

Report from the Nomination Committee, proposals and reasoned statement for the Annual General Meeting in JM AB on April 27, 2017

Background

The Annual General Meeting of JM AB ("JM"), which was held on April 21, 2016, adopted instructions stating that the Company's Nomination Committee is formed by the four largest shareholders who wish to take part, each appointing one member. The person in question may not be a Board Member for the Company. The Chairperson of the Board convenes the first meeting and serves as the fifth member of the Nomination Committee. The mandate of the Nomination Committee remains in effect until a new Nomination Committee is appointed.

The Nomination Committee includes the following people:

Åsa Nisell (Chairperson), Swedbank Robur Fonder
Roar Engeland, OBOS BBL
Jan Särilvik, Nordea Funds
Eva Gottfridsdotter-Nilsson, Länsförsäkringar Fondförvaltning AB
Lars Lundquist, Chairperson of the Board of JM.

As of February 28, 2017, the four shareholders referred to above represent about 20 percent of the shares and votes in JM.

The composition of the Nomination Committee was announced in a press release on September 16, 2016, and was also posted on the Company's website (www.jm.se/en). Information can be found about how shareholders can submit proposals to the Nomination Committee on the website under About JM - Corporate Governance. No proposals from other shareholders were received.

Report from the Nomination Committee

The Nomination Committee held six meetings at which minutes were kept and in addition maintained contact through email and by telephone. The Nomination Committee has received a report from the Chairperson of the Board on how work is conducted on the Board of Directors as a whole and in the committees and the results from an internal

Board assessment that included a written survey for the Members elected by the Annual General Meeting. The Nomination Committee also interviewed Board Members and the President. Given this work and taking into consideration that one Member resigned from the Board of Directors during the year, the Nomination Committee identified competences and experience that it believes are needed to strengthen the Board.

On the basis of the prepared profile requirements and with the help of an external recruiting consultant and its own network, the Nomination Committee searched for appropriate female and male candidates. The candidates were interviewed and the independence of the Members was assessed.

The Nomination Committee also followed the procurement process for auditing services that the Company conducted under the leadership of the Audit Committee and in which four auditing companies were invited to participate. The Nomination Committee proposes, in accordance with the Audit Committee's and the Board's recommendation, the new election of the auditing company PricewaterhouseCoopers AB. Members of the Nomination Committee interviewed the proposed Auditor-in-charge and the co-signing auditor.

The Nomination Committee's unanimous proposal

Election of Annual General Meeting Chairperson

Lars Lundquist is proposed to chair the Annual General Meeting.

Number of Members

Seven members elected by the Annual General Meeting.

Election of Chairperson and Members to the Board of Directors

In accordance with the information announced in the press releases dated November 22 and December 16, 2016, the Nomination Committee proposes the **new election** of Fredrik Persson as Chairperson of the Board, the **new election** of Olav Line as Board Member and the **re-election** of Board Members Kaj-Gustaf Bergh, Eva Nygren, Kia Orback Pettersson, Åsa Söderström Jerring and Thomas Thuresson. The Chairperson of the Board since 2005, Lars Lundquist, has declined re-election.

Fredrik Persson, born in 1968, holds a degree in Economics from Stockholm School of Economics. Fredrik has had a long career at Axel Johnson AB, including as CFO and most recently as President and CEO. Prior to that, Fredrik Persson worked at Aros Securities and ABB Financial Services. Previous assignments include Chairperson of the Board of Axfood AB, Mekonomen AB and Martin & Servera AB, and Member of the Board of AxFast AB. Fredrik Persson is currently Chairperson of the Board of Svensk

Handel, Deputy Chairperson of the Board of the Confederation of Swedish Enterprise and Member of the Board of Ahlström Capital OY, Electrolux and Hufvudstaden.

Olav Line, born in 1958, holds a Master of Engineering degree and is the CEO of Mustad Eiendom AS. Olav has previously been CEO of Selvaag Eiendom AS, as well as of the listed companies Norwegian Property ASA and Steen & Strøm ASA.

Remuneration to the Board of Directors

It is proposed that remuneration to the Chairperson remains unchanged at SEK 780,000 for work on the Board, and remuneration to Members who are not employed by the Company remains unchanged at SEK 330,000.

It is proposed that Members who are not employed by the Company receive unchanged remuneration for work on committees as follows:

Chairperson of the Audit Committee: SEK 120,000

Members on the Audit Committee: SEK 90,000

Chairperson of the Compensation Committee: SEK 60,000

Members on the Compensation Committee: SEK 60,000

Chairperson of the Investment Committee: SEK 80,000

Members on the Investment Committee: SEK 60,000.

Proposed remuneration for the 2017 Annual General Meeting pertaining to seven paid Members amounts to a total of SEK 3,380,000 (3,380,000), including remuneration for work on committees.

Election of and remuneration to the auditors

The 2016 Annual General Meeting re-elected E&Y AB as the auditing company. The term of office for the auditing company extends until the end of the 2017 Annual General Meeting.

The Nomination Committee proposes, in accordance with the Audit Committee's and the Board's recommendation, the new election of PricewaterhouseCoopers AB. In accordance with Swedish law, the term of service runs until the end of the 2018 Annual General Meeting. Håkan Malmström is the proposed auditor-in-charge if the Annual General Meeting resolves to elect PricewaterhouseCoopers AB as the auditing company.

Remuneration to auditors will be paid as per invoices issued by the auditing company and approved by JM.

Instructions for the Nomination Committee

The Nomination Committee proposes that the Annual General Meeting adopt the version of the instructions that was adopted at the 2016 Annual General Meeting.

The proposed instructions are set out in Appendix 1 of this document.

In summary, according to these instructions a Nomination Committee will be formed by the four largest shareholders who wish to take part, each appointing a member. These shareholders will be identified based on the public register of shareholders maintained by Euroclear Sweden AB and the public nominee list of owners and relate to those shareholders who on July 31 are registered in their own name or are included in an owner group. The Chairperson of the Board will convene the first meeting and be the fifth member of the Nomination Committee.

The Nomination Committee will prepare and present proposals to the Annual General Meeting for:

- Chairperson at the Annual General Meeting
- the number of Board Members
- Chairperson and other Members on the Company's Board
- Board fees, distributed among the Chairperson, other Members and reimbursement for Committee work,
- election of and remuneration to the auditors
- where applicable, amendment of instructions for the Nomination Committee.

The Nomination Committee will otherwise perform the duties specified in the Swedish Corporate Governance Code that applies at any given time (the Code), which is managed by the Swedish Corporate Governance Board.

Reasoned statement

The Nomination Committee has determined that the composition of the proposed Board, considering the Company's operations, phase of development and conditions in general, is appropriate for the purpose, characterized by diversity and breadth with respect to the expertise, experience and background of the Members. The diversity policy applied by the Nomination Committee is rule 4.1 of the Code. It can be noted that JM has long had an even gender distribution in its Board of Directors, and of the Members proposed to the Annual General Meeting, three are women and four are men (43 percent and 57 percent, respectively). The proposal thus meets the requirements of the Code on an even gender distribution in the Board of Directors.

The Nomination Committee's assessment is that significant competence and experience for JM's Board include project and construction operations, architecture, marketing,

brand matters, finance and knowledge about the markets in Sweden, Norway and Finland. The Nomination Committee believes that the proposed new Members will add valuable competence to JM. Fredrik Persson has considerable experience from various industries that work closely with consumers and finance, and he also has extensive Board experience, including as a Chairperson. Olav Line has worked for many years in the management of property development companies primarily on the Norwegian market.

Information according to article 2.6 of the Code regarding those persons proposed for re-election and new election can be found on JM's website under About JM – Corporate Governance. The information includes:

1. age and main education and work experience,
2. duties at JM and other significant commitments,
3. personal and/or related natural or legal person's holdings of shares and other financial instruments in JM,
4. whether, according to the Nomination Committee, the Board Member is considered to be independent of JM and the Company's senior management, as well as of major shareholders in the Company, and
5. on re-election, the year that the Member was first elected to the Board.

Stockholm, March 15, 2017

Åsa Nisell

Roar Engeland

Eva Gottfridsdotter-Nilsson

Jan Särllvik

Lars Lundquist