

Remuneration Report 2020

Introduction

The 2020 AGM of Projektengagemang Sweden AB (publ) ("Projektengagemang" or "the Company") resolved to adopt the guidelines on remuneration to senior executives as proposed by the Board of Directors. This report described how the guidelines were applied during the 2020 financial year. The report also describes the remuneration paid to the Chief Executive Officer ("CEO"), the Deputy Chief Executive Officer ("Deputy CEO") and the incentive programme for the Board of Directors.

Further information on remuneration paid to senior executives of the Company is provided in Note 7 in the 2020 Annual Report. Information regarding the work of the Remuneration Committee in 2020 is provided on pages 40–46 of the 2020 Corporate Governance Report, included as part of the 2020 Annual Report.

Information on remuneration to the Board of Directors is not included in this report. Information on Board of Directors' remuneration is provided in Note 7 in the 2020 Annual Report and in the minutes from the 2020 AGM. The Board has not received any further remuneration.

This Remuneration Report has been prepared in accordance with the Swedish Companies Act (2005:551) and Rules on Remuneration of the Board and Executive Management and on Incentive Programmes, issued by the Swedish Corporate Governance Board.

Summary of 2020

The CEO summarises the overall performance of the Company in her statement on pages 10–11 of the 2020 Annual Report.

Projektengagemang's guidelines on remuneration: scope, purpose and deviations

The guidelines on remuneration are included on pages 36–38 of the 2020 Annual Report and in the minutes from the 2020 AGM.

Successful implementation of Projektengagemang's business strategy, long-term interests and sustainability based on the desire to renew and improve requires Projektengagemang to recruit and retain qualified, motivated and committed employees with the right skills. To achieve this, Projektengagemang needs to be able to offer the competitive total remuneration enabled by the remuneration guidelines. There must be provision for the CEO's and the Deputy CEO's remuneration to include fixed salary, variable remuneration, long-term incentive programmes, pension and other benefits, which must be in line with the market and competitive. The variable remuneration should be conditional on the fulfilment of defined and measurable criteria that are decided annually by the Remuneration Committee and the Board of Directors. They should be designed to promote the fulfilment of the Company/Group's short- and long-term targets, strategy, long-term development, value creation, sustainability and financial growth, as well as individual targets for the financial year, and should be defined and measurable and designed such as to discourage excessive risk-taking.

The remuneration guidelines adopted by the 2020 AGM were applied in all respects during the 2020 financial year. There were no departures from the guidelines or deviations from the decision-making process that according to the guidelines must be applied in determining the remuneration. The auditor's written statement on the Company's compliance with the guidelines is available at www.pe.se/bolagsstyrning/stamma. No remuneration has been reclaimed. No changes to the remuneration guidelines are proposed for the 2021 AGM.

Total remuneration to CEO and Deputy CEO during the 2020 financial year (SEK th.)

Name, position (Start/end)	Year	Fixed remuneration		Variable remuneration			Pension ⁴	Total remuneration	Relative proportions of fixed/variable remuneration ⁵
		Fixed basic salary	Other benefits ¹	Annual ²	Multi-year ³	Exceptional remuneration			
Per-Arne Gustavsson, CEO (until end of November)	2020	3,556		0	N/A	N/A	0	3,556 ⁶	100/0
Helena Hed, CEO (from beginning of December)	2020	250		0	N/A	N/A	22	272	100/0
Peter Sandberg, Deputy CEO	2020	1,606	35	0	N/A	N/A	381	2,022	100/0

1 Other benefits are, for example, sickness insurance, travel, healthcare, company car or other benefit

2 Variable remuneration associated with results and performance in 2020

3 Multi-year variable remuneration under share purchase programme described below

4 Related to fixed salary, other than as accruing under the ITP Plan

5 According to the guidelines, variable cash remuneration may be paid to a maximum of 75 percent of the annual fixed salary

6 Total remuneration refers to payments made in 2021 and refers to remuneration for the period 17/9 2020 until 30/11/2021

Long-term incentive programmes

Outstanding Share Purchase Programme

The 2019 and 2020 AGMs resolved to introduce a performance-based share purchase programme (Share Purchase Programme 2019 and Share Purchase Programme 2020) for senior executives and other key personnel in the Group. Every Series B share in the Company that participants in the programme invest in (savings share) entitles the holder to receive a matching share free of charge and up to four performance-based shares.

Matching shares and performance-based shares are allocated on the condition that the participant has retained it for the

three-year vesting period and, with certain limited exceptions, that the participant remains employed in the Group for the entire vesting period. Allocation of matching shares is also conditional on the total shareholder return (TSR) for the share is positive during the vesting period, and allocation of performance-based shares is conditional on targets set for TSR and earnings (EBITA percent) calculated on an annualised basis over the three-year vesting period.

See page 40 of the 2019 Annual Report for further details of the Share Purchase Programme 2019 and Note 7 of the 2020 Annual Report for further details of the Share Purchase Programme 2020.

Total remuneration to CEO and Deputy CEO during the 2020 financial year (SEK th.)

Name, position	Programme	Fixed remuneration			Variable remuneration		
		Investment period	Vesting period	Date of allocation	Savings shares invested	Matching and performance-based shares earned	Matching and performance-based shares vested
Per-Arne Gustavsson, CEO (until end of November)	Share Purchase Programme 2019	N/A	N/A	N/A	N/A	N/A	N/A
	Share Purchase Programme 2020	N/A	N/A	N/A	N/A	N/A	N/A
Helena Hed, CEO (from beginning of December)	Share Purchase Programme 2019	N/A	N/A	N/A	N/A	N/A	N/A
	Share Purchase Programme 2020	30/06/20–31/07/20	01/08/20–31/07/23	01/09/23	17,116	–	–
Peter Sandberg, Deputy CEO	Share Purchase Programme 2019	30/06/19–31/07/19	01/08/19–31/07/22	01/09/22	8,748	–	–
	Share Purchase Programme 2020	30/06/20–31/07/20	01/08/20–31/07/23	01/09/23	14,394	–	–

Share purchase and incentive programmes ended during the year

During the year, no share purchase or incentive programmes ended. The performance requirements for the first year of the Share Purchase Programme 2019 have not been met.

Variable remuneration

During the 2020 financial year, the CEO and Deputy CEO did not receive any variable remuneration and no performance criteria were applied during the 2020 financial year to determine variable remuneration.

Comparative information regarding changes in remuneration and Projektengagemang's earnings

Comparison table of the changes in remuneration and the Company's earnings in the two most recently reported financial years.

	2019	2020
Annual change in the CEO's and Deputy CEO's remuneration		
CEO ²	1% (SEK 24,000)	9% (SEK 322,000)
Deputy CEO, Peter Sandberg	0% (SEK 10,000)	-12% (SEK -269,000)
Development of the Company		
EBIT, MSEK (adjusted earnings)	0.5	67.4
Annual change in average remuneration paid to employees, converted to full-time equivalents		
Employees at Projektengagemang ¹	1%	2%

1) Employees at the Projektengagemang Group excluding senior executives.

2) Changes regarding the CEO are based on the people who held that position during each period. For the comparative figures, 2018 refers to Per Hedebäck. 2019 refers to Per Hedebäck and Per-Arne Gustavsson and 2020 refers to Per-Arne Gustavsson and Helena Hed.

Stockholm, March 2021
Projektengagemang Sweden AB (publ)
The Board of Directors