

## ITEM 20

### RESOLUTION ON PERFORMANCE SHARE PROGRAM AND TRANSFER OF REPURCHASED OWN SHARES

The Board of Directors proposes that the AGM resolve to adopt a performance share program ("Performance Share Program 2026") for Peab AB (publ) ("Peab") and to approve the transfer of repurchased own Class B shares in Peab ("Peab shares") in accordance with sections (A) and (B) below.

#### (A) Performance Share Program 2026

##### 1.1. Summary of the Performance Share Program 2026

The Performance Share Program 2026 is designed to promote long-term value growth for shareholders. The purpose of the Performance Share Program 2026 is to link employee remuneration with the company's future financial performance and value development, thereby benefiting both shareholders and participating employees. A long-term incentive program is also expected to facilitate the company's ability to recruit and retain key individuals.

Each nominated participant in the Performance Share Program 2026 will be allocated a number of share rights ("Share rights"). These are contractual rights under which Peab undertakes, following a three-year Vesting Period (see section 1.4 (c) below for a definition), and contingent to the achievement of certain Performance Targets (see item 1.5 for a definition), to transfer Peab shares to the participant free of charge ("Performance Shares").

##### 1.2. Participants in the Performance Share Program 2026

The Performance Share Program 2026 will cover approximately 500 individuals, consisting of executive management and employees in senior managerial or specialist positions within the Peab Group. Participants are nominated by the President/CEO and allocated to one of the five categories described in section 1.3.

##### 1.3. Calculation of maximum allocation of Share Rights

Participants in the Performance Share Program 2026 are divided into five categories. The maximum allocation of Share Rights is calculated based on

$$\frac{\text{A predetermined percentage of the participant's fixed annual salary for 2026}}{\text{The volume-weighted average price of the Peab Share on Nasdaq Stockholm during the period 1–15 March 2026}}$$

The predetermined percentage differs depending on which of the following five categories the participant belongs to:

- President/CEO: 50 percent of fixed annual salary
- Other executive management: 45 percent of basic annual pay
- Category 1: 35 percent of fixed annual salary

- Category 2: 25 percent of fixed annual salary
- Category 3: 15 percent of fixed annual salary

#### **1.4. Terms and conditions for Share Rights and Performance shares**

The following conditions apply to Share Rights and Performance Shares:

- a. Share Rights are allotted free of charge.
- b. Participants may not transfer, pledge, divest or exercise any other rights in respect of the Share Rights during or after the Vesting Period.
- c. Allotment of Performance Shares will occur after a vesting period of three years from the date the participant received the Share Rights (“**Vesting Period**”). Allotment will normally occur within four weeks following the end of the Vesting Period, but not before the publication of Peab’s interim report for the first quarter of 2029.
- d. The right to receive Performance Shares is conditional, with limited exceptions, upon the participant’s continued employment within the Peab Group during the Vesting Period. In addition, allocation of Performance Shares is contingent on Peab achieving Performance Targets according to item 1.5 below.

#### **1.5. Performance Targets**

Allotment is conditional upon the achievement of the target levels set by the Board of Directors for the financial years 2026–2028 in respect of earnings per share according to segment reporting (EPS) and reduced carbon dioxide emissions (the “Performance Targets”).

If the minimum level in the range for the Performance Target relating to earnings per share is not achieved, the Share Rights will not entitle the participant to any allotment of Performance Shares, whereas each Share Right will entitle the participant to one (1) Performance Share if the maximum level in the range is achieved. Between the minimum and maximum levels, allotment takes place on a linear basis, based on intermediate values. For the Performance Target relating to reduced carbon dioxide emissions, a predetermined reduction must be achieved. If the minimum level for the Performance Target relating to earnings per share (EPS) is not achieved, no allotment of Performance Shares will be made in respect of the Performance Target relating to reduced carbon dioxide emissions either.

The Board of Directors shall be entitled to adjust the number of Performance Shares that each Share Right entitles the participant to receive, as well as the Performance Targets and the outcome thereof, to take into account items affecting comparability and if Peab carries out a bonus issue, consolidation or division of shares, a new issue, dividend or similar measures, taking into account customary practice for corresponding incentive programs.

The Board of Directors intends to present the degree of fulfilment of the Performance Targets in the Annual and Sustainability Report for the financial year 2028.

#### **1.6. Design and administration**

The Board of Directors, or a committee specifically appointed by the Board of Directors, shall be responsible for the detailed design and administration of the Performance Share Program 2026 within the framework of the terms and guidelines set out herein.

If the delivery of Performance Shares to participants outside Sweden cannot be made at reasonable cost and/or with reasonable administrative efforts, the Board of Directors shall be entitled to resolve that participating individuals outside Sweden shall instead be offered a cash settlement.

The Board of Directors shall also be entitled to sell Performance Shares on behalf of participants in connection with the allotment of Performance Shares in order to cover the tax liability arising for the participant.

If significant changes occur in Peab or in its external environment that would result in the conditions for the allotment of Performance Shares and the possibility to exercise the Share Rights no longer being appropriate, the Board of Directors shall be entitled to make such other adjustments as it deems necessary.

### **1.7. Special assessment before allotment of Performance shares**

Before the number of Performance Shares to be allotted under the Share Rights is finally determined in 2029, the Board of Directors shall review whether the outcome of the Performance Share Program 2026 is reasonable. This review shall be made in relation to Peab's financial results and position, conditions on the stock market and other relevant circumstances. If, in its review, the Board of Directors considers the outcome not to be reasonable, the Board of Directors shall reduce the number of Performance Shares to be allotted.

### **1.8. Scope**

The maximum number of Performance shares that can be allotted to participants under the Performance Share Program 2026 amounts to 1,502,086. Including the shares that may be sold on Nasdaq Stockholm to cover the cost of social security costs related to the Performance Share Program 2026, the maximum number of shares in Peab that may be issued according to the Performance Share Program 2026 is limited to 1,893,094, which corresponds to about 0.64 percent of the total number of shares and 0.31 percent of the total votes (per the day of this proposal).

The number of shares covered by the Performance Share Program 2026 may, in accordance with the more detailed terms decided by the Board of Directors, be subject to recalculation to compensate for items affecting comparability and if Peab carries out a bonus issue, consolidation or division of shares, a new issue, dividend or similar measures, taking into account customary practice for corresponding incentive programs

### **1.9. Hedging measures (according to section (B) below)**

The Board of Directors considers that the transfer of repurchased own Peab Shares to participants is the most cost-efficient and flexible method for delivering

Performance Shares. The Board of Directors is therefore proposed to be entitled to transfer repurchased own Peab Shares to participants.

In order to fulfil the obligations under the Performance Share Program 2026 in terms of ensuring the delivery of Performance Shares, the Board of Directors is also proposed to be entitled to resolve on alternative methods for the transfer of Performance Shares (such as, for example, entering into so-called equity swap agreements with third parties).

#### **1.10. Estimated costs and key figures**

The value of each Performance Share corresponds to the price of the Peab Share at the time of allotment of the Performance Share. On the assumption that the maximum levels of the Performance Targets are achieved, that approximately 90 percent of the participants remain in the Performance Share Program 2026 and that certain estimated social security costs are included, the total costs are estimated to amount to approximately SEK 182 million. This estimate is based on an average price of the Peab Share during the period from and including 1 March up to and including 15 March 2026 of SEK 101.92, and a closing price at the time of allotment of the Performance Shares in 2029 of SEK 125 (corresponding to annual value growth of approximately 7 percent). Given the same assumptions but with a closing price of the Peab Share at the time of allotment of the Performance Shares in 2029 of SEK 143 (corresponding to annual value growth of approximately 12 percent), the total costs are estimated to amount to approximately SEK 188 million.

The costs would correspond to approximately 0.49 percent of Peab's market capitalization upon full achievement of the Performance Targets, based on a closing price at the time of allotment of the Performance Shares in 2029 of SEK 125, and approximately 0.44 percent of Peab's market capitalization upon full achievement of the Performance Targets, based on a closing price at the time of allotment of the Performance Shares in 2029 of SEK 143. The Performance Share Program 2026 has no cap regarding the maximum value per Performance Share for participants and, therefore, no maximum social security cost or total cost for the Performance Share Program 2026 can be calculated.

The costs will be recognized as personnel costs in the income statement over the Vesting Period in accordance with IFRS 2 Share-based Payment. Social security costs will be expensed in the income statement in accordance with UFR 7 during the Vesting Period. The amount of these costs will be determined based on the performance of the Peab Share during the Vesting Period and the allotment of Share Rights.

#### **1.11. Preparation of the proposal**

The Performance Share Program 2026 has been initiated by Peab's Board of Directors and processed in consultation with external advisors based on an evaluation of previous incentive programs. The Performance Share Program 2026 was prepared in the Board of Directors' Remuneration Committee and addressed at Board meetings during the first months of 2026.

### **1.12. Other incentive programs in Peab**

There are currently two ongoing long-term performance share programs (Performance Share Program 2024 and Performance Share Program 2025) for the periods 2024-2026 and 2025-2027. For further information regarding Peab's long-term incentive programs and Peab's profit-sharing foundation please see note 9 in the Annual and Sustainability Report for the financial year 2025.

### **1.13. The Board of Directors' proposal for resolution**

Based on the above, the Board proposes that the AGM resolve to adopt the Performance Share Program 2026.

## **MAJORITY REQUIREMENT**

The Board of Directors' proposal for a resolution on the Performance Share Program 2026 requires the support of shareholders representing more than half of the votes cast at the AGM.

### **(B) Transfer of shares over Performance Share Program 2026**

#### **2.1. Background**

In order to implement Performance Share Program 2026 in a cost-efficient and flexible manner the Board has considered various methods for ensuring the delivery of Performance shares.

In light of these considerations, the Board of Directors intends primarily to ensure delivery by transferring shares from Peab's own holdings to participants. Such transfer of repurchased Peab Shares requires a particularly high majority at the AGM. To the extent that the Board of Directors' proposal for a resolution on the transfer of repurchased shares to participants does not obtain the required majority, the Board of Directors may instead enter into an equity swap agreement with a third party in order to ensure the delivery of Performance Shares

#### **2.2. The Board of Director's proposal for a resolution on the transfer of repurchased own Peab shares to participants**

The Board of Directors therefore proposes that the AGM resolve on the transfer of repurchased own Peab Shares on the following terms:

a) A maximum of 1,502,086 Peab Shares may be transferred to participants in the Performance Share Program 2026 (or such higher number as may follow from recalculation in order to compensate for items affecting comparability or if Peab carries out a bonus issue, consolidation or division of shares, a new issue, dividend or similar measures, taking into account customary practice for corresponding incentive programs).

b) Transfers of Performance Shares shall be made free of charge, at the time and on the terms to which the participants in the Performance Share Program 2026 are entitled.

The reason for deviating from the shareholders' preferential rights to the repurchased shares is that the transfer of the Performance Shares forms part of the implementation of the Performance Share Program 2026. Therefore, and in light of the above, the Board of Directors considers it to be to Peab's advantage to transfer shares in accordance with the proposal.

#### **MAJORITY REQUIREMENT**

The Board of Directors' proposal for a resolution in accordance with section 2.2 above requires the support of shareholders representing at least nine-tenths of both the votes cast and the shares represented at the AGM. The Board of Directors' proposal under this section (B) is conditional upon the AGM having approved the Board of Directors' proposal on the Performance Share Program 2026 (section (A) above).