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THE NOMINATION COMMITTEE'S PROPOSALS AND REASONED OPINION PRIOR TO THE ANNUAL GENERAL MEETING 2020

The nomination committee before the annual general meeting 2020 consists of: Katarina Strömberg, F. Holmström Fastigheter AB, (chair of the committee); Henrik Buss, Wealins S.A; and Johannes Wingborg, Länsförsäkringar Fondförvaltning AB (publ).

The three shareholders that have appointed to the nomination committee represented approximately 73 per cent of the number of votes as of 28 February 2020.

A report on the nomination committee's work is included in the nomination committee's reasoned opinion below.

The nomination committee makes the following proposals to the annual general meeting on 27 April 2020:

Chair of the meeting

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

Number of directors and the number of auditors

The nomination committee proposes that the board shall consist of seven (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 one registered auditor and no deputy auditor.

Remuneration payable to the directors not employed by the company, remuneration for committee work and fees payable to auditors

The nomination committee proposes that the total fees paid up until the next annual general meeting amounts to SEK 2,530,000 (previously SEK 2,230,000) including compensation for committee work and is distributed as follows. SEK 500,000 (unchanged) to the chair of the board and SEK 300,000 (unchanged) to each other elected director of the board. Further, the chair of the audit committee shall be paid SEK 90,000 (unchanged) and each other member of the audit committee shall be paid SEK 70,000 (unchanged).

The nomination committee proposes that fees to the auditor shall be paid in accordance with approved invoices.

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 the new election of Anna-Greta Sjöberg. The nomination committee proposes that Fredrik Holmström be re-elected as chair of the board. Information about the proposed directors, can be found on the company's website <http://ir.magnoliabostad.se/en>.

The nomination committee proposes in accordance with the Audit Committee's recommendation 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 the principally responsible auditor.

Instructions for the nomination committee

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

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 meetings, as well as a number of discussions between the meetings. The chair of the board has described the operations, goals, strategy of the company and the work on the board 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 for expertise, knowledge and background that can be imposed on the board of Magnolia Bostad have been discussed thoroughly. The nomination committee has compared the remuneration levels to other companies' remuneration levels in the same sector and analysed the work effort for the board. We have also taken share price performance into account in our assessment.

On Magnolia Bostads website there has been a special section called "Nomination Committee" where the shareholders have been given the opportunity to submit proposals to the Nomination Committee. No proposals have been submitted.

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 evaluated the directors' independence and evaluated the instructions for the nomination committee.

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 Bostad, the current board has an appropriate composition characterised by diversity and breadth regarding the directors' expertise, experience and background. The current board is deemed to have the necessary experience and expertise 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.

Although the work of the board is judged to work well and is composed suitably, the nomination committee wants to strengthen the board in areas such as entrepreneurship, financing and board experience and therefore proposes Anna-Greta Sjöberg. The proposed board consists of five men and two women. As such, women constitute 29 per cent (17 per cent) of the board. The nomination committee deems the issue of gender balance as important, and its long-term endeavour is to have a good balance between men and women on the board.

In order to facilitate the examination of the nomination committee's independence considering the current ownership of the company, the nomination committee proposes the instructions for the nomination committee to be changed.

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.

	Independent of the management and the company	Independent in relation to major owners
Anna-Greta Sjöberg	Yes	Yes
Andreas Rutili	No	Yes
Risto Silander	Yes	Yes
Jan Roxendal	Yes	Yes
Viveka Ekberg	Yes	Yes
Fredrik Tibell	Yes	No
Fredrik Holmström	No	No

The proposed composition of the board is compatible with the rules on independence as set out by the Swedish Code of Corporate Governance.

Stockholm in March 2020
The nomination committee of Magnolia Bostad AB (publ)