

*Proposal remuneration policy 2016  
Changes compared with the current policy has been marked*

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## **Adoption of the remuneration policy**

This remuneration policy comprises salary and other terms for the executive management of Peab AB ("Peab") including the Chief Executive Officer and other members of executive management, here referred to as "Senior officers".

This remuneration policy must be used for any new agreements or changes in existing agreements made with Senior officers after the Annual General Meeting of Peab has adopted the policy.

### **1. Basic principle**

Salary and other terms of employment must be of such standing that Peab will always be able to attract and keep competent Senior officers.

### **2. Fixed salary**

Senior officers must be offered a fixed salary on market terms based on the responsibility and qualifications of the Senior officer. Salaries are determined for each calendar year.

### **3. Variable remuneration**

Senior Officers may from time to time be offered variable pay. Such variable pay may not exceed 60 per cent of the fixed salary and must be based primarily on the Peab Group's pre-tax profit. Variable pay must be defined for each individual financial year.

Variable pay is regulated the year after it has been earned and may be paid either as salary or invested as pension savings in a financial instrument with a link to the Peab share.

Every year the Board of Directors shall consider whether the AGM should propose a share-based incentive scheme.

### **4. Long-term Incentive program**

Senior Officers may from time to time be offered the opportunity to take part in an LTI programme. The maximum final annual amount in an LTI programme may not exceed 40% of the fixed annual salary. The final amount in an LTI Programme **may be paid either as salary or will be** invested as pension savings in a financial instrument with a link to the Peab share.

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## **5. Pension**

Senior officers are entitled to pension according to collective bargaining agreements and contracts with Peab. All pension obligations must be defined contribution pensions.

Wage waives may be used to increase pension contributions through lump sum pension premiums provided that the total cost for Peab is neutral.

## **6. Non-monetary benefits**

Senior officers are entitled to extra health insurance as well as those benefits otherwise enjoyed by other Peab employees.

## **7. Period of notice and severance pay**

The period of notice from Peab is, at the most, 24 months and the period of notice from Senior officers is, at the most, 6 months.

If a severance pay is paid the total remuneration for salary during the period of notice and severance pay may not exceed 24 monthly wages.

## **8. Board preparations and decisions**

The Board of Directors decides on the salary and other terms for the Chief Executive Officer based on a proposal from the Board's remuneration committee. The Board's remuneration committee decides on salary and other terms for remaining Senior officers based on a proposal from the Chief Executive Officer.

## **9. Exception**

The Board of Directors may, pursuant to Chapter 8, Section 53 of the Swedish Companies Act, deviate from this policy if there are special reasons to do so in an individual case.