

The Board of Directors' report on the Compensation Committee's evaluation of compensation to senior executives according to sections 9.1 and 10.3 of the Swedish Code of Corporate Governance

The Board of Directors of Projektengagemang Sweden AB (publ) has established a Compensation Committee consisting of Carina Malmgren Heander, Gunnar Grönkvist and Öystein Engebretsen, with Carina Malmgren Heander as Chairman.

The Compensation Committee's task are, among other things, to monitor and evaluate all of the Company's variable compensation programs for the CEO and other senior executives. The Compensation Committee is also tasked with monitoring and evaluating the application of the guidelines for compensation of senior executives adopted by the Annual General Meeting and to monitor and evaluate applicable compensation structures and compensation levels, as well as report the results of the evaluation to the Board.

The Board of Directors hereby submits its report on the Compensation Committee's evaluation.

Accordance with adopted guidelines for compensation to the CEO and other senior executives, the compensation shall consist of the following parts: fixed salary, possible variable salary, possibly long-term incentive programs, other benefits and pension. According to the guidelines, variable cash compensation can be paid with a maximum of 50 per cent of the annual fixed salary for the CEO and other members of the Group management.

A long-term incentive program has been not introduced in 2018. The Committee has followed and evaluated the Company's variable salary program in 2018. The assessment is that the program fulfils its function and follows current guidelines. The Compensation Committee has also monitored and evaluated the application of adopted guidelines for compensation to senior executives and has established that the guidelines have been adhered to and that they are appropriate to the purpose. The Compensation Committee has furthermore assessed that existing structures and levels for such compensation provide the conditions for a total compensation that is reasonable and market-based.

The overall evaluation has also resulted in the Board's proposal for the Annual General Meeting 2019 on the introduction of a long-term incentive program, in order to further motivate the Company's key employees and strengthen the Company's ability to retain and recruit key personnel. The Board of Directors has considered it important and in the interests of the shareholders that key employees in the Group have a long-term interest in a good value development in the Company. Proposed compensation guidelines have been updated to reflect the new proposed long-term incentive program.

The Board of Directors is of the opinion that the application of the guidelines for compensation to senior executives decided by the Annual General Meeting 2018 has been accurate and well-balanced and that the outcome of variable compensation is in accordance with goals achieved.

Stockholm in April 2019
Projektengagemang Sweden AB (publ)
The Board of Directors

This is a translation of the Swedish original wording. In case of discrepancies, the Swedish version shall prevail.