

## **Nomination Committee of Skanska AB**

### **Statement of work conducted by the Nomination Committee**

#### Composition of the Nomination Committee

In accordance with authorization from the Annual General Meeting, the Chairman of the Board, Hans Biörck, asked the four largest owners in terms of voting rights to appoint one representative each to serve together with him as the Nomination Committee for the period until the 2017 Annual General Meeting. Information on the names of Nomination Committee members and the shareholders that they represent was published on Skanska's website on October 3, 2016.

The Nomination Committee for the Annual General Meeting 2017 consists of Helena Stjernholm, AB Industrivärden, Mats Guldbrand, L E Lundbergföretagen AB, Bo Selling, Alecta, Hans Ek, SEB Funds & SEB Trygg Life Insurance, and Hans Biörck, Chairman of the Board of Skanska AB. The Chairman of the Nomination Committee has been Helena Stjernholm.

#### Proposals to the Nomination Committee

Information was posted on [www.skanska.com](http://www.skanska.com) concerning how and when, that is on December 31, 2016, at the latest the shareholders could submit proposals to the Nomination Committee to ensure that the proposals could be considered by the Nomination Committee in a constructive way. No proposals have been submitted to the Nomination Committee.

#### Meetings and evaluations

The Nomination Committee has held a total of six meetings. At the first meeting, the committee formulated plans for its continued work. The Chairman of the Board also made a presentation on the work conducted by the Board of Directors and the process that is applied in Skanska AB for annual evaluations of the Board and Board members. At a subsequent meeting of the Nomination Committee, the Chairman of the Board presented the results of the evaluations. The Nomination Committee has also been informed of the evaluation of the Chairman. Johan Karlström, Skanska AB's CEO, and Peter Wallin, Skanska AB's CFO, have participated at one meeting and presented the Company's operations and strategies. The Nomination Committee has also interviewed Charlotte Strömberg, the Chairman of the Audit Committee.

### **The Nomination Committee's proposals**

#### Chairman at the annual general meeting:

Attorney Dick Lundqvist

#### Number of Board members:

The Articles of Association stipulates that the Board of Directors, with regard to members elected by shareholders at the Annual General Meeting, shall consist of not fewer than five and not more than ten members, with not more than three deputies. The Nomination Committee proposes that the number of board members elected by the Annual General Meeting is increased from eight to nine with no deputy members.

#### Board fees:

The Nomination Committee is commissioned to submit proposals concerning director fees paid to the members of the Board and its committees. The Nomination Committee proposes an increase of the Board fees and the fee for the Chairman of

the Board. The Nomination Committee further proposes an increase for all the Board's Committees.

Chairman of the Board: SEK 2 040 000 (2016: SEK 1 995 000)

Other Board members, not employed by Skanska:

SEK 680 000 (2015; SEK 665 000)

The Audit Committee: SEK 220 000 (2016: SEK 200 000) to its Chairman and SEK 157 500 (2016: SEK 150 000) to the other Committee members.

The Compensation Committee: SEK 110 000 (2016: 100 000) to its Chairman and SEK 105 000 (2016: 100 000) to the other Committee members.

The Project Review Committee: SEK 205 000 (2016: SEK 200 000) to its Chairman and other Committee members.

### The Board

The Nomination Committee proposes re-election of Hans Biörck, Pär Boman, John Carrig, Johan Karlström, Nina Linander, Fredrik Lundberg, Jayne McGivern and Charlotte Strömberg. The Nomination Committee proposes new election of Catherine Marcus.

### Chairman of the Board:

The Nomination Committee proposes re-election of Hans Biörck.

### Information on proposed Board members:

Information on proposed Board members can be found in **Appendix 1**.

### Independence of Board Members:

The Nomination Committee has made the following assessments in terms of applicable Swedish independence requirements.

The Nomination Committee considers that the following Board members are independent of the Company and its senior management:

- a. Pär Boman
- b. John Carrig
- c. Nina Linander
- d. Fredrik Lundberg
- e. Jayne McGivern
- f. Charlotte Strömberg
- g. Catherine Marcus

The Nomination Committee considers that the following Board members are independent of the Company's major shareholders:

- a. Hans Biörck
- b. John Carrig
- c. Johan Karlström
- d. Jayne McGivern
- e. Charlotte Strömberg
- f. Catherine Marcus

**Auditor:**

The Nomination Committee proposes, in accordance with the Audit Committee's recommendation, the re-election of EY, which has informed that if EY is elected, the authorized public accountant Hamish Mabon will be auditor in charge.

**Auditor fees:**

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

The Nomination Committee has been assisted by the Audit Committee in developing proposals concerning appointment of Auditor and Auditor fees.

**Motivated statement on the Nomination Committee's proposal to the Board of Directors**

Skanska's Board of Directors currently comprises eight members elected by the Annual General Meeting. Prior to the election of Board members at the 2017 Annual General Meeting it has been the Nomination Committee's objective to increase the diversity and breadth of the Board, particularly considering the Company's operation within construction and project development in an international context and with an increased emphasis in the USA. The Nomination Committee has been assisted by an international executive search firm to prepare proposals on candidates with experience from the US real estate sector. Interviews have been held with a number of potential candidates.

The Nomination Committee proposes that the number of board members are increased from eight to nine and new election of Catherine Marcus. Catherine Marcus has informed that she is available for election.

Catherine Marcus is, since 2015, Global Chief Operating Officer at PGIM Real Estate (formerly Prudential Real Estate Investors), the global real estate investment business of Prudential Financial, Inc. Catherine Marcus has extensive experience in real estate investment management and development in the US, including holding senior portfolio management assignments. She has a master's degree in Real Estate Investment and Development from New York University as well as a bachelor's degree in Real Estate Finance and Entrepreneurial Management from University of Pennsylvania.

The Nomination Committee has concluded that Catherine Marcus' extensive experience in commercial real estate development in the USA is a relevant complement to the Board's collective competence and that she will contribute with a deeper understanding of the real estate market in the USA, its conditions and market participants.

The Nomination Committee's proposal entails that the number of elected board members will increase from eight to nine members with no deputy members and that the number of female members increases (nine proposed members of which four are women).

While applying the rules on the composition of the Board of Directors that are found in the Swedish Corporate Governance Code ("the Code"), including the rule on diversity, the Nomination Committee has paid attention to the Board's requirements pertaining to competency, experience and background, as well as the Board's need

for renewal and the time required of Skanska Board members. In its work, the Nomination Committee has had access to evaluations conducted by the Board of Directors and has thus noted that the commitment from the Board members has been significant, with high attendance rate and that the Board's cooperation functions well.

The Nomination Committee is of the opinion that each of the proposed Board members can devote sufficient time to the board assignment in Skanska to serve the interest of the Company and the shareholders.

In its work, the Nomination Committee has also taken into account the requirements in the Code relating to Board members' independence.

Based on the above and taking into account what is stipulated in 4.1 of the Code, the Nomination Committee believes that the Board of Directors, with the Nomination Committee's proposal, will have an appropriate composition with respect to the company's operation, future development and general conditions.

### **Other matters**

All decisions by the Nomination Committee have been unanimous.

The Nomination Committee's proposal concerning the Board has been disclosed by having the information included in the Company's official notification of the Annual General meeting.

The proposal concerning the new board member was disclosed by a press release from the company on February 21, 2017.

---

Stockholm February 2017

**The Nomination Committee of Skanska AB (publ)**