

To the shareholders in Selvaag Bolig ASA

Oslo, 18.11.2019

NOTICE OF EXTRAORDINARY GENERAL MEETING

The board of directors of Selvaag Bolig ASA (the "**Company**" or "**Selvaag Bolig**") hereby gives notice of an extraordinary general meeting.

Time: 9 December 2019 at 10.00 (CET)

Place: Silurveien 2, 0311 Oslo

The following agenda is proposed by the board of directors for the general meeting:

1. **To open the meeting by board chair Olav H. Selvaag, including taking the register of shareholders present**
2. **To elect the chair for the meeting and a person to co-sign the minutes**

The board proposes that the general meeting elects Olav H. Selvaag to chair the meeting, and that one of the shareholders present is elected to co-sign the minutes.

3. **To approve the notice and the agenda**
4. **To approve a carve-out of the Company's plots in a separate company structure**

The board proposes that the Company enters into agreements that imply a transfer of a large part of the Company's plots to a separate company structure, Urban Property, combined with the establishment of a long-term, strategic cooperation between the Company and Urban Property. The agreements entail a sale of plots that constitute a substantial portion of the Company's plot bank (the "**Transaction**") and is therefore submitted to the general meeting for approval.

Background for the Transaction and establishment of Urban Property

As part of its business, the Company owns several plots directly or indirectly through subsidiaries, that are scheduled to be developed for residential housing. Ownership and development of plots is capital intensive and currently constitutes a substantial part of the Company's balance sheet. The Company wishes to strengthen its competitiveness both financially and operationally, and the board of directors therefore proposes a business model that establishes a separation between the Company's development business and ownership/rights to plots.

The rationale behind the proposal is to reduce the amount of tied up capital in the Company's business, improve the return on invested capital, and increase the long-term growth potential through a long-term financing cooperation related to plots. The Transaction will free up much of the Company's tied up capital in plots, which in turn will make the basis for a substantial distribution of capital back to its shareholders.

Ownership and rights to plots are proposed to be carved-out in a newly established company group called Urban Property. Selvaag Bolig will establish the companies. Urban Property consists of the companies Urban Property Holding AS ("**UP Holding**") and Urban Property Eier AS ("**UP Eier**"). UP Holding owns 100% of the shares in UP Eier. During the implementation of the Transaction, the shares in UP Holding will be transferred to investors in Urban Property, being Oslo Pensjonsforsikring AS, Equinor Pensjon, Rema Etablering Norge AS and Selvaag AS (the "**Investors**"). Furthermore, the Company has established a management company, Urban Property Management AS ("**UP Management**") that will manage the plots with the aim to prepare them for housing construction. UP Management is a sister company to UP Holding, and will be owned by the same shareholders as UP Holding.

The Transaction is negotiated on arm's length terms and are based on independent appraisals as described below. Selvaag AS, being the Company's largest shareholder, will have a minority shareholding in UP Holding, on the same terms as the other shareholders in UP Holding.

Through the Transaction, UP Eier will acquire property-owning companies (each referred to as a "**Property Company**" and collectively "**Property Companies**") that is currently owned either directly or indirectly by the Company. UP Eier will, pursuant to certain agreements, as part of its continuing business also acquire plots and enter projects that the Company is in a position to buy. Ownership and rights plots are thereby eliminated from the Company's balance sheet. Selvaag Bolig will have a strategic cooperation with Urban Property, with rights to the plots that are carved out. The Company shall, pursuant to agreements with Urban Property, have the right to repurchase the plots when they shall be used in the Company's housing development business. These agreements are described in further detail below.

The Transaction will enable the Company to focus purely on its core business, strengthen shareholder value, and ensure that the Company has access to plots without carrying the capital strain related to the acquisition of plots, as the case is today. Provided that the general meeting approves the Transaction, the board of directors has proposed that it is catered for an extraordinary distribution of dividends, as mentioned in item 5 in the agenda.

The Transaction

Selvaag Bolig and the Investors have entered into a binding agreement whereby the parties are obliged to complete the Transaction, subject only to the general meeting's approval and execution of the already committed bank financing described below.

The conclusion of the agreement regulating the Transaction is conditioned upon the general meeting's approval. If the general meeting approves that the Company may enter into the agreement, the board of directors expects that the agreement will be concluded within December 2019. Selvaag Bolig has negotiated the main terms for the contemplated implementation of the Transaction with the Investors.

Urban Property Eier AS shall in connection with the Transaction pay a consideration equal to NOK 3,372 millions for the Property Companies (the "**Purchase Price**"). The Purchase Price is based on commercial negotiations between the parties, taking into account independent appraisals of the Property Companies. In addition to the value of the plots, transaction costs and required equity level in Urban Property pursuant to bank financing arrangements have been taken into consideration. The terms and conditions of the Transaction are further regulated in a share purchase agreement, expected to be signed within December 2019 (the "**Share Purchase Agreement**"). Pursuant to the Share Purchase Agreement, the Purchase Price shall be settled by a cash payment at completion, expected to take place in January 2020.

The Purchase Price will in part be financed through equity (the "**Equity Financing**") contributed to UP Holding by the Investors, and in part through bank financing (the "**Bank Financing**"). In regards to the Equity Financing, the Investors have made binding advance

commitments that oblige contribute an aggregate amount of NOK 1,750 million to UP Holding against issuance of new shares. In regards to the Bank Financing, a binding offer has been made for a committed loan facility of NOK 1,750 million. Both of the financing elements are conditioned upon the general meeting's approval of the Transaction and that the agreements mentioned in this notice are entered into.

The relationship between the Company and Urban Property post Transaction

The Transaction will imply that a substantial part of the Company's plots are transferred to a third party. To ensure the Company's access to plots a framework of agreements that gives the Company options or pre-emptive rights to plots that are transferred in the contemplated Transaction, and subsequently to plots that is acquired by UP Eier in the future. The Company will be Urban Property's only customer. The Company's access to plots will therefore be sustained also after completion of the Transaction. The options and the pre-emptive right will be regulated by an option agreement (the "**Option Agreement**") and a pre-emption agreement (the "**Pre-Emption Agreement**"), respectively.

The Option Agreement will provide the Company with a right to repurchase plots from Urban Property. The Company will pay a pre-determined option premium that will consist of an annual interest based on the consideration paid by UP Eier for the shares in the relevant Property Company and other additions as may be agreed.

The Pre-Emption Agreement will provide the Company with a pre-emptive right to purchase certain plots held by the Property Companies or the shares in the Property Companies acquired by Urban Property in the Transaction. The Pre-Emption Agreement establishes that the parties shall negotiate the price and other terms concerning each respective purchase.

UP Management will be responsible for the management of the plots with the aim at a transfer back to the Company, when the plots have been prepared for housing development and ready to be used in the Company's housing projects. UP Management's role and obligations will be separately regulated in a cooperation agreement (the "**Cooperation Agreement**") that will also be entered into in connection with the Transaction. The Cooperation Agreement sets out the principles for cooperation between the Company and Urban Property in relation to the acquisition of new plots and the further development of new and existing plots. Pursuant to the Cooperation Agreement, Urban Property has a pre-emptive right to acquire plots that the Company is in a position to acquire. Selvaag Bolig will have a right and an obligation to be in charge of project development pursuant to separate project development agreements entered into between the Company and Urban Property.

The aforementioned Property Companies are divided into three different portfolios: A, B and C, which in turn is subject to separate regulations. As a summary, the portfolios are divided in accordance with the following: the Pre-Emption Agreement will comprise the Property Companies in portfolio A, the Option Agreement will comprise the Property Companies in portfolio B, and the Cooperation regulates Urban Property's future acquisition of plots and additionally plots in portfolio C that comprises projects where the Company has agreements on acquiring plots in the future.

After the Transaction, UP Eier will own the main part of the Company's existing plot portfolio. This will contribute to ensure continuity for the new business model. The Company will repurchase plots from UP Eier in accordance with the development. The new business model will therefore result in a significant reduction in tied up equity and make the Company better positioned for growth.

Urban Property does not have a limited lifetime and the intention is that the cooperation shall be long-term and exclusive.

Please refer to the presentation attached with this notice for a presentation of the proposed Transaction and the Company.

The board proposes that the general meeting makes the following resolution:

"The general meeting approves the establishment of a new business model whereby the ownership and development of plots are carved-out in a new corporate structure, substantially on the terms presented in the notice dated 18 November 2019.

5. Payment of dividend

The Transaction will free capital, and the board of directors proposes that it is catered for a distribution of dividends of NOK 22 per share, in total MNOK 2,063 in connection with the Transaction. On the basis that the Transaction is to be completed after the general meeting, the board of directors proposes that the general meeting grants the board with an authorisation to resolve dividends, cf. the Norwegian Public Limited Liability Companies Act section 8-2 second paragraph.

The board of directors' proposal is conditional upon the general meeting's approval of the Transaction, as proposed under item 4 on the agenda.

The board proposes that the general meeting makes the following resolution:

"The general meeting of Selvaag Bolig ASA hereby authorises the board of directors to resolve the payments of dividend based on the company's approved annual accounts for 2018, cf. the Norwegian Public Limited Liability Companies Act section 8-2, second paragraph.

The board of directors shall before each decision to approve the payment of dividends consider if the company, after the payment of dividends, will have sufficient equity and liquidity.

The authorisation shall be valid until the next annual general meeting, but not beyond 30 June 2020."

There are no other items on the agenda.

The company has 93,765,688 issued shares, each of which carries one vote. As of 17 November 2019 the company owned 837,068 treasury shares.

The board of directors would request that all shareholders who wish to attend the general meeting fill in and submit the attached registration form no later than the day before the general meeting. Shareholders may also register online via Investor Services or the company's website at www.selvaagboligasa.no/en

Shareholders who cannot attend the general meeting in person may authorise the chair of the board to act as their proxy by completing and submitting the attached proxy form, or appoint another person to vote for their shares. The appointment of a proxy must be made in writing, dated and signed, and submitted at the latest when the general meeting takes place.

Shareholders are entitled to move resolutions on issues under consideration by the general meeting. They are also entitled to be accompanied by advisers, and may give one such adviser the right to speak.

A shareholder may require that the directors and the CEO provide available information to the general meeting on matters which may affect the assessment of items presented to the shareholders for decision. The same applies to information on the company's financial position and other business to be transacted at the general meeting, unless the information requested cannot be disclosed without causing disproportionate harm to the company.

In the case of shares which are registered in a separate investor account (registered under a management/nominee account), managers may not attend nor vote for these shares at general meetings. Shareholders wishing to attend and vote at the general meeting must transfer these shares from the investor account to an account in their own name. A shareholder wishing to participate has to appear as a directly registered shareholder in the Norwegian Central Securities Depository (VPS) at the latest by the opening of the general meeting.

Information concerning the annual general meeting, including this notice with attachments and the company's articles of association, is available on the company's website at www.selvaagboligasa.no/english

Yours faithfully,
for the board of directors of Selvaag Bolig ASA

Olav H. Selvaag
Styrets leder

Ref no:**PIN code:****Notice of Extraordinary General Meeting**

Meeting in Selvaag Bolig ASA will be held on 9 December 2019 at 10 a.m. at Silurveien 2, NO-0311 Norway

The company accepts votes in advance for this Meeting. Registration Deadline for advance votes: 8 December 2019 at 4 p.m. Advance votes may only be executed electronically, through the Company's website www.selvaagboligasa.no or via VPS Investor Services.

Notice of attendance

The Undersigned will attend the Extraordinary General Meeting on 9 December 2019 and cast votes for:

own shares.

Notice of attendance should be registered electronically through the Company's website www.selvaagboligasa.no or via VPS Investor Services.

For notification of attendance through the Company's website, the above mentioned pin code and reference number must be stated.

Alternatively through VPS Investor service where pin code and reference number is not needed.

If you are not able to register this electronically, you may send by E-mail to genf@dnb.no, or by regular Mail to DNB Bank ASA, Registrars Department, P.O.Box 1600 Centrum, 0021 Oslo, Norway. The notice of attendance must be received no later than **8 December 2019 at 4 p.m.**

If the shareholder is a Company, please state the name of the individual who will be representing the Company: _____

Place	Date	Shareholder's signature
-------	------	-------------------------

Proxy without voting instructions for Extraordinary General Meeting of Selvaag Bolig ASA

If you are unable to attend the meeting, you may grant proxy to another individual.

Ref no:**PIN code:**

Proxy should be submitted electronically through the Company's website www.selvaagboligasa.no or via VPS Investor Services.

For granting proxy through the Company's website, the above mentioned pin code and reference number must be stated.

Alternatively through VPS Investor service where pin code and reference number is not needed.

If you are not able to register this electronically, you may send by E-mail to genf@dnb.no, or by regular Mail to DNB Bank ASA, Registrars Department, P.O.Box 1600 Centrum, 0021 Oslo, Norway.

If you send the proxy without naming the proxy holder, the proxy will be given to the Chair of the Board of Directors or an individual authorised by him or her.

This proxy must be received no later than **8 December 2019 at 4 p.m.**

The undersigned

hereby grants (tick one of the two)

☐ the Chair of the Board of Directors (or a person authorised by him or her), or

☐ _____
(Name of proxy holder in capital letters)

proxy to attend and vote for my/our shares at the Extraordinary General Meeting of Selvaag Bolig ASA on 9 December 2019.

Place	Date	Shareholder's signature (Only for granting proxy)
-------	------	---

With regards to your right to attend and vote, reference is made to the Norwegian Public Limited Liability Companies Act, in particular Chapter 5. If the shareholder is a Company, the Company's Certificate of Registration must be attached to the proxy.

Proxy with voting instructions

If you are unable to attend the Extraordinary General Meeting in person, you may use this proxy form to give voting instructions to Chair of the Board of Directors or the person authorised by him or her.

Proxies with voting instructions can only be registered by DNB, and must be sent to genf@dnb.no (scanned form) or by regular Mail to DNB Bank ASA, Registrars' Department, P.O.Box 1600 Centrum, 0021 Oslo, Norway.

The form must be received by DNB Bank ASA, Registrars' Department no later than **8 December 2019 at 4 p.m.**

Proxies with voting instructions must be dated and signed in order to be valid.

The undersigned:**Ref no:**

hereby grants the Chair of the Board of Directors (or the person authorised by him or her) proxy to attend and vote for my/our shares at the Extraordinary General Meeting of Selvaag Bolig ASA on 9 December 2019.

The votes shall be exercised in accordance to the instructions below. If the sections for voting are left blank, this will be counted as an instruction to vote in accordance with the Board's and Nomination Committee's recommendations. However, if any motions are made from the attendees in addition to or in replacement of the proposals in the Notice, the proxy holder may vote at his or her discretion. If there is any doubt as to how the instructions should be understood, the proxy holder may abstain from voting.

Agenda for the Extraordinary General Meeting 2019		For	Against	Abstention
1.	To open the meeting by board chair Olav H. Selvaag, including taking the register of shareholders present		No voting	
2.	To elect the chair for the meeting and a person to co-sign the minutes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	To approve the notice and the agenda	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	To approve a carve-out of the Company's properties in a separate company structure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	Payment of dividend	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Place

Date

Shareholder's signature (Only for granting proxy with voting instructions)

With regards to your right to attend and vote, reference is made to the Norwegian Public Limited Liability Companies Act, in particular Chapter 5. If the shareholder is a Company, the Company's Certificate of Registration must be attached to the proxy.