

Unofficial 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 proposals and reasoned opinion before the annual general meeting 2018

The nomination committee before the annual general meeting 2018 consists of: Karin Sundberg, F. Holmström Fastigheter AB, (Chair of the committee); Henrik Buss, Danica Pension; Johannes Wingborg, Länsförsäkringar Fondförvaltning AB and Fredrik Holmström, Chair of Magnolia Bostad AB.

The nomination committee makes the following proposals to the annual general meeting on 27 April 2018:

Election of Chair of the meeting

The nomination committee proposes that the Chair of the board, Fredrik Holmström, be elected Chair of the meeting.

Resolution on the number of directors and the number of auditors

The nomination committee proposes that the board shall consist of six directors, with no deputy directors, elected by the meeting for the period up until the next annual general meeting.

The nomination committee proposes that the company shall have two registered auditors and one deputy auditor.

Resolution on remuneration payable to the directors and auditor

The nomination committee deems the fees paid to directors of the board marketable and proposes no changes.

The nomination committee proposes that the total fees paid up until the next annual general meeting amounts to SEK 1,900,000 (including compensation for committee work) and is distributed as follows. SEK 450,000 to the Chair of the board and SEK 250,000 to each other elected director of the board. Further, the Chair of the audit committee shall be paid SEK 80,000 and each other member of the audit committee shall be paid SEK 60,000.

Fees to the auditor shall be paid according to approved current accounts.

Election of directors, Chair of the board and auditor

The nomination committee proposes that Fredrik Holmström, Fredrik Tibell, Andreas Rutili, Risto Silander, Jan Roxendal and Viveka Ekberg be re-elected as directors of the board. The nomination committee proposes that Fredrik Holmström be re-elected as Chair of the board. Information about the proposed directors, in accordance with Section 2.6 in the Swedish Code of Corporate Governance, can be found on the company's website www.magnoliabostad.se.

The nomination committee proposes that the registered accounting firm Ernst & Young AB shall be re-elected as auditor. Ernst & Young AB has informed the company that, if Ernst & Young AB be elected as auditor, the authorised public accountant Fredric Hävrén will be appointed auditor-in-charge. Further, the nomination committee proposes that Ingemar Rindstig be elected as auditor with Katrine Söderberg as deputy auditor.

The nomination committee's proposal is in accordance with the audit committee's recommendation. The nomination committee and the audit committee have not been influenced by a third party and no clause of a contract entered into with a third party has been imposed which restricts the choice of certain auditors or audit firms.

The nomination committee's reasoned opinion

To support its proposal on election of directors, the nomination committee has conducted an evaluation of the work of the directors. The nomination committee has had two minuted meetings, as well as a number of discussions between the meetings. The shareholders have been given the opportunity to make suggestions to the nomination committee on the company's website under the section "Nomination Committee". No suggestions have been made.

The Chair of the board has described the operations, goals and strategy of the company for the other members of the nomination committee. The Chair has also reported the results of the evaluation of its own work which the board has completed. The requirements that can be imposed on the board of Magnolia Bostad have been discussed thoroughly. In order to complete the results of the board's evaluation, the nomination committee has interviewed with all directors of the board.

During the preparation of its proposal on the composition of the board, the nomination committee has applied the requirement in Section 4.1 of the Swedish Corporate Governance Code. The nomination committee has in its evaluation of the composition of the board

discussed diversity and breadth of the board members, as well as the requirement to strive for an equal gender balance. The Nomination Committee has in its evaluation detected that the board work is well executed and that, with regards to the operations, development stage and general conditions of Magnolia, the current board has an appropriate composition characterized by diversity and breadth regarding the directors' competence, experience and background. The current board is deemed to have the necessary experience and competence with regards to the special requirements imposed on a listed company and that all board members have the necessary time and commitment for the board assignment.

The board suggested by the nomination committee consists of five men and one woman. As such, women constitute 17 per cent of the board. The nomination committee deems the issue of gender balance as important, and its long-term endeavour is for a more equal gender balance of the board.

Against this background and the importance of continuity of the board's work, the nomination committee proposes that Fredrik Holmström, Fredrik Tibell, Andreas Rutili, Risto Silander, Jan Roxendal and Viveka Ekberg be re-elected as directors of the board. The nomination committee also proposes that Fredrik Holmström be re-elected as Chair of the board.

Assessment of independence

The nomination committee continuously examines and evaluates each of the board members independence as set out in the Swedish Code of Corporate Governance. The nomination committee deem the proposed board to fulfil the requirements on independence as set out in the Swedish Code of Corporate Governance. Four of the proposed board members, Risto Silander, Jan Roxendal, Viveka Ekberg and Fredrik Tibell are independent of the company and its management. Four of the proposed board members, Risto Silander, Jan Roxendal, Viveka Ekberg and Andreas Rutili are independent of the company's larger shareholders. As such, the proposed composition of the board is compatible with the rules on independence as set out by the Swedish Code of Corporate Governance.

Stockholm, 26 February 2018

The nomination committee of Magnolia Bostad AB (publ)