
Proposal of the Board of Directors of Sweco AB for resolutions on:

- A. Implementation of the Share Bonus Scheme 2020**
 - B. Transfer of Class B treasury shares to participants in the scheme**
 - C. Authorisation for the Board of Directors to sell Class B treasury shares to secure payment of social security contributions**
-

Background and rationale

The Annual General Meeting of 2014 resolved to implement a so-called Share Bonus Scheme, aimed at employees in Sweden within Sweco AB ("Sweco") and its group of companies. The Share Bonus Scheme replaced the previous cash bonus scheme and did not entail any changes for relevant employees, with the exception for shares being allotted instead of cash being paid. Corresponding Share Bonus Schemes were implemented after decision by the Annual General Meetings of 2015-2019.

The Board of Directors of Sweco holds the view that a long-term commitment of employees by holding equity in Sweco can be expected to increase the interest in the business and its profitability, increase motivation and the affinity with Sweco as well as establish focus on the group as a whole. Considering applicable pension rules in Sweden, share bonus schemes are a cost-effective way for Sweco to grant bonuses to employees in Sweden. In light of the foregoing, the Board of Directors proposes that the Annual General Meeting of 2020 resolves to implement the incentive scheme as set out below (the "Share Bonus Scheme 2020") on terms and conditions principally corresponding to those applicable to the Share Bonus Scheme 2019.

The Share Bonus Scheme 2020 shall cover all employees with long-term employments in Sweden in accordance with the rules for employee bonuses established by the Board of Directors but exclude senior executives and other key personnel who participate in Sweco's other incentive schemes. A precondition for being awarded shares through the scheme is that the participant's employment at the time of the awarding of the bonus has not expired nor been terminated.

The proposal of the Board of Directors includes (A) the implementation of the Share Bonus Scheme 2020 as such, (B) the transfer of Class B treasury shares to participants in the scheme, and (C) authorisation for the Board of Directors to sell Class B treasury shares to secure payment of social security contributions, all in accordance with what is set out in the respective items below. The Share Bonus Scheme 2020 also involves a resolution on authorisation for the Board of Directors to resolve to acquire Class B treasury shares pursuant to a separate general repurchase authorisation proposal (item 17 on the agenda).

A. Implementation of the Share Bonus Scheme 2020

The Board of Directors proposes that the Annual General Meeting resolves to implement the Share Bonus Scheme 2020 in accordance with the following:

1. Structure of the Share Bonus Scheme 2020

The Share Bonus Scheme 2020 is structured to relate to Sweco's overall profitability targets and stimulate increased profitability and growth. The Share Bonus Scheme 2020 entails that the employee receives shares in Sweco corresponding to accrued bonus for 2020 divided by a base share price. The base share price shall correspond to the average purchase price weighted by

volume for Sweco's Class B shares during the period 16 March 2020 – 27 March 2020, less the amount corresponding to the dividend per share for the financial year 2019.

In order to enable Sweco to deliver shares to the employees covered by the Share Bonus Scheme 2020, the Board of Directors proposes the following actions:

(i) that the Board of Directors is authorised to resolve to repurchase Class B shares over the stock exchange as set out in a separate general repurchase authorisation proposal (item 17 on the agenda); and

(ii) that the Annual General Meeting resolves to approve transfers of any remaining Class B treasury shares, which Sweco has acquired (or has converted from acquired Class C treasury shares) to secure delivery under previous Share Bonus Schemes or Share Savings Schemes (see Section 10 below), to the extent those shares are not required to meet the obligations under said schemes, and also such shares that have been acquired to be used in acquisitions, to the extent those shares are not deemed to be needed for future acquisitions. To the extent such shares are available, the number of Class B shares acquired by Sweco over the stock exchange to ensure that Sweco can meet its obligations under the Share Bonus Scheme 2020 will be decreased proportionally.

Up to 1,100,000 Class B shares may be repurchased as set out above in item (i) to enable Sweco to deliver Class B shares under the Share Bonus Scheme 2020 and secure thereto connected costs for social security contributions, less the possible decrease that can be the effect of Sweco using Class B shares from previous acquisitions pursuant to item (ii). The maximum number of Class B shares that can be transferred under item (ii) above is 1,100,000.

2. Employees covered by the Share Bonus Scheme 2020

The Share Bonus Scheme 2020 shall cover all employees in Sweden holding long-term employments in accordance with the rules on employee bonuses determined by the Board of Directors (excluding senior executives and other key personnel participating in Sweco's other incentive schemes), in total approximately 6,300 employees. To be covered by the Share Bonus Scheme 2020 and be eligible to receive shares in Sweco, it is required that the employee's employment with the group has not expired or been terminated at the time of the allotment of the shares. For employees that work part time, have seasonal employments or are absent because of parental leave, studies, illness etc., the right to bonus is decreased corresponding to the absence.

3. Term

The Share Bonus Scheme 2020 shall apply for the financial year 2020, and allotment of shares in Sweco shall take place during the first half of 2021.

4. Share bonus

The bonus per employee is based on the operational results (EBITA) per employee of the included business units. For maximum bonus, it is required that the result exceeds a number of predetermined amount levels. To the extent a level is not reached, the bonus is decreased by predetermined parameters. The results of several business units at several levels within the group are included, serving the purpose of ensuring that all included business units must produce good results for maximum bonus to be awarded. For unit and regional managers and similar positions also the number of employees for which the relevant manager is responsible is considered. With respect to administrative staff only the number of business units for which the employee works is considered.

The maximum total bonus per employee is three monthly salaries.

To determine the number of shares to which the employee is entitled under the Share Bonus Scheme 2020, the bonus shall be divided by the base share price in accordance with Section 1 above and Section 5 below. The number of shares to which the employee is entitled under the Share Bonus Scheme 2020 is rounded up to the closest integer.

5. Adjustment of the base share price

The base share price in Section 1 shall be recalculated in generally accepted manners if events have transpired that affect the share price, such as splits or reverse splits of shares, bonus issues, cancellation and similar events during the duration of the scheme. The recalculation shall be carried out by Sweco in accordance with the provisions set out in [Appendix 1](#).

6. Date for delivery of shares

Sweco shall deliver the shares to which the employees are entitled under the Share Bonus Scheme 2020 during the first half of 2021.

7. Costs for the Share Bonus Scheme 2020

The costs for the Share Bonus Scheme 2020 are based on the IFRS 2 reporting standard and estimated at approximately SEK 165 million, mainly comprising costs of acquiring Class B shares to secure delivery of shares under the Share Bonus Scheme 2020. In addition thereto, the results will be encumbered by costs for social security contributions related to the market value of the allotted shares, which are estimated to approximately SEK 55 million. Total costs, including costs for social security contributions, are thus estimated to approximately SEK 220 million based on the costs for bonuses in previous years and the expected number of employees during the relevant year. Through the Share Bonus Scheme 2020, the group's total costs for bonuses is expected to decrease by approximately 25 million for 2020 as compared to the costs if cash bonus had instead been granted. The costs shall also be seen in relation to Sweco's total costs for salaries and compensation, which during 2019 amounted to SEK 12,678 million including costs for social security contributions. Administrative costs for the Share Bonus Scheme 2020 have been estimated to a maximum of SEK 1 million.

8. Effects on key numbers

The total number of shares in Sweco amounts to 121,083,819, of which 10,420,274 are Class A shares and 110,663,545 are Class B shares. As per 11 February 2020, Sweco holds 3,285,360 Class B treasury shares.

To implement the Share Bonus Scheme 2020, acquisition of in total up to 1,100,000 Class B shares may be carried out (including shares to secure payment of social security contributions), corresponding in total to approximately 0.9 percent of the total number of issued and outstanding shares and approximately 0.5 percent of the number of votes in Sweco. Transfer without consideration of the up to 825,000 shares to the participants of the Share Bonus Scheme 2020 is estimated to correspond to a dilution of the yield per share of no more than 0.7 percent. The up to 275,000 Class B shares that may primarily be transferred over Nasdaq Stockholm to cover costs for social security contributions do not cause dilution of yield per share, since they are transferred to the current market price.

If also shares in Sweco related to Sweco's Share Savings Schemes are considered, the total number of shares included in the Share Savings Schemes (i.e. not including the Share Bonus Scheme 2020) is no more than 269,647 Class B shares (excluding shares to secure payment of social security contributions). This number corresponds to approximately 0.22 percent of the total number of shares and approximately 0.13 percent of the votes in Sweco. Transfer without

consideration of these shares to the participants in the relevant incentive schemes is estimated to correspond to a dilution of yield per share of no more than approximately 0.22 percent.

9. Alternative hedging measures for the Share Bonus Scheme 2020

As an alternative to the measures under Section B below and the Board of Directors' separate repurchase authorisation proposal, Sweco may, if deemed appropriate by the Board of Directors, enter into one or several equity swap agreement(s) with a third party in order to hedge the obligations under the Share Bonus Scheme 2020. Under such agreement(s), the third party may, in its own name, buy and transfer Class B shares to participants in accordance with the Share Bonus Scheme 2020. The additional cost for such swap arrangement is estimated to be approximately SEK 1 million summed with the corresponding cost for the Share Savings Scheme 2020.

10. Sweco's other share-based incentive schemes

Since 2011, the Annual General Meetings have resolved to implement so-called Share Savings Schemes aimed at senior executives and other key personnel within Sweco. The Board of Directors has proposed that the Annual General Meeting of 2020 resolves to implement the Share Savings Scheme 2020 (see separate proposal in item 16 on the agenda for a description of this scheme and an account of the other outstanding Share Savings Schemes).

11. The preparation of the Share Bonus Scheme 2020

The Share Bonus Scheme 2020 has been prepared by the Remuneration Committee with support of external advisors. The proposal has been adopted by the Board of Directors.

B. Proposal on transfer of Class B treasury shares

The Board of Directors proposes that the Annual General Meeting resolves to transfer Class B treasury shares on the following conditions:

1. The number of Class B treasury shares required for the allocation of shares to participants in the Share Bonus Scheme 2020, however not more than 825,000 shares, may be transferred.
2. The right to acquire shares shall be held by employees who are participants in the Share Bonus Scheme 2020, where the maximum number of shares each participant is entitled to acquire is subject to the terms and conditions of the scheme.
3. The transfer of shares to the employees included in the Share Bonus Scheme 2020 shall be made without consideration and be made in the first half of 2021.
4. The number of Class B shares in Sweco that may be transferred under this Section B may be subject to recalculation in case of bonus issues, splits and/or reverse splits of shares, preferential rights issues or similar events impacting the number of shares in Sweco.

Transfers are permitted of Class B treasury shares that (i) were acquired under the Share Bonus Scheme 2020 pursuant to the Board of Directors' separate repurchase authorisation proposal, (ii) were acquired or are held for the purpose of securing Sweco's obligations under the company's other Share Bonus Schemes or Share Savings Schemes, but are no longer required thereunder, and (iii) were acquired for the completion of acquisitions, but are not expected to be required for future acquisitions. Together with the shares transferred under Section C (ii)-(iii) below, a total of up to 1,100,000 shares may be transferred under these items (ii)-(iii).

The Board of Directors is of the view that it is beneficial to Sweco and its shareholders that Sweco's employees are shareholders in Sweco. In light thereof, it is important to implement the Share Bonus Scheme 2020. The transfer of the shares to the employee's forms part of the implementation of the Share Bonus Scheme 2020 and serves the purpose of fulfilling Sweco's obligations towards the employees entitled to receive shares in accordance with the conditions of the Share Bonus Scheme 2020.

C. Authorisation for the Board of Directors to sell Class B treasury shares to secure payment of social security contributions

The Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors to sell Class B treasury shares on the following conditions:

1. Sales of Class B shares may be made over Nasdaq Stockholm at a price within the relevant at the time registered price, meaning the span between the highest registered purchase price and the lowest registered sales price.
2. Sales of shares may be made of the number of Class B shares required to secure Sweco's costs, including costs for social security contributions, connected to the Share Bonus Scheme 2020, however no more than 275,000 shares.
3. Sales of shares may also be made outside Nasdaq Stockholm to a bank or other financial institution, in deviation from the existing shareholders' pre-emption rights. Such sale may be made at a price corresponding to the registered price range at the stock exchange, with such deviation on market terms that the Board of Directors finds reasonable.
4. The authorisation may be used on one or more occasions, however no later than prior to the next Annual General Meeting.
5. The number of Class B shares in Sweco that are sold under this Section C may be subject to recalculation in case of bonus issues, splits and/or reverse splits of shares, preferential rights issues or similar events impacting the number of shares in Sweco.

Sales are permitted of Class B treasury shares that (i) were acquired under the Share Bonus Scheme 2020 pursuant to the Board of Directors' separate repurchase authorisation proposal, (ii) were acquired or are held for the purpose of securing Sweco's obligations under the company's other Share Bonus Schemes or Share Savings Schemes, but are no longer required thereunder, and (iii) were acquired for the completion of acquisitions, but are not expected to be required for future acquisitions. Together with the shares transferred under Section B (ii)-(iii) above, a total of up to 1,100,000 shares may be sold under these items (ii)-(iii).

The Board of Directors is of the view that it is beneficial to Sweco and its shareholders that Sweco's employees are shareholders in Sweco. In light thereof, it is important to implement the Share Bonus Scheme 2020. The transfer of the shares under this authorisation forms part of the implementation of the Share Bonus Scheme 2020 and serves the purpose to enable the transfer of treasury shares and securing costs, including social security contributions, connected to the Share Bonus Scheme 2020.

D. Voting majority etc.

The Annual General Meeting's resolutions pursuant to Sections A-C above shall be put to a vote jointly. Thus, the majority rules set out in Chapter 16 of the Companies Act shall be applied, meaning that shareholders holding at least nine tenths of cast votes as well as the shares represented at the meeting must vote in favour of the proposal for the resolution to be valid. The

resolution shall be conditional upon the Annual General Meeting resolving in accordance with the Board of Directors' separate repurchase authorisation proposal (item 17 on the agenda).

E. Appendices

- a) Recalculation of base share price, Appendix 1
- b) Statement of the Board of Directors pursuant to Section 4 of Chapter 18 and Section 22 of Chapter 19 of the Companies Act, Appendix 2

Stockholm, February 2020

SWECO AB (publ)

The Board of Directors