Item 17 – Proposal of the Board of Directors of Skanska AB (publ) to the 2019 Annual General Meeting for resolutions on a long-term employee ownership program for the employees of the Skanska Group and acquisitions and transfers of shares under the program

Background

Shareholders’ meetings of Skanska AB (publ) (“Skanska”) resolved in 2007, 2010, 2013 and 2016 to implement long-term employee ownership programs (Skanska Employee Ownership Programs) (“Seop 1”, “Seop 2”, “Seop 3” and “Seop 4”). Each of Seop 1, Seop 2, Seop 3 and Seop 4 was divided into three parts as follows: 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; Annual Program 2014, Annual Program 2015 and Annual Program 2016 for Seop 3; and Annual Program 2017, Annual Program 2018 and Annual Program 2019 for Seop 4. The long-term employee ownership program now proposed by the Board of Directors (“Seop 5”) is based on similar principles as Seop 4, although certain changes have been made, as further outlined below.

The proposed Seop 5 gives present and future employees the opportunity of becoming shareholders of Skanska. The purpose of Seop 5 is to create shareholder value and strengthen the community of interest between the participants of Seop 5 and the shareholders of Skanska. Seop 5 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 5 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.

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 (as defined below) and the shareholders of Skanska, the following main changes are proposed to be made to Seop 5 compared to Seop 4:

- No Matching Shares (as defined below) can be allotted to Executives (as defined below), but instead the maximum number of Performance Shares (as defined below) is increased by one share for each category of Executives.

- Executives B (as defined below) 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 (as defined below) 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.

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 of Directors, 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 EBIT1.

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 of Directors’ full proposal on Seop 5 is set out in item A. below.

Preparation of the proposal

The proposal to the 2019 Annual General Meeting regarding Seop 5 has been prepared by Skanska’s Compensation Committee, pursuant to the guidelines issued by the Board of Directors,

1 Earnings Before Interest and Taxes.
and after consultation with major shareholders. The Compensation Committee, consisting of the Chairman of the Board of Directors, Hans Biörck, and the Board members Pär Boman and Jayne McGivern, has presented the work for the Board of Directors. The Board of Directors has subsequently resolved that Seop 5 shall be proposed to the 2019 Annual General Meeting.

**Transfer of shares under Seop 5**

The Board of Directors 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 of Directors 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 of Directors 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 of Directors 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 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 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 of Directors intends to revert to the Annual General Meetings 2020, 2021, and 2022 with proposals to authorize the Board of Directors to resolve on additional acquisitions of own Series B shares, for transfers to participants in Seop 5.

**THE BOARD OF DIRECTORS’ PROPOSAL FOR RESOLUTION**

The Board of Directors’ 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 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 5, 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 enter into an equity swap agreement with a third party, in accordance with item C. below.
A. Resolution on an employee ownership program

The Board of Directors 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 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 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 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\(^2\) (“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. The applicable cost limits between the Starting Point and the Outperform Target are set out in Appendix 1. 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

\(^2\) Earnings Before Interest and Taxes.
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 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 5. 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 5 become unreasonable, the Board of Directors 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 of Directors.

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 of Directors. 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, as set out in Appendix 2, section 1. 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, as set out in Appendix 2, section 2. 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 Appendix 2, section 3.

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. After the end of the financial year 2019, the Board of Directors 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 of Directors 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. Please refer to Appendix 2, section 1 for a graphical description.
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/or 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 16 and 24 Performance Shares (depending on sub-category) for each 4 Saving Shares. Executives may not be allotted any Matching Shares.

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.

---

3 Provided that all other conditions for receiving Matching Shares under Seop 5 are fulfilled.
4 See footnote 3.
5 See footnote 3.
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 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 5

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 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.

Conditions

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

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.

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.
Miscellaneous

For a description of Skanska’s other share-related incentive programs, reference is made to note 37 in Skanska’s 2018 Annual Report.

____________________

Stockholm, February 2019

Skanska AB (publ)

The Board of Directors
Appendix 1

Cost limits in Seop 5 (excluding adjustment for inflation)

Cost limit 1

Depending on the Outperform fulfillment at Group level (growth in EPS).

Cost limit 2

The Skanska Group’s total costs, including social security costs, for each Annual Program may not exceed 15 percent of the Group’s EBIT\(^6\) for the applicable Acquisition Period.

Cost limit 1 may not exceed Cost limit 2.

---

\(^6\) Earnings Before Interest and Taxes.
Overview of financial targets in Seop 5

1. Financial targets at Group level (growth in Earnings Per Share*)

EPS = SEK/share

OP = Outperform Target
ST = Starting Point

Target Range

EPS Baseline = 5 percent increase per year

*Earnings Per Share is calculated by dividing the reported net profit for the Group by the average number of shares outstanding during the period.

a) After the end of the financial year 2019, the Board of Directors 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.

b) The Starting Point for the Annual Program 2020 will be set by the Board of Directors at a level not falling below the level of the EPS Base, i.e. a).

c) The Outperform Target for each Annual Program will be set by the Board of Directors 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.
2. Financial targets for each business stream, including Business Unit and/or Business Unit Cluster

<table>
<thead>
<tr>
<th>Construction</th>
<th>Residential Development</th>
<th>Commercial Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT(^7)</td>
<td>EBIT</td>
<td>EBIT</td>
</tr>
<tr>
<td>-</td>
<td>ROCE(^8)</td>
<td>Leasing SQM(^9)</td>
</tr>
</tbody>
</table>

3. Financial targets for each participant category

<table>
<thead>
<tr>
<th>Category</th>
<th>Applicable financial targets</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executives A (Group Leadership Team)</td>
<td>Group (section 1)</td>
<td>100 percent</td>
</tr>
<tr>
<td>Executives B (Business Unit Presidents and Senior Vice Presidents Group Functions)</td>
<td>Group (section 1)</td>
<td>100 percent</td>
</tr>
<tr>
<td>Executives C (Other top executives)</td>
<td>Business stream (incl. Business Unit and/or Business Unit Cluster) (section 2)</td>
<td>50 percent</td>
</tr>
<tr>
<td></td>
<td>Group (section 1)</td>
<td>50 percent</td>
</tr>
<tr>
<td>Key Employees(^10)</td>
<td>Business stream (incl. Business Unit and/or Business Unit Cluster) (section 2)</td>
<td>100 percent</td>
</tr>
<tr>
<td>Employees(^11)</td>
<td>Business stream (incl. Business Unit and/or Business Unit Cluster) (section 2)</td>
<td>100 percent</td>
</tr>
</tbody>
</table>

\(^7\) Earnings Before Interest and Taxes.
\(^8\) Return On Capital Employed.
\(^9\) Leasing Square Meters.
\(^10\) For certain Key Employees in Group-wide functions the Group financial target (growth in EPS) will apply.
\(^11\) For certain Employees in Group-wide functions the Group financial target (growth in EPS) will apply.