

The report of the Board of Directors of Skanska AB (publ) before the 2019 Annual General Meeting pursuant to rule 10.3 and items two and three of rule 9.1 in the Swedish Corporate Governance Code

The Board of Directors (the “Board”) of Skanska AB (publ) (the “Company” or “Skanska”) hereby reports the results of the evaluation pursuant to rule 10.3 and items two and three of rule 9.1 in the Swedish Corporate Governance Code (the “Code”). The report relates to the period after the 2018 Annual General Meeting held on April 13, 2018.

The Board has established a Compensation Committee, which is composed of the Chairman of the Board, Hans Biörck, and the Board members Pär Boman and Jayne McGivern.

In accordance with the Code, the Compensation Committee has monitored and evaluated programs for variable remuneration (both on-going and those that have ended during the year) and the application of the principles for salary and other remuneration to senior executives of the Company (the CEO and other members of the Group Leadership Team) adopted by the 2018 Annual General Meeting, as well as the current remuneration structure and levels of remuneration for senior executives.

The following is the Board's report on the results of the evaluation carried out by the Compensation Committee.

General information with respect to remuneration to senior executives

Remuneration to senior executives of the Company consists of fixed salary, variable remuneration, if any, (such as a yearly bonus program (Short Term Incentive Program - STI) and an employee ownership program (Long Term Incentive Program – LTI, called Seop)), other customary benefits, and pension.

Skanska's objective for having STI and LTI-programs are to (i) drive behaviors that will support Skanska's long and short term business success and create shareholder value, (ii) make Skanska attractive as an employer for top talents, (iii) retain key individuals within Skanska, and (iv) increase employee's interest and involvement in Skanska's business and development.

Skanska's STI-program consists of a yearly cash-based bonus stated as a percentage of the annual base salary. There are financial targets linked to the result in the Business Unit/Group of Business Units/Group depending on the managerial position and the market for which the senior executive is responsible. There are also non-financial targets related to the individual senior executive's focus areas. The STI outcome can be reduced in case of violation of Skanska's Code of Conduct.

Skanska's Employee Ownership Program is open for all eligible employees, including senior executives. The employees may invest part of their salary in Skanska shares and will at the end of a three-year lock-up period receive matching shares, and potentially also performance shares based

on the financial performance of the unit. Skanska believes the program is an important tool for attracting and retaining key people.

Evaluation of the principles for salary and other remuneration to senior executives

The Compensation Committee conclude that the principles for salary and other remuneration to senior executives as resolved on by the 2018 Annual General Meeting have been applied.

Evaluation of programs for variable remuneration and remuneration structures and levels of remuneration

The Compensation Committee conclude that the ongoing and during the year ended programs for variable remuneration for senior executives of the Company, as well as the current remuneration structures and levels applicable for senior executives, are appropriate and well balanced.

Stockholm, February 2019

Skanska AB (publ)

The Board of Directors