

Summons to attend the Annual General Meeting in Peab AB (publ)

Wednesday May 6, 2020 at 3:00 p.m. Grevieparken, Grevie

PROGRAM

2:30 p.m. Start of registration
3:00 p.m. Start of the Annual General Meeting

NOTICE OF ATTENDANCE, ETC.

Shareholders who wish to attend the Annual General Meeting (AGM) must:

– be entered in the share register kept by Euroclear Sweden AB on Wednesday April 29, 2020,

– give notice of attendance for themselves and for any assistants they intend to bring to the AGM no later than Wednesday April 29, 2020. Notice of attendance may be given via the company's website at www.peab.com, by telephone +46 431-893 50 or by mail to Peab AB (publ) Annual General Meeting, c/o Euroclear Sweden, Box 191, 101 23 Stockholm.

Notice of attendance must state the shareholder's name, address, telephone number, personal identity number or Company I.D. number and registered shareholding. Any proxies must be given in writing and must be submitted no later than at the AGM, accompanied by a registration certificate as appropriate. In order to simplify the registration procedure, shareholders are asked to send proxies to the company along with their notice of attendance. Proxy forms are available at peab.com and will be sent to shareholders on request.

CONFIRMATION OF ATTENDANCE

Confirmation of attendance will be sent at the end of week 19, 2020. Confirmation of attendance must be brought to the AGM.

SHARES REGISTERED FOR MANAGEMENT

Shareholders whose shares are registered for management through a bank's trustee department or an individual fund manager must temporarily allow the shares to be registered in their own name in order to attend the AGM. Any such temporary registration of ownership must be executed no later than Wednesday April 29, 2020. This means that shareholders must inform the manager of their wish to carry out a temporary registration of ownership in good time before that date.

ANNUAL ACCOUNTS AND FULL PROPOSALS

The Annual Accounts, with accounting documents and the auditor's report, the full proposals by the Board of Directors under items 17-19, the Board of Directors' statement on decisions under items 10 and 18, the Nomination Committee's description of their work in preparation for the AGM 2020, the Nomination Committee's motivation statement for its nominations to the Board and the auditor's statement on the guidelines for remuneration will be available for inspection by the shareholders no later than Wednesday April 15, 2020 at the company's head office at Margretorpsvägen 84 in Förslov and on the Peab website at peab.com/agm. Copies of said documents will be sent to shareholders on request.

INFORMATION TO THE ANNUAL GENERAL MEETING

The Board and CEO will, if requested by a shareholder and the Board determines it can be done without material harm to the company, provide information in part on the circumstances that can influence the assessment of an item on the agenda, in part the circumstances that can influence the assessment of the company's or a subsidiary's financial situation and in part the company's relationship to another Group company.

PROPOSED AGENDA

1. Opening of the meeting
2. Election of the Chairman of the AGM
3. Establishment and approval of the register of voters
4. Approval of the agenda
5. Election of one or two persons to check the minutes
6. Determination of whether the AGM has been duly convened
7. Address by the CEO
8. Presentation of the annual report and auditors' report and the consolidated accounts and the auditors' report on the consolidated accounts
9. Decision on the adoption of the income statement and balance sheet and the consolidated income statement and consolidated balance sheet
10. Decision on disposition of the company's profits in accordance with the adopted balance sheet
11. Decision on discharge from liability for Board members and the CEO
12. Decision on the number of Board members and auditors
13. Decision on remuneration to Board members, committee members and auditors
14. Election of Board members, chairman and vice-chairman
15. Election of company accountant
16. Election of members of the Nomination Committee
17. Authorization of the Board of Directors to issue new B shares
18. Authorization of the Board of Directors to acquire and transfer the company's own shares
19. Adoption of Remuneration Policy
20. Decision on changes in the articles of association
21. Any other business
22. Closing of the AGM

ITEM 2 ELECTION OF THE CHAIRMAN OF THE AGM

Proposal by the Nomination Committee: Göran Grosskopf to be elected as the chairman of the AGM.

ITEM 10 PROPOSED PROFIT DISPOSITION

The Board of Directors proposes that no dividend be distributed for the financial year 2019 (for 2018 a dividend of SEK 4.20 per share was distributed) and that profit from 2019 be carried forward.

ITEM 12 DECISION ON THE NUMBER OF BOARD MEMBERS

Proposal by the Nomination Committee: Nine (eight) members of the Board and one (one) authorized accounting firm.

ITEM 13 DECISION ON REMUNERATION TO BOARD MEMBERS, COMMITTEE MEMBERS AND ACCOUNTANTS

Proposal by the Nomination Committee:

It is proposed that the Chairman of the Board of Directors be paid SEK 900,000 (unchanged) and that each of the remaining Board members be paid SEK 450,000 (unchanged). For their work on the Remuneration Committee and the Finance Committee, it is proposed that remuneration of SEK 75,000 (unchanged) be paid to each member of those committees. For their work on the Audit Committee, it is proposed that remuneration of SEK 150,000 (unchanged) be paid to the chairman and SEK 75,000 (unchanged) be paid to each member of the committee. The total proposed remuneration to Board members is SEK 5,325,000 (4,875,000). It is proposed that the accountants be paid according to approved invoices.

ITEM 14 ELECTION OF BOARD MEMBERS, CHAIRMAN AND VICE-CHAIRMAN

Proposal by the Nomination Committee:

Re-election of Karl-Axel Granlund, Göran Grosskopf, Liselott Kilaas, Kerstin Lindell, Mats Paulsson, Fredrik Paulsson, Malin Persson and Lars Sköld. New-election of Anders Runevad. Göran Grosskopf to be appointed Chairman and Mats Paulsson to be appointed Vice-Chairman.

ITEM 15 ELECTION OF COMPANY ACCOUNTANT

Proposal by the Nomination Committee: Re-election of the registered accounting firm KPMG AB. If KPMG AB is chosen Dan Kjellqvist will be the authorized Group accountant. The proposal by the Nomination Committee is in agreement with the Audit Committee's recommendation.

ITEM 16 ELECTION OF MEMBERS OF THE NOMINATION COMMITTEE

The Nomination Committee proposes that the Nomination Committee consist of a representative for each of the three shareholders with the largest number of votes according to the share register per September 30 as well as the Chairman of the Board of the company. The Nomination Committee will choose its chairman amongst themselves. In the event that one of members of the Nomination Committee should leave it before the Nomination Committee's work for the year is completed the chairman of the Nomination Committee is entrusted with, as needed, appointing a new member to the Nomination Committee. If the chairman is the member who leaves, the other members will appoint a new chairman who will then make a decision concerning the appointment of a new member.

ITEM 17 AUTHORIZATION OF THE BOARD OF DIRECTORS TO ISSUE NEW B SHARES

Authorization of the Board of Directors to decide, on one or more occasions during the period up to the next AGM, on a new issue of B shares corresponding to the most to a total of 10 percent of the registered share capital at the moment of the authorization, with or without preferential rights for current shareholders.

ITEM 18 AUTHORIZATION OF THE BOARD OF DIRECTORS TO ACQUIRE AND TRANSFER THE COMPANY'S OWN SHARES

Authorization of the Board of Directors, during the period up to the next AGM:

- to decide to acquire, on NASDAQ Stockholm AB or through an acquisition offer aimed at all shareholders or holders of shares of a particular class, a maximum number of shares so that the company's holding of its own shares after the acquisition does not exceed one tenth of all shares in the company. The shares may be acquired on NASDAQ Stockholm AB at a price within the price interval registered at any given time and, in the case of acquisition through an acquisition offer, at a price equivalent to the lowest stock market price at the time of the offer with a maximum upward deviation of 30 percent. Shares may only be acquired for a consideration in cash,
- to decide to transfer, on NASDAQ Stockholm AB or in connection with, for example, a corporate acquisition and with or without any deviation from the shareholders' preferential rights, a maximum of all the company's own shares held by the company on NASDAQ Stockholm AB at a price within the price interval registered at any given time and, in the case of a sale by other means, at a price equivalent to the stock market price of the shares at the time of the transfer with any deviation that the Board of Directors may deem appropriate.

The aim of the authorization is to improve the company's capital structure and/or to be used when financing acquisitions, etc.

ITEM 19 ADOPTION OF REMUNERATION POLICY

The Board hereby proposes that the AGM adopts the following Remuneration Policy. The Remuneration Policy will be reviewed if material changes occur, however no later than in four years.

Scope

The Remuneration Policy comprises the CEO and the other members of executive management. Included also are members of the Board whose remuneration is established at some other point in time than the AGM.

This Remuneration Policy is applied to new contracts, or changes in existing contracts, with the CEO and the other members of executive management after Peab's AGM has adopted the policy.

Basic principles

The Remuneration Policy will contribute to the company's business strategy, long-term value growth and sustainability. This is ensured through the basic principles by:

- offering remuneration based on market terms so that Peab can attract and retain competent executive management. Remuneration levels are regularly compared with other companies active in the same markets to ensure that remuneration is on market terms,
- offering long-term incentive programs and bonus programs focused on the company's business strategy, long-term goals and sustainability,
- annually reviewing individual performances and goal achievement in regards to the company's financial results.

The basic principles ensure that the company has the right competence in executive management through remuneration on market terms as well as incentive programs and bonus programs focused on (result measurement) business strategies, a long-term perspective and sustainability.

Remuneration components

The total remuneration is made up of basic pay, annual short-term incentives on an individual basis (STI), long-term incentive programs (LTI), defined contribution pensions as well as a company car and other non-monetary benefits.

Basic pay

Basic pay is reviewed annually and takes into consideration the senior officer's area of responsibility, qualifications and market terms for the salary.

Short-term incentives (STI)

From time to time executive management may be offered STIs. A STI may not exceed 60 percent of basic pay and is based primarily on the Peab Group's profitability and, at each time, other material Group goals. In the current program result measurements are connected to the company's strategy in the form of profitability, customer focus and sustainability.

STIs are determined for each fiscal year and are settled the year after being earned. They may either be paid out as salary or be invested as a pension savings in a financial instrument connected to the Peab share.

Long-term incentive programs (LTI)

Every year the Board of Directors must consider whether or not to propose a share-based incentive scheme to the AGM. From time to time the CEO, other members of executive management and key personnel may be offered participation in a LTI program. The maximum annual amount in a LTI program (including social security costs) may not exceed 40 percent of annual basic pay. The programs are performance-based and only deliver an outcome if predefined goals are met. The outcome of a LTI program is invested as a pension savings in a financial instrument connected to the Peab share.

Pension

Members of executive management are entitled to pension according to collective bargaining agreements and contracts with Peab. All pension obligations are defined contribution pensions. The maximum pension contribution is 47 percent of annual basic pay and retirement age is 62. The level corresponds to previous market practice. Current practice is maximum 35 percent and retirement at 65. Salary waivers may be used to increase pension provisions through one-off pension contributions in the form of salary or bonus exchanges.

Company cars

The CEO and other members of executive management have the right to a company car according to the gross salary deduction model.

Non-monetary benefits

Members of executive management are entitled to extra health and health care insurance up to 30 basic amounts as well as those benefits otherwise enjoyed by other Peab employees. On average the benefits amount to five percent of base pay.

Period of notice and severance pay

The period of notice from Peab is, at the most, 24 months and the period of notice from members of executive management is, at the most, 6 months. If severance pay is paid the total remuneration for salary during the period of notice and severance pay may not exceed 24 months salary. Severance pay is calculated on base pay and is not pensionable.

Other employees

The basic principles for salaries and other remuneration to other employees is reflected and considered in the Remuneration Policy. Corresponding remuneration components are included. Remuneration in the form of short-term incentives on an individual basis (STI), long-term incentive programs (LTI) as well as company cars are only provided to certain categories of employees based on their positions or needs.

Other employees' total remuneration is based on market terms so that Peab can attract, develop and retain personnel with the right skills. Remuneration levels are compared regularly.

Pensions follow the ITP plan as well as SAF-LO. Defined contribution plans are applied up to a maximum of 30 percent of the pensionable salary. Either traditional plans or premium ladders are applied to defined benefit plans for personnel with basic pay over ten income basic amounts.

Decision-making process

The Board of Directors has appointed a committee responsible for preparing the guidelines for remuneration to members of executive management that are decided on by the AGM and making proposals to the Board regarding the salary and employment terms of the CEO. The Board decides on matters concerning the salary and employment terms of the CEO based on proposals from the Remuneration Committee. The Board's Remuneration Committee decides on salaries and employment terms

of members of executive management that report directly to the CEO. The Remuneration Committee reports regularly to the Board. The CEO and other members of executive management are not present when their respective remuneration terms are adopted.

Exceptions

Deviations may be made from the Remuneration Policy in cases where there are special circumstances. Only if it is necessary to fulfill the company's long-term interests, sustainability or financial viability may the Board deviate from the Remuneration Policy adopted by the AGM. Deviations must be reported and motivated in a subsequent remuneration report.

Previous guidelines

The Remuneration Policy has been revised and supplemented with texts to meet changed legal requirements in chapter 8, 51-53 § § in the Companies Act regarding the content of the company's Remuneration Policy. Even changes in the Swedish Code of Corporate Governance valid as of January 1, 2020 have been taken into consideration in the revision.

ITEM 20 DECISION ON CHANGES IN THE ARTICLES OF ASSOCIATION

The Board proposes the following changes in the articles of association:

1. That "firma" in § 1 in the articles of association is changed to "företagsnamn",
2. That "skall" be changed to "ska" throughout the articles of association.
3. That "ävensom" in § 3 is changed to "bedriva".
4. That "Därvid" in § 4 is changed to "I det sammanhanget".
5. That "må" in § 5 is changed to "har rätt att".
6. That "2:00 p.m." in § 7 is removed.
7. That "the Act on the Accounting of Financial Instruments (1998:1479)" in § 11 is changed to "Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479)".

NUMBER OF SHARES AND VOTES AND OTHER INFORMATION

At the time of the summons to attend the AGM there are a total of 296,049,730 registered shares in the company representing 604,929,343 votes, of which 34,319,957 were A shares representing 343,199,570 votes and 261,729,773 were B shares representing 261,729,773 votes. Of the total number of registered shares, the company holds 1,086,984 B shares without voting rights.

PERSONAL INFORMATION

For information regarding how your personal information is treated see the Integrity Policy for AGMs which Peab applies:

<https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

Förslöv in April 2020

Peab AB (publ)