

The Board's report on the result of the Compensation Committee's evaluation of variable remuneration programs etc. in accordance with Section 9.1 of the Swedish Corporate Governance Code

Skanska's Compensation Committee

The Compensation Committee of the Board of Skanska AB (publ) (the "Company") comprises of the Chairman of the Board Hans Biörck and the board members John Carrig, Jayne McGivern and Pär Boman.

In accordance with the Swedish Corporate Governance Code, the Compensation Committee has monitored and evaluated programs for variable remuneration (both on-going and those that have ended during the year) and how the guidelines for remuneration to the senior executives (being the CEO and the other members of the Group Leadership Team) adopted at the Annual General Meeting have been applied, as well as the current remuneration structure and levels of remuneration for the senior executives in the Company.

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

General information with respect to the remuneration to senior executives

Remuneration to the senior executives in the Company consists of fixed salary, possible variable remuneration (such as a yearly bonus program (Short Term Incentive Program - STI) and a share based incentive program (Long Term Incentive Program - LTI called Seop), other customary benefits and pension.

Skanska's objectives for having STI and LTI-programs are to (i) promote behaviors that will support Skanska's long and short term business success and create shareholder value, (ii) make Skanska attractive as an employer for talented employees, (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 of the Business Unit/Group of Business Units/Group, depending on the managerial position and the market for which the executive is responsible.

Skanska's Employee Ownership Program, Seop, (LTI) is open for all eligible employees including senior executives. 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 its unit. Skanska believes the program is an important tool for attracting and retaining key employees.

Evaluation of the guidelines for remuneration to the senior executives

The evaluation shows that the guidelines for remuneration to the Company's senior executives, as decided by the Annual General Meeting 2017, have been applied.

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

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

Stockholm, January 2018
SKANSKA AB (PUBL)
The Board of Directors