

## **SWECO AB's Board of Directors' proposal to the Annual General Meeting on 27 April 2017 on resolution on principles for salary and other remuneration to senior executives in the Sweco group**

### **1. Remuneration Committee**

The Board of Directors shall appoint a Remuneration Committee, which shall be charged with preparing issues relating to remuneration principles, employment terms, pension benefits and bonuses for senior executives, as well as monitoring and evaluating these principles as well as remuneration structures etc. The remuneration committee shall also deal with general employment terms and remuneration issues that apply to all employees of the company.

### **2. Senior executives**

Senior executives includes the CEO, the CFO and all managers who report directly to the CEO.

### **3. Remuneration**

The Sweco Group's aim is to offer a competitive and market-based level of remuneration so that senior executives can be recruited and retained.

Remuneration to senior executives comprises of:

- basic salary
- variable compensation
- pension
- other remuneration
- share based incentive schemes

#### **a) Base salary and variable compensation**

The remuneration shall be based on factors such as work description, competencies, experience, position and performance. Further, the allocation between base salary and variable compensation shall be proportionate to the employee's position and work description. Variable compensation shall be connected to predetermined and measurable criteria that have been devised to comply with the long term goals of the company.

The variable compensation shall for the CEO and CFO be up to 75 percent of the base salary. For other senior executives, the variable compensation shall as a main rule be up to 50 percent of the base salary. The variable compensation shall be based on the outcome of predetermined profitability targets. The targets for

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the CEO and other senior executives shall be determined by the Board of Directors.

**b) Pension**

The pension contributions for the CEO and other senior executives shall be on market terms, so as to comply with what is generally granted to comparable positions on the market in general and shall normally be based on defined contribution pension solutions.

**c) Other compensation**

Other compensations may be granted, mainly company vehicles and phones.

**d) Share based incentive schemes**

Senior executives in the Sweco group may, on market terms, be offered to participate in various forms of incentive schemes. The rationale for the implementation of a share based incentive scheme is to increase/spread the shareholding/exposure among senior executives, and to align the interests of the senior executives and the company's shareholders. An individual long term ownership among key personnel is expected to increase the interest for the business and its results, be motivational and increase the affinity with Sweco.

Resolutions on share based incentive schemes shall always be made at the annual general meeting or at an extraordinary general meeting.

**4. Termination of employment**

If the company terminates the President's employment, the notice period shall be no more than 18 months, and if the CEO terminates the employment, the notice period shall be no more than 6 months.

Between the company and other senior executives, generally a notice period of 12 months for the company, and 6 months for the employee, applies.

**5. Other**

The above principles shall apply to agreements that are concluded after the Annual General Meeting's resolution as well as for amendments to existing agreement made after this time, as far as the existing agreements so permit. The Board of Directors shall have the right to deviate from these principles in individual cases if there are extraordinary reasons therefor.

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