

MINUTES

Kept at the annual general meeting in Bonava AB (publ), reg.nr 556928-0380 (the "**Company**"), at Bygget Konferens, Norrlandsgatan in Stockholm on Tuesday 31 March 2020, between 3.00 and 3.50 pm.

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

The chairman of the board, Mikael Norman, 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 Mikael Norman 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 proxies and advisors, if any, [Appendix 1](#), to serve as voting list for the annual general 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, with the amendment that item 9 was changed to "Questions to the CEO and the chairman".

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 Fabian Wäppling representing Livförsäkringsbolaget Skandia and Caroline Forsberg representing SEB Fonder et al.

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 February 2020 and on the company's website on 24 February 2020 as well as through an announcement in Dagens Nyheter on 27 February 2020 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 2019 and the consolidated annual report for the financial year 1 January – 31 December 2019 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 Patrik Adolfson commented the audit work during 2019, 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 Mikael Norman summarised the work of the board during the preceding financial year and during the ongoing coronavirus crisis.

9. QUESTIONS TO THE CEO AND THE CHAIRMAN (AGENDA ITEM 9)

The CEO of the company, Joachim Hallengren, and the chairman of the board, Mikael Norman, responded to questions from the shareholders concerning, among other things, measures in response to the coronavirus crisis, any plans for future dividends and any plans for repurchases of shares.

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 2019.

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 6,625,179,117 are carried forward to a new account and no dividend is distributed to the shareholders.

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 2019.

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 2,500,000, of which SEK 700,000 shall be paid to the chairman and SEK 300,000 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 proposal by the nomination committee to re-elect the board members Viveca Ax:son Johnson, Åsa Hedenberg, Samir Kamal, Mikael Norman and Frank Roseen for the period until the end of the next annual general meeting and to elect Mats Jönsson and Angela Langemar Olsson as new board members until the end of the next annual general meeting. The chairman thanked the resigning board members Carl Engström and Anna Wallenberg who had declined re-election.

Mikael Norman was re-elected, in accordance with the with proposal by the nomination committee, as chairman of the board for the period 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 continue 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 2021: Peter Hofvenstam, Nordstjernan AB, Lennart Francke, Swedbank Robur Fonder, Tomas Risbecker, AMF – Försäkring och Fonder and the chairman of the board as an adjunct member. Peter Hofvenstam was elected as the chairman of the nomination committee.

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

The nomination committee's proposal on instruction to the nomination committee was presented in accordance with [Appendix 2](#).

The annual general meeting resolved to adopt the instruction to the nomination committee in accordance with the board's proposal.

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

17. RESOLUTION REGARDING AMENDMENTS TO THE ARTICLES OF ASSOCIATION (AGENDA ITEM 17)

The annual general meeting resolved to amend the articles of association in accordance with the board's proposal, whereby the new wording of the articles of association appears in Appendix 4.

It was noted that the resolution was supported by all present shareholders.

18. 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 5.

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.

19. 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 19)

The chairman presented the board's proposal to authorise the board to resolve on execution of acquisition and transfer of shares of series B in the company, Appendix 6.

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.

20. RESOLUTION REGARDING SHAREHOLDER PROPOSALS BY THORWALD ARVIDSSON (ITEM 20)

The shareholder proposals by Thorwald Arvidsson were presented in accordance with Appendix 7.

The annual general meeting resolved not to approve the proposals.

21. RESOLUTION REGARDING SHAREHOLDER PROPOSAL BY THORWALD ARVIDSSON TO AMEND THE ARTICLES OF ASSOCIATION (ITEM 21)

The shareholder proposal by Thorwald Arvidsson to amend the articles of association was presented in accordance with Appendix 7.

The annual general meeting resolved not to approve the proposals.

22. CLOSING OF THE GENERAL MEETING (AGENDA ITEM 22)

The chairman declared the meeting closed.

At the minutes:

Joakim Månsson

Mikael Norman

Fabian Wäppling

Caroline Forsberg

LIST OF SHARES AND SHAREHOLDERS REPRESENTED AT THE MEETING

[Approved voting list]

THE NOMINATION COMMITTEE'S PROPOSAL FOR INSTRUCTION FOR THE NOMINATION COMMITTEE

The nomination committee proposes that the following instruction regarding the nomination committee's composition and work in Bonava shall replace the current instruction and be valid until the general meeting decides otherwise:

1. THE DUTIES OF THE NOMINATION COMMITTEE

The nomination committee shall perform its assignment in accordance with this instruction and applicable rules. Prior to every annual general meeting, the nomination committee shall as part of its assignment prepare and present proposals regarding:

- chairman of the annual general meeting,
- number of board members and auditors 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 firms or auditors
- remuneration to auditors, and
- changes to the instruction for the nomination committee, if any.

The nomination committee shall motivate the board proposal in accordance with the requirement under the Swedish Corporate Governance Code, 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 a 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 Swedish Companies Act and the Swedish Corporate Governance Code.

2. MEMBERS

The nomination committee shall consist of at least three, or at the most four, members appointed by the annual general meeting and nominated by the company's major shareholders. The members shall be appointed for the period until the end of next annual general meeting. The chairman of the nomination committee shall also be appointed by the annual general meeting. The chairman of the board shall be an adjunct member of the nomination committee, however, without voting rights.

Changes in the composition of the nomination committee may occur in the following cases.

- A member dies or wishes to resign before the end of the mandate period or if a shareholder wishes to replace its nominated member, whereby a request must be sent to the chairman of the nomination committee (or if the request regards the chairman, to another member of the nomination committee) and the receipt shall mean that the request has been executed.
- A shareholder who has a nominated a member of the nomination committee disposes its entire holdings in the company, whereby such nominated member shall be deemed to have resigned from the nomination committee automatically, or if there is a significant change in the ownership of the company, whereby the nomination committee is entitled to independently decide to dismiss and / or appoint additional members for the purpose of reflecting the ownership of the company in the nomination committee's composition.
- There are vacancies in the nomination committee and the nomination committee decides to offer those seats to shareholders or members nominated by shareholders for the purpose of reflecting the ownership of the company in the nomination committee's composition.

In the mentioned cases of changes in the nomination committee, new potential members are also appointed for the period until the end of the next annual general meeting. Changes in the nomination committee shall be published by the company as soon as possible.

3. MEETINGS

The nomination committee shall meet as often as required for the nomination 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 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. However, the company shall 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.

Stockholm February 2020

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. 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.

1. THE GUIDELINES' PROMOTION OF THE COMPANY'S BUSINESS STRATEGY, LONG-TERM INTERESTS AND SUSTAINABILITY

Bonava's strategic goal is to be the leading developer of affordable housing in northern Europe. The strategy is built on fundamental values and a strong sustainability agenda. To achieve the initiatives, we work according to an appropriate business model, use common processes and systems, and have a strong focus on company culture and personnel. For more information on the company's business strategy, refer to <https://www.bonava.com/en/about-us/strategy>.

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.

Long-term performance-based incentive plans paid in shares have been implemented in the company at the annual general meetings in 2017, 2018 and 2019. A long-term incentive plan will also be proposed at the annual general meeting in 2020. Participation in the existing plans require a personal investment in the company's shares, to be retained throughout the vesting period of each plan. The plans concern, inter alia, members of the company's executive management and other key personnel. Since the plans have been resolved by the annual general meeting they are excluded from these guidelines, which also applies to the proposal for the long-term incentive plan 2020.

The plans are distinctly linked to the business strategy and thereby sustainability and to the company's long-term value creation through the defined performance measures; the plans from 2017 and 2018 are based on average annual growth in earnings per share (ESP CAGR), average return on capital employed (ROCE), total return of Bonava's shares of series B (TSR); the plan from 2019 is based on average return on capital employed (ROCE), total return of Bonava's shares of series B (TSR) as well as total return of Bonava's shares of series B relative to a predefined comparison group (Relative TSR). For more information regarding the plans and the performance measures refer to <https://www.bonava.com/en/corporate-governance/long-term-incentive-programs>

Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

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 cash 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.

The performance period for criteria for awarding variable cash remuneration shall be measured over a period of one or several years. The variable cash remuneration may amount to not more than 50% of the fixed annual cash remuneration for CEO and 40% for other members of the executive management during the measurement period for such criteria.

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%¹ of the fixed cash salary. For members of the 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 and the Chief Financial 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. CRITERIA FOR AWARDING 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 so as 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.

¹ 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.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated when the measurement period has ended. The outcome shall be related to the achievement of set targets regarding profitability as well as sold and established 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.

5. 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.

6. 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.

7. 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.

8. POTENTIAL MATERIAL CHANGES TO THE GUIDELINES AND HOW THE VIEWS OF SHAREHOLDERS' HAVE BEEN TAKEN INTO CONSIDERATION

[Relevant 2021]

Stockholm in February 2020
Bonava AB (publ)
The Board of Directors

Corporate Registration Number: 556928-0380

ARTICLES OF ASSOCIATION

Article 1 Company name

The Company's registered name is Bonava AB (publ).

Article 2 Registered office of the board of directors

The board of directors shall have its registered office in Stockholm, County of Stockholm, Sweden.

Article 3 Operations

The object of the Company's operations is to – directly or indirectly through subsidiaries – develop and invest in housing, engage in trading involving properties and to conduct other operations related to the above. The Company shall also undertake certain activities common to the Group as a whole, such as the provision of staff services.

Article 4 Share capital

The share capital shall amount to not less than SEK 400,000,000 and not more than SEK 1,600,000,000.

Article 5 Number of shares

The number of shares shall be no fewer than 100,000,000 and no more than 400,000,000.

Article 6 Series of shares

The shares may be issued in two series, designated shares of series A and series B.

Shares of series A may be issued in a number not exceeding 80,000,000 shares and shares of series B may be issued in a number not exceeding 100 per cent of the Company's shares outstanding.

Each share of series A entitles the holder to ten votes and each share of series B to one vote.

Article 7 Conversion

Holders of shares of series A are entitled to request that shares of series A be converted to shares of series B. Requests for conversion, which must be made in writing and specify the number of shares to be converted, are to be submitted to the Company. The Company shall without delay provide notification of the conversion to the Companies Registration Office for registration. Conversions become effective when the shares have been registered and a note of this has been entered in the record register.

Article 8 Preferential right

If the Company decides, through a new issue of shares that is not effected against payment in the form of a non-cash issue, to issue shares of series A and series B, holders of shares of series A and series B shall have preferential rights to the subscription of new shares of the same type in relation to the number of shares already held (primary preferential right). Shares that are not subscribed for on the basis of primary preferential rights will be offered to all shareholders for subscription (subsidiary preferential right). If the number of shares offered on this basis is insufficient for subscription based on subsidiary preferential rights, the shares shall be distributed in relation to the number of shares already held and, insofar as this is not possible, by lottery.

If the Company decides, through a new issue of shares that is not effected against payment in the form of a non-cash issue, to issue shares of series A or series B alone, all shareholders, irrespective of whether their shares are of series A or series B, shall have preferential rights to subscribe for new shares in proportion to the number of shares owned prior to the issue.

The aforementioned stipulations shall not constitute any infringement on the possibility to make a decision regarding a cash or an offset issue whereby the shareholders' preferential rights are disapplied.

What is stated above concerning the shareholders' preferential rights shall apply in a corresponding manner to the issuance of warrants and convertible debentures.

In the event of an increase in share capital through a bonus issue, in which new shares are to be issued, new shares of each series are to be issued in relation to the number of shares of the same series already held. In this context, old shares of a certain series shall carry rights to new shares of the same series. The aforementioned stipulation shall not constitute any infringement on the possibility, following the requisite amendment of the articles of association, to issue shares of a new series through a bonus issue.

Article 9 Board of directors and auditors

Apart from persons who, pursuant to Swedish law, may be appointed in accordance with other provisions, the board of directors shall consist of three to eight directors.

The Company shall have at least one and a maximum of three auditors with a maximum of three deputy auditors, or a registered public accounting firm.

Article 10 Official notice of general meeting of shareholders

Official notice convening a general meeting of shareholders is to be issued through an advertisement being placed in Post- och Inrikes Tidningar (Official Swedish Gazette) and on the Company's website. Confirmation that the Official notice has been issued will be announced in Dagens Nyheter.

Article 11 Notification of participation in the general meeting

Shareholders who wish to attend the general meeting must submit a notification to the company no later than the date stated in the notice of the general meeting.

Article 12 General meetings of shareholders

The annual general meeting is held every year within six months of the end of the financial year.

The following items of business shall be addressed at the annual general meeting:

1. Election of chairman of the Meeting.
2. Preparation and approval of the list of shareholders entitled to vote at the Meeting.
3. Approval of the agenda.
4. Election of two minute-checkers.
5. Determination of whether the Meeting has been duly convened.
6. Presentation of the annual report and the auditors' report and, where appropriate, the consolidated financial statements and the auditor's report on the consolidated financial statements.
7. Resolutions
 - (a) regarding the adoption of the income statement and the balance sheet, and the consolidated income statement and the consolidated balance sheet;
 - (b) regarding the disposition to be made of the Company's profits or losses as shown in the adopted balance sheet; and
 - (c) regarding the discharge of the members of the board of directors and of the CEO from personal liability.
8. Determination of the number of members of the board and the number of auditors and, where applicable, deputy auditors.
9. Determination of the fees to be paid to the members of the board and, where applicable, the auditors.
10. Election of members of the board and audit firm or auditor, as well as any deputy auditors.
11. Election of members of the Nomination Committee and of the chairman of the Nomination Committee.
12. Determination of the guidelines for remunerating senior executives, if a proposal to such guidelines has been submitted.
13. Presentation of remuneration report for approval.
14. Other business to be addressed by the Meeting in accordance with the Swedish Companies Act or the Articles of Association.

Article 13 Financial Year

The Company's financial year shall extend from 1 January – 31 December.

Article 14 Record day provision

The Company's shares shall be recorded in a CSD register pursuant to the Swedish Central Securities Depositories and Financial Instrument Accounts Act (1998:1479).

Shareholders or trustees who, on the record date, are entered in the shareholders' register and noted in a control register in accordance with Chapter 4 of the Swedish Central Securities Depositories and Financial Instrument Accounts Act (1998:1479) or those listed in a con-

trol account in accordance with Chapter 4, Section 18, paragraph 1, lines 6-8 of the aforementioned Act shall be deemed authorised to exercise the rights set out in Chapter 4, Section 39 of the Swedish Companies Act (2005:551).

Adopted at the annual general meeting on 31 March 2020.

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 2020) for Bonava AB (publ) ("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 plans, but in contrast to previous years, the participants, in addition to being awarded performance-based share rights that can entitle to shares of series B, will be awarded performance-based synthetic shares that can entitle to a cash compensation. Participation in LTIP 2020 requires own shareholding in Bonava.

A. LONG-TERM PERFORMANCE-BASED INCENTIVE PLAN

1.1 LTIP 2020 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 2020 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 2020 without having to immediately divest the shares.

The incentive plan runs for three years. To participate in the LTIP 2020, 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 2020

The LTIP 2020 comprises approximately 50 employees consisting of members of the executive management and certain key personnel within the Bonava group, divided into four categories. The first category comprises Bonava's Chief Executive Officer (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 and allotment of share rights and synthetic shares

To participate in the LTIP 2020, the participant must invest in a personal shareholding in Bonava ("Investment Shares"), which shall be allocated to the LTIP 2020. The Investment Shares

shall be acquired specifically for the LTIP 2020, 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 month's salary (according to salary levels on 1 January 2020) before taxes in the LTIP 2019. The investment can be made at any of the following investment levels: 50 or 100 per cent of the maximum investment. For the first category, each Investment Share entitles to three share rights and three synthetic shares, for the second category of participants, each Investment Share entitles to two and a half share rights and two and a half synthetic shares, for the third category, each Investment Share entitles to two share rights and two synthetic shares, and for the fourth category, each Investment Share entitles to one and a half share rights and one and a half synthetic shares.

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

For the share rights and the synthetic shares, the following conditions shall apply:

- 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 2023.
- Each synthetic share may entitle the holder the right to, at the same time, receive a cash corresponding to the share price of the Bonava-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 2023. Allocation of shares of series B and payment of cash compensation 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 2020.

1.5 Performance targets

The share rights and the synthetic shares are divided according to different performance targets. The following applies to the share rights and the synthetic shares received by the participant; 40% shall refer to target 1, 30% shall refer to target 2, and 30% shall refer to target 3

Target 1 The performance target is related to Bonava's average return of capital employed (ROCE) during the period 2020-2022. The average ROCE of the financial years 2020-2022 is based on capital employed measured quarterly from and including the fourth quarter of 2019 through the fourth quarter of 2022. The minimum level for the performance target shall amount to a ROCE of 10% and the maximum level to a ROCE of 15%. 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)² on Bonava's shares of series B on Nasdaq Stockholm during a certain measurement period as set out 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%). 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 $\frac{1}{4}$ 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.

Target 3 The performance target is related to a total shareholder return (TSR)³ on Bonava's shares of series B on Nasdaq Stockholm during a certain measurement period as set out below, relative to a peer group of approximately 25 chosen companies within the residential development, building or building material sector, on markets where Bonava is active. The minimum level for the performance target shall amount to an annual TSR equal to the TSR of the median in the peer group (top 50%) and the maximum level to an annual TSR equal to the TSR of the premier quartile in the peer group (top 25%). Where the level of fulfilment is in line with the minimum level, allocation and payment of cash compensation will be made corresponding to $\frac{1}{4}$ 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 (Series 2) as well as relative TSR (Series 3) shall be calculated as follows. The starting value shall be the volume weighted average

² Including returned dividends.

³ Including returned dividends.

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 2020 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 2023.

1.6 Formulation and administration

The board of directors shall be responsible for the formulation and administration of the LTIP 2020, within the scope of terms and directions 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 2020 employed in such countries where participation in LTIP 2020 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 2020 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 2020 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.

1.7 Scope

The maximum number of shares of series B in Bonava which may be allocated under the LTIP 2020 shall be limited to 169,170 shares which represents approximately 0.16% of all shares and approximately 0.08% of all votes in the company. The cash payment may as maximum be based on 167,170 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 2020 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 2020; 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 2020. 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 19 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 2020.

1.9 Costs under the plan

Based on the assumption of a share price of SEK 86.72 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 three performance targets as well as that all participates stay in the plan until allocation and payment, the estimated total cost for LTIP 2020, including estimated cost for social security contributions, is approximately MSEK 37. The cost is equivalent to the value of approximately 0.4 per cent of Bonava's market capitalization based on the average closing price for Bonava between 3-7 February 2020.

The annual cost of LTIP 2020, including social security contributions, is estimated to amount to approximately MSEK 12 in accordance with the conditions above which corresponds to 0.7 percent of Bonava's total staff costs, including social security contributions for the financial year 2019.

LTIP 2020 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 2020 of MSEK 12 (based on the assumptions above) corresponds on a pro-forma basis for 2019 a negative effect on Bonava's operating margin of approximately 0.08 per cent per units and a decrease of earnings per share of approximately SEK 0.09. 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 share-holding by the participants as well as from the possibility to be allocated further shares under the program, outweighs the costs related to the LTIP 2020.

1.11 The preparation of the proposal

The LTIP 2020 has been processed at board meetings and prepared in accordance with the guidelines adopted to be applied in LTIP 2019. However, some changes have been made to, inter alia, that allocation will partly be made in synthetic shares.

1.12 Other incentive plans in Bonava

There are share-related incentive plans that has previously been implemented in Bonava, LTIP 2017, LTIP 2018 and LTIP 2019, see note 4 in Bonava's 2019 annual report, which is available at Bonava's website, bonava.com at the latest from 10 March 2020. In addition, Bonava's main owner Nordstjernan AB has issued call options according to market conditions, which have been acquired by the CEO and the chairman of the board of directors.

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 2020.

1.14 Majority requirements

A resolution to introduce the LTIP 2020 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 2020) in accordance with item A above.

2.1 Transfer of shares of series B in Bonava to participants in the LTIP 2019

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 169,170 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 2020 who under the terms for the LTIP 2020 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 2020.

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 2020. Therefore, the board of directors considers the transfer of shares of series B in accordance with the proposal to benefit the company.

Stockholm in February 2020
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 delivery of Bonava shares of series B and cover costs (including costs for social security costs and payment in accordance with the synthetic shares) 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 February 2020
Bonava AB (publ)

The Board of Directors

SHAREHOLDER PROPOSALS BY THORWALD ARVIDSSON

- 20. THE SHAREHOLDER THORWALD ARVIDSSON HAS PROPOSED THAT THE ANNUAL GENERAL MEETING SHALL RESOLVE TO:**
- a. Assign the board to act to abolish the possibility of so-called voting differentiation in the Swedish Companies Act (Sw. aktiebolagslagen), primarily through a petition to the Swedish government, and
 - b. assign to the board to prepare a proposal regarding representation for small and medium-sized shareholders on the board and nomination committee to be resolved upon by the annual general meeting 2021 (or at an extraordinary general meeting if such meeting is held before the annual general meeting 2021). The assignment shall also include to act for an amendment to the Swedish regulation concerning the said matter, primarily through a petition to the Swedish government
- 21. THE SHAREHOLDER THORWALD ARVIDSSON HAS PROPOSED THAT THE ANNUAL GENERAL MEETING SHALL RESOLVE TO AMEND THE ARTICLES OF ASSOCIATION IN ACCORDANCE WITH THE FOLLOWING:**
- a. Amend article 5 by adding a new paragraph in accordance with the content that all shares shall have equal rights
 - b. articles 6-8 shall be removed with the accompanying consequences for the continued article numbering.