

Translation of the original Swedish

Report from the Nomination Committee, proposals and reasoned statement for the Annual General Meeting in JM AB on March 28, 2019

Background

The Annual General Meeting of JM AB ("JM"), which was held on April 12, 2018, 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

Daniel Kjørberg Siraj, OBOS BBL

Hans Ek, SEB Investment Management AB

Eva Gottfridsdotter-Nilsson, Länsförsäkringar Fondförvaltning AB

Fredrik Persson, Chairperson of the Board of JM.

As of January 31, 2019, the four shareholders referred to above represented 27.5 percent of the shares and votes in JM.

The composition of the Nomination Committee was announced in a press release on September 24, 2018 and was also posted on the Company's website www.jm.se/en. As per October 31, 2018, AFA Försäkringar was no longer one of the four largest shareholders. As a result of this change, Anders Algotsson, who was appointed by AFA Försäkringar, relinquished his position. The new member of the Nomination Committee is Daniel Kjørberg Siraj, who was appointed by OBOS BBL. The change was made public via a press release on November 9, 2018. Information can be found about how shareholders can submit proposals to the Nomination Committee on the website under "About JM - Corporate Governance". The Nomination Committee received one proposal for a new Board Member and took this proposal into consideration. No other proposals were submitted.

Report from the Nomination Committee

The Nomination Committee held five meetings at which minutes were kept and, in addition, maintained contact through email and by telephone. The Nomination Committee 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 all Members. The Nomination Committee also interviewed Board Members elected by the Annual General Meeting and the CEO. Given this background, the Nomination Committee discussed the Board's need for competence and experience in coming years. The Nomination Committee also assessed the independence of the proposed Board Members.

The Nomination Committee assessed the Instructions to the Nomination Committee, [Appendix 1](#), and does not propose any changes. The instruction applies until the Annual General Meeting resolves otherwise.

The Nomination Committee can hereinafter present its proposal to the Annual General Meeting in accordance with the following:

The Nomination Committee's unanimous proposal

Election of Annual General Meeting Chairperson

Fredrik Persson is proposed to chair the Annual General Meeting.

Number of Board Members

Seven Members elected by the Annual General Meeting.

Election of Chairperson and Members of the Board of Directors

The Nomination Committee proposes the re-election of Fredrik Persson as Chairperson of the Board of Directors and re-election of Board Members Kaj-Gustaf Bergh, Olav Line, Eva Nygren and Thomas Thuresson. The Nomination Committee recommends as new-elects Kerstin Gillsbro and Annica Ånäs. Kia Orback Pettersson and Åsa Söderström Winberg declined re-election.

Kerstin Gillsbro holds a MSc in Engineering and has been the CEO of Jernhusen AB since 2011. Prior to this, Kerstin Gillsbro was at NCC, most recently as the CEO of NCC Boende AB. Kerstin Gillsbro holds Board Member positions at Stena Fastigheter AB, Christian Berner Tech Trade AB, Förtroenderådet SNS and Sweden Green Building Council.

Annica Ånäs is an LL.M. and B.Sc. (Econ.). Since 2016, Annica Ånäs has been the CEO of Atrium Ljungberg AB after previously holding the position of CFO. Annica Ånäs has also previously been CFO of Hemsö AB and an auditor at Deloitte. She also has experience from various Board assignments, for example at the listed Finnish real estate company Technopolis Oyj.

Remuneration to the Board of Directors

It is proposed that remuneration to the Chairperson remains unchanged at SEK 840,000 for work on the Board, and remuneration to Members who are not employed by the Company remains unchanged at SEK 335,000.

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

Chairperson of the Audit Committee: SEK 125,000.

Members on the Audit Committee: SEK 95,000.

Chairperson of the Compensation Committee: SEK 65,000.

Members on the Compensation Committee: SEK 65,000.

Chairperson of the Investment Committee: SEK 100,000.

Members of the Investment Committee: SEK 75,000.

Remuneration proposed to the 2019 Annual General Meeting pertaining to seven paid Members amounts to SEK 3,610,000 (3,530,000), including remuneration for work on committees. In total, this is the equivalent of an increase in fees of approximately 2.3 percent.

The Nomination Committee also recommends that the Board of Directors adopt a policy that Members elected by the Annual General Meeting are expected over a five-year period to build up holdings of JM shares at market value that correspond to at least one year's remuneration before tax (excluding remuneration for committee work).

Election of and remuneration to the auditors

The 2018 Annual General Meeting elected PricewaterhouseCoopers AB as the auditing company. The term of office for the auditing company extends until the end of the 2019 Annual General Meeting.

The Nomination Committee proposes, in accordance with the Audit Committee's recommendation, the re-election of PricewaterhouseCoopers AB. In accordance with Swedish law, the term of service runs until the end of the 2020 Annual General Meeting. PricewaterhouseCoopers AB has announced its intention to appoint Ann-Christine Hågglund auditor-in-charge if the Annual General Meeting elects PricewaterhouseCoopers AB to be the auditing company.

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

Reasoned statement

The Nomination Committee believes that JM's governance functions well and that the existing Board of Directors, considering the Company's operations, phase of development and conditions in general, is appropriate for the purpose and is characterized by diversity and breadth with respect to the expertise, experience and background of the Directors. The Nomination Committee also considers it to be good with a balance of both continuity and renewal in the Board of Directors.

The Nomination Committee's proposal to the Board of Directors includes the new election of two Members, who together bring to the Board extensive operational competence within housing and property development as well as within finance and treasury. The proposed Board has a wide range of experience and skills, including for relevant sustainability aspects, within areas that are important for JM, such as housing and property development, project and construction activities, consumer markets, finance and treasury and good knowledge of the geographic markets relevant for the Company. The Nomination Committee applied Code Rule 4.1 as its diversity policy. It can be noted that JM has had an even gender distribution in its Board of Directors for many years, and the Members proposed to the Annual General Meeting include three women and four men (43 percent and 57 percent, respectively). The proposal thus fulfills the requirements of the Code for an even gender distribution.

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, February 14, 2019

Åsa Nisell
Hans Ek
Fredrik Persson

Daniel Kjørberg Siraj
Eva Gottfridsdotter-Nilsson

Instructions to the Nomination Committee of JM AB (JM)

1. Nomination Committee's members

- 1.1 The Nomination Committee at JM is appointed according to these instructions. The mandate of the Nomination Committee shall remain in effect until a new Nomination Committee is appointed.
- 1.2 The Nomination Committee is formed after the Chairperson of the Board identifies the four largest shareholders in JM in terms of voting rights. The assessment regarding which shareholders hold the most votes shall be based on the public register of shareholders maintained by Euroclear Sweden AB, the public nominee list of owners as at July 31 and other reliable information provided to the Company at such time. The owner statistics that shall be used must be sorted by vote strength (grouped by shareholder) and contain the largest registered shareholders in Sweden, i.e. shareholders with an account in their own name with Euroclear Sweden AB or shareholders who have deposited their shares with a nominee who has registered the identity of the shareholder with Euroclear Sweden AB. The Chairperson of the Board shall thereafter contact the shareholders identified in accordance with the above and request that they state whether they wish to be included in JM's nominations. Those who have affirmed the request then appoint their own representative. The person in question may not be a Board Member of JM. If any of the four largest shareholders in terms of voting rights opts to decline the right to appoint a member to the Nomination Committee, or otherwise may be considered to have declined such a right, the next shareholder in order shall be given the opportunity to appoint a member to the Nomination Committee, and no more than a total of ten shareholders need to be asked if not required for the Nomination Committee to consist of at least four members.
- 1.3 The Chairperson of the Board shall convene the first meeting and be a member of the Nomination Committee.
- 1.4 Unless the members agree otherwise, the member of the Nomination Committee who represents the largest shareholder shall serve as Chairperson.
- 1.5 For the period from the statutory meeting of the Nomination Committee up to and including October 31 of each year, the following applies.

If one or more of the shareholders who appointed members of the Nomination Committee no longer belong to the four largest shareholders according to owner statistics on October 31, the members appointed by these shareholders will vacate their positions. The shareholder(s) who join the largest shareholders, shall have the right to appoint their representative(s) so that at any given time the Nomination Committee consists of at least three members appointed by the shareholders. Shareholders who appointed representatives to the Nomination Committee have the right to dismiss such members and appoint new representatives.

The Nomination Committee's composition should not change after November 15 of each year in any way other than that a shareholder who is no longer qualified to participate may dismiss the member appointed by this shareholder. In order to replace a departing member, the Nomination Committee may offer other major shareholders representation on the Nomination Committee.

2. The Nomination Committee's work

- 2.1 The Nomination Committee shall hold a statutory meeting within three weeks of the day when its composition is announced.
- 2.2 The Nomination Committee shall meet as often as necessary for the Committee to perform its duties. These duties are specified in the Reference Code that applies at any given time (referred to below as the Code), which is issued by the Swedish Corporate Governance Board. The Chairperson sends out a summons to the meeting. If a member of the Nomination Committee requests that the Committee be convened, the Committee shall comply with such requests.
- 2.3 The meetings of the Nomination Committee must be minuted. These minutes are then adjusted by the Chairperson. The minutes should be recorded in numeric order and stored in a reliable manner.
- 2.4 The Nomination Committee has a quorum if three members are present. Nomination Committee decisions shall represent the view supported by more than half of the votes of those members who are present. If the Nomination Committee is not in full attendance, those who vote must comprise more than half of the full number of members.
- 2.5 Upon request by the Nomination Committee, JM shall provide a secretary to assist the Nomination Committee in its duties.
- 2.6 Members of the Nomination Committee are subject to confidentiality about JM's affairs and any information disclosed about the personal circumstances of existing and potential new Board Members. This obligation to maintain confidentiality shall be noted where relevant in the respective minutes from the Nomination Committee meetings.

3. Other

- 3.1 Members of the Nomination Committee are not entitled to remuneration from JM. When needed, JM shall cover costs that the Nomination Committee deems necessary for the Committee to perform its duties.
- 3.2 The Nomination Committee shall conduct an annual evaluation of these instructions and propose amendments when necessary. However, these instructions shall apply until the Annual General Meeting resolves otherwise.

**