
SWECO AB's Board of Directors' proposal to the Annual General Meeting on resolution on guidelines for salary and other remuneration to senior executives within the Sweco group

1. Senior executives and area of application

Senior executives fall within the provisions of these guidelines. Senior executives include the President & CEO, the CFO and all managers who report directly to the President & CEO and is a member of the executive team. The guidelines are forward-looking, i.e., they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting 2020. These guidelines do not apply to any remuneration decided or approved by the general meeting.

2. The decision-making process to determine, review and implement these guidelines

The Board of Directors appoints a Remuneration Committee, which is charged with preparing the Board of Directors' decision to propose guidelines for executive remuneration and preparing matters relating to employment terms, pension benefits and bonuses for senior executives, as well as monitoring and evaluating these guidelines (including its application) as well as remuneration structures, etc. The Remuneration Committee is also charged with general employment terms and remuneration matters that apply to all employees of the company. The members of the Remuneration Committee are independent of the company and its executive management.

The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The President & CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

3. The guidelines' promotion of the company's business strategy, long-term interests and sustainability

Sweco plans and designs the cities and communities of the future. Sweco's home market is in Northern Europe and Sweco aim to become market leader in all countries where Sweco have permanent presence. Through market leadership, Sweco can uphold the broadest and deepest competence and become the preferred choice for customers and employees. Sweco excel through its operating model. Sweco differentiates by being its customers' most approachable and committed partner, with recognised expertise. Sweco want to be the most attractive employer for the best engineers and architects in the business and have industry-leading internal efficiency to minimise time and resources spent outside customer projects. Sweco have a decentralised organisation with business responsibility at the front line. For more information regarding the company's business strategy, please see the annual report.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. These guidelines enable the company to offer the executive management a competitive total remuneration.

Sweco has implemented long-term share-related incentive plans ("LTI") (Share Savings Schemes) for senior executives. Such plans have been resolved by the general meeting and are therefore excluded from these guidelines. For more information regarding adopted plans, please see:

<https://www.sweco.se/en/IR/corporate-governance/Long-term-incentive-schemes/>.

4. Remuneration

The Sweco Group's aim is to offer a competitive and market-based level of remuneration to recruit and retain its qualified senior executives.

Types of remuneration, etc.

Remuneration to a senior executive comprises of the following components:

- Base salary (fixed cash salary)
- Short term incentive ("STI")
- Pension and other benefits

Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, LTI.

a) Base salary and STI

Remuneration is to be based on factors such as work duties, qualifications, experience, position and performance. In addition, the break-down between fixed base salary and STI, shall be proportionate to the employee's position and work description.

The satisfaction of criteria for awarding STI shall be measured over a period of one year. STI for the President & CEO and the CFO may not exceed 75 percent of the fixed annual base salary. For other senior executives, STI may not exceed 50 percent of the fixed annual base salary. Due to acquisitions, exceptions to this maximum percentage may apply for a limited time, until integration with Sweco's short-term incentive program is aligned.

b) Pension and other benefits

The terms and conditions for pensions, including health insurance (*Sw: sjukförsäkring*), for Sweco's President & CEO and senior executives shall be market-based relative to what generally applies to comparable senior executives in the market, and shall normally be based on defined contribution pension schemes unless the individual concerned is subject to defined benefit pension under mandatory collective agreement provisions.

STI shall for the President & CEO not qualify for pension benefits. For other senior executives, STI shall qualify for pension benefits to the extent required by mandatory collective agreement provisions.

Other benefits may be awarded, primarily in the form of life insurance, medical insurance (*Sw: sjukvårdsförsäkring*) and company vehicles.

The pension premiums for premium defined pension and other benefits shall amount to approximately one third of the total annual remuneration.

Foreign conditions

Remuneration under employments subject to other rules than Swedish may be duly adjusted to comply with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Criteria for payment of STI, etc.

STI shall be linked to predetermined, measurable criteria, which can be financial or non-financial. They may also be individualised, quantitative or qualitative objectives. The criteria shall be devised to comply with the company's long-term value creation and thus contribute to the company's business strategy and long-term interests, including its sustainability.

The criteria for payment of STI shall be based on profitability, growth and trade working capital and be divided as follows: STI shall to approximately one third be linked to the profitability of the superior business unit, to approximately one third be linked to the profitability of the own business unit and to approximately one third be linked to the growth or trade working capital of the own business unit.

To which extent the criteria for awarding STI has been satisfied shall be evaluated/determined when the measurement period has ended. The Remuneration Committee is responsible for the evaluation so far as it concerns STI to the President & CEO. For STI to other senior executives, the President & CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

The Board of Directors has the possibility that may follow under applicable law or contractual provisions, subject to the restrictions that may apply under law or contract, to in whole or in part reclaim STI paid on incorrect grounds (claw-back).

Termination of employment

In the event of dismissal by the company, the President & CEO has a notice period of no more than 18 months. In the event of the President & CEO's resignation, the notice period shall be no more than 6 months. For other senior executives, the term of notice shall normally be 12 months in the event of dismissal by the company and 6 months in the event of the executive's resignation.

Fixed base salary during the period of notice and severance pay may together not exceed an amount equivalent to the President & CEO's fixed base salary for 24 months, and 12 months for other senior executives. When termination is made by the executive there is no right to severance pay.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall only compensate for possible loss of income as a result of the non-compete undertaking and shall be based on the level of remuneration that the executive had at the time of the termination of employment.

5. Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

6. Derogation from the guidelines

The Board of Directors shall have the right to temporarily resolve to deviate from these guidelines, in whole or in part, in individual cases if there are extraordinary reasons therefor and a deviation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to deviate from the guidelines.

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The Board of Directors