



## Press release

Feb 25, 2016

08:30 am CET

### **Annual General Meeting in Skanska AB**

Skanska AB (publ) gives notice to the Annual General Meeting on Wednesday, April 6, 2016 at 4.00 pm at Kongresshallen, Stockholm City Conference Center, Barnhusgatan 12-14, Stockholm, Sweden. Registration will begin at 3.00 pm. Coffee and cake will be served before the meeting.

#### **Notification etc.**

Shareholders who wish to participate in the Annual General Meeting (the "Meeting") must be recorded in the share register maintained by Euroclear Sweden AB on Thursday, March 31, 2016, and notification must be received by the company not later than March 31, 2016, preferably before 12:00 noon. Notice to participate in the Meeting may be addressed:

- by mail to Skanska AB, Group Legal Affairs, SE-112 74 Stockholm, Sweden, or
- by telephone, +46 8 402 92 81, Monday to Friday from 09:00 a.m. to 4:00 p.m., or
- via [www.skanska.com](http://www.skanska.com), under the heading Annual General Meeting.

When giving notice, a shareholder must state name, personal identification number or company registration number, address, telephone number and, where relevant, the number of any accompanying assistants (no more than two).

An admission card, which shall be presented at the entrance to the Meeting venue, will be sent out by mail beginning on April 1, 2016.

#### **Representatives**

For shareholders represented by proxy a power of attorney shall be issued. The power of attorney shall be in written form and dated. 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. A power of attorney form can be downloaded from [www.skanska.com](http://www.skanska.com) (Annual General Meeting). The power of attorney in the original, proof of registration or other authorization documentation, should be submitted to the company at the address set out above well in advance of the Meeting.

#### **Shares held in trust**

Shareholders whose shares are held in trust must re-register their shares in their own name with Euroclear Sweden AB to be entitled to participate in the Meeting. Such re-

registration, which may be temporary, should be requested from the bank or stockbroker acting as trustee well in advance of March 31, 2016.

For Skanska employees, who have invested in Skanska-shares under the Employee Ownership Program Seop 1 (2008 – 2010), Seop 2 (2011 – 2013), or Seop 3 (2014 – 2016) and who wish to vote at the Meeting, the company may assist in such re-registration of the shares in their own name. Employees wishing the company's assistance should inform the company about this by telephone +46 8 10 449 05 52 or via 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, as soon as possible and not later than March 16, 2016. Such a request for re-registration will be regarded as a notice to participate in the Meeting.

#### Proposed agenda

- 1) Opening of the Meeting.
- 2) Election of the Meeting Chairman.
- 3) Preparation and approval of the list of shareholders entitled to vote at the Meeting.
- 4) Approval of the agenda.
- 5) Election of two persons to check the minutes together with the Meeting Chairman.
- 6) Determination of whether the Meeting has been duly convened.
- 7) Addresses by the Chairman of the Board and by the President and CEO ("President").
- 8) Presentation of the annual report and auditors' report for 2015 and the consolidated accounts and the auditors' report for the consolidated accounts for 2015.
- 9) Motion to adopt the income statement and balance sheet, and the consolidated income statement and the consolidated balance sheet.
- 10) Motion regarding the disposition of the company's profit as shown in the adopted balance sheet, and determination of the record date for payment of dividend.
- 11) Motion to discharge members of the Board and the President from liability for the fiscal year.
- 12) Motion to change the Articles of Association
- 13) Determination of the number of Board members and deputy members to be elected by the Meeting.
- 14) Determination of fees for Board members and auditors.
- 15) Election of Board members and deputy members and election of the Chairman of the Board.
  - A. election of Board member: Johan Karlström
  - B. election of Board member: Pär Boman
  - C. election of Board member: John Carrig
  - D. election of Board member: Nina Linander
  - E. election of Board member: Fredrik Lundberg
  - F. election of Board member: Jayne McGivern
  - G. election of Board member: Charlotte Strömberg
  - H. election of Board member: Hans Biörck
  - I. election of the Chairman of the Board: Hans Biörck
- 16) Election of auditor.
- 17) Proposal for principles for salary and other remuneration to senior executives.
- 18) Motion to authorize the Board to decide on purchases of own shares and decision on transfer of own shares:

- A. authorization of the Board to resolve on purchases of Series B shares in Skanska; and
  - B. authorization of the Board to resolve on transfer of Series B shares in Skanska.
- 19) Resolution on a long term employee ownership program, including:
- A. implementation of an employee ownership program;
  - B. authorization for the Board 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 19 B above.
- 20) Closing of the Meeting.

## **Nomination Committee**

The Nomination Committee comprises Helena Stjernholm, Chairman, representing AB Industrivärden, Mats Guldbrand, representing L E Lundbergföretagen AB, Bo Selling, representing Alecta, Hans Ek, representing SEB Funds & SEB Trygg Life Insurance and Stuart Graham, Chairman of the Board of Skanska AB.

## **Proposals of the Board and the Nomination Committee respectively**

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

The Nomination Committee's proposal: attorney Dick Lundqvist to be elected Chairman of the Meeting.

### **Item 10 Dividend and record date**

The Board proposes a dividend of SEK 7.50 per share. April 8, 2016 is proposed as the record date for payment of the dividend. If the Meeting votes in favour of this motion, it is expected that Euroclear Sweden AB will make dividend payments on April 13, 2016.

### **Item 12 Change of Articles of Association**

The Board proposes changes as follows in the Articles of Association § 9, second paragraph: Notice that notice of a General Meeting of Shareholders has been done shall be made in a separate notice in Dagens Nyheter (change from Svenska Dagbladet) and, in addition, in not less than one other daily newspaper (change from two other daily newspapers comprising one newspaper published in Malmö and one in Gothenburg).

## **The Nomination Committee's motions under items 13-16**

### **Item 13 Determination of the number of Board members and deputy members to be elected by the Meeting**

The Nomination Committee's motion: Eight board members and no deputies.

### **Item 14 Determination of fees for Board members and auditors**

The Nomination Committee's motion:

It is proposed that a fee of SEK 1,995,000 is paid to the Chairman of the Board (year 2015: 1,950,000) and SEK 665,000 (year 2015: 650,000) to each of the other Board members elected by the Meeting, with the exception of the President.

A special appropriation of SEK 200,000 (unchanged) is proposed for each of the members on the Project Committee including its Chairman; SEK 150,000 (2015: SEK 125,000) to each of the members on the Audit Committee and SEK 200,000 (2015: SEK 150,000) to its Chairman; and SEK 100,000 (unchanged) to each of the members of the Compensation Committee including its Chairman. The proposed compensation for committee work applies to Board members elected by the Meeting, with the exception of the President. It is proposed that the fee to the auditor be paid in the amount shown on approved invoices.

### **Item 15 Election of Board members and deputy members and election of the Chairman of the Board**

The Nomination Committee's motion for election of Board members:

15 A.	Johan Karlström	re-election
15 B.	Pär Boman	re-election
15 C.	John Carrig	re-election
15 D.	Nina Linander	re-election
15 E.	Fredrik Lundberg	re-election
15 F.	Jayne McGivern	re-election
15 G.	Charlotte Strömberg	re-election
15 H.	Hans Biörck	new election

The Nomination Committee's motion on election of Chairman of the Board:

15 I.	Hans Biörck	new election
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Stuart Graham has declined re-election.

The Nomination Committee's statement supporting its proposal and information about the proposed Board members are available on the company's website, [www.skanska.com](http://www.skanska.com).

### **Item 16 Election of auditor**

The Nomination Committee's motion: new election of EY that has informed, that if EY is elected, the authorized public accountant Hamish Mabon will be auditor in charge.

### **Item 17 Proposal for principles for salaries and other remuneration to senior executives**

The Board's proposal for salary and other remuneration to senior executives is the same as for 2015 and implies that the overall remuneration should be in line with the market and competitive and that distinguished performance will be reflected in the total remuneration.

Benefits shall comprise fixed salary, variable remuneration, if any, other customary benefits and pension. The variable remuneration shall be payable in either 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

designed to increase the community of interest between the executive and the shareholders of the company. 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 any reason.

Pension benefits should be either defined-benefit or defined-contribution schemes, or a combination thereof, and normally provide right to receive pension at 65 years of age, or, in individual cases at the earliest at 60 years of age. In principle, variable remuneration shall not be pensionable.

The Board may under special circumstances deviate from these principles in individual cases.

## **Item 18 Authorization for the Board to resolve on purchases of own shares and transfer of own shares**

### **Item 18 A. Authorization for the Board to resolve on purchases of own shares**

For the purpose of securing future deliveries of Series B shares under the long-term employee ownership program adopted at the Annual General Meeting on April 11, 2013 (Seop 3), the Board proposes that the Annual General Meeting 2016 authorizes the Board to decide upon acquisitions of Series B shares on the following terms and conditions.

- Acquisitions of Series B shares in Skanska may only be effected on Nasdaq Stockholm.
- The authorization may be exercised on one or several occasions, however at the latest until the Annual General Meeting 2017.
- No more than 4,000,000 Series B shares in Skanska may be acquired to secure delivery of shares to participants in the long-term share savings program (Seop 3) and for subsequent transfers on a regulated market in order to cover certain costs associated with Seop 3.
- 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.

### **Item 18 B. Authorization for the Board to resolve on transfer of own shares**

The Board proposes that the Meeting authorizes the Board to resolve that not more than 763,000 Series B shares in Skanska AB that have been purchased by virtue of previous authorizations to repurchase own shares may, prior to the annual general meeting 2017, be transferred for the purpose of covering certain costs, mainly social security costs, that may occur in relation to the Skanska Employee Ownership Program adopted at the Annual General Meeting on April 13, 2010 (Seop 2) and on April 11, 2013 (Seop 3). The authorization may be exercised on one or several occasions, however at the latest until the Annual General Meeting 2017. Transfer of shares shall be effected on Nasdaq Stockholm

at a price within the applicable range of prices at any given time, meaning the interval between the highest purchase price and lowest selling price.

## **Item 19 Proposal by the Board regarding a long-term employee ownership program for the employees of the group and acquisitions and transfers of shares under the program**

### **Background**

Shareholders' meetings of Skanska AB ("Skanska") resolved in 2007, 2010 and 2013 to implement long-term employee ownership programs (Skanska Employee Ownership Programs) ("Seop 1", "Seop 2" and "Seop 3"). Each of Seop 1, Seop 2 and Seop 3 was divided into three parts; Annual Program 2008, Annual Program 2009 and Annual Program 2010 for Seop 1; Annual Program 2011, Annual Program 2012 and Annual Program 2013 for Seop 2; and Annual Program 2014, Annual Program 2015 and Annual Program 2016 for Seop 3. The long-term employee ownership program now proposed by the Board of Directors ("Seop 4") is based on the same principles as Seop 3.

The proposed Seop 4 gives present and future employees the opportunity of becoming shareholders in Skanska. The purpose of Seop 4 is to create shareholder value and strengthen the community of interest between the participants of Seop 4 and the shareholders of Skanska. Seop 4 is further deemed to increase Skanska's prospects for retaining and recruiting qualified employees to the Skanska group and the employees' interest and involvement in Skanska's business and development. In light of the above, Seop 4 is deemed to have a positive effect on the Skanska group's future development and therefore be advantageous both to the shareholders and to the employees of Skanska.

### **Outline of Seop 4**

Seop 4 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"). The employees may be allotted shares conditional 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"). The performance conditions shall be set by the Board of Directors, be result-related and be based on the Seop 4 specific financial targets.

For each 4 Saving Shares, the employee 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 23 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 4 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 4 be divided into three annual programs (each an "Annual Program"), running during the financial years 2017, 2018 and 2019, respectively. The total costs for each Annual Program (excluding administrative costs) may not exceed MSEK 655 (excluding adjustment for inflation) or 15 percent of the Skanska group's EBIT<sup>1</sup>, whichever is the lowest.

Seop 4 may in total comprise no more than 13,500,000 Series B shares in Skanska, representing approximately 3.2 percent of all issued shares in Skanska, of which no more than 11,210,000 shares may be transferred to participants in Seop 4 and no more than 2,290,000 shares may be transferred on a regulated market in order to cover certain costs associated with Seop 4, mainly social security costs. Each Annual Program may comprise no more than 4,500,000 Series B shares in Skanska.

The Board of Directors' full proposal on Seop 4 is set out in item A. below.

### **Preparation of the proposal**

The proposal to the annual general meeting regarding Seop 4 has, pursuant to the guidelines issued by the Board of Directors, been prepared by Skanska's Compensation Committee and after having consulted major shareholders. The Compensation Committee, consisting of the board members Stuart Graham, Charlotte Strömberg and John Carrig, has presented the work for the Board of Directors. The Board of Directors has subsequently resolved that Seop 4 shall be proposed to the 2016 annual general meeting.

### **Hedging etc.**

The Board of Directors proposes that the annual general meeting resolves, as a main alternative, to authorize the Board of Directors to resolve on acquisitions of own Series B shares on a regulated market, which later may be transferred to participants in Seop 4 as well as transferred on a regulated market in order to cover certain costs associated with Seop 4, mainly social security costs. The Board of Directors further proposes that the shareholders' meeting resolves on transfers of own Series B shares free of charge to participants in Seop 4 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 4. The detailed conditions for the Board of Directors' main alternative are set out in item B. below.

Should the majority required under item B. below not be reached, the Board of Directors proposes that Skanska shall be able to enter into an equity swap agreement with a third party, in accordance with item C. below.

The three Annual Programs may in aggregate comprise no more than 13,500,000 Series B shares. The above-mentioned authorization for the Board of Directors to resolve on acquisitions of own shares until the annual general meeting 2017 shall comprise no more than 1,500,000 own Series B shares. The Board of Directors intends to revert to the annual

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

general meetings 2017, 2018 and 2019 with proposals that the Board of Directors be authorized to resolve on additional acquisitions of own Series B shares, for transfers to participants in Seop 4 and for transfers on a regulated market in order to cover certain costs associated with Seop 4, mainly social security costs.

Since Seop 4 is in principle not expected to give rise to any initial social security payments for Skanska or any of its subsidiaries, the Board of Directors has decided not to propose to the annual general meeting 2016 to resolve on transfers of own Series B shares on a regulated market in order to cover social security costs. However, prior to the transfers of Series B shares to participants in Seop 4, the Board of Directors intends to propose to each of the annual general meetings 2019, 2020, 2021 and 2022 that transfers be made of own Series B shares on a regulated market in order to cover the above-mentioned costs.

## **THE BOARD OF DIRECTORS' PROPOSAL FOR RESOLUTION**

The Board of Directors' proposal for resolution set out below, includes proposal that the annual general meeting 2016 resolves (i) to implement Seop 4 in accordance with the below terms in item A. and (ii) to authorize the Board of Directors 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 4, in accordance with item B. below. Should the majority required under item B. below not be reached, the Board of Directors proposes that the annual general meeting resolves (iii) that Skanska shall be able to enter into an equity swap agreement with a third party, in accordance with item C. below.

### **A. Implementation of an employee ownership program**

The Board of Directors proposes that the annual general meeting resolves on the implementation of an employee ownership program principally based on the terms and conditions set out below.

- a) Seop 4 is open to approximately 40,000 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 Senior Executive Team members, approximately 10 employees), "Executives B" (consisting of Business Unit Presidents and Senior Vice Presidents Group staff units, approximately 40 employees) and "Executives C" (consisting of other top executives, approximately 250 employees).
- b) Seop 4 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 a certain financial year ("Acquirement 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, all employees participating in Seop 4 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). Moreover, such employees will, depending on satisfaction of certain result-related performance conditions during the Acquirement Period, which are based on the Seop 4 specific financial targets set by the Board of Directors (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 15 Performance Shares, Executives B no more than 19 Performance Shares and Executives A no more than 23 Performance Shares, for each 4 Saving Shares.

- c) Seop 4 is divided into three parts (“Annual Program 2017”, “Annual Program 2018” and “Annual Program 2019”). The Acquirement Period comprises the financial year 2017 in respect of the Annual Program 2017, the financial year 2018 in respect of the Annual Program 2018 and the financial year 2019 in respect of the Annual Program 2019. 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 2017, 2018 and 2019.
- d) The maximum number of Saving Shares that each employee participating in Seop 4 may invest in, normally by way of monthly savings, depends on the employee’s salary and if he/she participates in Seop 4 as Employee, Key Employee or 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 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 4 includes two cost limits; one depending on the extent to which the Seop 4 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 (“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 for each Annual Program may not exceed MSEK 655, 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 for each Annual Program may not exceed MSEK 208. Adjustments for inflation, as from December 31, 2015, shall apply when calculating Cost limit 1 for each Annual Program. Cost limit 2 means that the total costs for each Annual Program may not exceed 15 percent of the Skanska group’s EBIT for the applicable Acquirement Period. The actual cost limit consists therefore of the lowest of Cost limit 1 and Cost limit 2, respectively. Administrative costs for Seop 4 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 2020 in respect of the Annual Program 2017, during the financial year 2021 in respect of the Annual Program 2018 and during the financial year 2022 in respect of the Annual Program 2019.

- 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 on 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.
- i) The Board of Directors shall be authorized to establish the detailed terms and conditions for Seop 4. The Board of Directors 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 of Directors, would result in a situation where the conditions for allotment of Matching and/or Performance Shares under Seop 4 become unreasonable, the Board of Directors shall also be entitled to make other adjustments to Seop 4, 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 4 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 4 should any of the annual general meetings 2017-2019 not resolve on necessary acquisitions of own shares.
- k) Participation in Seop 4 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 of Directors.
- l) Seop 4 shall in total comprise no more than 13,500,000 Series B shares in Skanska, of which no more than 11,210,000 shares may be transferred to participants in Seop 4 and no more than 2,290,000 shares may be transferred by Skanska on a regulated market in order to cover certain costs associated with Seop 4, mainly social security costs. Each Annual Program shall comprise no more than 4,500,000 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 Acquirement Period result in that the number of Matching and Performance Shares, and shares that may be transferred on a regulated market to cover costs associated with Seop 4, in aggregate exceeds 4,500,000 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 Acquirement Period for each Annual Program.

The conditions are based on the Seop 4 specific financial targets set by the Board of Directors. The financial targets consist of financial targets at group, business unit and/or business unit cluster level. The costs for Seop 4 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. How the financial targets apply in relation to each participant category is set out in the Board's complete proposal.

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 of Directors.

The Target Range with respect to growth in EPS will be set by the Board of Directors pursuant to the following procedure. At the end of the financial year 2016 the Board of Directors will set an EPS base as per January 1, 2017. The EPS base will be set based on the EPS base from 2016 regarding Seop 3 and it constitutes the initial reference point for Seop 4 ("EPS Base"). From the EPS Base, a linear baseline will be drawn ending on December 31, 2019 ("EPS Baseline"), i.e. extending over the financial years 2017 through 2019. The EPS Baseline will mean a 5 percent growth in EPS for each of the financial years 2017, 2018 and 2019. At the end of the financial year 2016, 2017 and 2018 the Board of Directors will set the Target Range for the Annual Program 2017, 2018 and 2019, respectively.

The Starting Point for the Annual Program 2017 will be set at a level not falling below the level of the EPS Base. The Starting Point for the Annual Programs 2018 and 2019 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 2017, 2018 and 2019 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 of Directors 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 following examples illustrate how allotment of Matching and Performance Shares shall be calculated for the category Employees, based on an investment of 4 Saving Shares.

- Should the Starting Point not be satisfied, the employee will be allotted Matching Shares in accordance with the guaranteed allotment of 1 Matching Share for each 4 Saving Shares. No allotment of Performance Shares (which may at most amount to 3

Performance Shares) will occur, which means a total allotment of 1 Series B share in Skanska for each 4 Saving Shares.

- Should the Starting Point be satisfied and the Outperform Target, proportionately between the Starting Point and the Outperform Target, be satisfied to 50 percent, the employee will be allotted Matching Shares in accordance with the guaranteed allotment of 1 Matching Share for each 4 Saving Shares. The allotment of the number Performance Shares (which may at most amount to 3 Performance Shares) is reduced by 50 percent, which means a total allotment of 2.5 Series B shares in Skanska (i.e. 1 Matching Share and 1.5 Performance Shares) for each 4 Saving Shares.
- Should the Outperform Target be satisfied, the employee will be allotted Matching Shares in accordance with the guaranteed allotment of 1 Matching Share for each 4 Saving Shares. Maximum allotment of Performance Shares (which may at most amount to 3 Performance Shares) will occur, which means a total allotment of 4 Series B shares in Skanska (i.e. 1 Matching Share and 3 Performance Shares) for each 4 Saving Shares.

A corresponding calculation for allotment of Matching and Performance Shares shall be made in respect of Key Employees and Executives. However, as mentioned above, Key Employees may be allotted a maximum of 7 Performance Shares and Executives may be allotted a maximum of between 15 and 23 Performance Shares (depending on sub-category) for each 4 Saving Shares.

The number of Performance Shares that may be allotted will be established after the expiration of the financial years 2017, 2018 and 2019 in respect of participation in the Annual Programs 2017, 2018 and 2019, respectively.

The Seop 4 specific financial targets will be disclosed by Skanska in connection with the annual report for the financial year 2017 in respect of the Annual Program 2017, the annual report for the financial year 2018 in respect of the Annual Program 2018 and the annual report for the financial year 2019 in respect of the Annual Program 2019.

## **B. Authorization for the Board of Directors 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 4**

### *1) Authorization for the Board of Directors 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 annual general meeting 2017.
- c) No more than 1,500,000 Series B shares in Skanska may be acquired to secure delivery of shares to participants in Seop 4 and for subsequent transfers on a regulated market in order to cover certain costs associated with Seop 4, mainly social security costs.

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 4*  
Resolution on 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 11,210,000 Series B shares in Skanska may be transferred free of charge to participants in Seop 4.
- 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 4. 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 4, immediately transfer the shares to such persons within the Skanska group who participate in Seop 4.
- 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 4 are entitled to acquire shares, i.e. normally monthly consecutively during the financial years 2020, 2021 and 2022.
- d) The number of Series B shares in Skanska that may be transferred under Seop 4 will be subject to recalculation as a result of intervening bonus issues, splits, rights issues and/or other similar corporate events.

### **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 4 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 4.

### **Conditions**

The Meeting's resolution on the implementation of Seop 4 according to item 19 A above is conditional upon the Meeting either resolving in accordance with the Board of Directors' proposal under item 19 B above or in accordance with the Board of Directors' proposal under item 19 C above.

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

The transfers of Series B shares in Skanska form part for the accomplishment of the proposed Seop 4. 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 4 are offered the possibility to become shareholders in Skanska.

## **Majority requirements**

A valid resolution according to the motions under items 12, 18 A and 18 B above requires that it is supported by shareholders with at least two thirds of the voting rights as well as the number of shares represented at the Meeting.

A valid resolution according to the motions under items 19 A and 19 C above requires that it is supported by shareholders holding more than half of the votes cast at the Meeting. A valid resolution under item 19 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 support the resolution.

## **Miscellaneous**

For a description of Skanska's other share-related incentive programs, reference is made to note 37 in Skanska AB's 2015 Annual Report.

## **Complete proposals etc**

The Board's full text of the motions under Item 12 and 17-19 on the agenda, and the Board's statements in accordance with Chapter 19, Section 22 of the Swedish Companies Act will be made available to shareholders at the company's offices, Warfvinges väg 25, Stockholm, Sweden, on Skanska's website, [www.skanska.com](http://www.skanska.com) as of February 26, 2016, and sent out to those shareholders who so wish.

The Financial documents, the auditor's report and the auditor's statement in accordance with Chapter 8, Section 54 of the Swedish Companies Act regarding how the Meeting's guidelines for salaries and other compensation to senior management has been followed will be made available at the company's office, address set out above, and website [www.skanska.com/group](http://www.skanska.com/group) not later than three weeks before the Meeting and sent out to those shareholders who so wish. The Board's statement in accordance with Chapter 18, Section 4 of the Swedish Companies Act regarding the proposed distribution of profit, and principles for remuneration for Senior Executives (year 2015), is included in the statutory administration report.

## **Information at the Meeting**

The Board and the President shall, should any shareholder request it, and the Board is of the opinion that it could occur without significant damage to the Company, provide disclosures regarding conditions that could impact the evaluation of an item on the agenda, conditions that could impact on the evaluation of the company's or a subsidiary's financial situation, and the Company's relationship to other Group companies.

## **Total number of 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 19,846,700 shares of Series A (ten votes per share) and 400,056,372 of Series B (one vote per share). As per the same date the Company's own shares amounted to 9,286,570 shares of series B, amounting to 9,286,570 votes in the Company.

## **Personal data**

Personal data obtained from the share register, notice of attendance at the Meeting and information on proxies and advisors will be used for registration, preparation of the voting list for the Meeting and when applicable minutes of the Meeting.

## **Stockholm in February 2016**

### **Skanska AB (publ)**

### **The Board of Directors**

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#### **For further information please contact:**

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

*Skanska is one of the world's leading project development and construction groups with expertise in construction, development of commercial and residential premises, and public-private partnerships projects. Based on its global green experience, Skanska aims to be the clients' first choice for Green solutions. The Group currently has 43,000 employees in selected home markets in Europe and North America. Skanska's sales in 2015 totaled SEK 155 billion.*