 10 April 2019 was the only General Meeting held during the year. In addition to electing the Board of Directors and other customary matters, the AGM authorised a new share-based incentive programme for Executive Management and specific key executives.

2020 ANNUAL GENERAL MEETING

Bonava's Annual General Meeting for 2020 will be held on 31 March 2020 in Stockholm, Sweden. Shareholders are entitled to raise matters at the AGM subject to submitting a written request no later than 11 February 2020. This information was published on the company's website in connection with the interim report for the third quarter of 2019. Such requests should be addressed to the Board of Directors. Bonava seeks to ensure that the Board of Directors, management team, Nomination Committee and auditor are present at General Meetings. For more information about the AGM, see page 10 or Bonava's website, bonava.com.

SHARES AND SHAREHOLDERS

Bonava's share was listed on Nasdaq Stockholm in 2016. At year-end, the number of shares in the company was 108,435,822. On the same date, the share capital totalled SEK 434 M with a quotient value per share of SEK 4.00.

At year-end, Bonava had 30,158 shareholders. The company's five largest shareholders at year-end were Nordstjernan AB, AMF Försäkring och Fonder, Swedbank Robur fonder, Lannebo fonder and SEB Investment Management.

– Read more about Bonava's shares and shareholders on pages 106–108.

ARTICLES OF ASSOCIATION

Bonava's Articles of Association were adopted by the 2019 AGM and are available in full at bonava.com. The Articles of Association stipulate that the company, directly or through subsidiaries, develops and invests in residential properties and engages in real estate trading operations, and conducts other operations related to the above. The company also undertakes certain Group-wide activities, such as the provision of employee services. The registered office is

in Stockholm, Sweden. The company is prohibited from making any decisions that contravene the Articles of Association without first referring such matters to the General Meeting for a decision and potentially amending the Articles of Association.

The Articles of Association do not contain any special stipulations regarding the appointment and discharge of Board members or amendments to the Articles of Association.

NOMINATION COMMITTEE

The 2019 AGM appointed the following Nomination Committee ahead of the 2020 AGM: Angela Langemar Olsson, Nordstjernan AB; Tomas Risbecker, AMF Försäkring och Fonder; and Caroline Forsberg, SEB as well as the Chairman of the Board as a co-opted member. Angela Langemar Olsson was elected Chairman of the Nomination Committee.

THE WORK OF THE NOMINATION COMMITTEE

According to the instructions, the Nomination Committee's task is to propose to the AGM the number of Board members and the composition of the Board, including the Chairman as well as proposals relating to remuneration to the Board, including any special fees for committee work. The Nomination Committee also proposes the Chairman of the AGM and, where applicable, the company's auditors and their remuneration. Where required, the Nomination Committee also proposes any changes to the applicable instructions for the Nomination Committee.

Ahead of the AGM 2020, the Nomination Committee held six recorded meetings, and also communicated by phone and e-mail between meetings. The Chairman of the Board of Directors reported to the Nomination Committee on the Board's work during the year, and also studied the self-evaluation completed by the Board of Directors. In addition, the Nomination Committee also discussed the work and composition of the Board directly with all Board members. The Nomination Committee noted that the Board of Directors is functioning properly, and that in terms of gender distribution and diversity in general has a satisfactory composition which meets the requirements under the company's diversity policy. The Nomination Committee has subsequently evaluated the company's needs and an appropriate Board composition in relation to the current Board members' background and expertise, and in that connection has found that the Board of Directors should be supplemented with one member with competence and experience in construction and property development and one member with competence in management accounting and project monitoring. On this basis, requirement profiles for potential new members have been produced and the Nomination Committee has interviewed and evaluated candidates. The Nomination Committee also evaluated Board fees and addressed the matter of remuneration for committee work. All decisions taken by the Nomination Committee were unanimous.

DIVERSITY POLICY

Bonava's diversity policy stipulates that, with regard to the needs of the company's operations, stage of development and other conditions, the Board shall have a suitable composition characterised by diversity and breadth with regard to the members appointed by the AGM in terms of skill, experience and background, and that an even gender distribution shall be pursued. The objective of the diversity policy is to meet the requirement for satisfactory diversity in the Board in terms of gender, age and nationality as well as experience, professional background and other qualities. For more information about the company's diversity initiatives, refer to the section "Passionate workplace" on page 93.

NOMINATION COMMITTEE PROPOSALS

Shareholders have been invited to submit their proposals and views to the Nomination Committee. Shareholders wishing to present a proposal to the Nomination Committee should do so via ir@bonava.com. No special remuneration was paid to the Chairman, or any other member of the Nomination Committee.

The Nomination Committee's proposals for Board members, Board fees and auditors are published in the notice convening the AGM and at bonava.com.

BOARD OF DIRECTORS

According to the Articles of Association, Bonava's Board of Directors shall have a minimum of three and a maximum of eight members. The AGM on 10 April 2019 resolved to re-elect Carl Engström, Viveca Ax:son Johnson, Åsa Hedenberg, Samir Kamal, Mikael Norman, Frank Roseen and Anna Wallenberg as Board members, and to elect Mikael Norman as the new Chairman of the Board. For information on Board members, their assignments outside the Group and their shareholdings in Bonava, see the "Board of Directors" section. The Board of Directors also adopts the Rules of Procedure for the Board and instructions for the CEO. The Board of Directors has also decided on a number of general policies, guidelines and instructions relating to the company's operations, see page 70. These internal policy documents are reviewed at least once a year and are also updated continuously to comply with legislation as and when required.

THE BOARD OF DIRECTORS AND NON-AFFILIATION

Bonava's Board of Directors was deemed to satisfy the Code's requirements of non-affiliation as all seven of the members elected by the AGM are not affiliated with the company and Executive Management.

All Board members, with the exception of Carl Engström and Viveca Ax:son Johnson, are deemed to satisfy the requirement for non-affiliation with regard to major shareholders (in both cases this relates to Nordstjernan AB).

CHAIRMAN

The Chairman of the Board is elected by Bonava's AGM and leads the work of the Board. At the AGM on 10 April 2019, Mikael Norman was elected as the new Chairman of the Board.

THE BOARD IN 2019

In 2019, the Board held ten meetings, including the inaugural meeting following election. The agenda for every regular Board meeting includes a number of standing items: the CEO's summary of operations, divestments and investments, financial reporting, a summary of major exposures and reports on any potential health and safety and Code of Conduct incidents. In 2019, the Board discussed and decided on adjustments to Bonava's strategy, the status of the company's various markets, the acquisition of residential developer Urbanium AS in Oslo, a restructuring project concerning

the operations in Finland and a number of major land and project sales and investments. The Board also evaluated Bonava's climate impact survey and established climate targets for 2030 in accordance with an approved method of application to the Science Based Target initiative. The company's sustainability agenda is otherwise unchanged.

COMMITTEES

The Board currently has two committees: the Audit Committee and the Remuneration Committee. In 2019, the Remuneration Committee's assignments were carried out by Bonava's Board of Directors, while a dedicated Audit Committee operated separately. The committees' assignments are regulated more closely in the annually revised committee instructions.

AUDIT COMMITTEE

The Audit Committee works according to an agenda which is set annually. Its tasks include monitoring the company's financial reporting and the efficiency of the company's internal control and risk management. During 2019, the Audit Committee consisted of Board members Carl Engström (who also served as Chairman), Åsa Hedenberg and Mikael Norman, none of whom is employed by the company.

In 2019, the Audit Committee held seven meetings. Bonava's auditor was present at all the meetings. The meetings addressed matters such as the company's interim reports, the focus of the external audit and the company's internal control of its financial reporting.

REMUNERATION COMMITTEE

The tasks of the Remuneration Committee include addressing matters relating to the principles governing remuneration to the CEO and senior executives, as well as individual remuneration to the CEO in accordance with the remuneration principles. These principles include the relationship between fixed and variable remuneration, and the correlation between performance and remuneration, mainly the terms applying to potential bonuses and incentive programmes, and the primary terms of non-monetary benefits, pension, termination of employment and severance pay. The whole Board determines the CEO's remuneration and other employment terms. Share-based incentive programmes for Executive Management and other senior executives are decided by the AGM.

The Remuneration Committee held two meetings (Board meetings) in 2019, one regular meeting and one extraordinary meeting. All members were present at both meetings with the exception of Board member Anna Wallenberg, who was not present at the regular meeting in December 2019. The meetings addressed matters such as variable remuneration for senior executives in 2020, remuneration to the CEO and the proposed basis for a share-based incentive programme for Executive Management and certain key executives for resolution in 2020.

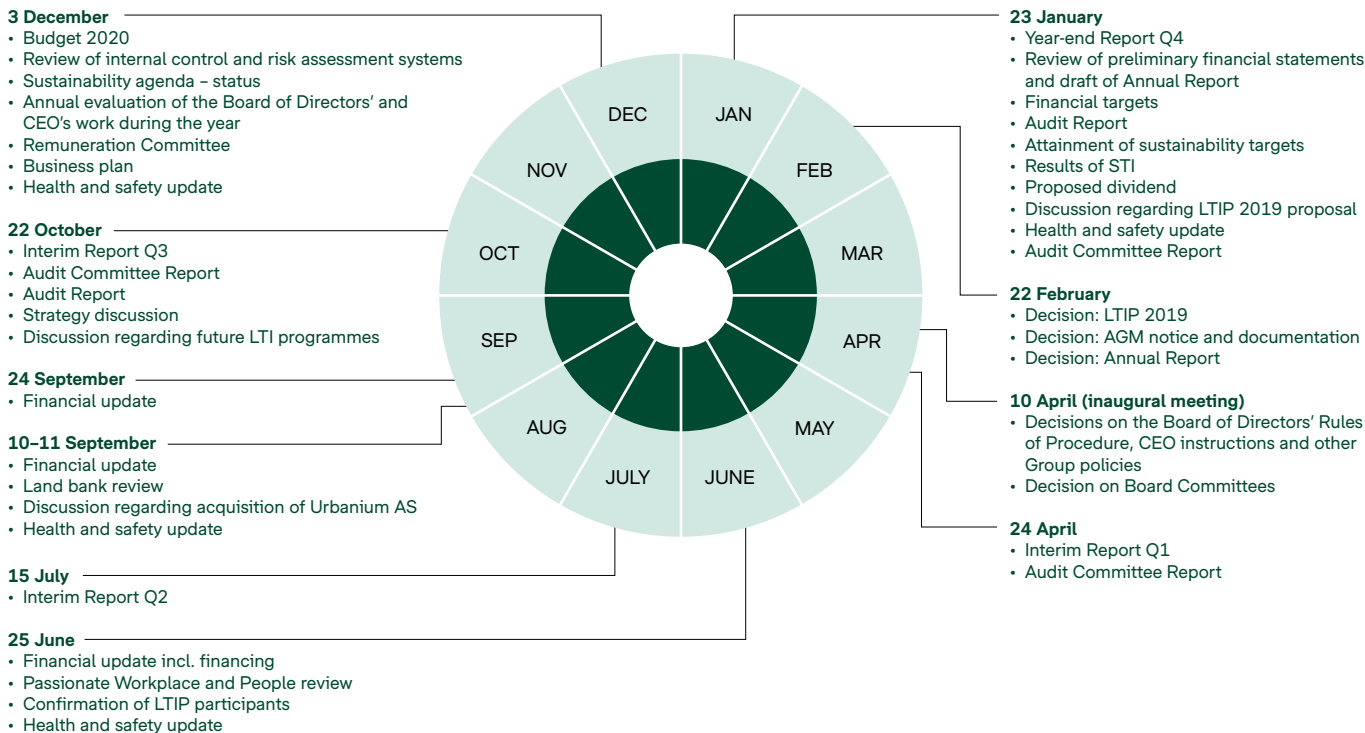
Nomination Committee ahead of 2020 AGM

Board members ¹⁾	Appointed by	Non-affiliated ²⁾
Angela Langemar Olsson, Chairman of the Nomination Committee	Nordstjernan AB	Yes/No
Tomas Risbecker	AMF – Försäkring och fonder	Yes/Yes
Caroline Forsberg	SEB	Yes/Yes

1) And Chairman of the Board, as a co-opted Board member.

2) Non-affiliated to the company and management/the largest shareholder in terms of votes.

Board meetings 2019



REMUNERATION

The AGM on 10 April 2019 resolved to pay, in the period until the next AGM is held, annual fees of SEK 700,000 to the Chairman and SEK 300,000 to each of the other Board members, none of whom are employed by the company. Additionally, the AGM resolved to pay for work on the Audit Committee, in the period until the next AGM is held, annual fees of SEK 150,000 to the Chairman and SEK 75,000 to each of the other committee members, none of whom are employed by the company. No special remuneration was paid for any other committee work.

In addition, the company decided to continue not to allow the Board members to invoice their Board fees through companies.

EVALUATION OF THE BOARD OF DIRECTORS AND THE CEO

In accordance with the Board of Directors’ Rules of Procedure, the Chairman of the Board evaluates the Board’s work annually. The evaluation for 2019 took the form of Board member Carl Engström, on instruction from the Chairman, interviewing and discussing with each Board member and subsequently compiling the results of the discussions. The purpose of the evaluation was to gather information about the views of Board members on the Board’s work and what measures can be implemented to improve its efficiency.

The intention was also to get an idea of the issues the Board of Directors considers should be given more prominence, and in which areas the Board may be in need of additional experience and competence. The results of the evaluation were presented to the Board of Directors, and the Chairman shared the results with the Nomination Committee. In brief, the Board was of the opinion that its composition was appropriate but that additional competence as regards to project development and more specifically the German market would be valuable, that the Board generally works well and that there should be additional focus on concrete measures for achieving the company’s vision and strategic goals.

THE CEO AND SENIOR EXECUTIVES

The division of responsibilities between the CEO and the Board of Directors is defined in the Board’s Rules of Procedure, and the instructions to the CEO are prepared by the Board of Directors. The CEO serves as the head of the Executive Management Group and makes decisions in consultation with other members of Executive Management.

The EMG meets regularly and as and when required. In 2019, Executive Management met on nine occasions.

GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

In this context, senior executive means the CEO, CFO and other members of The Executive Management Group. For more information on remuneration to senior executives, refer to Note 4. In accordance with the guidelines adopted by the AGM on 10 April 2019, Bonava offers remuneration on market terms that enable the company to recruit and retain individuals with the highest possible competence levels. The total remuneration package supports the company’s long-term strategy. Remuneration to management comprises fixed and variable remuneration, long-term performance-based incentive programmes, pensions and other benefits. When determining fixed salaries, individual employees’ area of responsibility, experience and achieved results are considered. Fixed salaries are reviewed either annually or biannually. All variable remuneration is related to a maximised fixed salary, and rewards the fulfilment of pre-determined targets, primarily of a financial nature. All variable remuneration at Bonava is designed to motivate and reward value-creating activities that support the company’s long-term operational and financial objectives.

With regard to pension, Bonava offers defined-contribution solutions, which means that Bonava pays premiums comprising a specific portion of the employee’s salary. The Board of Directors is entitled to depart from the above guidelines for remuneration to senior executives if there are special reasons in an individual case.

Remuneration and attendance at Board meetings 2019

Members appointed by General Meeting	Elected year	Board of Directors	Audit Committee	Remuneration Committee	Non-affiliated, shareholders	Non-affiliated, company and management	Total annual fees, SEK
Total number of meetings		10	7	2			
Chairman Mikael Norman ²⁾	2017	10	7	2	Yes	Yes	775,000
Viveca Ax:son Johnson	2015	10		2	No	Yes	300,000
Åsa Hedenberg	2015	10	7	2	Yes	Yes	450,000
Samir Kamal	2015	10	3	2	Yes	Yes	375,000
Carl Engström	2015	10	4	2	No	Yes	300,000
Anna Wallenberg	2015	7		1	Yes	Yes	300,000
Frank Roseen	2018	10		2	Yes	Yes	300,750

1) In 2019, the Remuneration Committee's tasks were carried out by the Board of Directors in its entirety.

2) Elected Chairman of the Board on 10 April 2019, when Carl Engström became an ordinary Board member.

SHARE-BASED INCENTIVE PROGRAMMES

Bonava has three previously existing share-based incentive programmes, each of which covers approximately 50 people. The AGM on 10 April 2019 approved the Board of Directors' proposal to introduce an additional share-based incentive programme for Executive Management and certain key individuals, totalling some 50 people. As with the previous programmes, participation in the programme requires an independent shareholding in Bonava. The aim of the long-term incentive programmes is to align the interests of the shareholders and those of Executive Management and specified key executives in order to ensure maximum long-term value creation. The AGM also resolved to authorise the Board of Directors to repurchase Class B shares to ensure the implementation of the incentive programme. Thus far, the Board has decided not to utilise this authorisation. The Board of Directors intends to propose that Bonava's future AGMs introduce long-term incentive programmes based on similar principles to the programme implemented in 2019. In 2019, the first of the company's share-based incentive programmes, adopted in 2016, was concluded. Under the terms of the programme, at least the minimum level for each of the adopted performance targets had to be achieved in order to allocate share rights to the participants at the conclusion of the programme. Since the minimum level was not achieved for one of the adopted performance targets, the outcome was thus zero for the 2016 programme and no share rights were allocated to the participants.

The company's financial accounts and accounting, as well as the management by Executive Management and the Board of Directors, are reviewed and audited by the company's auditor. At the AGM on 10 April 2019, the registered audit firm Öhrlings PricewaterhouseCoopers AB (PwC) was elected auditor for the period until the Annual General Meeting in 2020. The election took place on the Nomination Committee's proposal which concurred with the Audit Committee's recommendation. Authorised Public Accountant Patrik Adolfson has been appointed Auditor in Charge.

The auditor is to report any material accounting errors and suspected irregularities to the Audit Committee. At least once a year, usually in connection with the closing of the financial statements, the auditor is to report any observations from the audit and its assessment of the company's internal control to the Board of Directors. The auditor also participates at the AGM to present its Audit Report and outline the audit work carried out and observations made. Bonava's Sustainability Report was audited and complies with the statutory requirements on sustainability reporting and the Global Reporting Initiative standards according to PwC.

Audit fees in 2019	SEK M
Audit fees to PwC	7
Fees to other auditors	1
Fees for audit-related consulting services	0
Fees for tax consulting services	0
Other fees	0

Share-based long-term incentive programme	LTIP 2019	LTIP 2018	LTIP 2017
No. of employees invited to participate	50	50	51
No. of employees opting to participate	39	41	50

AUDITOR

THE BOARD OF DIRECTORS' REPORT ON INTERNAL CONTROL

INTERNAL CONTROL OF FINANCIAL REPORTING AND RISK MANAGEMENT

Bonava's internal control regarding financial reporting is designed to manage risk and ensure a high degree of reliability in the processes surrounding the preparation of the financial statements, and to ensure compliance with applicable accounting standards and other requirements placed on Bonava as a listed company. Bonava complies with the Committee of Sponsoring Organisations of the Treadway Commission's ("COSO") framework for evaluating a company's internal control over its financial reporting, "Internal Control—Integrated Framework." The Framework includes the following five components: control environment, risk assessment, control activities, information and communication, and follow-up. The process has been designed to ensure appropriate risk management, including reliable financial reporting in accordance with IFRS, applicable legislation and regulations as well as other stipulations with which companies listed on Nasdaq Stockholm are required to comply. This work involves the Board of Directors, Executive Management and other employees.

PROCESS FOR RISK ASSESSMENT AND INTERNAL CONTROL

In 2017, Bonava established a central Risk Committee and introduced a new annual process for systematic risk assessment and internal control for financial and non-financial risks. The Risk Committee comprises the company's CFO, General Counsel, Group Head of Financial Control, Group Head of Sustainability and the Group Head of Risk and Compliance. This process was developed further in 2019. At the beginning of the year, each of Bonava's operational business units and Group functions evaluated the key risks the segment encounters in its operations. These were then discussed and analysed in more detail during the spring in an interactive process that included the Risk Committee. Subsequently, in the summer, each respective business unit and Group function evaluated its internal controls for a number of risk classes, where the business units focused on the primary risks identified in the risk assessment process. The risk assessment was performed in close cooperation with the Risk Committee, the Group functions concerned and Bonava's auditors. Once these controls had also been discussed and analysed by the Risk Committee and in follow-up meetings with the business units, the Committee compiled Bonava's annual risk and compliance report based on the process described above, which was then approved by the CEO and the Audit Committee, adopted by the Board of Directors and delivered to Executive Management.

CONTROL ENVIRONMENT

The division and delegation of responsibilities has been documented and communicated in company policies that govern the Board of Directors and the company.

- The Board of Directors reviews and approves the following policies annually:
- The Board of Directors' Rules of Procedure
- Instructions to the CEO
- Decision Order
- Finance policy
- Code of Conduct
- Corporate governance policy
- Insider policy
- Communication policy
- IT policy
- Sustainability policy
- Health and safety policy
- HR policy
- Procurement policy
- Information security policy

All policies are decided by the Board of Directors. In addition to these policies, Bonava also has other kinds of binding policy documents including a number of Group procedures determined by the CEO. All internal governing documents are updated regularly in connection with changes to legislation, accounting standards or listing requirements, and as and when necessary. All the Group's policies and other governing documents are available to all employees on the company's intranet. The Board of Directors monitors and ensures the quality of the company's internal control in accordance with the Board's Rules of Procedure and instructions to the Audit Committee.

The Board of Directors has also adopted a number of fundamental guidelines that govern risk management efforts and internal control activities. These guidelines include risk assessment, demands for control activities to manage the most material risks, in accordance with the aforementioned new risk assessment and internal control process, and reporting. Bonava's control environment is comprised of responsibilities, authorisations and policy documents as well as laws and regulations. Within company management, relevant named document owners have primary responsibility for ensuring compliance with the relevant policy documents. In addition, the company considers that all employees have a responsibility to ensure compliance with all governing regulations and processes. The company makes it possible for employees to assume this responsibility by means of various information and training initiatives.

RISK ASSESSMENT

In accordance with the Board's Rules of Procedure, the Board of Directors and the Audit Committee review the company's internal control annually. This review is based on the new risk assessment and internal control process described above. The Group's overarching risk analysis primarily encompasses risks in the following areas:

- Bonava's operating environment
- Strategic
- Operational
- Health and safety
- Climate and environment
- Customer-related
- Financial
- Legal

The risks identified in each area are evaluated on the basis of their estimated probability and impact. The outcome of the risk analysis is part of the aforementioned risk assessment and internal control process and is included in the annual risk and compliance report. For more information about the Group's risks and risk management, see pages 17–19 and Note 23.

CONTROL ACTIVITIES

Bonava's risk management is based on a number of control activities being carried out at different levels throughout the business operations and within various functions. The control activities are intended to ensure that Bonava's processes are efficient and that the risks identified are managed efficiently. For the business operations, ERP systems form the basis of the control structure, focusing on key stages of the business operations such as investment decisions, production start and sales. Bonava places considerable emphasis on monitoring its projects. It has established functions such as Human Resources Operations, which manages payroll administration for the Nordic countries, and a Treasury function that controls financial risks in various respects. In addition, there is the IT function that bears central responsibility for the most essential IT systems at Bonava. All these functions stipulate that processes must include control activities that manage identified risks efficiently. Other control activities in addition to the risk assessment and internal control process described above primarily include: Quarterly Board meetings in each business unit.

Central elements in these meetings include reporting and discussion of financial forecasts and outcomes, the structured risk assessment of the business units, etc. Bonava has also implemented a comprehensive compliance programme ("Our Foundation"). The programme aims to minimise risk relating to regulatory compliance and business ethics, and includes written guidelines on anti-corruption and competition legislation, central and local advisers on these issues, compulsory training in business ethics and a whistle-blower function. For more information, see page 91.

INFORMATION AND COMMUNICATION

Bonava has established an organisation to ensure correct and efficient financial and non-financial reporting. The internal governing documents specify the division of responsibilities, and daily interaction between the individuals concerned means that relevant information and communication reaches all the relevant parties. Guidelines, instructions and manuals of significance to financial reporting are communicated to the relevant employees through Bonava's intranet. Instructions for non-financial reporting were developed during the year, and the organisation has been trained in correct and efficient reporting by internal change leaders. The Board of Directors regularly receives financial reports regarding Bonava's financial position and earnings performance. Executive Management receives weekly and monthly financial information about the progress of Bonava's sales, profit, reviews and follow-up of ongoing and future investments, and liquidity planning.

The company's communication policy ensures that all external and internal information is accurate and is presented in a timely manner. Bonava's employees are invited to participate, directly or indirectly, in the preparation of internal policies and guidelines, and have thus been part of preparing these internal governing documents.

FOLLOW-UP AND IMPROVEMENTS

Follow-up continuously takes place at all levels of Bonava. The Board of Directors regularly evaluates the information provided by management and the auditors. The company's auditor also personally reports observations based on his review, as well as an assessment of internal control, directly to the Board of Directors. Bonava's external auditor is also invited to provide an account of his report on internal control at Board meetings and to the Audit Committee. The Board assesses the information provided by Executive Management on a continual basis. Bonava's financial position, investments and ongoing operations are discussed at each Board meeting. The Board is also responsible for monitoring and improving internal control, and ensuring that measures are taken to address any weaknesses or proposals that emerge. This work includes ensuring that measures are taken to handle any shortcomings, as well as following up on suggested measures arising from the external audit. The main basis for this Board monitoring consists of the previously described risk assessment and internal control process.

EVALUATION OF THE NEED FOR A DEDICATED INTERNAL AUDIT FUNCTION

Bonava does not currently have an internal audit function, apart from the established Risk Committee whose operations have some characteristics of an internal audit. The Board of Directors has reviewed the matter and considers the existing structures for follow-up and evaluation to be satisfactory. In conclusion, this means that it is currently not justified to establish an internal audit function. The matter is reviewed annually.

SUSTAINABILITY

The Board of Directors has determined Bonava's sustainability agenda and overarching Group sustainability targets, and presents the Sustainability Report. The Sustainability Report forms part of Bonava's Annual Report and has been prepared in accordance with the Global Reporting Initiative standards. The Sustainability Report has been assured by PwC, the auditor for sustainability reporting. The period of the report is the full year 2019 and the reporting cycle is annual. Read more about Bonava's sustainability work on pages 72-102. The location of sustainability-related information in the Annual Report can be found in the index on page 1.

SUSTAINABILITY ORGANISATION

The Board bears the ultimate responsibility for Bonava's sustainability agenda and its ongoing sustainability efforts. Bonava's CEO delegates operational responsibility to Bonava's Head of Sustainability, who as of September 2019 reports to the company's SVP Operations in Executive Management and coordinates the sustainability efforts with other Heads of Functions.

The Head of Sustainability leads two committees in the Group: a steering committee for the sustainability agenda and a council for preparing supporting documentation for the management team, strategic boards and the steering committee for the sustainability agenda as well as implementing such decisions. In addition to the Head of Sustainability, the steering committee includes Bonava's CEO, CFO, General Counsel, SVP HR, SVP Operations, and SVP Marketing and Sales. The Sustainability Council includes representatives from each business unit. The Head of Sustainability is also a member of Bonava's Risk Committee. In addition, Bonava has a Head of Health and Safety who has overarching responsibility for developing Group-wide processes and driving the development process for sustainability relating to health and safety. The Head of Health and Safety leads Bonava's Council for Health and Safety with the aim of preparing supporting documentation for the management team and strategic boards, and implementing decisions. The Council for Health and Safety includes representatives from each business unit. Bonava has a Head of Risk and Compliance, who is responsible for developing Bonava's procedures for deliberate and proactive work on risk and compliance management and leads Bonava's Risk Committee.

The primary development work is carried out as part of the most relevant strategic initiatives of the respective sustainability aspects with support from Bonava's two councils: the Sustainability Council and the Health and Safety Council.

Board of Directors



MIKAEL NORMAN

Board member since 2017, Chairman since 2019

Born in 1958

Education: Master of Laws (LL.M.), Stockholm University.

Previous experience: CFO of Nobia, Group Controller at Electrolux, tax lawyer at PricewaterhouseCoopers and judge in the Stockholm County Court and Administrative Court of Appeal.

Other current assignments: Director of Bravida Holding AB and Swedavia AB, Chairman of the Audit Committees in Bravida Holding AB and Swedavia AB.

Shareholding in Bonava AB: 8,000 Class B shares.



VIVECA AX:SON JOHNSON

Board member since 2015

Born in 1963

Education: Social science secondary education.

Other current assignments: Chairman of Nordstjernan AB and the Axel and Margaret Ax:son Johnson Foundation for Public Benefit. Director of NCC AB, Rosti Group AB, the Axel and Margaret Ax:son Johnson Foundation and FPG Media AB.

Shareholding in Bonava AB: 25,000 Class A shares and 123,000 Class B shares.



CARL ENGSTRÖM

Board member since 2015, Chairman 2015–2019

Born in 1977

Education: M.Sc. (Econ.), Stockholm School of Economics, and M.Sc. (Eng.), Royal Institute of Technology in Stockholm.

Current role: Senior Investment Manager and management team member at Nordstjernan AB.

Previous experience: Management consultant at Bain & Co.

Other current assignments: Chairman of Salcomp Oy and Salcomp Holding AB.

Shareholding in Bonava AB: 3,000 Class A shares and 9,000 Class B shares.



ÅSA HEDENBERG

Board member since 2015

Born in 1961

Education: M.Sc. (Eng.), Royal Institute of Technology in Stockholm.

Current role: CEO of Specialfastigheter Sverige AB.

Previous experience: CEO of Huga Fastigheter AB, CEO of Uppsalahem AB, Market Area Manager of Stockholm Kommersiellt Innerstad AP Fastigheter.

Other current assignments: Director of Envac AB. Member of the Council, Stockholm Chamber of Commerce.

Shareholding in Bonava AB: 4,410 Class B shares.



SAMIR KAMAL

Board member since 2015
Born in 1965

Education: M.Sc. (Econ.), Stockholm School of Economics. M.Sc. (Eng.), Imperial College London.

Current role: Senior Director at Novo Holdings A/S.

Previous experience: Partner of EQT Partners, Partner of IK Investment Partners, Project Manager at Carnegie Investment Bank and Analyst at SEB.

Other current assignments: Director of Scandi Standard AB and Ritmas Holding AB.

Shareholding in Bonava AB: 3,000 Class B shares.



FRANK ROSEEN

Board member since 2018
Born in 1962

Education: M.Sc., MBA, Business Administration, Stockholm University

Current role: Board member of Aroundtown Commercial Properties and Chairman of the Board of Star Real Estate Ventures LLC.

Previous experience: CIO/CFO of WCM AG in Germany (2015–2016), CEO of GE Capital Real Estate in Germany and Central/Eastern Europe (2012–2015), and a number of management positions within GE Capital Real Estate in the Nordics, Europe and Asia (2002–2012).

Shareholding in Bonava AB: 1,500 Class B shares.



ANNA WALLEMBERG

Board member since 2015
Born in 1975

Education: M.Sc. (Econ.), Uppsala University.

Current role: Sales Director at Kronans Apotek.

Previous experience: Assortment and Purchasing Manager at Kronans Apotek, Business Area Manager at Oriola AB and Strategy Consultant at Accenture.

Other current assignments: Board member of Volati Bok AB and Akademibokhandeln Holding AB.

Shareholding in Bonava AB: 400 Class B shares.

Auditor

PATRIK ADOLFSON

PwC (Öhrlings PricewaterhouseCoopers AB)
Auditor in Charge since 2018

Born in 1973

Other significant assignments: Other audit assignments include AcadeMedia AB (publ), Attendo AB (publ), Nordstjernan AB, Securitas AB (publ) and Padox AB (publ). Member of FAR.

Executive Management Group



JOACHIM HALLENGREN

President and CEO
 Born in 1964
Education: M.Sc. (Eng.), Chalmers University of Technology.
Professional experience: CEO of NCC Housing 2012–2016 and a total of 16 years' experience in a range of positions in the NCC Group, including Business Area Manager of NCC Property Development and member of senior management of NCC AB.
Other current assignments: Director of Caverion Oy, Forenom Group Oy and Director and owner of Phlebas AB, directorships in other companies in the Phlebas Group and Chairman of Offside Press AB.
Shareholding in Bonava: 14,000 Class A shares and 83,700 Class B shares.



ANN-SOFI DANIELSSON

CFO
 Born in 1959
Education: M.Sc. (Econ.), Uppsala University.
Professional experience: CFO, Financial Director and a total of 13 years' experience as a member of NCC AB's senior management.
Other current assignments: Director of Vasakronan AB and Pandox AB.
Shareholding in Bonava: 16,358 Class B shares.



SOFIA RUDBECK

SVP Marketing, Sales & Communication
 Born in 1974
Education: M.Sc. (Eng.), Lund Technical University.
Professional experience: Product and Brand Director at Fagerhult Retail. Various positions within innovation, brand and marketing at Electrolux as well as Management Consultant at McKinsey & Company.
Other current assignments: Chairman of the Centre for the Future of Places (KTH Royal Institute of Technology).
Shareholding in Bonava: 5,900 Class B shares.



JENNY LILJA LAGERCRANTZ

SVP HR
 Born in 1972
Education: B.Sc. (Phil.), Stockholm University.
Professional experience: A total of 20 years' experience in human resources, including at Skandia, Nasdaq Stockholm and NCC.
Other current assignments: None
Shareholding in Bonava: 5,623 Class B shares.



FREDRIK HEMBORG

Business Unit President Sweden
 Born in 1972
Education: M.Sc. (Eng.), Royal Institute of Technology in Stockholm.
Professional experience: A total of 19 years of experience from various positions in the NCC Group, including as Regional Manager in NCC Property Development.
Other current assignments: Director of Ursviks exploaterings AB.
Shareholding in Bonava: 11,967 Class B shares.



SABINE HELTERHOFF

Business Unit President Germany
 Born in 1962
Education: Law degree, Leipzig University.
Professional experience: General Counsel in Germany since 1999 and responsible for investor transactions in Germany since 2007.
Other current assignments: Board member of German building society Bauindustrieverband Ost.
Shareholding in Bonava: 4,453 Class B shares.



JUUSO HIETANEN

Business Unit President Finland
Born in 1977

Education: MSc (Eng.), Helsinki University of Technology (Aalto University). Real Estate Finance, Hanken School of Economics, Finland. Finance Studies, Budapest University of Technology, Hungary.

Professional experience: A total of 12 years from various positions at NCC in Finland, St. Petersburg, Estonia-Latvia and Lithuania. Responsible for NCC Housing's operations in St. Petersburg between 2008 and 2016 and previously responsible for NCC Housing in Finland.

Other current assignments: None

Shareholding in Bonava: 6,422 Class B shares.



KRISTINA OLSEN¹⁾

Business Unit President Denmark-Norway
Born in 1967

Education: B.Sc. (Econ.), Copenhagen Business School and certified Real Estate Agent, Niels Brock Copenhagen Business College. Advanced Business Development Programme, CIF.

Professional experience: Over 25 years' experience in the property market, including 16 years in various management roles at NCC. Head of Sales and Marketing at Bonava Denmark and Norway since 2016.

Other current assignments: None

Shareholding in Bonava: 4,005 Class B shares.



MICHAEL BJÖRKLUND

Business Unit President St. Petersburg and the Baltics.

Born in 1969

Education: M.Sc. (Eng.), Royal Institute of Technology, Stockholm, Bachelor of Economics, Stockholm University.

Professional experience: 16 years' experience in leading positions in the property sector, including IKEA Real Estate Russia, Skanska International, NCC AB and Bonava.

Other current assignments: None

Shareholding in Bonava: 5,035 Class B shares.



CARL RIETZ²⁾

SVP Operations
Born in 1970

Education: MSc (Eng.), Industrial Engineering and Management, Linköping University. Humanities degree, Complutense University of Madrid, Spain.

Professional experience: Owner and CEO of GLT Herrljunga AB. Director of Volvo Buses' industrial operations in Mexico. Various managerial roles at Kemira Oy and Kemira Kemi AB. Management Consultant at McKinsey & Company, Cell Network and Ernst & Young Management.

Other current assignments: Chairman and owner of GLT Herrljunga AB and Board member of Basework AB.

Shareholding in Bonava: 650 Class A shares and 845 Class B shares.

1) Until October 2019, acting Business Unit President for Denmark-Norway alongside Morten Jakobsen, Head of Finance for Bonava Denmark-Norway. Sole permanent Business Unit President since 1 October 2019.

2) Part of Executive Management as of September 2019.

Stockholm, Sweden, 20 February 2020

Mikael Norman
Chairman

Viveca Ax:son Johnson
Director

Carl Engström
Director

Åsa Hedenberg
Director

Samir Kamal
Director

Frank Roseen
Director

Anna Wallenberg
Director

Joachim Hallengren
CEO

Auditor's Report on the Corporate Governance Statement

This is a literal translation of the Swedish original report.

TO THE GENERAL MEETING OF THE SHAREHOLDERS IN BONA VA AB (PUBL), CORPORATE IDENTITY NUMBER 556928-0380

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2019 on pages 65–75 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevU 16. The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, February 20 2020
Öhrlings PricewaterhouseCoopers AB

Patrik Adolfsen
*Authorized Public Accountant
Lead Partner*

Linda Andersson
Authorized Public Accountant