

MINUTES

Kept at the annual general meeting in Bonava AB (publ), reg.nr 556928-0380 (the "**Company**"), at Hotel Rival, Mariatorget 3 in Stockholm on Wednesday 25 April 2018, between 3.00 and 4.40 pm.

1. **OPENING OF THE MEETING (AGENDA ITEM 1)**

The chairman of the board, Carl Engström, welcomed shareholders and others present to the annual general meeting and thereafter declared the annual general meeting open.

2. **ELECTION OF CHAIRMAN OF THE MEETING (AGENDA ITEM 2)**

The meeting elected Carl Engström as chairman of the meeting. It was noted that the company's general counsel Joakim Månsson had been asked to keep the minutes at today's meeting.

The meeting resolved that invited guests e.g. employees and shareholders who had not registered their shares for voting and representatives of media, if any, were entitled to attend the meeting, but without the rights to address the meeting or participate in the meeting's resolution.

3. **DRAWING UP AND APPROVAL OF THE VOTING LIST (AGENDA ITEM 3)**

The meeting resolved to approve the attached list of present shareholders and attorneys and advisors, if any, Appendix 1, to serve as voting list for the meeting.

The chairman informed that a number of foreign institutional shareholders that were represented at the meeting had, in advance of the meeting, informed the company of their voting instructions regarding certain of the proposed resolutions. Furthermore, the chairman informed that the voting instructions were available for review at the meeting, if any shareholder so requested, and that the voting instructions would only be recorded in the minutes if they would have an impact on the meeting's resolutions.

4. **APPROVAL OF THE AGENDA (AGENDA ITEM 4)**

The meeting resolved to approve the board's proposed agenda for the meeting, which had been included in the notice to the meeting.

The statements and reports of the board and the nomination committee, as well as the other documents to the annual general meeting, which had been held available in accordance with the Swedish Companies Act and the Swedish Corporate Governance Code, were presented.

5. ELECTION OF TWO PERSONS TO VERIFY THE MINUTES (AGENDA ITEM 5)

The meeting resolved that the minutes of the meeting should be verified, in addition to the chairman, by Ingemar Syrén representing, among others, Swedbank Humanfond and Anette Andersson representing, among others, SEB Aktiesparfond.

6. DETERMINATION OF WHETHER THE MEETING HAD BEEN DULY CONVENED (AGENDA ITEM 6)

It was noted that notice to the annual general meeting had been made within the period stated in the articles of association by publication in the Swedish Official Gazette on 27 March 2018 and on the company's website on 21 March 2018 as well as through an announcement in Svenska Dagbladet and in Dagens Nyheter on 27 March 2018 that notice had been made.

The meeting resolved to approve the notice procedure and declared the meeting duly convened.

7. PRESENTATION OF THE ANNUAL REPORT AND THE AUDITOR'S REPORT AS WELL AS THE CONSOLIDATED ANNUAL REPORT AND THE AUDITORS' REPORT ON THE CONSOLIDATED ANNUAL REPORT (AGENDA ITEM 7)

The annual report for the financial year 1 January – 31 December 2017 and the consolidated annual report for the financial year 1 January – 31 December 2017 were presented, including the administration report, income statement and balance sheet for the parent company and the group, as well as the auditor's report for the parent company and the group for the same period of time.

The company's auditor in charge Mikael Ikonen gave his comments to the audit work during 2017, the auditor's report and the auditor's statement regarding compliance with the previously adopted guidelines regarding remuneration to the executive management.

8. THE CHAIRMAN OF THE BOARD'S REPORT ON THE BOARD WORK (AGENDA ITEM 8)

The chairman of the board Carl Engström accounted for the work of the board during the preceding financial year.

9. PRESENTATION BY THE CEO (AGENDA ITEM 9)

The CEO of the company Joachim Hallengren accounted for the company's business and its development during the preceding financial year.

The CEO, the chairman of the board and the company's general counsel responded to questions from the shareholders concerning, among other the company's work

against bribery, corruption and accidents at work, and with gender equality and other diversity.

10. ADOPTION OF THE INCOME STATEMENT AND BALANCE SHEET AND THE CONSOLIDATED INCOME STATEMENT AND CONSOLIDATED BALANCE SHEET (AGENDA ITEM 10 A)

The meeting resolved to adopt the income statement and the balance sheet included in the annual report for the parent company and the consolidated income statement and the consolidated balance sheet for the group for the financial year 2017.

ALLOCATION OF PROFIT OR LOSS IN ACCORDANCE WITH THE ADOPTED BALANCE SHEET AND THE RECORD DATE FOR ANY DIVIDEND (AGENDA ITEM 10 B)

The meeting resolved, in accordance with the proposal by the board, 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 5.20 per share (resulting in a total of SEK 561,010,434.40 being distributed) and that the remaining amount is carried forward to a new account. It was resolved that the dividend shall be distributed in two instalments. At the first instalment, SEK 2.60 per share shall be distributed and at the second instalment, SEK 2.60 per share shall be distributed. The record date for the first instalment shall be Friday 27 April 2018, and the payment date shall be 3 May 2018. The record date for the second instalment shall be Friday 26 October 2018, and payment date shall be 31 October 2018.

DISCHARGE FROM LIABILITY OF THE BOARD MEMBERS AND THE CEO (AGENDA ITEM 10 C)

The meeting resolved to discharge the board members and the CEO from liability for the management of the company's business during the preceding financial year 1 January – 31 December 2017.

It was noted that the board members and the CEO did not participate in the resolution as regarded themselves, and that all shareholders attending the meeting supported the resolution, except for those shareholders that had given instructions in advance that they will vote no or abstain voting.

11. THE NUMBER OF MEMBERS OF THE BOARD ELECTED BY THE MEETING AND AUDITORS (AGENDA ITEM 11)

The meeting resolved in accordance with the nomination committee's proposal that the number of board members elected by the meeting shall be seven (7) with no deputy directors and that the number of auditors shall be one (1) registered audit firm.

12. DETERMINATION OF THE REMUNERATION PAYABLE TO THE BOARD MEMBERS ELECTED BY THE MEETING AND AUDITORS (AGENDA ITEM 12)

The meeting resolved in accordance with the nomination committee's proposal that remuneration to the board, excluding fees for committee work, for the period until the next annual general meeting, in total shall amount to SEK 2,340,000, of which SEK 630,000 shall be paid to the chairman and SEK 285,000 to each other elected member.

The meeting resolved in accordance with the nomination committee's proposal that remuneration to the members of the audit committee shall amount to SEK 150,000 to the chairman and SEK 75,000 to the other members and that fees to the auditor shall be paid according to approved invoice.

13. ELECTION OF THE BOARD, CHAIRMAN OF THE BOARD AND AUDIT FIRM OR AUDITORS (AGENDA ITEM 13)

The meeting resolved in accordance with the with proposal by the nomination committee to re-elect the board members Carl Engström, Viveca Ax:son Johnson, Åsa Hedenberg, Samir Kamal, Mikael Norman and Anna Wallenberg as well as elect Frank Roseen as a new member of the board until the end of the next annual general meeting.

Carl Engström was elected as chairman of the board until the end of the next annual general meeting.

The audit firm PricewaterhouseCoopers AB (PwC) was elected as auditor for the period until the next annual general meeting. It was noted that PwC had announced that Patrik Adolfson would be appointed as the auditor in charge.

14. ELECTION OF MEMBERS TO THE NOMINATION COMMITTEE AND CHAIRMAN OF THE NOMINATION COMMITTEE (AGENDA ITEM 14)

The annual general meeting resolved on the following nomination committee for the annual general meeting 2019: Tomas Billing, Nordstjernen AB, Tomas Risbecker, AMF – Försäkring och Fonder, Mats Gustafsson, Lannebo Fonder and the chairman of the board as an adjunct member. Tomas Billing was elected as the chairman of the nomination committee.

15. RESOLUTION REGARDING INSTRUCTION TO THE NOMINATION COMMITTEE (AGENDA ITEM 15)

The nomination committee's proposal to instruction to the nomination committee was presented, [Appendix 2](#). Thorwald Arvidsson proposed that the nomination committee's proposal should be complemented with the directive that the nomination committee in the performance of its duties, specifically shall consider questions relating to gender and ethnicity. After the nomination committee's proposal was put against

Thorwald Arvidsson's proposal, the chairman noted that the meeting resolved to adopt the instruction to the nomination committee in accordance with the nomination committee's proposal in Appendix 2. The shareholder Thorwald Arvidsson made a reservation against the resolution.

16. RESOLUTION REGARDING GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES (AGENDA ITEM 16)

The board's proposal regarding guidelines for remuneration to senior executives was presented in accordance with Appendix 3.

The meeting resolved to adopt the guidelines for remuneration to senior executives in accordance with the board's proposal.

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 (AGENDA ITEMS 17 A AND 17 B)

The chairman presented the board's proposal regarding a long term share based incentive plan and the board's proposal on transfer of shares of series B in the company under the incentive plan, Appendix 4.

The meeting resolved on a long term share based incentive plan in accordance with the board's proposal.

The meeting resolved on transfer of shares of series B in the company under the incentive plan, in accordance with the board's proposal.

It was noted that the resolution was supported by shareholders representing at least nine tenth of both the votes cast and the shares represented at the meeting.

18. RESOLUTION REGARDING AUTHORISATION FOR THE BOARD OF DIRECTORS TO RESOLVE ON EXECUTION OF ACQUISITION AND TRANSFER OF SHARES OF SERIES B IN THE COMPANY (AGENDA ITEM 18)

The chairman presented the board's proposal to authorize the board to resolve on execution of acquisition and transfer of shares of series B in the company, Appendix 5.

The meeting resolved in accordance with the board's proposal.

It was noted that the resolution was supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the meeting.

19. CLOSING OF THE GENERAL MEETING (AGENDA ITEM 19)

The chairman declared the annual general meeting closed.

At the minutes:

Carl Engström

Joakim Månsson

Ingemar Syhrén

Anette Andersson

LIST OF SHARES AND SHAREHOLDERS REPRESENTED AT THE MEETING

[See separate document]

INSTRUCTION TO THE NOMINATION COMMITTEE

The following instruction regarding the nomination committee's composition and work in Bonava AB is proposed to 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.

Adopted at the annual general meeting April 25, 2018

GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

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.

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

THE BOARD'S PROPOSAL REGARDING (A) A LONG-TERM PERFORMANCE-BASED INCENTIVE PLAN AND (B) TRANSFER OF SHARES OF SERIES B IN BONAVA UNDER THE INCENTIVE PLAN

The board of directors proposes that the annual general meeting resolves on a long-term performance-based incentive plan (LTIP 2018) for Bonava 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

1.1 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 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.

1.2 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 cate-

gories. 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 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 has to take place, can be offered participation on the condition that their employment starts.

1.3 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 month's 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 fourth category, each Investment Share entitles to three (3) share rights.

1.4 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.
- 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.

1.5 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 Bonava¹).

1.6 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

¹ Subject to any recalculation.

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.

1.7 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.

1.8 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 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.

1.9 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.

1.10 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.

1.11 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.

1.12 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 at the latest from 20 March 2018.

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 2018.

1.14 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.

2.1 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.

2.2 Majority requirements

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

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

THE BOARD'S PROPOSAL REGARDING AUTHORISATION FOR THE BOARD OF DIRECTORS TO RESOLVE ON EXECUTION OF ACQUISITION AND TRANSFER OF SHARES OF SERIES B IN BONAVA

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.

A resolution by the general meeting in accordance with 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.

Stockholm in March 2018
Bonava AB (publ)

The Board of Directors