

MAGNOLIA

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THE NOMINATION COMMITTEE'S PROPOSALS AND REASONING PRIOR TO THE ANNUAL GENERAL MEETING 2021

The Nomination Committee for the 2021 Annual General Meeting consists of the following members: Katarina Strömberg, F. Holmström Fastigheter AB (Chair of the Nomination Committee); Ulf Hedlundh, Svolder and Johannes Wingborg, Länsförsäkringar Fondförvaltning AB (publ). The Chair of the Board, Fredrik Holmström, has been co-opted at the Nomination Committee's meetings.

The three shareholders appointing members to the Nomination Committee represented circa 72 per cent of the voting rights and capital in the Company as of 28 February 2021.

An account of the Nomination Committee's work can be found in the Nomination Committee's reasoning below.

The Nomination Committee proposes the following for the Annual General Meeting on 27 April 2021:

Chair of the Meeting

The Nomination Committee proposes that Fredrik Holmström be elected as Chair of the Meeting, or if Fredrik Holmström is prevented from attending, the person the Nomination Committee proposes instead.

Number of directors and number of auditors

The Nomination Committee proposes that the Board, for the period until the end of the next Annual General Meeting, shall consist of seven directors elected by the Annual General Meeting without deputies. The Nomination Committee proposes that the Company shall have one registered accounting firm as auditor, without deputies.

Fees to members elected by the Annual General Meeting who are not employees of the Company, remuneration for committee work and fees to the auditor

The Nomination Committee proposes that fees totalling to SEK 2,530,000 (unchanged) be paid including remuneration for committee work, for the period up to the end of the next Annual General Meeting, SEK 500,000 (unchanged) to the Chair of the Board and SEK 300,000 (unchanged) to other elected members. Furthermore, remuneration of SEK 90,000 (unchanged) is proposed for the Chair of the Audit Committee and SEK 70,000 (unchanged) for the other two members of the Audit Committee.

Fees to the auditor shall be paid in accordance with the approved invoices.

Election of directors, Chair of the Board and auditors

The Nomination Committee proposes re-election of Fredrik Holmström, Fredrik Tibell, Andreas Rutili, Risto Silander, Jan Roxendal, Viveka Ekberg and Anna-Greta Sjöberg as directors. It is proposed that Fredrik Holmström be re-elected as Chair of the Board. Information on proposed directors is available, in accordance with section 2.6 of the Swedish Code of Corporate Governance, on the Company's website, <http://om.magnoliabostad.se/en>.

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The Nomination Committee proposes that the registered accounting firm Ernst & Young AB be re-elected as auditor. Ernst & Young AB has announced that, if the Nomination Committee's proposal for an auditor is adopted by the Annual General Meeting, the authorized public accountant Fredric Hävrén will be re-appointed as auditor-in-charge.

The Nomination Committee's proposals are in accordance with the Audit Committee's recommendation. Neither the Nomination Committee's proposals nor the Audit Committee's recommendations to the auditor have been subject to influence from third parties or has been forced by any contractual terms restricting the freedom of choice in the selection of the auditor.

Nomination Committee's instructions

The Nomination Committee proposes that the current instructions shall continue to apply as the Nomination Committee's instructions until a new set of instructions is adopted.

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REASONED STATEMENT BY THE NOMINATION COMMITTEE

As a basis for its proposals to the Board, the Nomination Committee has carried out an evaluation of the Board's work. The Nomination Committee has held two minuted meetings and held a number of additional discussions between the meetings. The Chair of the Board has reported on the Company's operations, goals and strategy, as well as how the work of the Board has been conducted by others on the Nomination Committee. The Chair of the Board has also reported the results of the evaluation of his own work carried out by the Board.

The requirements for expertise, experience and background that can be placed on the Board of Magnolia Bostad have been discussed in detail. In order to supplement the results of the Board's evaluation, the Nomination Committee has spoken to all the Board members. The Nomination Committee has compared fees with other companies in the sector and analysed the performance of the Board. We have also taken into account the movement of the share price in our assessment.

There is a special section on Magnolia Bostad's website called "Nomination Committee" where shareholders have been given the chance to submit proposals to the Nomination Committee. No proposals have been received.

The Nomination Committee has applied rule 4.1 in the Swedish Code of Corporate Governance as its diversity policy when preparing the proposals for the Board. In its assessment of the composition of the Board, the Nomination Committee has specifically discussed issues of versatility and breadth in the Board and the requirement to strive for an even gender distribution. The Nomination Committee has assessed the members' independence and evaluated the instructions for the Nomination Committee. In its evaluation, the Nomination Committee has found that the Board's work functions well and that the current Board has a composition that is appropriate regarding Magnolia's operations, development and other conditions, characterized by versatility and breadth regarding the members' expertise, experience and background. The current Board is also deemed to have the necessary experience and expertise regarding the special requirements placed on the Company in its capacity as a listed one and that everyone has commitment and time for the Board's assignments. Against this background and the importance of continuity in the Board's work, the Nomination Committee proposes the re-election of Fredrik Holmström, Fredrik Tibell, Andreas Rutili, Risto Silander, Jan Roxendal, Viveka Ekberg and Anna-Greta Sjöberg. The Nomination Committee also proposes the re-election of Fredrik Holmström as Chair of the Board.

The Board proposed by the Nomination Committee consists of five men and two women. The proportion of women on the Board thus amounts to 29% (29%). The Nomination Committee considers that the issue of gender equality is important and its long-term ambition is to have a good balance between men and women on the Board.

Independence assessment

The Nomination Committee continually monitors and evaluates each of the members' dependencies in accordance with the Swedish Code of Corporate Governance. The Nomination Committee has assessed that the proposed Board of Directors meets the Swedish Code of Corporate Governance's requirements for independence. Of the proposed members, six, Risto Silander, Jan Roxendal, Viveka Ekberg, Fredrik Tibell, Andreas Rutili and Anna-Greta Sjöberg are independent of both the Company and the Company management. Of the proposed members, five, Risto Silander, Jan Roxendal, Viveka Ekberg, Andreas Rutili and Anna-Greta Sjöberg, are independent of the Company's major shareholders.

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The proposed composition of the Board is thus compatible with the rules in the Swedish Code of Corporate Governance on independence.

Stockholm, March 2021

Magnolia Bostad AB (publ)

Nomination Committee