

Corporate governance report for the 2016 financial year

Corporate governance principles

In addition to the rules laid down by law or regulation, JM applies the Swedish Code of Corporate Governance (the Code). JM complies with the Code without exception.

Through detailed and transparent accounting, JM will increase the knowledge of shareholders and other stakeholders about how the Board of Directors and the Executive Management operate in order to ensure that shareholders' demands for return on invested capital are met. Priority areas for long-term value creation include high ethical standards, JM's core values and code of conduct, professionalism, transparency and JM's contribution to social development. For more information about JM's contributions to sustainable urban planning, please refer to pages 34–50.

JM has been implementing a long-term and systematic project over the past few years to continuously develop its internal governance and control. This project has resulted in, for example, additional enhancements to the company's governance and control with regard to investment, selling and production decisions as well as governance and control during the project implementation phase. Internal governance and control are also exercised through the systematic committee work of the Board. In order to promote the development of the Board, an annual assessment of the Board's work is conducted.

General Meeting

The General Meeting, which is the company's highest decision-making body, gives all shareholders the possibility to participate and exercise their influence. The Annual General Meeting (the general meeting at which the consolidated accounts and auditors' report on the consolidated accounts are presented) addresses the company's developments, and decisions are made on several key issues, such as dividends, discharge of responsibility for the Board, election of auditors, remuneration for the Board and auditors and election of new Board members for the period extending to the next Annual General Meeting.

The Company publishes notification of the Annual General Meeting no earlier than six weeks and no later than four weeks before the meeting. The Company announces the time and place of the Annual General Meeting in connection with the third quarter report, usually in late October. The possibility of foreign shareholders following or participating in the Annual General Meeting through simultaneous interpretation or translation of presented materials into other languages has not been considered necessary since to date, such shareholders have had Swedish representation.

The 2016 Annual General Meeting was held on April 21. A total of 229 shareholders were represented, representing about 52 percent of the total votes. Minutes from the Annual General

Meeting can be found on JM's website (jm.se). One of the resolutions made by the 2016 Annual General Meeting was to authorize the Board to decide on the acquisition of own shares. The 2017 Annual General Meeting will be held on April 27.

None of the shareholders have a direct or indirect holding in the Company representing at least one-tenth of the voting rights for all shares in the Company. JM's Articles of Association do not limit shareholders' voting rights for any owned or represented shares. The Articles of Association do not contain any provisions on the appointment and dismissal of Board members or on amendments to the articles.

JM does not apply any special arrangements relating to the function of the general meeting of shareholders, either due to provisions in the Articles of Association or, as far as is known to the Company, shareholder agreements.

NOMINATION COMMITTEE

The Nomination Committee is a body elected by the Company's Annual General Meeting that is tasked with nominating Board members, a Chairperson of the Board and auditing company as well as proposing fees for the Board and the committees of the Board prior to the Annual General Meeting. The work of the Nomination Committee is governed by the instructions for the Nomination Committee as adopted by the Annual General Meeting. This committee consists of representatives for the four largest shareholders in the Company that wish to participate. The Chairperson of the Board is the fifth member and convenes the meeting. The Nomination Committee's task is mainly to submit proposals for Board members and their remuneration and to submit proposals for election of and remuneration to auditors.

The Chairperson of the Board convened the Nomination Committee for the 2017 Annual General Meeting in August 2016, and it consists of the following people:

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

At the time it was appointed, the Nomination Committee represented more than 27 percent of the total number of JM shares. Åsa Nisell is Chairperson. The Nomination Committee held four recorded meetings and also corresponded by email and telephone. Members of the Nomination Committee have not received any compensation from JM.

At the recommendation of the Nomination Committee, the 2016 Annual General Meeting re-elected Ernst & Young AB as

its auditing company. The election covers the period up until the end of the 2017 Annual General Meeting. The auditor-in-charge is Ingemar Rindstig.

Ingemar Rindstig has no assignments with other companies that affect his independence as the auditor for JM. Information about the auditing company's services to JM in addition to auditing is provided in Note 5 on page 76.

In addition to the assignment at JM, Ingemar Rindstig has auditing assignments at, for example, Atrium Ljungberg, Corem, D. Carnegie, Familjebostäder, Heimstaden, Kungsliden, Magnolia Bostad, Oscar Properties, Stendörren Fastigheter and Stockholm Globe Arena Fastigheter.

Board of Directors of JM

COMPOSITION

According to the Articles of Association, JM's Board of Directors shall consist of a minimum of five and a maximum of nine members. No deputies shall be appointed. The Board's Directors are elected by the Annual General Meeting for one year at a time. In addition, the employee organizations are legally entitled to appoint two ordinary members as well as two deputies.

The 2016 Annual General Meeting elected seven members. The employee organizations appointed two members and two deputies. The composition of the Board of Directors can be seen below, as can participation in committees (A = Audit Committee, C = Compensation Committee, I = Investment Committee). Attendance during the 2016 calendar year is also presented. Approved remuneration is reported on page 106.

The Board of Directors held eleven meetings. The Audit Committee held five meetings. The Compensation Committee held four meetings. The Investment Committee held eight meetings. Further information about the Board's Directors according to article 2.6 in the Code is specified on page 108.

Name	Function	Elected	Com- mittee	Attend- ance B	Attend- ance C
Lars Lundquist	Chairperson	2005	(Chair) C	10	C 4
Kaj-Gustaf Bergh	Member	2013	–	9	–
Johan Bergman ¹⁾	Member	2012	I	6	I 2
Eva Nygren	Member	2013	I	10	I 8
			C		C 4
Kia Orback Pettersson	Member	2010	A	11	A 5
Åsa Söderström Jerring	Member	2007	(Chair) I	11	I 8
			A		A 5
Thomas Thuresson ²⁾	Member	2016	(Chair) A	5	A 3
Anders Narvinger ³⁾	Member	2009	(Chair) A	4	A 2
Johan Skoglund ³⁾	Member	2003		4	
Thomas Mattsson	Emp. rep.	2012	–	10	
Jan Strömberg	Emp. rep.	2011	–	10	
Peter Olsson	Emp. rep., dep.	2014	–	8 ⁴⁾	
Jonny Änges	Emp. rep., dep.	2015	–	9 ⁴⁾	

¹⁾ In 2016, Johan Bergman was a member until June 9 at which time he left the Board at his own request.

²⁾ Thomas Thuresson was elected to the Board of Directors at the 2016 Annual General Meeting.

³⁾ In 2016, Anders Narvinger and Johan Skoglund were members up until the Annual General Meeting. Anders Narvinger was Chair of the Audit Committee up until the Annual General Meeting.

⁴⁾ Deputy employee representatives do not attend meetings per capsulam.

INDEPENDENT

All members elected at the Annual General Meeting are to be considered independent in relation to the Company and all are independent in relation to the owners. Employee representatives are not independent of the Company.

DUTIES/RESPONSIBILITIES

Work of the Board of Directors

The Board's duties concern strategic issues such as JM's business concept, key policies, the market, finance and financial position, internal control and risk management, personnel, leadership and decisions concerning production starts of projects, acquisition and sale of development properties and project properties.

New-elects to the Board of Directors are introduced to the company's operations and the work of the Board as required and according to that above.

The most important governing documents are:

- Strategic focus
- Articles of Association
- Rules of Procedure for the Board of Directors, Instructions for the Allocation of Duties between the Board and the President, and Instructions for Financial Reporting
- JM's policies (Sustainability Policy, Quality Policy, Environmental Policy, Employee Policy, Work Environment Policy, Communication Policy, Financial Policy, Tax Policy and Purchasing Policy)
- JM's Ethical Guidelines, Guidelines for Communication and Guidelines for Procurement.

Duties of the Chairperson of the Board of Directors'

The Chairperson of JM's Board of Directors has ultimate responsibility for the Company complying with the established strategic focus. In this context, the Chairperson has regular contact with the Company's President and serves as a discussion partner to the President. The work of the Chairperson otherwise complies with the requirements of the Code.

Secretary to the Board

The Company's General Counsel is the Secretary to the Board. The General Counsel is not a member of the Board of Directors.

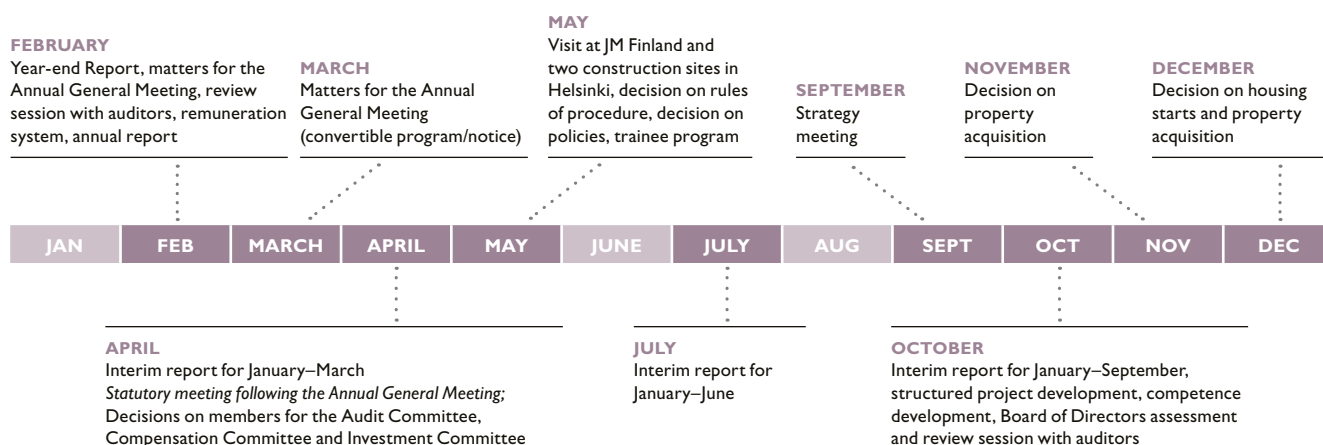
Evaluation by the Board of its own work

The performance of the Board of Directors is evaluated every fall. The results of the evaluation were presented to the Board and the Nomination Committee.

The Board's evaluation of the President

The Board of Directors evaluates the President's performance annually.

BOARD MEETINGS 2016



Fixed items on the agenda of ordinary Board meetings include a status report from the President and updates from the Committees.

Important matters during 2016

The Board of Directors made the following decisions and others in 2016:

- The Board of Directors held a separate strategy meeting at which it adopted the strategic plan for the Company
- The Board of Directors decided on housing starts for six residential projects, which have an estimated total project expense exceeding the maximum level delegated to the President of either SEK 400m in the total project expense or SEK 400m in project expense per phase
- The Board of Directors decided on nine acquisitions of development properties (three in Norway and one in Finland), which have a purchase sum exceeding the maximum level delegated to the President of SEK 100m
- The Board of Directors decided on the final closing of JM's operations in Denmark
- The Board decided to propose that the Annual General Meeting authorize the Board to decide on acquisition of own shares for the period up to the next Annual General Meeting. Following a resolution by the Annual General Meeting to grant the Board authorization, a decision was made to acquire own shares. The Board also decided to propose to the Annual General Meeting that the Meeting decide on the elimination of own shares through a decrease in the share capital for allocation to unrestricted equity
- The Board decided on short-term and long-term variable salary programs and proposed to the Annual General Meeting a convertible debenture program for all employees in Sweden
- The Board decided on JM's existing policies and guidelines as well as to adopt two additional policies, the Work Environment Policy and the Tax Policy.

The duties of the committees

The committees usually meet in conjunction with Board meetings or when necessary. Minutes are kept and shared with the Board of Directors and the auditors. There is no delegated right of decision with the exception of:

- the Compensation Committee, which approves salaries and other terms and conditions for Executive Management, excluding the President
- the Audit Committee, which in consultation with the external auditors and the internal audit adopts the plan for the work of the external auditors and the internal audit in both the long-term and short-term. The Audit Committee approves fees and compensation to the external auditors for auditing work as well as the external auditor's provision of services other than auditing. The Audit Committee initiates more in-depth initiatives in selected areas or projects.

With the exception of Kaj-Gustaf Bergh, all members elected at the Annual General Meeting also sit on one or more committees. The Chairperson of the Board chairs the Compensation Committee. The Chairperson of the Audit Committee is Thomas Thuresson and the Chairperson of the Investment Committee is Åsa Söderström Jerring.

The Director of Human Resources reports for the Compensation Committee. Each business unit manager reports for the Investment Committee. The Chief Financial Officer reports for the Audit Committee. The CEO attends the meetings of the Compensation Committee and the Investment Committee.

Audit Committee

The Audit Committee has three members: Thomas Thuresson (Chairperson), Åsa Söderström Jerring and Kia Orback Pettersson. The committee held five meetings during the calendar year.

The work of the Audit Committee during the year was primarily focused on:

- Review and analysis of financial statements and interim reports
- Quality assessment of internal control systems, control procedures, the internal audit and risk management
- Review of the audit plan of the external auditors and the internal audit in both the short-term and the long-term
- Preparation of the Corporate Governance Report and the Board of Directors' Report on Internal Control and Risk Management regarding Financial Reporting
- Responsibility for the selection and preparation for election of external auditors in consultation with the Board of Directors that will be recommended to the Nomination Committee and Annual General Meeting
- Approval of fees and compensation to the auditors for auditing work as well as approval of the auditor's provision of services other than auditing
- Oversight of the statutory audit
- Initiation of more in-depth initiatives in selected areas
- Progress reporting and review of areas or projects of special interest
- Reporting and presentation to the Board of Directors of observations noted during review sessions with auditors and management.

Compensation Committee

The Compensation Committee has two members: Lars Lundquist (Chairperson) and Eva Nygren.

The committee held four meetings during the calendar year.

The Compensation Committee's tasks during the year were to:

- Prepare recommendations for salary, pension benefits and other terms and conditions for the President of the Company
- Prepare recommendations relating to general principles for remuneration to all other employees, especially in terms of variable compensation
- Prepare recommendations for convertible bond program that will be presented to the Annual General Meeting
- Approve salary and other terms and conditions for the Executive Management (excluding the President), based on Board-approved general principles
- Evaluate current programs for variable compensation for Executive Management as well as those that concluded during the year
- Evaluate the application of the guidelines for remuneration to Executive Management resolved by the Annual General Meeting as well as applicable remuneration structures and remuneration levels in the Company.

Investment Committee

The Investment Committee has two members: Åsa Söderström Jerring (Chairperson) and Eva Nygren.

The committee held eight meetings during the calendar year.

The Investment Committee's duties during the year, within the framework of JM's order of delegation, have been to:

- Evaluate that the strategy for scope and focus pertaining to development properties and project properties is followed

- Prepare recommendations to purchase or sell development properties and project properties or shares and participations in companies as owner of such properties
- Prepare recommendations relating to investments in existing project properties
- Prepare recommendations relating to housing starts
- Prepare recommendations relating to external contract work.

FINANCIAL REPORTING

The President shall ensure that the Board receives progress reports on JM's operations, including JM's financial performance, financial position and liquidity as well as information about the status of larger projects and other significant events. These reports shall be of such nature that the Board can make a well-informed evaluation. The financial reports the Board receives are presented in the Monitoring section on page 106.

THE BOARD OF DIRECTORS' DESCRIPTION OF INTERNAL CONTROL AND RISK MANAGEMENT OF FINANCIAL REPORTING

Governance structure

The Board has ultimate responsibility for establishing an effective internal control and risk management system. The responsibility for maintaining an effective control environment and regular work with internal control and risk management is delegated to the President. Risk management is an integrated part of decision-making at all levels within JM and incorporated as a natural element in JM's business processes.

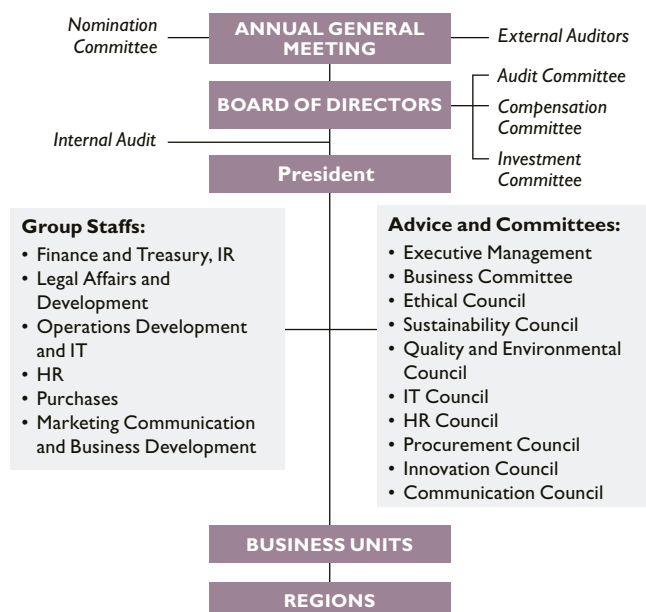
For a detailed description of JM's risk management procedures please refer to pages 29–32.

The Board has placed particular focus on effective control structures. The quality of JM's processes and systems for ensuring good internal control is based on the control environment, which includes the Board's adopted rules of procedure and instructions for financial reporting. The Audit Committee enables the Board to facilitate closer contact with both internal and external auditors, enabling the Board and its committees to learn about the Company's financial position in different ways. Consequently, the external and internal auditors meet the Audit Committee four to five times per year. In addition, the external auditors meet the entire Board twice a year.

The main task of JM's central Internal Audit function is to examine the suitability of the operation and its efficiency by checking compliance with the business-critical requirements of JM's Operations System. JM's Operations System is a comprehensive process-oriented work structure with the purpose of ensuring the efficiency of JM's business processes. JM's central Internal Audit has the special task of examining the financial risks associated with larger projects. The Board ensures that JM has solid project and financial management through regular communication with internal and external auditors.

As part of the objective to develop and standardize working methods and processes within the Group, work is ongoing to achieve structured project development (see page 27 for more information). JM's management and support processes are regularly reviewed as a means to further systematize JM's structural capital in the form of

The governance structure can be seen below:



processes, documentation and systems, thus facilitating the work of all employees.

A Code of Conduct has been implemented for JM employees. Its objective is to clarify and provide guidance for the values that should be followed at JM.

A plan was implemented earlier for the follow-up of compliance with JM's Code of Conduct for suppliers.

Control Environment

JM's core values and corporate culture comprise the basis of internal controls with respect to financial reporting. Control environment refers to both the infrastructure built for internal control and governance, as well as JM's core values. The control environment consists, for example, of the organization, channels for decisions, authorities and responsibilities documented and communicated in normative documents such as internal policies, guidelines, manuals and codes. Examples include the distribution of work between the Board on the one hand and the President on the other hand, and the other bodies that the Board establishes, instructions for approval powers, as well as accounting and reporting instructions.

Risk assessment

The Company applies a method or process for risk assessment and risk management to ensure that those risks to which the Company is exposed are managed within the established frames and that the risks are handled within the framework of existing processes/systems. JM's Operations System, which describes JM's business from a process perspective with established business-critical requirements, along with procedures for control, monitoring and follow-up of projects, comprises an important element of risk management.

Control activities

The risks identified with respect to financial reporting are managed via the Company's control activities, which are documented in pro-

cess and procedure descriptions. The purpose of control activities is to continually improve while preventing, detecting and correcting errors and deviations.

Examples of control activities in which risk assessments are managed:

- The Operations System that documents the operation's processes and established business-critical demands
- Project reviews before initiating acquisitions, pre-construction, production and sales starts
- Business committee meetings and Group Executive Management meetings preparing for investments in properties and initiation of residential production projects. Business unit managers, heads of corporate staff units and regional managers/subsidiary managers participate at these meetings (monthly)
- Forecast reviews with business unit managers (quarterly)
- Close monitoring of large projects at which the President, Chief Financial Officer, head of the Internal Audit, business unit manager and regional manager/subsidiary manager participate (quarterly)
- Group management meetings in larger projects (quarterly)
- Board meetings at subsidiaries
- The Internal Audit's review and control of the business-critical requirements and review of the economic risks in the larger projects (ongoing)
- Special review of compliance with JM's Code of Conduct for suppliers through, for example, on-site visits
- Incident reporting system that ensures systematic and professional management of reported irregularities
- Ethical Council, which provides guidance in the event of difficulties interpreting the ethical guidelines and JM's Code of Conduct.

Information and communication

The Company has implemented information and communication channels to encourage completeness and accuracy in financial reporting; for example, by notifying concerned personnel about normative documents such as internal policies, guidelines, manuals and codes for financial reporting through JM's Intranet and Operations System.

JM's principal normative documents are the Rules of Procedure for the Board of Directors, Instructions for the Allocation of Duties between the Board and the President, Instructions for Financial Reporting and JM's Authorization Regulations.

Other normative documents such as policies, guidelines, instructions and manuals for financial reporting are available on JM's Intranet as well as in the Operations System.

The most important documents for financial reporting are:

- JM's Authorization Regulations
- Schedule and instructions for forecasts and financial statements
- Financial statement and forecast processes
- Instructions for purchases and sales
- Treasury Policy
- Controlling within JM
- Accounting principles
- Procedure descriptions.

Monitoring

The Board of Directors receives financial reports in conjunction with the interim reports. In addition to the outcome and forecast reports, the Audit Committee receives financial audit reports for larger projects. In connection with the delegation rules, the Board of Directors/Investment Committee receive regular acquisition and project estimates, summaries of planned and current projects, investments, and purchases/sales of properties. In addition, the Board of Directors' various committees serve an important function in follow-up of activities.

The Board follows up and continuously reviews internal control to ensure that it works satisfactorily, in part through JM's external auditors, in part through the Company's central Internal Audit function, which both operate based on a plan approved by the Board's Audit Committee. The results of the audits and proposals for any measures that need to be taken are regularly reported to the Audit Committee.

REMUNERATION TO THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

After a recommendation from the Nomination Committee, the 2016 Annual General Meeting resolved that:

- the Chairperson of the Board will be paid a fee of SEK 780,000 and regular members who are not employed by the Company will be paid SEK 330,000;
- remuneration for work in the Audit Committee will be SEK 120,000 to the Chairperson and SEK 90,000 to the members;
- remuneration for work in the Investment Committee will be SEK 80,000 to the Chairperson and SEK 60,000 to the members;
- remuneration for work in the Compensation Committee will be SEK 60,000 to the Chairperson and SEK 60,000 to the members.

Recommendations for remuneration guidelines for JM's Executive Management will be presented for resolution as required by the Swedish Companies Act at the 2017 Annual General Meeting. The Board of Directors will decide on salary, pension benefits and other remuneration for the President, and the Compensation Committee decides on such matters for the Executive Management excluding the President. Information about remuneration guidelines for JM's Executive Management can be found in the Board of Directors' Report on page 60. Information about remuneration to the President and Executive Management can be found in Note 3, page 74 of the Group's Notes.

About 550 of JM's managers and leaders, including the President and Executive Management, participate in a performance-based salary system. The total salary comprises a basic and a variable component with a maximum result for the variable component that, depending on position, varies between one and six monthly salaries. In addition to the financial result of the operations, which carries the greatest weight, the variable salary component is also based on individual target fulfillment and the Customer Satisfaction Index. The principle is that the basic salary combined with a normal result for the variable component should result in a competitive salary.

2016 CONVERTIBLE PROGRAM

The 2016 Annual General Meeting resolved that JM would raise a debenture loan with a maximum nominal value of SEK 160,000,000 by issuing a maximum of 570,000 convertible debentures aimed at all employees in Sweden.

The purpose of the 2016 Convertible Program is to enhance and strengthen the employee's interest in JM's operations and future financial performance through an ownership commitment.

Increased employee motivation and participation in JM's operations is in the interest of the Company, the employees and existing shareholders.

Upon expiry of the subscription period, the loan amounts to about SEK 22.5m through the issue of about 78,000 convertible debentures. In accordance with IAS 32, the liability and equity components of the convertible debenture loan are reported separately, which means that the debenture loan is initially reported in the balance sheet as a liability with the nominal amount excluding the equity component. The convertible debenture loan was settled against cash in July 2016.

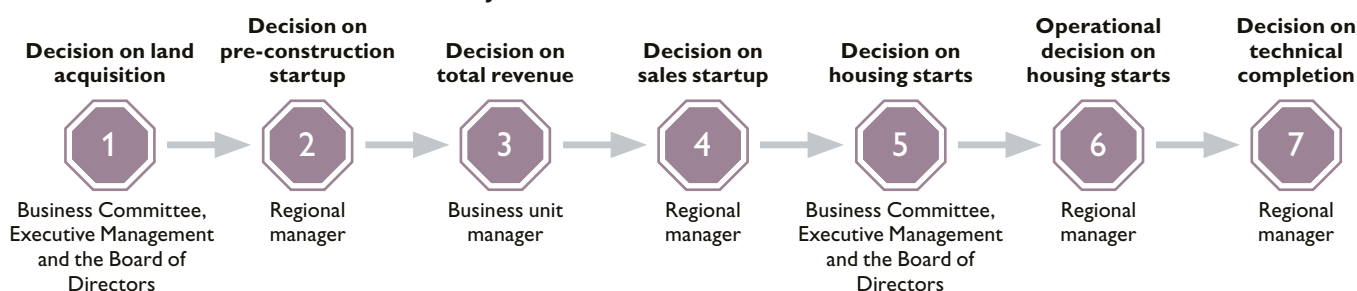
The subscribed convertible bonds may be converted to one ordinary share at a price of SEK 289. Conversion of convertible bonds may occur during the period from June 1, 2019 through May 18, 2020, with the exclusion of the period January 1 through the record date for dividends each year, or if the Annual General Meeting should not resolve on a dividend one year, the date that falls three banking days after the Annual General Meeting.

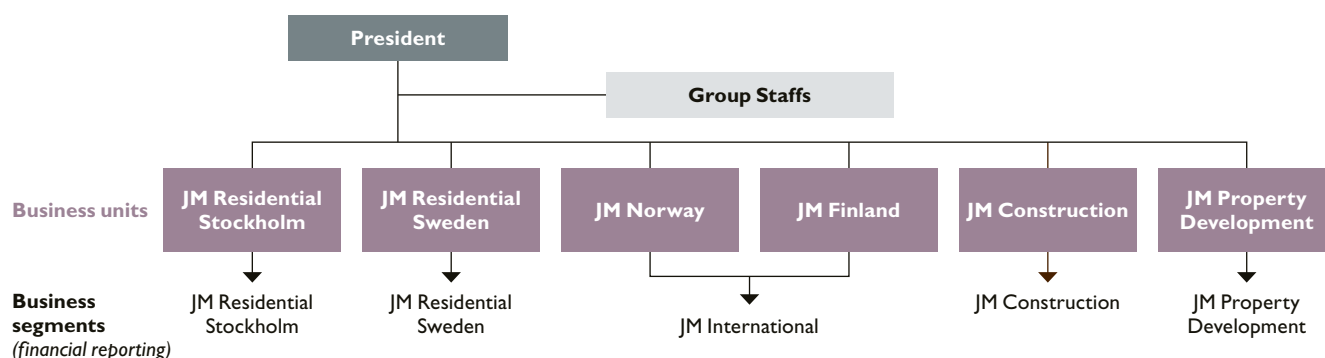
Through conversion of convertibles, JM's share capital could increase by a maximum of SEK 77,724 through the issue of a maximum of 77,724 ordinary shares, each with a par value of SEK 1. This corresponds with dilution of about 0.1 percent of the shares and votes in the Company.

The convertible debenture loan falls due for payment on June 13, 2020, insofar as conversion has not already been undertaken.

The decision process can be seen below:

DECISION GATES IN STRUCTURED PROJECT DEVELOPMENT





Management and corporate structure

ORDER OF DELEGATION – PRESIDENT’S RIGHT OF DECISION

The Board has delegated to the President the right of decision for:

- purchases and sales of development and project properties up to SEK 100m
- investments in existing project property up to SEK 400m for implementation of housing projects, or SEK 200m for implementation of office projects
- housing starts for residential projects, up to a total project expense of SEK 400m excluding the purchase price for the property and housing starts of individual stages up to SEK 400m
- submission of tenders and if won signing external contracting contracts up to SEK 400m
- raising of new loans that are not linked to acquisition of a property, up to a total of SEK 400m per year for loans with a maturity shorter than one year, up to a total of SEK 250m per year for loans with maturities between one and ten years.

The Board makes the decision in other cases. These amounts are chosen to meet the Board’s needs to exercise control and management’s need for freedom of action. The President has the right to further delegate some of the above decision rights. Matters requiring decisions are prepared in part by the Business Committee, consisting of business unit and regional managers from the entire Group, and by the Executive Management. JM’s operational organization can be seen in the above diagram.

EXECUTIVE MANAGEMENT

JM’s business is operationally divided into six business units. Each business unit manager reports directly to the President. Executive Management comprises the President, all heads of business units and heads of group staffs, a total of nine people, and meets at least once a month. Management responsibility includes always working to ensure compliance with guidelines issued by the Board and the President.

GOVERNANCE AND REPORT STRUCTURE

At JM, a large number of projects are in production at any given time. It is not unusual for a project to involve more than 100 people and have estimated volumes of more than SEK 100m. Every project is run by a project manager who is responsible for the project’s revenue and expenses. The project manager reports to the regional manager who is directly subordinate to the business unit manager.

All these people have profit responsibility. The business unit manager is responsible for deciding the revenue level in the projects.

Decisions to begin work on a project are made by business unit management or Executive Management; for major projects such decisions are made by the Board. Follow-up of sold and reserved residential units takes place on a weekly basis, with reporting to the regional manager, business unit manager and President. Complete analyses and reconciliation of each project’s revenue and expenses are performed every quarter.

More intense monitoring routines have been introduced for large projects. The business unit manager and the regional manager/head of subsidiary present quarterly reports to the President, CFO and the person responsible for JM’s Internal Audit function.

Assessment data include the financial history of the project, future anticipated revenue and expenses and the current sales and reservations level. The largest projects have special steering groups and are audited by JM’s Internal Audit function and presented in the Audit Committee.

Stockholm, February 20, 2017

Board of Directors

Auditor’s report on the Corporate Governance Statement

To the annual meeting of the shareholders of JM AB, corporate identity number 556045-2103.

The Board of Directors is responsible for the Corporate Governance Report for the year 2016 on pages 101–107 and that it has been prepared in accordance with the Annual Accounts Act.

We have read the Corporate Governance Report and based on that reading and our knowledge of the Company and the Group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the Corporate Governance Report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

In our opinion, the Corporate Governance Report has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Stockholm, February 20, 2017

Ernst & Young AB

Ingemar Rindstig

Authorized Public Accountant

**Lars Lundquist**

Chairperson of the Board and Chairperson of the Compensation Committee. Elected to the Board in 2005

Shares in JM: 45,000

Born: 1948

Education: MSc. Econ., Stockholm School of Economics; MBA, University of Wisconsin.

Work experience: 32 years at various banks, brokerage firms and insurance companies.

Other significant assignments: Chairperson of the Board of Intrum Justitia AB and Försäkrings AB ERIKA. Board member of Livförsäkringsbolaget Skandia and Board member and treasurer of Hjärt-Lungfonden.

Independent: The Board member is considered to be independent in relation to the Company and its management as well as major shareholders in the Company.

**Kaj-Gustaf Bergh**

Board member
Elected to the Board in 2013

Shares in JM: 2,500

Born: 1955

Education: LL.M. and B.Sc. (Econ.).

Work experience: 15 years at Gyllenberg and SEB.

Other significant assignments: CEO at Föreningen Konstsamfundet in Finland. Chairperson of the Board of Sponda, Stockmann, Julius Tallberg and KSF Media. Member of the Board of Ramirent and Wårtsilä.

Independent: The Board member is considered to be independent.

**Eva Nygren**

Board member and member of the Investment Committee and the Compensation Committee. Elected to the Board in 2013

Shares in JM: 500

Born: 1955

Education: Architect, Chalmers University of Technology.

Work experience: 37 years of experience in the building and civil engineering industry, including as Director of Investment, Swedish Transport Administration, President and CEO of Rejlers and President of SWECO Sverige.

Other significant assignments: Chairperson of Brandkonsulten AB. Member of the Board of Upponor OY, Troax Group AB, Ballingslöv International AB, Nye Veier AS and Nobelhuset AB.

Independent: The Board member is considered to be independent.

**Thomas Thuresson**

Board member and Chairperson of the Audit Committee. Elected to the Board in 2016

Shares in JM: 500

Born: 1957

Education: BSc. Econ., Lund University, IMD (BPSE).

Work experience: 28 years in various positions within the Alfa Laval Group.

Other significant assignments: CFO at the Alfa Laval Group.

Independent: The Board member is considered to be independent.

**Kia Orback Pettersson**

Board member and member of the Audit Committee. Elected to the Board in 2010

Shares in JM: 3,540

Born: 1959

Education: MSc. Econ., Lund University.

Work experience: 20 years experience from leading positions within retail, real estate and media; President of Sturegallerian and VP of Guldfynd/Hallbergs.

Other significant assignments: Partner in Konceptverkstan. Chairperson of the Board of Teracom Boxer Group AB. Member of the Board of Kungsliden AB, Odd Molly AB, Bosjö Fastighets AB, Visual Art AB and Riksdalen AB.

Independent: The Board member is considered to be independent.

**Åsa Söderström Jerring**

Board member, Chairperson of the Investment Committee and member of the Audit Committee. Elected to the Board in 2007

Shares in JM: 7,300

Born: 1957

Education: MSc. Econ., Stockholm University.

Work experience: 25 years of experience from the building and real estate industry in various positions such as Communications Manager at NCC Bygg, President at Ballast Väst and President at SWECO Theorells.

Other significant assignments: Chairperson of the Board of Delete OY and ELU Konsult AB. Member of the Board of Vattenfall AB, OEM International AB, Scanmast AB, Balco Group AB and Nordic Home Improvement AB.

Independent: The Board member is considered to be independent.

Johan Bergman resigned from JM's Board of Directors on June 9, 2016.

Employee representatives**Thomas Mattsson**

Constructor
Born: 1962
Member of the Board since 2014.
Shares in JM: 50
Convertibles: SEK 0

**Jan Strömberg**

MSc. Eng.
Born: 1959
Member of the Board since 2015.
Shares in JM: 2,698
Convertibles: SEK 774,223

**Peter Olsson**

Carpenter
Born: 1977
Deputy member of the Board since 2014.
Shares in JM: 0
Convertibles: SEK 0

**Jonny Änges**

Construction engineer
Born: 1962
Deputy member of the Board since 2015.
Shares in JM: 0
Convertibles: SEK 0

Secretary to the Board**Maria Bäckman**

Chief Legal Counsel at JM AB
Born: 1973
Secretary to the Board of Directors since 2012.
Shares in JM: 500
Convertibles: SEK 0

Auditors**Ernst & Young AB**

Ingemar Rindstig, Authorized public accountant
Ernst & Young AB was re-elected to serve as auditor of JM AB at the Annual General Meeting in April 2016.



Johan Skoglund
President and CEO

Year of employment: 1986
Member of Executive Management: 2000
Shares in JM: 38,560 including 2,000 in endowment insurance
Convertibles: SEK 7,428,375
Born: 1962
Education: MSc. Eng., KTH Royal Institute of Technology, Stockholm, 1986; MSc. Program, Stockholm School of Economics, 1998.
Work experience: 30 years in various positions at JM such as site engineer, project manager, regional manager and business unit manager. President and CEO since November 1, 2002.
Other significant assignments: Member of the Board of Castellum AB, Infranord AB and Mentor Sverige.



Martin Asp
Business unit manager
JM Norway and JM Finland.
President of JM Norge AS

Year of employment: 1996
Member of Executive Management: 2011
Shares in JM: 3,295
Convertibles: SEK 476,000
Born: 1973
Education: MSc. Eng., Faculty of Engineering, Luleå University of Technology, 1997; MSc. Program, Stockholm School of Economics, 2000; BA economics, Stockholm University, 2010.
Work experience: Foreman, pre-construction manager and project manager at JM and President of Kvarnholmen Utveckling AB.



Sören Bergström
Business unit manager
JM Residential Sweden and
Director of Purchasing

Year of employment: 1988
Member of Executive Management: 2001
Shares in JM: 4,000
Convertibles: SEK 0
Born: 1956
Education: MSc. Eng., KTH Royal Institute of Technology, Stockholm. MSc. Program Stockholm School of Economics 1996. Executive Management Program Stockholm School of Economics 2001.
Work experience: Project manager, President of three different subsidiaries and regional manager. Business unit manager JM Production 2002–2006. Business unit manager JM Residential Sweden 2007–.



Maria Bäckman
Chief Legal Counsel
Legal Affairs and Development

Year of employment: 2000
Member of Executive Management: 2012
Shares in JM: 500
Convertibles: SEK 0
Born: 1973
Education: LL.B. Stockholm University 1997.
Work experience: Trainee Lawyer, Advokatfirman Lindahl. Clerk, District Court of Uppsala.



Per Lundquist
Director of Operations
Development (Quality and
Environment, Technology
and IT)

Year of employment: 2016
Member of Executive Management: 2016
Shares in JM: 2,000
Convertibles: SEK 0
Born: 1967
Education: MSc. Eng.
Work experience: Senior Vice President Operations at Cramo AB. Toyota Material Handling Europe and Toyota Industries.



Peter Neuberg
Business unit manager
JM Entreprenad and President
of JM Entreprenad AB

Year of employment: 2015
Member of Executive Management: 2015
Shares in JM: 400
Convertibles: SEK 0
Born: 1970
Education: Construction engineer, KTH Royal Institute of Technology, Stockholm.
Work experience: Skanska Group; regional manager at Hus Stockholm Bostäder, district manager and purchasing manager.



Helena Söderberg
Director Human Resources

Year of employment: 2010
Member of Executive Management: 2010
Shares in JM: 820
Convertibles: SEK 244,860
Born: 1967
Education: Degree in Human Resources, Uppsala University, 1991.
Work experience: Nordic HR Director Alstom Transport and 16 years in various HR positions within the Skanska Group.



Pär Vennerström
Business unit manager
JM Residential Stockholm,
Business Unit Manager
JM Property Development

Year of employment: 2001
Member of Executive Management: 2014
Shares in JM: 750
Convertibles: SEK 0
Born: 1974
Education: MSc. Eng., KTH Royal Institute of Technology, Stockholm, 1999. Executive Management Program Stockholm School of Economics, 2015
Work experience: Project Manager, Regional Manager Stockholm Northwest 2008–2009, Regional Manager Stockholm South 2009–2014.



Claes Magnus Åkesson
Chief Financial Officer
and Head of IR

Year of employment: 1998
Member of Executive Management: 1998
Shares in JM: 22,887
Convertibles: SEK 5,288,875
Born: 1959
Education: MSc. Econ. Stockholm School of Economics, Stockholm 1984. Advanced Management Programme, INSEAD, France.
Work experience: Ericsson Group: Senior controller Asia, head of finance and treasury Malaysia and regional controller Asia.
Other significant assignments: Board member of Concentric AB.

Other senior executives

Mikael Åslund, Stockholm City Region
 Erik Ragnerstam, Stockholm South Region
 Annika Berg, Stockholm North Region
 Anne Schönberg, Sales Residential Stockholm
 Lars-Olof Höglund, Acquisition Residential Stockholm
 Anders Wimmerstedt, Production Residential Stockholm
 Martin Svahn, West Region
 Per Johansson, East Region
 Susanne Persson, South Region
 Simon Backe, JM Property Development
 Birgitta Seeman, Seniorgården AB and AB Borätt
 Per-Arne Jonsson, JM Rental Housing

Christian Benfatto, Civil Engineering, JM Entreprenad AB
 Alexandra Jansson, Building, JM Entreprenad AB
 Manne Berger, Business Development, JM Entreprenad AB

Hilde Vatne, Oslo Region, JM Norge AS
 Svein Sundby, South Region, JM Norge AS
 Ole Kristian Ruud, Construction Region, JM Norge AS

Markus Heino, JM Suomi OY