

*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 BOARD'S REPORT ON ITS EVALUATION OF REMUNERATION PAYABLE TO SENIOR EXECUTIVES**

The board has chosen, considering the size and the scope of Magnolia Bostad AB's business, not to establish a remuneration committee and has concluded that remuneration matters are more appropriately handled by the board in its entirety. The board of directors hereby presents the following report of its evaluation, in accordance with Section 10.3 in the Swedish Corporate Governance Code.

During 2017, the board has observed and evaluated the company's program for variable remuneration to senior executives, the application of its remuneration guidelines as well as current remuneration structures and levels of the company. The board has taken into account the long term incentive program resolved on by the annual general meeting 2017.

After the evaluation of remuneration payable to senior executives, the board considers the variable remuneration as adequate and marketable. Further, the board considers that the company's guidelines for remuneration to senior executives resolved on by the annual general meeting 2017 have fulfilled their purposes, worked well and been applied in a correct manner. The board's assessment is that the current structures and levels for remuneration to senior executives are marketable, well-balanced and well-functioning.

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Stockholm, March 2018

**Magnolia Bostad AB (publ)**

*Board of Directors*