

2019-02-20

08:00 a.m. CET

## **Notice convening the Annual General Meeting of Skanska AB (publ)**

The shareholders of Skanska AB (publ), reg. no. 556000-4615 (the "Company"), are invited to participate in the Annual General Meeting (the "Meeting") to be held on Thursday, March 28, 2019, at 10.00 a.m. at Stockholm Waterfront Congress Centre, Nils Ericsons Plan 4, Stockholm, Sweden. Registration to the Meeting starts at 9.00 a.m. Coffee and cake will be served before the Meeting.

### **Right to attend and notice of attendance**

Shareholders who wish to participate in the Annual General Meeting must

- be recorded in the share register kept by Euroclear Sweden AB on Friday, March 22, 2019; and
- give notice of intent to participate to the Company not later than on Friday, March 22, 2019.

Notice of attendance can be given:

- in writing to: Skanska AB (publ), Årsstämman, c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden;
- by telephone +46 8 402 92 81 on weekdays between 9.00 a.m. and 4.00 p.m. CET, or
- on the Company's website [www.group.skanska.com](http://www.group.skanska.com).

When giving notice of attendance, please state name, personal identification number or corporate registration number, address, telephone number and number of shareholder's assistants attending, if any (no more than two).

An admission card, which shall be presented at the registration to the Annual General Meeting, will be sent by regular mail beginning on Saturday, March 23, 2019.

### **Proxy**

Shareholders represented by proxy shall issue a dated written power of attorney for the representative. If the power of attorney is issued by a legal person, a certified copy of a valid certificate of registration (dated no earlier than one year prior to the Annual General Meeting) or, if no such certificate exist, a corresponding document of authority for the legal person shall be attached. The power of attorney shall be valid for at most one year from the date of issue, unless the power of attorney specifies a longer period of validity, not to exceed five years from the date of issue. Forms of power of attorney are available on the Company's website, [www.group.skanska.com](http://www.group.skanska.com). The power of attorney in the original and the certificate of registration or the equivalent document of authority shall be submitted to the Company at the address set out above well in advance of the Annual General Meeting.

**Shares registered in the name of a nominee**

In addition to giving notice of attendance, shareholders having their shares registered in the name of a nominee, must request the nominee to temporarily enter the shareholder in their own name into the share register kept by Euroclear Sweden AB as per Friday, March 22, 2019, in order to be entitled to attend the Annual General Meeting. The shareholder should inform the nominee to that effect well in advance of that date.

For Skanska employees, who have invested in Skanska-shares under the Skanska employee ownership programs Seop 1 (2008–2010), Seop 2 (2011–2013), Seop 3 (2014– 2016) and/or Seop 4 (2017–2019), and who wish to participate in the Annual General Meeting and exercise the voting rights of their Skanska shares, the Company may assist with the registration of the shares in their own name. Employees wishing the Company's assistance should inform the Company about this not later than Friday, March 8, 2019, by telephone +46 8 10 448 03 83 or by e-mail: [arsstamma@skanska.se](mailto:arsstamma@skanska.se), stating full name, personal identification number, address and so-called global ID, received for the Skanska employee ownership programs. Such a request for voting-rights registration will be regarded as a notice to participate in the Annual General Meeting.

**Agenda**

- 1) Opening of the Meeting.
- 2) Election of the Chairman of the Meeting.
- 3) Preparation and approval of the voting list.
- 4) Approval of the agenda.
- 5) Election of two persons to approve the minutes together with the Chairman of the Meeting.
- 6) Determination whether the Meeting has been duly convened.
- 7) Report by the Chairman of the Board of Directors of the work of the Board of Directors during 2018 and a presentation by the CEO.
- 8) Presentation of the annual report and auditors' report for 2018 and the consolidated accounts and the auditors' report on the consolidated accounts for 2018 and the auditor's report whether the principles for salary and other remuneration to senior executives have been complied with, as well as the auditor's presentation of the audit work with respect to 2018.
- 9) Resolution on adoption of the income statement and the balance sheet and the consolidated income statement and the consolidated balance sheet.
- 10) Resolution on the dispositions of the Company's results pursuant to the adopted balance sheet and determination of the record date for dividend.
- 11) Resolution on discharge from liability of the members of the Board of Directors and the CEO for the administration of the Company in 2018.

- 12) Determination of the number of members of the Board of Directors and deputy members to be elected by the Meeting.
- 13) Determination of the fees payable to members of the Board of Directors elected by the Meeting and members of the Committees of the Board of Directors elected by the Meeting and to the auditor.
- 14) Election of members of the Board of Directors and Chairman of the Board of Directors.
  - A. election of Board member: Hans Biörck (re-election)
  - B. election of Board member: Pär Boman (re-election)
  - C. election of Board member: Jan Gurander (new election)
  - D. election of Board member: Fredrik Lundberg (re-election)
  - E. election of Board member: Catherine Marcus (re-election)
  - F. election of Board member: Jayne McGivern (re-election)
  - G. election of Board member: Charlotte Strömberg (re-election)
  - H. election of the Chairman of the Board: Hans Biörck (re-election)
- 15) Election of auditor.
- 16) Resolution on the principles for salary and other remuneration to senior executives.
- 17) Resolution on a long-term employee ownership program for the financial years 2020, 2021 and 2022 ("Seop 5"), including:
  - A. resolution on an employee ownership program;
  - B. authorization for the Board of Directors to resolve on acquisition of Series B shares in Skanska on a regulated market and resolution on transfer of acquired own Series B shares to the participants in the employee ownership program; and
  - C. equity swap agreement with third party, if the Meeting does not resolve in accordance with item B. above.
- 18) Closing of the Meeting.

### **Resolutions proposed by the Nomination Committee**

The Nomination Committee, appointed in accordance with the Instruction for the Nomination Committee resolved by the 2018 Annual General Meeting, is composed of the Chairman of the Committee, Helena Stjernholm (AB Industrivärden), Mats Guldbrand (L E Lundbergföretagen AB), Bo Selling (Alecta), Lars-Åke Bokenberger (AMF) and Hans Biörck (Chairman of the Board of Directors).

The Nomination Committee presents the following proposals:

#### **Item 2 – Chairman of the Meeting**

The Nomination Committee proposes that attorney Eva Hägg be elected Chairman of the Annual General Meeting.

**Item 12 – Number of members of the Board of Directors and deputy members to be elected by the Meeting**

The Nomination Committee proposes that the number of members of the Board of Directors elected by the Annual General Meeting shall be seven and that no deputies be elected.

**Item 13 – Fees payable to members of the Board of Directors elected by the Meeting and members of the Committees of the Board of Directors elected by the Annual General Meeting and to the auditor**

The Nomination Committee proposes that fees to non-employee members of the Board of Directors (the “Board”) elected by the Annual General Meeting and non-employee members of the Committees of the Board elected by the Annual General Meeting be paid as follows until the end of the 2020 Annual General Meeting: SEK 2,100,000 to the Chairman of the Board (year 2018: 2,040,000), SEK 700,000 each to the other Board members (year 2018: 680,000), SEK 230,000 to the Chairman of the Audit Committee (2018: SEK 220,000) and SEK 165,000 each to the other Committee members (2018: SEK 157,500), SEK 110,000 to the Chairman of the Compensation Committee (2018: 110,000) and SEK 105,000 each to the other Committee members (2018: 105,000), and SEK 210,000 to the Chairman of the Project Review Committee and to each of the other Committee members (2018: SEK 205,000). This implies an increase of the total remuneration of 2.9%.

The Nomination Committee also proposes, like previous years, that the auditor fees shall be paid against approved account.

**Item 14 – Election of members of the Board of Directors and Chairman of the Board of Directors**

The Nomination Committee proposes for the period until the end of the 2020 Annual General Meeting:

- Re-election of Hans Biörck, Pär Boman, Fredrik Lundberg, Catherine Marcus, Jayne McGivern and Charlotte Strömberg as members of the Board of Directors.
- Election of Jan Gurander as new member of the Board of Directors.
- Re-election of Hans Biörck as Chairman of the Board of Directors.

The Nomination Committee’s motivated statement and information about the proposed members of the Board of Directors are available on the Company’s website, [www.group.skanska.com](http://www.group.skanska.com).

**Item 15 – Election of Auditor**

The Nomination Committee proposes, in accordance with the recommendation by the Audit Committee, re-election of the registered accounting firm Ernst & Young AB as the Company’s external auditor for the period until the end of the 2020 Annual General Meeting.

## Resolutions proposed by the Board of Directors

### Item 10 – Dividend and record date

The Board of Directors proposes a dividend for 2018 of SEK 6.00 per share. The record date for the dividend is proposed to be Monday, April 1, 2019. Subject to resolution by the Meeting in accordance with this proposal, it is estimated that Euroclear Sweden AB will execute the payment of dividend on Thursday, April 4, 2019.

### Item 16 – Principles for salaries and other remuneration to senior executives

The Board of Directors (the “Board”) proposes that the Annual General Meeting resolves on the following principles for salary and other remuneration to senior executives of Skanska AB (publ) (the “Company”) for the period until the end of the 2020 Annual General Meeting, which correspond to those principles resolved at the 2018 Annual General Meeting. Senior executives include the CEO and other members of the Group Leadership Team.

Remuneration to senior executives of the Company shall consist of fixed salary, variable remuneration, if any, other customary benefits, and pension. The combined remuneration for each senior executive must be market-related and competitive in the labor market in which the senior executive is placed, and distinguished performance should be reflected in the total remuneration.

Fixed salary and variable remuneration shall be related to the senior executive’s responsibility and authority. The variable remuneration shall be payable in cash and/or shares and it shall be capped and related to the fixed salary. Distribution of shares shall have a vesting period of three years and be part of a long-term incentive program. The variable remuneration must be based on results in relation to established targets and be designed to increase the alignment between the shareholders and senior executives of the Company. The terms for variable remuneration should be structured so that the Board, if exceptional economic conditions prevail, has the possibility to limit or refrain from paying variable remuneration, if such a payment is considered unreasonable and incompatible with the Company’s responsibility in general to the shareholders, employees and other stakeholders. For annual bonus, there should be a possibility to limit or refrain from paying variable remuneration if the Board considers that this is appropriate for other reasons.

In the event of employment termination by the Company, the normal period of notice is six months, combined with severance pay corresponding to a maximum of 18 months fixed salary or, alternatively, a period of notice of maximum 12 months, combined with severance pay corresponding to a maximum of 12 months fixed salary.

Pension benefits should be defined-contribution schemes and should entitle the senior executive to the right to receive a pension normally from the age of 65. Variable salary shall not be included in pensionable salary, except when it follows from rules under a general pension plan.

The Board may deviate from these principles for salary and other remuneration to senior executives, if special reasons for doing so exist in any individual case.

**Item 17 – Resolution on a long-term employee ownership program for the financial years 2020, 2021 and 2022 (“Seop 5”)**

The Board of Directors’ (the “Board”) proposal for resolution set out below, includes proposal that the 2019 Annual General Meeting resolves (i) on Seop 5 in accordance with the terms in item A. below and (ii) to authorize the Board to resolve on acquisitions of own Series B shares on a regulated market and that acquired own Series B shares may be transferred free of charge to participants in Seop 5, in accordance with item B. below. Should the majority required under item B. below not be reached, the Board proposes that the Annual General Meeting resolves (iii) that Skanska shall be able enter into an equity swap agreement with a third party, in accordance with item C. below.

The Annual General Meeting’s resolution to implement Seop 5 according to item A. below is conditional upon the Meeting either resolving in accordance with the Board’s proposal under item B. below or in accordance with the Board’s proposal under item C. below.

**Outline of Seop 5**

Seop 5 is proposed to be open to permanent employees in the Skanska Group. Provided an investment of their own in Series B shares in Skanska, normally by way of monthly savings (“Saving Shares”), the employees shall be offered the possibility of being allotted Series B shares in Skanska free of charge after the expiration of a three-year lock-up period (“Lock-up Period”). Employees (as defined below) and Key Employees (as defined below) may be allotted shares conditional only on continuous employment and retention of their own initial investment in Saving Shares (“Matching Shares”), as well as be allotted shares conditional also on satisfaction of certain performance conditions (“Performance Shares”). Executives may only be allotted Performance Shares. The level of the performance conditions shall be set by the Board, be result-related and be based on the Seop 5 specific financial targets.

For each 4 Saving Shares, Employees and Key Employees may be allotted 1 Matching Share. The number of Performance Shares that may be allotted for each 4 Saving Shares shall depend on the employee’s position, with a range from a maximum of 3 to 24 Performance Shares.

Allotment of Matching and Performance Shares shall normally occur monthly, three years after the employee’s investment in Saving Shares.

The maximum number of Saving Shares each employee may invest in annually under Seop 5 shall be limited to an amount of between 5 and 10 percent of the employee’s annual fixed gross salary, depending on the employee’s position.

It is proposed that Seop 5 be divided into three annual programs (each an “Annual Program”), running during the financial years 2020, 2021 and 2022, respectively. The total costs, including social

security costs, for each Annual Program (excluding administrative costs) may not exceed the lowest of MSEK 700 (excluding adjustment for inflation) or 15 percent of the Skanska Group's EBIT<sup>1</sup>.

Seop 5 may in total comprise no more than 12,000,000 Series B shares in Skanska, representing approximately 2.9 percent of all issued shares in Skanska. Each Annual Program may comprise no more than 4,000,000 Series B shares in Skanska.

The Board's full proposal on Seop 5 is set out in item A. below.

#### **Transfer of shares under Seop 5**

The Board has considered different methods for transfer of shares under Seop 5, in order to implement Seop 5 in a cost-effective and flexible manner. The Board has found the most cost-effective alternative to be, and thus proposes that the Annual General Meeting as a main alternative resolves, to authorize the Board to resolve on acquisitions of own Series B shares on a regulated market, which later may be transferred to participants in Seop 5. For this purpose, the Board further proposes that the Annual General Meeting resolves on transfers of own Series B shares free of charge to participants in Seop 5 and that transfers of own Series B shares may be made to subsidiaries of Skanska in order to secure the obligations to deliver Series B shares to participants in Seop 5. The detailed conditions for the Board's main alternative are set out in item B. below.

The three Annual Programs may in aggregate comprise no more than 12,000,000 Series B shares. The above-mentioned authorization for the Board of Directors to resolve on acquisitions of own shares until the 2020 Annual General Meeting shall comprise no more than 1,000,000 own Series B shares.

#### **The Board's proposal for resolution**

##### **A. Resolution on an employee ownership program**

The Board proposes that the Annual General Meeting resolves on an employee ownership program principally based on the terms and conditions set out below.

- a) Seop 5 is open to approximately 32,000 permanent employees within the Skanska Group ("Employees"), to approximately 2,000 key employees within the Skanska Group ("Key Employees"), and to approximately 300 executive officers within the Skanska Group ("Executives"). The Executives category is split into three sub-categories: "Executives A" (consisting of Group Leadership Team members, approximately 6 employees), "Executives B" (consisting of Business Unit Presidents and Senior Vice Presidents Group Functions, approximately 20 employees) and "Executives C" (consisting of other top executives, approximately 280 employees).
- b) Seop 5 means that Employees, Key Employees and Executives are offered the possibility to, provided an investment of their own in Series B shares in Skanska (Saving Shares) during

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<sup>1</sup> Earnings Before Interest and Taxes.

a certain financial year (“Acquisition Period”), from Skanska or from another company within the Skanska Group, or from a designated third party, free of charge be allotted Series B shares in Skanska. For each 4 Saving Shares, Employees and Key Employees participating in Seop 5 will, after a three year lock-up period (Lock-up Period), have the possibility to be allotted 1 Series B share in Skanska (Matching Share). No Matching Shares will be allotted to Executives. Moreover, all employees participating in Seop 5 will, depending on satisfaction of certain result-related performance conditions during the Acquisition Period, which are based on the Seop 5 specific financial targets set by the Board (see section Result-related performance conditions below), after the Lock-up Period have the possibility to be allotted additional Series B shares in Skanska free of charge (Performance Shares). Employees may be allotted no more than 3 Performance Shares, Key Employees no more than 7 Performance Shares, Executives C no more than 16 Performance Shares, Executives B no more than 20 Performance Shares and Executives A no more than 24 Performance Shares, for each 4 Saving Shares.

- c) Seop 5 is divided into three parts (“Annual Program 2020”, “Annual Program 2021” and “Annual Program 2022”). The Acquisition Period comprises the financial year 2020 in respect of the Annual Program 2020, the financial year 2021 in respect of the Annual Program 2021, and the financial year 2022 in respect of the Annual Program 2022. The Lock-up Period runs for three years from the day of the investment in Saving Shares. Employees, Key Employees, and Executives will be offered participation in the Annual Programs 2020, 2021, and 2022.
- d) The maximum number of Saving Shares that each employee participating in Seop 5 may invest in, normally by way of monthly savings, depends on the employee’s salary and if he/she participates in Seop 5 as an Employee, a Key Employee or an Executive. Saving Shares may be acquired by Employees for an amount corresponding to no more than 5 percent of the annual fixed gross salary, by Key Employees for an amount corresponding to no more than 7.5 percent of the annual fixed gross salary, and by Executives for an amount corresponding to no more than 10 percent of the annual fixed gross salary.
- e) In order for an employee to be eligible to be allotted Matching and/or Performance Shares in each Annual Program it is a condition that, with certain specific exemptions, he/she is permanently employed within the Skanska Group for the duration of the whole Lock-up Period and that the employee, throughout this Lock-up Period, has retained the Saving Shares acquired within the respective Annual Program. Saving Shares having been disposed of prior to the expiration of a Lock-up Period will therefore not be included in the calculation for determining any allotment of Matching and Performance Shares.
- f) Seop 5 includes two cost limits; one depending on the extent to which the Seop 5 specific financial targets (see section Result-related performance conditions below) have been



satisfied (“Cost limit 1”) and one which is related to the Skanska Group’s EBIT<sup>2</sup> (“Cost limit 2”). In respect of Cost limit 1, should the Outperform Target (as defined below) applicable at Group level (i.e. EPS) be satisfied, the total costs, including social security costs, for each Annual Program may not exceed MSEK 700, whereas should the Starting Point (as defined below) applicable at Group level (i.e. EPS) not be satisfied or be satisfied but not exceeded (in which case only Matching Shares may be allotted), the total costs, including social security costs, for each Annual Program may not exceed MSEK 225. Adjustments for inflation, as from December 31, 2018, shall apply when calculating Cost limit 1 for each Annual Program. Cost limit 2 means that the total costs, including social security costs, for each Annual Program may not exceed 15 percent of the Skanska Group’s EBIT for the applicable Acquisition Period. The actual cost limit consists therefore of the lowest of Cost limit 1 and Cost limit 2, respectively. Administrative costs for Seop 5 shall not be considered when calculating whether the total costs amount to Cost limit 1 or Cost limit 2.

Should the number of participants and the outcome of the allotment of Matching and Performance Shares to the participants result in a total cost exceeding any of the applicable cost limits for any of the Annual Programs, the allotment rate will be reduced proportionally.

- g) Matching and Performance Shares may normally be allotted only after the Lock-up Period for each Annual Program, which comprises three years. Allotment of Matching and Performance Shares to participants within each Annual Program is estimated to occur monthly three years after the investment in each Saving Share, meaning that allotment of Matching and Performance Shares is estimated to occur monthly during the financial year 2023 in respect of the Annual Program 2020, during the financial year 2024 in respect of the Annual Program 2021, and during the financial year 2025 in respect of the Annual Program 2022.
- h) Should the participants’ savings for investment in Saving Shares be made in another currency than in the Swedish krona, the acquired Saving Shares will after the expiration of the Lock-up Period be valued at a fixed exchange rate between the relevant currency and the Swedish krona, provided that the participant has retained the Saving Shares and has been permanently employed within the Skanska Group throughout the whole Lock-up Period. Any potential difference in the value of the Saving Shares in the relevant currency, due to exchange rate fluctuations during the Lock-up Period, calculated at the exchange rate on the first day during the Lock-up Period compared to the current exchange rate the day after the expiration of the Lock-up Period, will be settled by the number of Matching and/or Performance Shares being increased or decreased, as relevant.

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<sup>2</sup> Earnings Before Interest and Taxes.

- i) The Board shall be authorized to establish the detailed terms and conditions for Seop 5. The Board may, in that regard, make necessary adjustments to satisfy certain regulations or market conditions outside Sweden.
- j) If significant changes in the Skanska Group or in the market occur which, in the opinion of the Board, would result in a situation where the conditions for allotment of Matching and/or Performance Shares under Seop 5 become unreasonable, the Board shall also be entitled to make other adjustments to Seop 5, including, among other things, be entitled to resolve on a reduced allotment of Matching and/or Performance Shares, or that no Matching and/or Performance Shares shall be allotted at all, for a certain Annual Program or for participants in Seop 5 active within a certain Business Unit. The Board of Directors shall further have the option to, wholly or partially, cancel Annual Programs which have not commenced and have the option to, wholly or partially, cancel Seop 5 should any of the annual general meetings 2020-2022 not resolve on necessary acquisitions of own shares.
- k) Participation in Seop 5 presupposes that such participation is legally possible in the various jurisdictions concerned and that the administrative costs and financial efforts are reasonable in the opinion of the Board.
- l) Seop 5 shall in total comprise no more than 12,000,000 Series B shares in Skanska. Each Annual Program shall comprise no more than 4,000,000 Series B shares in Skanska. This means that the Board of Directors may resolve on a proportionally reduced allotment of Matching and/or Performance Shares if price movements in the Series B share in Skanska during the Acquisition Period result in that the number of Matching and Performance Shares exceeds 4,000,000 for an Annual Program.
- m) The number of Matching Shares and Performance Shares will be subject to recalculation as a result of intervening bonus issues, splits, rights issues and/or other similar corporate events.

*Result-related performance conditions*

Allotment of Performance Shares is conditional upon satisfaction of a number of result-related performance conditions during the Acquisition Period for each Annual Program. The conditions are based on the Seop 5 specific financial targets set by the Board. The Seop 5 specific financial targets consist of financial targets at Group, Business Unit and/or Business Unit Cluster level. The costs for Seop 5 will be charged to the Group and each Business Unit when calculating whether the financial targets have been satisfied.

The financial target applicable at Group level is growth in EPS. The financial targets applicable at Business Unit and/or Business Unit Cluster level vary depending on which business stream the relevant Business Unit or Business Unit Cluster belongs to. The financial targets also apply differently depending on the employee's position.

In order for any allotment of Performance Shares to occur, the starting point for the relevant financial target/targets (“Starting Point”) must be satisfied and for maximum allotment of Performance Shares to occur, the outperform target for the relevant financial target/targets (“Outperform Target”) must be satisfied. The Starting Point and the Outperform Target (creating the “Target Range”) for each financial target and Annual Program will be set by the Board.

The Target Range with respect to growth in EPS will be set by the Board pursuant to the following procedure. After the end of the financial year 2019, the Board will set an EPS base as per January 1, 2020, based on the EPS outcome 2019, adjusted for any larger one-off items, as the initial reference point for Seop 5 (“EPS Base”). From the EPS Base, a linear baseline will be drawn ending on December 31, 2022 (“EPS Baseline”), i.e. extending over the financial years 2020 through 2022. The EPS Baseline will mean a 5 percent growth in EPS for each of the financial years 2020, 2021 and 2022. At the end of the financial year 2019, 2020, and 2021, the Board will set the Target Range for the Annual Program 2020, 2021 and 2022, respectively.

The Starting Point for the Annual Program 2020 will be set at a level not falling below the level of the EPS Base. The Starting Point for the Annual Programs 2021 and 2022 will be set at a level not falling below the level of the EPS Baseline at the start of such Annual Program. The Outperform Target for each Annual Program 2020, 2021 and 2022 will be set at a level not falling below the level of the EPS Baseline at the end of such Annual Program. There will be no cap on the level at which the Outperform Target may be set.

The Target Ranges for the financial targets applicable for Business Unit and/or Business Unit Cluster level will be set by the Board with the purpose of supporting the EPS Baseline and the Outperform Target with respect to growth in EPS.

Should the outcome fall between the Starting Point and the Outperform Target, a proportional allotment of Performance Shares will be made. The number of Performance Shares that may be allotted will be established after the expiration of the financial years 2020, 2021 and 2022 in respect of participation in the Annual Programs 2020, 2021 and 2022, respectively.

The Seop 5 specific financial targets will be disclosed by Skanska in connection with the annual report for the financial year 2020 in respect of the Annual Program 2020, the annual report for the financial year 2021 in respect of the Annual Program 2021, and the annual report for the financial year 2022 in respect of the Annual Program 2022.

**B. Authorization for the Board to resolve on acquisitions of Series B shares in Skanska on a regulated market and resolution on transfers of acquired own Series B shares to the participants in Seop 5**

*1) Authorization for the Board to resolve on acquisitions of Series B shares in Skanska on a regulated market*

Resolutions on acquisitions of own Series B shares in Skanska on a regulated market may be made on the following terms and conditions.

- a) Acquisitions of Series B shares in Skanska may only be effected on Nasdaq Stockholm.
- b) The authorization may be exercised on one or several occasions, however at the latest until the 2020 Annual General Meeting.
- c) No more than 1,000,000 Series B shares in Skanska may be acquired to secure delivery of shares to participants in Seop 5.
- d) Acquisitions of Series B shares in Skanska on Nasdaq Stockholm may only be made at a price within the from time to time applicable range of prices (spread) on Nasdaq Stockholm, meaning the interval between the highest purchase price and the lowest selling price.

*2) Resolution on transfers of acquired own Series B shares to the participants in Seop 5*

Transfers of Skanska's own Series B shares may be made on the following terms.

- a) Transfers may be made only of Series B shares in Skanska, whereby a maximum of 12,000,000 Series B shares in Skanska may be transferred free of charge to participants in Seop 5.
- b) Right to acquire Series B shares in Skanska free of charge shall, with deviation from the shareholders' preferential rights, be granted to such persons within the Skanska Group who are participants in Seop 5. Further, subsidiaries of Skanska shall, with deviation from the shareholders' preferential rights, be entitled to acquire Series B shares in Skanska free of charge, whereby such company shall be obliged to, in accordance with the conditions of Seop 5, immediately transfer the shares to such persons within the Skanska Group who participate in Seop 5.
- c) Transfers of Series B shares in Skanska shall be made free of charge at the time and on the other terms that participants in Seop 5 are entitled to acquire shares, i.e. normally monthly consecutively during the financial years 2023, 2024 and 2025.
- d) The number of Series B shares in Skanska that may be transferred under Seop 5 will be subject to recalculation as a result of intervening bonus issues, splits, rights issues and/or other similar corporate events.
- e) Transfers may be made of Series B shares in Skanska (i) which have previously been acquired to secure Skanska's obligations under earlier Skanska Employee Ownership Programs but which are no longer required for such purpose, (ii) which have been acquired in accordance with item B. 1) above and (iii) which are acquired under future authorizations to acquire Series B shares in Skanska.

**C. Equity swap agreement with third party**

Should the majority required under item B. above not be reached, the Board of Directors proposes that the Annual General Meeting resolves that the expected financial exposure of Seop 5 shall be hedged by Skanska being able to enter into an equity swap agreement with a third party on terms

in accordance with market practice, whereby the third party in its own name shall be entitled to acquire and transfer Series B shares in Skanska to such employees that participate in Seop 5.

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### **Majority requirements**

The Annual General Meeting's resolution according to item A. above requires a simple majority among the votes cast at the meeting. A valid resolution under item B. above requires that shareholders representing not less than nine-tenths of the votes cast as well as of the shares represented at the meeting approve the resolution. A valid resolution under item C. above requires a simple majority among the votes cast at the meeting.

### **Main changes compared to Seop 4**

In order to further strengthen the alignment between pay and performance and the community of interest between the Executives and the shareholders of Skanska, the following main changes are proposed to be made to Seop 5 compared to Seop 4:

- No Matching Shares can be allotted to Executives, but instead the maximum number of Performance Shares is increased by one share for each category of Executives.
- Executives B will be assessed 100% on Group targets, i.e. growth in Earnings Per Shares ("EPS"), instead of partly on Group targets and partly on Business Unit and/or Business Unit Cluster targets.
- Executives C will be assessed 50% on Group targets, i.e. growth in EPS, and 50% on Business Unit and/or Business Unit Cluster targets, instead of 25% on Group targets and 75% on Business Unit and/or Business Unit Cluster targets.

### **The reason for the deviation from the shareholders' preferential rights**

The transfers of Series B shares in Skanska form part of the accomplishment of the proposed Seop 5. Therefore, and in light of the above, the Board of Directors considers it to be advantageous for Skanska and the shareholders that the participants in Seop 5 are offered the possibility to become shareholders of Skanska.

### **Documents**

The complete proposals of the Board with respect to Items 10 and 16–17 above and of the Nomination Committee with respect to Items 2 and 12–15 above, including a description of the work of the Nomination Committee before the Annual General Meeting and Appendix 1 to the Nomination Committee's proposals, are available on the Company's website [www.group.skanska.com](http://www.group.skanska.com). The documents will be sent upon request to shareholders providing their address to the Company.

The Annual Report (including the Board of Directors' statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act relating to the proposal under item 10 above), the Auditor's Report, the Auditor's statement pursuant to Chapter 8, Section 54 of the Swedish Companies Act regarding the principles for salary and other remuneration to senior executives, and the Board of Directors' statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act (relating to the

proposal under item 17 B. above) will be available at the Company's offices, Warfvinges väg 25, 112 74 Stockholm, Sweden, and on the Company's website [www.group.skanska.com](http://www.group.skanska.com), not later than three weeks prior to the Meeting. The documents will also be sent to shareholders who so request and state their address.

### **Information at the Annual General Meeting**

The Board and the CEO shall, if any shareholder so requests and the Board believes that it can be done without material harm to the Company, provide information regarding circumstances that may affect the assessment of an item on the agenda and circumstances that can affect the assessment of the Company's or its subsidiaries' financial situation and the Company's relation to other companies within the Group.

### **Shares and votes**

At the time of issuance of this notice the total number of shares in the Company amounts to 419,903,072 of which 19,725,759 shares of Series A (ten votes per share) and 400,177,313 of Series B (one vote per share). As per the same date the Company's own shares amounted to 9,771,654 shares of series B, amounting to 9,771,654 votes in the Company. The Company must not vote for its own shares.

### **Processing of personal data**

For information on how your personal data is processed, see the Privacy Notice available on the Company's website, [www.group.skanska.com/491be4/globalassets/corporate-governance/annual-general-meeting/2019/privacy-notice-for-general-meetings-of-shareholders.pdf](http://www.group.skanska.com/491be4/globalassets/corporate-governance/annual-general-meeting/2019/privacy-notice-for-general-meetings-of-shareholders.pdf).

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Stockholm, February 2019

Skanska AB (publ)

The Board of Directors

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*This and previous press releases can be found at [www.group.skanska.com](http://www.group.skanska.com).*

*Skanska is one of the world's leading construction and project development companies, focused on selected home markets in the Nordic region, Europe and USA. Supported by global trends in urbanization and demographics, and by being at the forefront in sustainability, Skanska offers competitive solutions for both simple and the most complex assignments, helping to build a sustainable future for customers and communities. The Group has about 39,000 employees. Skanska's sales in 2018 totaled SEK 170 billion.*