

MAGNOLIA

MINUTES kept at the annual general meeting of the shareholders of Magnolia Bostad AB, reg. no. 556797-7078, held on Friday 10 May 2019, in Stockholm.

1. Opening of the meeting and election of chair of the meeting

The meeting was opened by the chair of the board, Fredrik Holmström, who greeted the participants of the meeting.

It was resolved, in accordance with the nomination committee's proposal, to elect Fredrik Holmström as chair of the meeting.

It was noted that Victoria Skoglund, attorney-at-law, had been assigned to keep the minutes at the meeting.

It was resolved that certain persons who are not shareholders were allowed to attend the meeting as guests.

The chair noted that the annual report for 2018, the preliminary voting list and the other meeting documents were presented at the meeting.

2. Preparation and approval of voting list

It was resolved to adopt the list of registered shareholders that had been adjusted at the entrance to the meeting as the voting list for the meeting, Appendix 1.

3. Approval of the agenda

It was resolved to approve the agenda proposed in the notice convening the meeting.

4. Election of persons to approve the minutes

It was resolved to elect Johannes Wingborg and Sverre Linton to approve the minutes.

5. Examination of whether the meeting was duly convened

It was resolved to declare the meeting duly convened.

6. The CEO's address

The CEO, Fredrik Lidjan, held a presentation on the company's business and the group's development. Fredrik Holmström gave an account of the work carried out by the board.

7. Presentation of the annual report and auditor's report, as well as the group accounts and auditor's report for the group

The chair concluded that the annual report and auditor's report, as well as the group accounts and auditor's report for the group were presented at the meeting.

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8. Resolution on:

a) adoption of the profit and loss account and balance sheet, as well as the consolidated profit and loss account and consolidated balance sheet

It was resolved to adopt the profit and loss account and balance sheet, as well as the consolidated profit and loss account and consolidated balance sheet for 2018.

b) allocation of the company's result in accordance with the adopted balance sheet

In accordance with the board's proposal, it was resolved that no dividend be paid, and that the remaining sum of the distributable funds, SEK 178,498,256 is to be carried forward.

c) discharge from liability towards the company for the directors and the CEO for the financial year 2018

It was resolved to discharge the directors and the CEO from liability for the management of the company in 2018.

It was noted that the directors and the CEO, who own shares in the company, did not participate in this resolution in respect to their own part.

9. Resolution on the number of directors and the number of auditors

It was resolved, in accordance with the nomination committee's proposal, that the board is to consist of six directors elected by the general meeting with no alternates for the period until the end of the annual general meeting 2020 and that the company shall have two auditors and one deputy auditor.

10. Resolution on remuneration payable to the directors and auditors

It was resolved, in accordance with the nomination committee's proposal, that fees to the directors for the period until the end of the annual general meeting 2020 will be paid with SEK 500,000 to the chair of the board and SEK 300,000 to each of the other directors elected at the annual general meeting. It was further resolved, in accordance with the nomination committee's proposal, that fees will be paid with SEK 90,000 to the chair of the audit committee, and SEK 70,000 each to other members of the audit committee.

It was resolved, in accordance with the nomination committee's proposal, that fees to the auditors are to be paid in accordance with approved invoices.

11. Election of directors, chair of the board and auditors

After a presentation of the proposed directors and their assignments for other companies, it was resolved, in accordance with the nomination committee's proposal, to re-elect Viveka Ekberg, Fredrik Holmström, Jan Roxendal, Andreas Rutili, Risto Silander and Fredrik Tibell. It was also resolved, in accordance with the nomination committee's proposal, to re-elect Fredrik Holmström as chair of the board.

It was resolved, in accordance with the nomination committee's proposal, to re-elect the registered accounting firm Ernst & Young AB as auditor until the end of the annual general

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meeting 2020. It was also resolved, in accordance with the nomination committee's proposal, to re-elect Ingemar Rindstig as auditor, with Mikael Ikonen as deputy auditor, until the end of the annual general meeting 2020.

12. Resolution on guidelines for remuneration payable to senior executives

It was resolved, in accordance with the board's proposal, to adopt guidelines for remuneration payable to senior executives in accordance with [Appendix 2](#).

13. Resolution on warrant program and approval of transfer of warrants

It was resolved, in accordance with the nomination committee's proposal, on a warrant program and on approval of transfer of warrants in accordance with [Appendix 3](#).

It was noted that the resolution was passed with the required majority, i.e. by shareholders representing at least nine tenths of both the votes cast and the shares represented at the meeting.

14. Resolution on instructions for the nomination committee

It was resolved, in accordance with the board of directors' proposal to adopt instructions for future nomination committees' in accordance with [Appendix 4](#).

15. Closing of the meeting

The chair closed the meeting.

At the minutes:

Victoria Skoglund
Victoria Skoglund

Approved:

Fredrik Holmström
Fredrik Holmström

Johannes Wingborg
Johannes Wingborg

Sverre Linton
Sverre Linton

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THE BOARD'S PROPOSED GUIDELINES FOR REMUNERATION PAYABLE TO SENIOR EXECUTIVES

The board proposes that the following guidelines for determining terms of employment and remuneration payable to senior executives be adopted at the annual general meeting on 10 May 2019, for the period up to and including the next annual general meeting. Senior executives means members of the company's management team. The guidelines apply to agreements entered into after the resolution by the general meeting and if changes are made in existing agreements after this time.

The company has chosen, considering the size and the scope of its business, not to establish a remuneration committee and has concluded that remuneration matters are more appropriately handled by the board as a whole.

In order to attract and retain competent employees and executives the salary should be competitive and be at market level and it should comprise a fixed part and a variable part.

The fixed part of the salary is revised at the beginning of the calendar year. The fixed salary should be based on factors such as position, competence, experience and performance. In this assessment it should be taken into account that the company is in an expansive phase rather than in an administrative phase.

Senior executives may receive variable remuneration in the form of a bonus that may total at most 12 months' fixed base salary. The bonus should be based on defined targets, related to the company's financial result as well as to individual performance. Variable remuneration is paid as non-pensionable salary.

The total cost for the payments to senior executives amounted in 2018 to a total of approximately MSEK 6 (including costs for social security contribution). Conditions governing pension should be in accordance with market practice and be based on defined contribution pension agreements. There are conditions for the CEO, governing non-compete obligations and remuneration after served employment. Remuneration due to the non-compete obligation should not exceed a total amount of 60 per cent of one years fixed salary. The company's period of notice for the CEO is 12 months.

All senior executives should, in addition to salary, variable remuneration and pension, receive health care insurance and in some cases a company car. These benefits should comprise a minor portion of total remuneration and should be in line with market practice.

The board may deviate from the guidelines adopted by the general meeting in individual cases where particular reasons or needs exist.

The board shall propose guidelines for remuneration payable to senior executives to every annual general meeting. The board shall take into account changes in the company's size, business, management and ownership structure that may motive alterations of the guidelines. The guidelines are adopted by the annual general meeting. Remuneration to the senior executives are proposed and approved in accordance with the board's rules of procedure.

Estimated cost for variable payments

The total cost for the variable payments to senior executives in accordance with the board's proposal, may in 2019 amount to a total of MSEK 15 (including costs for social security contribution). Costs are based on existing remuneration levels and maximum utilization, and that defined targets required for remuneration are achieved. The estimated costs are based on the current number of senior executives. The employment agreement of the CEO, Fredrik Lidjan, does not allow for any variable remuneration.

According to the guidelines for remuneration payable to senior executives resolved by the annual general meeting 2018 the board of Magnolia Bostad AB was authorised to deviate from the guidelines adopted by the general meeting if particular reasons exists in an individual case. The authorisation has been used once in 2018 when appointing a new head of business generation. See *The board's report on its evaluation of remuneration payable to senior executives*.

Stockholm in March 2019
Magnolia Bostad AB (publ)
The Board of Directors

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THE BOARD'S PROPOSAL FOR RESOLUTION ON WARRANT PROGRAM AND APPROVAL OF TRANSFER OF WARRANTS

The board proposes that the general meeting resolves to issue warrants according to the following and that the general meeting resolves to approve of the transfer of warrants accordingly as further outlined below.

A. Issue of warrants

The board of Magnolia Bostad AB (the "**Company**") proposes that the general meeting resolves of a directed issue of not more than 200,000 warrants, entailing an increase in the share capital of not more than SEK 800,000 if the issue is fully subscribed. In addition, the resolution shall be governed by the following terms and conditions.

1. The right to subscribe for the warrants shall, with deviation from the shareholders' pre-emption rights, be vested in the Company's wholly-owned subsidiary Magnolia Utveckling AB (the "**Subsidiary**"). The Subsidiary shall transfer the warrants to key employees in accordance with Section B below.
2. Oversubscription may not occur.
3. The reason for not applying the shareholders' pre-emption rights is that the warrants are part of an incentive program for certain key employees who are or will be employed in the Company or its subsidiaries. The opinion of the board is that the Company should support the Company's long-term financial interest by encouraging an ownership interest in the Company by key employees.
4. The warrants will be issued to the Subsidiary without any consideration.
5. Subscription of the warrants shall take place no later than 28 June 2019. The board may prolong the subscription period.
6. Subscription for shares when exercising the warrants may occur during the period from 1 November 2022 up until and including 26 April 2024. During the subscription period, the board may compile, allot and register subscribed shares on a quarterly basis, but may also do it on other occasions.
7. Each warrant gives a right to subscribe for one (1) new share in the Company to a subscription price of SEK 84.
8. The new shares will be entitled to dividends for the first time on the first record date for dividend after the subscription has been executed.

9. Warrants held by the Subsidiary which have not been transferred in accordance with Section B or later on has been repurchased from the participants may either be transferred to employees in the Company or its subsidiaries or be cancelled by the Company after resolution by the board with the consent of the board in the Subsidiary. Cancellation are to be reported to the Swedish Companies Registration Office.
10. Additional terms and conditions are set out in Appendix A.

B. Approval of transfer of warrants

1. Participants entitled to acquire warrants

The right to acquire warrants from the Subsidiary shall vest in key employees in the Magnolia group with a maximum of 50,000 warrants each. The right to acquire warrants from the Subsidiary shall only vest in employees who, at the time of the allocation, have not resigned or whose employment have not been terminated.

Warrants shall also be able to be offered to future employees in case the Subsidiary has unsold and/or re-purchased warrants. For such transactions, the terms and conditions shall be in accordance with or equivalent to what is set out in this resolution. This means, inter alia, that any acquisition shall be at the then current market value.

Any allocation presumes, that an acquisition is legal and that an acquisition, according to the board, is possible to execute without unreasonably high administrative or financial costs.

2. Right of first refusal at transfer and termination of employment

In addition, the warrants shall be governed by customary terms meaning, inter alia, that the warrants shall be subject to an obligation for participants who wishes to transfer or sell the warrants to a third party to first offer the Company or its subsidiaries to acquire the warrants at the acquisition value. The warrants shall also include a right for the Company or its subsidiaries to re-purchase the warrants at the acquisition value if the participant's employment in the Company or any subsidiary is terminated, or if the employee has resigned or had their employment terminated during the duration of the program.

3. Sales period

The warrants shall be transferred to key employees in the Magnolia group. The intention is that the majority of the warrants shall be transferred to existing key employees in connection to the annual general meeting. However, there shall be a flexibility which enables unsold warrants and/or re-purchased warrants to be transferred to future employees, at latest on 26 February 2021, whereby application to acquire warrants shall be made at latest on 29 January 2021. When acquisitions are made after 31 October 2019 the Company shall make sure that the purchaser does not have the right to exercise the warrants for subscription of shares for a period of three years from the acquisition date.

4. Price and payment

The warrants shall be transferred on market terms at a price (premium) that has been established on the basis of a calculated market value for the warrants by applying an established evaluation model (Black & Scholes). For any transfers to additional

employees a new market price shall be established based on equivalent principles. The value has preliminary been calculated to SEK 2.42 per warrant based on a share price of SEK 32.50 and a subscription price of SEK 84 per share.

C. Additional information about the warrant program

1. Dilution

In the event all warrants are exercised, 200,000 new shares will be issued which corresponds to a dilution of approximately 0.5 per cent of the total number of shares and votes in the Company after subscription of all the warrants, with the reservation that any warrant may be recalculated according to the terms for the warrants and other dilution that may occur, e.g. issues.

2. Costs for the Company

Since the warrants will be transferred at market value, the Company should not be burdened by any costs for social security contributions due to the warrant program. Given this background, there are no reasons for the Company to arrange any hedging or other financial arrangement in this respect. It can be noted that the board does not expect any other costs for securing the warrant program. Besides the cost for administration, implementation and valuation of the program, no other costs are expected to arise relating to the warrant program.

Taken as a whole, the board has assessed that the subscription price and the term of the warrants, as well as the maximum allocation of the warrants to the key employees may be considered as reasonable taking into consideration market practice and the Company's need to be able to stimulate the performance of the participants through the offer of participation in the warrant program.

3. Other share related incentive program

The annual general meeting 26 April 2017 resolved to issue 350,000 warrants to the Subsidiary for transfer to employees in the Magnolia group. In 2018, 260,500 warrants have been transferred to employees in accordance with the warrant program. Unused warrants are still in the Subsidiary's possession but can no longer be exercised under the warrant program. Each warrant gives a right to subscribe for a share in the Company at a price of SEK 84 per share. Subscription of shares in accordance with the warrants may be made during the period commencing 2 November 2020 up until and including 26 April 2022. Such right may be exercised on the 30th each quarter, commencing 30 November 2020 and ending 30 March 2022.

4. Preparation of the matter

The warrant program has been prepared by the board of the Company with the assistance of external advisors.

5. Authorisation and rules of decision

The board proposes that the general meeting authorises the board to execute the proposal pursuant to Section A above and to ensure that the board of the Subsidiary implements the transfer of warrants in accordance with Section B above.

The board or a person appointed by the board shall be authorised to make minor adjustments that are required for the registration with the Companies Registration Office, Euroclear Sweden AB or because of other formal requirements.

The general meeting's resolution under this item is valid only if it is supported by shareholders representing at least nine tenths (9/10) of both the votes cast and the shares represented at the meeting.

Stockholm in March 2019
Magnolia Bostad AB (publ)
The Board of Directors

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TERMS AND CONDITIONS OF WARRANTS TO SUBSCRIBE FOR NEW SHARES IN MAGNOLIA BOSTAD AB (PUBL)

§ 1 Definitions

In these terms and conditions, the following terms shall have the meanings stated below.

"Share"	a share in the Company;
"Central Securities Depository Company"	a company whose articles of association contain an article stating that the company's shares must be registered in a central securities depository register and whose shares are registered through Euroclear;
"Central Securities Depository Account"	an account with Euroclear for registering such financial instruments as referred to in the Central Securities Depositories and Financial Instruments Accounts Act (1998:1479);
"Banking Day"	any day in Sweden which is not a Sunday or other public holiday, or which, with respect to payment of notes, is not equated with a public holiday in Sweden;
"Company"	Magnolia Bostad AB, reg. no. 556797-7078;
"Euroclear"	Euroclear Sweden AB;
"Marketplace"	Nasdaq Stockholm or another equivalent regulated or non-regulated market;
"Warrant Holder"	any person who is a Holder of a Warrant Certificate entitling to Subscription for new Shares;
"Warrant"	the right to subscribe for new Shares in exchange for payment in cash;
"Subscription"	such Subscription for new Shares exercised through a Warrant;
"Subscription Price"	the price at which Subscription for new Shares may take place; and
"Warrant Certificate"	a certificate which is linked to a certain number of Warrants in accordance with these terms and conditions.

§ 2 Warrants

The total number of Warrants shall be not more than 200,000. The Warrants are represented by Warrant Certificates. Warrant Certificates are issued to a certain person or to order.

The board of directors of the Company shall be entitled to resolve that the Warrants be registered on a Central Securities Depository Account. In the event such resolution is adopted, no Warrant Certificates or other securities shall be issued. At the request of the Company, Warrant Holders shall be obliged to surrender immediately to the Company or Euroclear all Warrant Certificates representing Warrants and to provide the Company with the requisite details of the securities account on which the Warrant Holder's Warrants are to be registered.

In the event the board of directors of the Company adopts a resolution in accordance with the second paragraph above, subject to any applicable statutory or regulatory limitations, the board of directors shall thereafter be at liberty to resolve that the Warrants are no longer to be registered on a Central Securities Depository Account.

§ 3 Right to subscribe for new Shares

The Warrant Holder shall be entitled to subscribe for one new Share for each Warrant during the period commencing 1 November 2022 up to and including 26 April 2024, or up to and including such earlier or later date as may follow from section 8 below. The Subscription Price per Share shall be SEK 84.

The Subscription Price, as well as the number of new Shares to which each Warrant entitles the Holder to Subscribe, may be recalculated in the cases set forth in section 8 below.

Upon demand by a Warrant Holder during the period stated above, the Company shall be obliged to issue the number of Shares to which an application for Subscription relates.

§ 4 Subscription of Shares

The following shall apply in the event the Company is a Central Securities Depository Company and the Warrants are registered on a Central Securities Depository Account. The Warrants may be exercised through a written application for Subscription to the Company or to the designated Central Securities Depository Company.

In the event the Company is not a Central Securities Depository Company or if the Warrants are not registered on a Central Securities Depository Account, the Warrants may be exercised through a written application for Subscription to the Company, stating the number of Warrants which are to be exercised. In conjunction with a Subscription, the Warrant Holder shall, where applicable, surrender corresponding Warrant Certificates to the Company.

During the subscription period, the board may compile, allot and register subscribed shares on a quarterly basis, but may also do it on other occasions

§ 5 Payment

Simultaneously with the Subscription, payment in cash shall be made for the number of Shares to which the Subscription relates.

§ 6 Entry in the share register, etc.

Subscription shall be effected through the Company ensuring the interim registration of the new Shares on a Central Securities Depository Account. Following registration at the Swedish Companies Registration Office, the registration on a Central Securities Depository Account shall become final. As stated in section 8 below, in certain cases the date of such final registration on a Central Securities Depository Account may be postponed.

In the event the Company is not a Central Securities Depository Company at the time of Subscription, Subscription shall be effected by the new Shares being entered as Shares in the Company's share register and subsequently being registered at the Swedish Companies Registration Office.

§ 7 Entitlement to dividends

In the event the Company is a Central Securities Depository Company, Shares which are newly issued following Subscription shall carry an entitlement to participate in dividends for the first time on the next record date for dividends which occurs after Subscription is effected.

In the event the Company is not a Central Securities Depository Company, Shares which are newly issued following Subscription shall entitle the holder to a dividend at the first general meeting following the date which occurs after Subscription is effected.

§ 8 Recalculation of Subscription Price, etc.

In the following situations, the following shall apply with respect to the rights which shall vest in Warrant Holders.

Recalculation according to the provisions in this section 8 shall under no circumstances cause the Subscription Price to be less than the quotient value of the Company's Shares.

A. Bonus issue

In the event the Company carries out a bonus issue, where Subscription is made in such time that it cannot be effected by no later than three weeks prior to the general meeting at which a bonus issue resolution is to be adopted, Subscription may be effected only after such a general meeting has adopted a resolution thereon. Shares which vest as a consequence of Subscription effected following the bonus issue resolution shall be the subject of interim registration on a Central Securities Depository Account, and accordingly shall not be entitled to participate in the bonus issue. Final registration on a Central Securities Depository Account shall take place only after the record date for the bonus issue.

In the event the Company is not a Central Securities Depository Company at the time a new issue resolution is adopted by the general meeting, Shares which vest as a consequence of Subscription effected through the new Shares being entered in the Company's share register as interim shares on the date of the general meeting's resolution, shall be entitled to participate in the new issue.

In the case of Subscription which is effected following a bonus issue resolution, a recalculated Subscription Price shall be applied, as well as a recalculation of the number of Shares to which each Warrant provides an entitlement to Subscribe.

The recalculations shall be made by the Company based on the following formulae:

recalculated Subscription Price	=	previous Subscription Price x number of Shares prior to the bonus issue
		<hr/> number of Shares after the bonus issue
recalculated number of Shares to which each Warrant provides an entitlement to subscribe	=	previous number of Shares to which each Warrant provides an entitlement to subscribe x the number of Shares after the bonus issue
		<hr/> number of Shares prior to the bonus issue

A recalculated Subscription Price and recalculated number of Shares in accordance with the provisions above shall be determined as soon as possible after the general meeting has adopted a bonus issue resolution but, where applicable, shall be applied only after the record date for the bonus issue.

B. Reverse share split or share split

In the case of a reverse share split or share split of the Company's existing Shares, the provisions in subsection A shall apply mutatis mutandis whereupon, where appropriate, the record date shall be deemed to be the day on which a reverse share split or share split takes place at Euroclear, upon request by the Company.

C. New issue of Shares

In the case of a new issue with pre-emption rights for the shareholders to subscribe for new Shares in exchange for cash payment or payment by way of set-off, the following shall apply with respect to the right to participate in the new issue by virtue of Shares which have vested as a consequence of Subscription through the exercise of Warrants:

1. Where a new issue resolution is adopted by the Company's board of directors subject to approval by the general meeting or pursuant to authorisation granted by the general meeting, the resolution, and where applicable, the notification to the shareholders in accordance with Chapter 13 Section 12 of the Companies Act, shall state the date by which Subscription must be effected in order that Shares which vest as a consequence of Subscription shall carry an entitlement to participate in the new issue.
2. Where the general meeting adopts a new issue resolution, in the event an application for Subscription is made at such a time that the Subscription cannot be effected no later than three weeks prior to the general meeting which adopts the new issue resolution, Subscription shall only be effected after the Company has carried out recalculations. Shares which vest as a consequence of such Subscription shall be the subject of interim registration on a Central Securities Depository Account, and consequently shall not be entitled to participate in the new issue. Final registration on a Central Securities Depository Account shall take place only after the record date for the issue.

In the event of Subscription which is effected at such time that a right to participate in the new issue does not vest, a recalculated Subscription Price shall be applied, as well as a recalculation of the number of Shares to which each Warrant provides an entitlement to Subscribe.

The recalculations shall be made by the Company based on the following formulae:

$$\begin{aligned} \text{recalculated Subscription Price} &= \frac{\text{previous Subscription Price} \times \text{the Share's average listed price during the subscription period established in the new issue resolution (the Share's average price)}}{\text{the Share's average price increased by the theoretical value of the Warrant calculated on the basis thereof}} \\ \\ \text{recalculated number of Shares to which each Warrant provides an entitlement to subscribe} &= \frac{\text{previous number of Shares to which each Warrant provides an entitlement to subscribe} \times \text{the Share's average price increased by the theoretical value of the Warrant calculated on the basis thereof}}{\text{the Share's average price}} \end{aligned}$$

The Share's average price shall be deemed to correspond to the average of the calculated mean values, for each trading day during the Subscription Period, of the highest and lowest transaction prices listed during the day in accordance with the official quotations on the Marketplace. In the event no transaction price is quoted, the bid price which is quoted as the closing price shall instead be included in the calculation. Days on which neither a transaction price nor a bid price is quoted shall not be included in the calculation.

The theoretical value of the subscription right shall be calculated in accordance with the following formula:

$$\text{value of the subscription right} = \frac{\text{the maximum number of new Shares which may be issued pursuant to the new issue resolution} \times \text{the Share's average price less the subscription price for the new Share}}{\text{the number of Shares prior to adoption of the new issue resolution}}$$

In the event a negative value is thereupon obtained, the theoretical value of the subscription right shall be set at zero.

The recalculated Subscription Price and the recalculated number of Shares provided by each Warrant shall be determined by the Company two Banking Days after the expiry of the subscription period and shall be applied to Subscription for Shares effected thereafter.

In the event the Company's Shares are not listed or traded on a Marketplace, a recalculated Subscription Price and recalculated number of Shares shall be determined in accordance with this subsection C. In lieu of the provisions regarding the Share's average price, the value of the Share shall thereupon be determined by an independent valuer appointed by the Company.

In the event the Company is a Central Securities Depository Company the following shall apply. During the period pending determination of a recalculated Subscription Price and recalculated number of Shares to which each Warrant provides an entitlement to subscribe, Subscription for Shares shall be effected only on a preliminary basis, whereupon the number of Shares to which each Warrant provides an entitlement to subscribe prior to the recalculation shall be registered on an interim basis on a Central Securities Depository Account. In addition, it is specifically noted that, following recalculations, each Warrant may carry an entitlement to additional Shares pursuant to section 3 above. Final registration on the Central Securities Depository Account shall take place after the recalculations have been determined.

In the event the Company is not a Central Securities Depository Company, Subscription shall be effected through the new Shares being entered in the share register as interim shares. After the recalculations have been determined, the new Shares shall be entered in the share register as shares.

D. Issue of convertible debentures or Warrants

In the event of an issue of convertible debentures or Warrants with pre-emption rights for the shareholders and in exchange for cash payment or payment by way of set-off or, with respect to Warrants, without payment, the provisions of subsection C, first paragraph, subparagraphs 1 and 2 regarding the right to participate in a new issue by virtue of Shares which vest through Subscription shall apply mutatis mutandis.

In the event of Subscription for Shares which is exercised at such a time that Subscription is effected after adoption of the issue resolution, a recalculated Subscription Price and recalculated number of Shares provided by each Warrant shall be applied.

The recalculation shall be made by the Company in accordance with the following formulae:

recalculated Subscription Price	=	$\frac{\text{previous Subscription Price} \times \text{the Share's average listed price during the subscription period established in the resolution regarding the issue (the Share's average price)}}{\text{the Share's average price increased by the value of the subscription right}}$
recalculated number of Shares to which each Warrant provides an entitlement to subscribe	=	$\frac{\text{previous number of Shares to which each Warrant provides an entitlement to subscribe} \times \text{the Share's average price increased by the value of the subscription right}}{\text{the Share's average price}}$

The Share's average price shall be calculated in accordance with subsection C above.

The value of the subscription right shall be deemed to correspond to the calculated value with adjustments for the new share issue and the market value calculated in accordance with subsection C above.

The recalculated Subscription Price and the recalculated number of Shares provided by each Warrant shall be determined by the Company two Banking Days after the expiry of the subscription period and shall be applied to Subscription for Shares effected thereafter.

In the event the Company's Shares are not listed or traded on a Marketplace, a recalculated Subscription Price and recalculated number of Shares shall be determined in accordance with this subsection D. In lieu of the provisions regarding the Share's average price, the value of the Share shall thereupon be determined by an independent valuer appointed by the Company.

In the event of Subscription for Shares which is effected before the recalculated Subscription Price and the recalculated number of Shares provided by each Warrant have been determined, the provisions of subsection C last paragraph above shall be applied.

E. Offer to the shareholders in circumstances other than those set forth in subsections A-D

In the event the Company, in circumstances other than those set forth in subsections A-D above, extends an offer to the shareholders, subject to shareholders' pre-emption rights pursuant to the principles set forth in the Companies Act, to acquire securities or rights of any kind from the Company, in the event of Subscription which is demanded at such time that the Shares thereby received do not carry an entitlement to participate in the offer, a recalculated Subscription Price and recalculated number of Shares to which each Warrant provides an entitlement to subscribe shall be applied. The aforesaid shall also apply where the Company resolves, in accordance with the aforementioned principles, to distribute securities or rights to the shareholders without consideration.

The recalculations shall be carried out by the Company in accordance with the following formulae:

recalculated Subscription Price	=	previous Subscription Price x the Share's average listed price during the application period established in the offer (the Share's average price)
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the Share's average price increased by the value of the right to participate in the offer (the purchase right value)

recalculated number of Shares to which each Warrant provides an entitlement to subscribe	=	previous number of Shares to which each Warrant provides an entitlement to subscribe x the Share's average price increased by the purchase right value
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the Share's average price

The Share's average price shall be calculated in accordance with subsection C above.

In the event the shareholders have received purchase rights and trading has taken place in such rights, the value of the right to participate in the offer shall be deemed to correspond to the purchase

right value. The purchase right value shall, as far as possible, be determined on basis of the changed market value of the Company's Shares which can be deemed have occurred due to the offer.

In the event the shareholders have not received purchase rights, or trading in purchase rights has otherwise not taken place, the recalculation of the Subscription Price shall take place applying, as far as possible, the principles stated above. The purchase right value shall, as far as possible, be determined on basis of the changed market value of the Company's Shares which can be deemed have occurred due to the offer.

The recalculated Subscription Price shall be determined by the Company as soon as possible after expiry of the offer period and applied in conjunction with Subscriptions effected after the recalculated price has been determined.

In the event the Company's Shares are not listed or traded on a Marketplace, a recalculated Subscription Price and recalculated number of Shares shall be determined. In lieu of the provisions regarding the Share's average price, the value of the Share shall thereupon be determined by an independent valuer appointed by the Company.

In the event of Subscription for Shares which is effected before the recalculated Subscription Price and the recalculated number of Shares provided by each Warrant have been determined, the provisions of subsection C last paragraph above shall be applied.

F. New issue or issue of convertible debentures or Warrants

In the event of a new issue or issue of convertible debentures or Warrants with pre-emption rights for the shareholders, in exchange for cash payment or payment by way of set-off or, with respect to Warrants, without payment, the Company may decide to grant all Warrant Holders the same pre-emption rights as vest in the shareholders pursuant to the resolution. Notwithstanding that Subscription for Shares pursuant to Warrants has not been effected, each Warrant Holder shall thereupon be deemed to be the owner of the number of Shares which the Warrant Holder would have received had Subscription for Shares been effected at the Subscription Price and the number of Shares to which each Warrant provided an entitlement to subscribe, as applicable on the date on which the resolution regarding the offer was adopted.

In the event the Company resolves to extend to the shareholders such an offer as referred to in subsection E above, the provisions of the preceding paragraph shall apply mutatis mutandis. The number of Shares which Warrant Holders shall be deemed to own shall thereupon be determined based on the Subscription Price and the number of Shares to which each Warrant provided an entitlement to subscribe, as applicable on the date on which the resolution regarding the offer was adopted.

In the event the Company decides to grant the Warrant Holders pre-emption rights in accordance with the provisions of this subsection F, no recalculation of the Subscription Price shall take place pursuant to subsections C, D or E.

G. Cash dividend to the shareholders

In the event of a cash dividend to the shareholders, entailing that the shareholders receive dividends which, together with other dividends paid out during same financial year, exceed 30 per cent of the existing Share's average price during a period of 25 trading days immediately prior to the day on which the board of directors of the Company publishes its intention to submit a proposal to the general

meeting regarding such dividend, in the event Subscription is demanded at such time that the Shares thereby received do not carry an entitlement to receive such dividend, a recalculated Subscription Price and a recalculated number of Shares to which each Warrant provides an entitlement to subscribe shall be applied. The recalculation shall be based on the part of the total dividend which exceeds 30 per cent of the share's average price during the aforementioned period (extraordinary dividend).

The recalculation shall be carried out by the Company in accordance with the following formulae:

recalculated Subscription Price	=	previous Subscription Price x the Share's average listed price during a period of 25 trading days calculated commencing the day on which the Share was listed without the right to participate in the extraordinary repayment (the Share's average price)
		<hr/> the Share's average price increased by the extraordinary dividend paid out per Share
recalculated number of Shares to which each Warrant provides an entitlement to subscribe	=	previous number of Shares to which each Warrant provides an entitlement to Subscribe x (the Share's average price increased by extraordinary amount repaid per Share)
		<hr/> the Share's average price

The Share's average price shall be calculated in accordance with subsection C above.

The recalculated Subscription Price and the recalculated number of Shares provided by each Warrant shall be determined by the Company two Banking Days after the expiry of the above- stated period of 25 trading days and shall be applied to Subscription effected thereafter.

In the event of the Company's Shares are not listed or traded on a Marketplace, and a resolution is adopted regarding a cash dividend to the shareholders entailing that the shareholders receive a dividend which, together with other dividends paid out during the same financial year, exceeds 30% of the Company's value, in conjunction with applications for Subscription which take place at such time that the Shares thereby received do not carry an entitlement to receive such dividend, a recalculated Subscription Price and a recalculated number of Shares shall be applied in accordance with this subsection G. The Company's value shall thereupon replace the Share's average price in the formula. The Company's value shall be determined by an independent valuer appointed by the Company. The recalculation shall thus be based on the aggregate dividend referred to above (extraordinary dividend).

In conjunction with Subscription which is effected during the period pending determination of a recalculated Subscription Price and recalculated number of Shares to which each Warrant provides an entitlement to Subscribe, the provisions of subsection C, final paragraph above shall apply mutatis mutandis.

H. Reduction in the share capital with repayment to the shareholders

In the event of a reduction in the share capital with repayment to the shareholders, a recalculated Subscription Price and a recalculated number of Shares provided by each Warrant shall be applied.

The recalculation shall be carried out by the Company in accordance with the following formulae:

$$\begin{aligned} \text{recalculated Subscription Price} &= \frac{\text{previous Subscription Price} \times \text{the Share's average listed price during a period of 25 trading days calculated commencing the day on which the Shares were listed without the right to participate in the repayment (the Share's average price)}}{\text{the Share's average price increase by the amount repaid per Share}} \\ \text{recalculated number of Shares to which each Warrant provides an entitlement to subscribe} &= \frac{\text{previous number of Shares to which each Warrant provides an entitlement to Subscribe} \times \text{the Share's average price increase by the amount repaid per Share}}{\text{the Share's average price}} \end{aligned}$$

The Share's average price shall be calculated in accordance with subsection C above.

In making a recalculation pursuant to the above where the reduction takes place through redemption of Shares, instead of using the actual amount which is repaid per Share a calculated repayment amount shall be used as follows:

$$\begin{aligned} \text{calculated repayment amount per Share} &= \frac{\text{the actual amount repaid per redeemed Share less the Share's market value during a period of 25 trading days immediately preceding the day on which the Shares do not carry an entitlement to participate in the reduction (the Share's average price)}}{\text{the number of Shares in the Company which form the basis of redemption of a Share less 1}} \end{aligned}$$

The Share's average price shall be calculated in accordance with subsection C above.

The recalculated Subscription Price and the recalculated number of Shares provided by each Warrant shall be determined by the Company two Banking Days after the expiry of the stated period of 25 trading days and shall be applied to Subscriptions effected thereafter.

In conjunction with Subscriptions which are effected during the period pending determination of a recalculated Subscription Price and recalculated number of Shares to which each Warrant provides an entitlement to Subscribe, the provisions of subsection C, final paragraph above, shall apply mutatis mutandis.

In the event the Company's Shares are not listed or traded on a Marketplace, a recalculated Subscription Price and recalculated number of Shares shall be determined. In lieu of the provisions

regarding the Share's average price, the value of the Shares shall thereupon be determined by an independent valuer appointed by the Company.

In the event of the Company's share capital is to be reduced through redemption of Shares with repayment to the shareholders and such reduction is not mandatory, or where the Company is to carry out a buyback of its Shares - without a reduction in the share capital being involved - but where, in the Company's opinion, in light of the technical structure and economic effects thereof the measure is comparable to a mandatory reduction, a recalculation of the Subscription Price and number of Shares to which each Warrant provides an entitlement to Subscribe shall be carried out applying, as far as possible, the principles stated above.

I. Appropriate recalculation

In the event of the Company carries out any measure as referred to in subsections A-E, G, H or M and where, in the Company's board's opinion, in light of the technical structure of the measure or for any other reason, application of the prescribed recalculation formulae cannot

take place or results in the financial compensation received by the Warrant Holders being unreasonable compared with the shareholders, the board of directors shall carry out the recalculation of the Subscription Price and the number of Shares provided by each Warrant in such manner as the board deems appropriate in order to obtain a reasonable result.

J. Rounding off

In the determination of a recalculated Subscription Price, the Subscription Price shall be rounded off to two decimals.

K. Liquidation

In the event of liquidation pursuant to Chapter 25 of the Companies Act, no further Subscription may be effected. The aforesaid shall apply irrespective of the reasons for the liquidation and irrespective of whether or not the order that the Company be placed into liquidation has become final.

Simultaneously with the notice convening the general meeting and prior to the general meeting is to considers the issue of whether the Company is to be placed into voluntary liquidation pursuant to Chapter 25, section 1 of the Companies Act, the Warrant Holders shall be given notice thereof by the Company in accordance with section 9 below. The notice shall inform the Warrant Holders that Subscription may not be effected after the general meeting has adopted a resolution regarding liquidation.

In the event the Company gives notice that it is considering entering into voluntary liquidation, notwithstanding the provisions of section 3 regarding the earliest date for demanding Subscription, the Warrant Holders shall be entitled to apply for Subscription for Shares through exercise of Warrants commencing the day on which notice is given. However, the aforesaid shall apply only where Subscription can be effected not later than the tenth calendar day prior to the general meeting at which the issue of the Company's liquidation is to be addressed.

L. Merger

In the event the general meeting approves a merger plan pursuant to Chapter 23, section 15 of the Companies Act whereby the Company is to be merged in another company, Subscription may thereafter not be demanded.

Not later than two months prior the general meeting which is to consider the issue of approving the above merger, the Warrant Holders shall be given notice thereof in accordance with section 9 below. The notice shall contain information about the merger plan and information that Subscription may not be effected after the general meeting has adopted a resolution regarding the merger in accordance with the paragraph above.

In the event the Company gives notice of a proposed merger in accordance with the above, Warrant Holders shall be entitled to apply for Subscription commencing the date on which notice of the proposed merger was given, provided that Subscription can be effected not later than three weeks prior to the date of the general meeting at which the merger plan whereby the Company is to be merged in another company is to be approved.

The following shall apply if the Company's board of directors prepares a merger plan pursuant to Chapter 23, section 28 of the Companies Act, whereby the Company is to be merged in another company, or if the Company's Shares are subject to a buy-out procedure pursuant to Chapter 22 of the same Act.

In the event a Swedish parent company owns all of the Shares in the Company, and the Company's board of directors announces its intention to prepare a merger plan pursuant to the statutory provision referred to in the preceding paragraph, in the event the final date for demanding Subscription pursuant to section 3 above falls on a day after such announcement, the Company shall establish a new final date for demanding Subscription (the Expiry Date). The Expiry Date shall be a day within 60 days of the announcement.

M. Demerger

In the event the general meeting approves a demerger plan pursuant to Chapter 24, section 17 of the Companies Act whereby the Company shall be demerged through part of the Company's assets and liabilities being taken over by one or more limited companies in exchange for consideration to the Company's shareholders, a recalculated Subscription Price and a recalculated number of Shares to which each Warrant provides an entitlement to subscribe shall be applied in accordance with the principles regarding extraordinary dividends as set forth in subsection G above. The recalculation shall be based on the part of the Company's assets and liabilities assumed by the takeover company.

In the event all of the Company's assets and liabilities are taken over by one or more limited companies in exchange for consideration to the Company's shareholders, the provisions regarding liquidation as set forth in subsection K above shall apply mutatis mutandis, entailing inter alia that the right to request Subscription shall terminate simultaneously with registration pursuant to Chapter 24, section 27 of the Companies Act and that Warrant Holders must be given notice thereof not later than two months prior to the date on which the demerger plan is submitted to the general meeting.

N. Buy-out of minority shareholders

In the event a Swedish parent company, on its own or together with a subsidiary, owns more than 90 per cent of the Shares and more than 90 per cent of the voting rights in respect of all of the Shares in

the Company, and where the parent company announces its intention to commence a buy-out procedure, the provisions of the final paragraph of subsection L regarding the Expiry Date shall apply mutatis mutandis.

If the announcement has been made in accordance with the provisions above in this subsection, Warrant Holders shall be entitled to demand Subscription until the Expiry Date. The Company must give notice to the Warrant Holders in accordance with section 9 below, not later than five weeks prior to the Expiry Date, informing them of this right and the fact that they may not demand Subscription after the Expiry Date.

If the majority shareholder, pursuant to Chapter 22, section 6 of the Companies Act, has submitted a request that a buy-out dispute be resolved by arbitrators, the Warrants may not be exercised for Subscription until the buy-out dispute has been settled by an award or decision that has become final. If the period within which Subscription may take place expires prior thereto, or within three months thereafter, a Warrant Holder nevertheless has the right to exercise the Warrant within three months after the date on which the ruling became final.

O. Cease or lapse of liquidation, merger or demerger

Notwithstanding the provisions of subsections K, L, and M that Subscription may not be effected following a resolution regarding liquidation or approval of a merger plan or demerger plan, the right to Subscription shall be reinstated in the event the liquidation ceases or the issue of a merger or demerger lapses.

P. Bankruptcy or company reorganization order

In the event of the Company's bankruptcy or where a decision is taken that the Company shall be the subject of a company reorganization order, Subscription may not take place through exercise of Warrants. Where the bankruptcy order or the Company reorganization order is set aside by a higher court, the entitlement to Subscribe shall be reinstated.

Q. Change in accounting currency

In the event the Company effects a change in the accounting currency, entailing that the Company's share capital shall be established in a currency other than Swedish crowns, the Subscription Price shall be recalculated in the same currency as the share capital. Such currency recalculation shall take place applying the exchange rate which was used to recalculate the share capital in conjunction with the change in currency.

A recalculated Subscription Price in accordance with the provisions above shall be determined by the Company and shall be applied to Subscriptions effected commencing the day on which the change in the accounting currency takes effect.

R. Equivalent terms and conditions for companies that are not Central Securities Depository Companies

In cases where the provisions concerning recalculation refer to the record date and, at the time of the recalculation, the Company is not a Central Securities Depository Company, a comparable date used in equivalent terms and conditions for companies that are not Central Securities Depository Companies shall apply instead of the record date.

§ 9 Notices

Notices relating to the Warrants must be provided in writing to each Warrant Holder to an address which is known to the Company.

§ 10 Amendments to the terms and conditions

The Company's board of directors shall be entitled, on behalf of the Warrant Holders, to amend these terms and conditions to the extent that any legislation, court decision or public authority decision renders necessary such amendment or where, in the board's opinion, for practical reasons it is otherwise appropriate or necessary to amend the terms and conditions, and the rights of the Warrant Holders are thereupon not prejudiced in any respect.

§ 11 Confidentiality

None of the Company, the institution maintaining a Warrant Holder's account or Euroclear may disclose information about a Warrant Holder to any third party without authorisation. The Company shall be entitled to obtain the following information from Euroclear regarding a Warrant Holder's account in the Company's central securities depository register:

- (i) the Warrant Holder's name, personal identification number or other identification number, and postal address;
- (ii) the number of Warrants.

§ 12 Governing law

These Warrants and legal issues relating thereto shall be governed by Swedish law. Proceedings arising from this agreement shall be brought in the district court where the registered office of the Company is situated or any other forum whose authority is accepted in writing by the Company.

English translation for information purposes only. If there are differences between the English translation and the Swedish original, the Swedish text will take precedence.

THE NOMINATION COMMITTEE'S PROPOSAL FOR RESOLUTION ON INSTRUCTIONS FOR THE NOMINATION COMMITTEE

The nomination committee proposes that the following instructions shall apply as instructions for the nomination committee in Magnolia Bostad AB until new instructions are adopted.

Before the next AGM the nomination committee will be composed of representatives of the three shareholders holding the highest percentage of voting rights as shown in the share register kept by Euroclear Sweden¹ on 30 September each year. The member representing the shareholder holding the highest percentage of voting rights will be appointed chair of the nomination committee. The chair of the board should attend the nomination committee's meetings, though not as member of the nomination committee. If, more than three months before the AGM, any shareholder that has appointed a member of the nomination committee is no longer one of the three shareholders holding the highest percentage of voting rights, the member appointed by that shareholders must stand down, and any shareholder that has then become one of the three shareholders holding the highest percentage of voting rights will then be entitled to appoint a member. If a member leaves the nomination committee before its work is completed, and the nomination committee finds it desirable that a replacement be appointed, that replacement will represent the same shareholder or, if the shareholder is no longer one of the three shareholders holding the highest percentage of voting rights, the shareholder holding the next highest percentage of voting rights. Changes in membership of the nomination committee must be made public immediately.

The identity of nomination committee members before each AGM must be made public no later than six months before the AGM. No remuneration is payable to members of the nomination committee. The company will pay necessary overheads incurred by the nomination committee in its work. The nomination committee's term of office runs until the identity of the next nomination committee members has been made public.

The nomination committee will draw up proposals on the following matters to be decided at the AGM:

- (a) Proposed chair of the AGM;
- (b) Proposed number of directors;
- (c) Proposed directors and chair of the board;

¹ The shareholder data to be used must be sorted according to percentage of voting rights per shareholder, and include the largest shareholders registered as such in Sweden, i.e. shareholders having an account at Euroclear Sweden AB in their own name or shareholders with a custody account with a custodian that has notified Euroclear Sweden AB of the shareholder's identity.

- (d) Proposed fees for directors elected at the AGM who are not employed by the company, divided between the chair and other directors. Remuneration for committee work, per member;
- (e) Proposed auditor(s) and auditor's fee; and
- (f) Where considered necessary, proposed amendments to these instructions for the nomination committee.

In performing other aspects of its work the nomination committee must perform the duties incumbent on it under the Swedish Code of Corporate Governance (including accompanying instructions).

Stockholm in March 2019
Magnolia Bostad AB (publ)
The nomination committee