

February 20, 2020

07:30 am CET

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

The shareholders of Skanska AB (publ), reg. no. 556000–4615 (the “Company”), are hereby invited to participate in the Annual General Meeting (the “Meeting”) to be held on Thursday March 26, 2020 at 10.00 a.m. CET at Stockholm Waterfront Congress Centre, Nils Ericsons Plan 4, Stockholm, Sweden. Registration will begin at 9.00 a.m. CET. Coffee and sandwich will be served before the Meeting.

### **Right to participate**

Shareholders who wish to participate in the Meeting must

- be recorded in the share register kept by Euroclear Sweden AB on Friday March 20, 2020; and
- give notice of intent to participate to the Company not later than on Friday March 20, 2020.

Notice to participate in the Meeting may be provided:

- by mail 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), under the heading “Corporate Governance/Annual General Meeting”.

When giving notice, please state name, personal identification number or corporate registration number, address, telephone number and, if applicable, the number of attending counsels (no more than two).

An admission card, which shall be presented at the entrance to the Meeting venue, will be sent by regular mail beginning on Saturday March 21, 2020.

### **Proxies**

Shareholders represented by proxy shall issue a written, by the shareholder signed and dated, 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 Meeting) or, if no such certificate exist, a corresponding document of authority for the legal person shall be attached. The power of attorney may 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. A power of attorney form is

available on the Company's website, [www.group.skanska.com](http://www.group.skanska.com), under the heading "Corporate Governance/Annual General Meeting". 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 Meeting.

**Nominee-registered shares**

In addition to giving notice to participate in the Meeting, shareholders with nominee-registered shares held via a bank or other 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 20, 2020, in order to be entitled to participate in the 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), Seop 4 (2017–2019) and/or Seop 5 (2020–2022) and who wish to participate in the 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 6, 2020 by telephone +46 (0)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 Meeting.

**Proposed 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 verify the minutes together with the Chairman of the Meeting.
- 6) Determination of whether the Meeting has been duly convened.
- 7) Report by the Chairman of the Board and by the CEO.
- 8) Presentation of the annual report and auditors' report for 2019 and the consolidated accounts and the auditors' report on the consolidated accounts for 2019 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 2019.
- 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 and the CEO for the administration of the Company in 2019.
- 12) Determination of the number of members of the Board and deputy members to be elected by the Meeting and the number of auditors and deputy auditors.
- 13) Determination of the fees payable to members of the Board elected by the Meeting and to the auditor.
- 14) Election of members of the Board and deputy members and election of the Chairman of the Board.
  - 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 (re-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: Åsa Söderström Winberg (new election)
  - H. election of the Chairman of the Board: Hans Biörck (re-election)
- 15) Election of auditor.
- 16) Resolution on guidelines for salary and other remuneration to senior executives.
- 17) Decision to authorize the Board to resolve on acquisition of own Series B shares in Skanska on a regulated market.
- 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 Meeting, is composed of the Chairman of the Committee, Helena Stjernholm (AB Industrivärden), Mats Guldbbrand (L E Lundbergföretagen AB), Lars-Åke Bokenberger (AMF), Bo Selling (Alecta) and Hans Biörck (Chairman of the Board).

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 Meeting.

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

The Nomination Committee proposes that the number of members of the Board elected by the Meeting shall be seven and that no deputies be elected, and that one registered accounting company be elected as auditor with no deputy auditor.

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

The Nomination Committee proposes that fees to non-employee members of the Board elected by the Meeting and non-employee members of the committees of the Board elected by the Meeting be paid as follows until the end of the 2021 Meeting: SEK 2,160,000 to the Chairman of the Board (2019: 2,100,000), SEK 720,000 each to the other board members (2019: 700,000), SEK 235,000 to the Chairman of the Audit Committee (2019: SEK 230,000) and SEK 170,000 each to the other committee members (2019: SEK 165,000), SEK 115,000 to the Chairman of the Compensation Committee (2019: 110,000) and SEK 110,000 each to the other committee members (2019: 105,000), and SEK 215,000 to the Chairman of the Project Review Committee and to each of the other committee members (2019: SEK 210,000). This implies an increase of the total remuneration of 2.8 %.

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 and deputy members and election of the Chairman of the Board**

The Nomination Committee proposes for the period until the end of the 2021 Meeting:

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

The Nomination Committee's motivated statement and information about the proposed members of the Board are available on the Company's website, [www.group.skanska.com](http://www.group.skanska.com), under the heading "Corporate Governance/Annual General Meeting".

**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 2021 Meeting.

**Resolutions proposed by the Board of Directors**

**Item 10 – Dividend and record date**

The Board proposes a dividend for 2019 of SEK 6.25 per share. The record date for the dividend is proposed to be Monday March 30, 2020. Subject to resolution by the Meeting in accordance with this proposal, it is expected that Euroclear Sweden AB will execute the payment of dividend on Thursday April 2, 2020.

#### **Item 16 – Guidelines for salary and other remuneration to senior executives**

The Board proposes that the Meeting resolves on the following guidelines for salary and other remuneration to senior executives of the Company. Senior executives include the CEO and other members of the Group Leadership Team. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Meeting. These guidelines do not apply to any remuneration decided by the Annual General Meeting (the “General Meeting”), including any long-term share related incentive plans.

#### **The guidelines’ promotion of the Company’s business strategy, long-term interests and sustainability**

A prerequisite for the successful implementation of the Company’s business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company is able to recruit and retain qualified personnel. To this end, it is necessary that the Company offers competitive remuneration. These guidelines enable the Company to offer the senior executives a competitive total remuneration.

Variable cash remuneration covered by these guidelines shall aim at promoting the Company’s business strategy and long-term interests, including its sustainability. This is accomplished through the financial and non financial targets that determines the outcome of the variable cash remuneration and are clearly linked to the business strategy and the Company’s sustainability agenda. The variable cash remuneration is further described in the section “Variable cash remuneration” below.

The Company’s objectives for having a variable cash remuneration program and a long-term share related incentive plan are to (i) drive behaviors that will support the Company’s long and short term business success and create shareholder value, (ii) make the Company attractive as an employer for top talents, (iii) retain key individuals within the Company, and (iv) increase employees’ interest and involvement in the Company’s business and development.

For information regarding the Company’s business strategy, see the Company’s website: <https://group.skanska.com/about-us/strategy/>.

#### **Total remuneration**

The combined remuneration for each senior executive shall 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. The remuneration may consist of the following components: fixed cash salary, variable cash remuneration, pension and insurance benefits and other benefits. Additionally, the General Meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration. Fixed salary and variable remuneration shall be related to the senior executive's responsibility and authority.

Variable cash remuneration

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one or several years. The variable cash remuneration shall be capped and related to the fixed salary, and may amount to not more than 100 per cent of the fixed annual cash salary.

The variable cash remuneration shall take into account both financial and non-financial performance. The outcome in relation to predetermined and measurable financial targets shall determine the total (financial) bonus potential, i.e. the financial targets shall be the basis of the total bonus potential. This outcome may be reduced depending on the outcomes of the non-financial targets. The variable cash 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 financial targets for the variable cash remuneration may be related to the Group's earnings before taxes, to relevant business unit's earnings before interest and taxes, etc.

The non-financial targets shall be set to support the business strategy and long term interests, including sustainability, by for example being clearly linked to the business strategy or sustainability. The non-financial targets should together represent 50 per cent of the total bonus which means that the total bonus outcome may be reduced with up to 50 per cent if the non-financial targets are not met.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The Board is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other senior executives, the Compensation Committee is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the Company.

The terms for variable cash remuneration shall 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. There shall also be a possibility to limit or refrain from paying variable remuneration if the Board considers that this is appropriate for other reasons. Further, the Board shall have the possibility to reclaim paid out variable cash remuneration if it is discovered after the payment that the senior executive has violated Skanska's Code of Conduct or other Skanska values, policies, standards or procedures.

Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining senior executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 100 per cent of the fixed annual cash salary and may not be paid more than once each year per individual. Any resolution on such remuneration for the CEO shall be made by the Board based on a proposal from the Compensation Committee. Any resolution on such remuneration for other senior executives shall be made by the Compensation Committee based on a proposal from the CEO.

#### Pension and insurance

For the CEO, pension benefits, including health insurance (*Sw: sjukförsäkring*), shall be defined-contribution schemes. Variable cash remuneration shall not qualify for pension benefits. The pension premiums to defined-contribution schemes shall amount to not more than 35 per cent of the fixed annual cash salary. For other senior executives, pension benefits, including health insurance, shall be defined contribution schemes. Variable cash remuneration shall not qualify for pension benefits, except when it follows from rules under a general pension plan (like the Swedish ITP plan). The pension premiums for defined-contribution pension shall amount to not more than 30 per cent of the fixed annual cash salary. If the variable cash remuneration qualify for pension benefits, the pension premiums for defined-contribution pension on the variable cash remuneration shall amount to not more than 30 per cent of the fixed annual cash salary.

#### Other benefits

Other benefits may include, for example, medical insurance (*Sw: sjukvårdsförsäkring*), housing, home travel, tax compensation, parking and company cars. Such benefits may amount to not more than 15 per cent of the fixed annual cash salary.

For employments governed by rules other than Swedish rules, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Senior executives who are expatriates, i.e. based in another country than their home country, may receive additional remuneration and other benefits to the extent reasonable in light of the special circumstances associated with the expat arrangement, taking into account, to the extent possible, the overall purpose of these guidelines. Such benefits may not in total exceed 50 per cent of the fixed annual cash salary.

#### Long-term share saving programs

Long-term share saving programs, Skanska Employee Ownership Programs (“Seop 4” and “Seop 5”) have been implemented in the Company. Such plans have been resolved by the General Meeting and are therefore excluded from these guidelines. New plans may also be resolved by the General Meeting. Seop 4 and Seop 5 give present and future employees the opportunity of becoming shareholders of Skanska and include permanent employees in the Skanska Group. The performance criteria used to assess the outcome of the plans are clearly linked to the business strategy and thereby to the Company’s long term value creation, including its sustainability. The performance criteria consist of financial targets at Group, Business Unit and/or Business Unit Cluster level. At present, the financial target applicable at Group level is growth in earning per share (“EPS”). The financial targets applicable at Business Unit and/or Business Unit level vary depending on which business stream the relevant Business Unit or Business Unit Cluster belongs to, as set out in the table below.

Construction	Residential Development	Commercial Development
EBIT <sup>1</sup>	EBIT	EBIT
-	ROCE <sup>2</sup>	Leasing SQM <sup>3</sup>

Seop 4 and Seop 5 are further conditional upon the participant’s own investment and three-year holding and employment period.

#### Termination of employment

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 cash salary, or, alternatively, a period of notice of maximum 12 months, combined with severance pay corresponding to a maximum of 12 months fixed cash salary. Fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to the fixed cash salary for two years. When termination is made by the

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

<sup>2</sup> Return On Capital Employed.

<sup>3</sup> Leasing Square Meters.



senior executive, the notice period may not exceed twelve months, without any right to severance pay.

#### **Remuneration to board members in addition to board fees**

To the extent that a non-employed board member elected by the General Meeting performs work for the Company, besides the Board membership, consultant fee and other remuneration may be granted for such work. Decisions on consultant fees and other remuneration to non-employed board members elected by the General Meeting are made by the Compensation Committee.

#### **Salary and employment conditions for employees**

In the preparation of the Board's proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Compensation Committee's and the Board's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to senior executives and remuneration to other employees will be disclosed in the remuneration report.

#### **The decision-making process to determine, review and implement the guidelines**

The Board has established a Compensation Committee. The Compensation Committee's tasks include preparing the Board's decision to propose guidelines for senior executive remuneration. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The Compensation Committee shall also monitor and evaluate programs for variable remuneration for the senior executives, the application of the guidelines for senior executive remuneration as well as the current remuneration structures and compensation levels in the Company. The members of the Compensation Committee are independent of the Company and its senior executives. The CEO and other members of the senior executives do not participate in the Board's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

#### **Derogation from the guidelines**

The Board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As set out above, the Compensation Committee's tasks

include preparing the Board's resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

### **Item 17 – Decision to authorize the Board to resolve on acquisitions of own Series B shares in Skanska on a regulated market**

#### **Background**

The 2019 Meeting resolved in accordance with the Board's proposal (i) on a long-term employee ownership program for the financial years 2020, 2021 and 2022, respectively (each an "Annual Program") for permanent employees in the Skanska Group (Skanska Employee Ownership Program, "Seop 5"); (ii) that a maximum of 12,000,000 own Series B shares may be transferred free of charge to participants in Seop 5 at the time and on the other terms that participants in Seop 5 are entitled to acquire shares; (iii) that each Annual Program may comprise no more than 4,000,000 Series B shares in Skanska; and (iv) that 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 the authorization given by the 2019 Meeting, and (iii) which are acquired under future authorizations to acquire Series B shares in Skanska.

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

For the purpose of securing deliveries of shares to participants in Seop 5 on the terms and conditions adopted by the 2019 Meeting, the Board proposes that the 2020 Meeting resolves to authorize the Board to resolve on acquisitions of own Series B shares in Skanska 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 2021 Meeting.
- c) No more than 1,200,000 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.

The Board has issued a statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act.

The Board intends to revert to the Meetings 2021 and 2022 with proposals to authorize the Board to resolve on additional acquisitions of own Series B shares, for transfers to participants in Seop 5.

**Majority requirements**

The Meeting's resolution according to item 16 above requires a simple majority among the votes cast at the Meeting. A valid resolution according to the motion under item 17 above requires that shareholders representing at least two-thirds of the votes cast as well as of the shares represented at the Meeting approve the resolution.

**Miscellaneous**

For a description of Skanska's share-related incentive programs, reference is made to note 37 in the 2019 Annual and Sustainability Report. For more information on Seop 4 and Seop 5, including the criteria which the outcome depends on, please see the Company's website: <https://group.skanska.com/4922a2/siteassets/corporate-governance/annual-general-meeting/2019/item-17-the-board-of-directors-proposal-on-a-long-term-employee-ownership-program-seop-5-.pdf>

**Complete proposals, etc.**

The complete proposals of the Board with respect to items 10 and 16–17 above, including the Board's statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act, 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 Meeting and the Nomination Committee's motivated statement and information on the proposed board members, and 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 are available on the Company's website [www.group.skanska.com](http://www.group.skanska.com), under the heading "Corporate Governance/Annual General Meeting". The documents will be sent upon request to shareholders providing their address to the Company.

The 2019 Annual and Sustainability Report (including the Board's statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act relating to the proposal under item 10 above) and the Auditor's Report 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 Meeting**

The Board and the CEO shall, should any shareholder request it, and the Board is of the opinion that it could be done without significant damage to the Company, provide information regarding circumstances that could impact the assessment of an item on the agenda and circumstances that could impact on the evaluation 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 19,699,915 shares of Series A (ten votes per share) and 400,203,157 of Series B (one vote per share). As per the same date the Company's own shares amounted to 8,186,580 shares of series B, amounting to 8,186,580 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: <https://group.skanska.com/4920da/siteassets/corporate-governance/annual-general-meeting/2020/privacy-notice-for-general-meetings-of-shareholders.pdf>

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Stockholm, February 2020  
Skanska AB (publ)  
The Board of Directors

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*Skanska is a world leader in construction and project development on select markets in the Nordic region, Europe and USA. Driven by the Group's values, Skanska wants to contribute to a better society. Skanska provides innovative, sustainable solutions for both simple and complex assignments. Skanska has about 35,000 employees, and 2019 revenue totalled SEK 177 billion.*