



The Board's proposals concerning

- A. Introduction of a long-term performance-based incentive program (LTI 2023 Share Program).**
- B. Transfer of own Series B shares to participants of LTI 2023 Share Program.**
- C. Authorization for the Board of Directors to decide on transfer of own Series B shares.**
- D. Third-party share-swap agreements due to LTI 2023 Share Program.**

Background

Previous AGMs since 2012, with the exception of 2022, have resolved on long-term performance-based incentive programs for senior executives and key personnel within the NCC Group.

According to the Board of Directors, it is essential that key personnel in the NCC Group have an interest in the Company's long-term development and it therefore also proposes a long-term performance-based incentive program for the period 2023-2025 ("LTI 2023 Share Program").

Should the conditions exist taking into account NCC's earnings and financial position and conditions in the stock market and otherwise, and given the size and cost of the program, the Board is of the opinion that it is appropriate to have LTI programs in the present format every second year. However, a future assessment of the program's benefits and advantages could entail that such a program – in this or another form – should be introduced more frequently.

Although the LTI 2023 Share Program generally has the same structure as LTI 2021, it has been supplemented with two additional performance targets related to NCC's long-term sustainability targets in respect of reductions in work-related accidents and carbon emissions. In addition, the maximum number of participants in the program has been expanded from 180 to 240 (see "Expanded group" in the table below). As was also the case for LTI 2021, personal investment in NCC shares is a condition for participation in the LTI 2023 Share Program. The Board is convinced that the LTI 2023 Share Program will benefit the Company's shareholders since it will create prerequisites for retaining and recruiting key personnel and will ensure a continued focus on the Company's long-term profitability and value growth.

The Board's motions pertain to (A) introduction of the LTI 2023 Share Program and (B) transfer of own Series B shares to participants in the program. Should the transfer of Series B shares not be possible because the majority requirements under item (B) are not attained, it is proposed that the participants instead be able to obtain Series B shares from a third party who has entered into a share-swap agreement with NCC in accordance with what is stated in the Board's motion under Point (C).



A. Introduction of a long-term performance-based incentive program (LTI 2023 Share Program).

Program in summary

The purposes of the LTI 2023 Share Program are to:

- ensure continued focus on the Company's long-term profitability and value growth,
- create prerequisites for retaining and recruiting key personnel,
- provide competitive remuneration, and
- create increased focus on the Company's long-term sustainability targets in respect of reductions in work-related accidents and carbon emissions.

The program will run for three years and entail that the participants themselves invest in the Company's own shares, "Savings Shares". After the period expires, if and to the extent that the performance targets for the program have been met, each Savings Share will provide entitlement to the receipt of three to six "Performance Shares," according to the conditions and principles stated below.

Conditions for the program

The Board proposes that the AGM resolve to introduce the LTI 2023 Share Program, comprising at most 880,000 Series B NCC shares, which also include shares that may be transferred to cover costs related to the program, according to the following principal conditions:

1. Up to 240 senior executives and other key personnel in the Group will be offered an opportunity to participate in the LTI 2023 Share Program.
2. A condition for participation in the LTI 2023 Share Program is that, at the start of the program, the participants, using their own funds, acquire Series B NCC shares ("Savings Shares") at market price for an amount capped at 5 to 10 percent of the respective participant's basic annual salary for 2022 ("Basic salary").
3. Acquisitions of Savings Shares must take place no later than June 1, 2023, with the Board authorized to extend this period should any impediments to the participants' acquisitions arise during the period.
4. If the Savings Shares are retained for a period through the fourth banking day after the 2026 AGM ("Savings Period") and the participants remain in the employment of the NCC Group, each Savings Share will thereafter provide the participant with entitlement to a maximum of three to six Series B NCC shares ("Performance Shares"). A condition for this is that the performance requirements stated in Item 6 have been fulfilled. Performance Shares will be obtained free of charge within 60 days of the 2026 AGM.
5. The participants are divided into four categories.
 - The CEO (one person) is entitled to acquire Savings Shares for an amount corresponding to not more than 10 percent of his Basic Salary and may receive a maximum of six Performance Shares for each Savings Share held.
 - Other members of the SMT (ten persons) are entitled to acquire Savings Shares for an amount corresponding to not more than 7.5 percent of their respective Basic Salary and may receive a maximum of five Performance Shares for each Savings Share held.



- Members of business area management teams (about 40 persons) are entitled to acquire Savings Shares for an amount corresponding to not more than 5 percent of their respective Basic Salary and may receive a maximum of four Performance Shares for each Savings Share held.
- Key personnel line/staff units (including the expanded group, about 190 persons) are entitled to acquire Savings Shares for an amount corresponding to not more than 5 percent of their respective Basic Salary and may receive a maximum of three Performance Shares for each Savings Share held.

Assuming an average share price of SEK 100 at the date of acquisition and that all participants acquire the maximum number of shares, participants in each category could receive the number of shares shown in the table below

LTI 2023 Share Program	CEO	Other Senior Management Team (SMT)	Business area management teams, etc.	Key personnel line/staff units	Expanded group, key personnel	Total
Number of participants	1	10	40	129	60	240
Cap % of basic salary	10.0%	7.5%	5.0%	5.0%	5.0%	
Maximum number of Saving Shares , average	9,744	2,360	783	700	570	
Maximum number of Saving Shares for the group	9,744	23,598	31,338	90,350	34,200	189,230
Allotment, number of Performance Shares per Savings Share	6	5	4	3	3	
Maximum number of Performance Shares in total for the group	58,464	117,990	125,353	271,049	102,600	675,456
Maximum number of shares to cover social security fees	17,539	35,397	37,606	81,315	30,780	202,637
Total maximum number of shares to be allotted/transferred by NCC						878,093

6. **The performance targets** during the Savings Period focus on long-term value performance in the form of Earnings per share (“performance target 1”), a reduction in the Group’s carbon emissions (“performance target 2”) and a reduction in the number of work-related accidents (“performance target 3”). Of the allotment of Performance Shares, 90 percent will pertain to performance target 1, 5 percent to performance target 2 and 5 percent to performance target 3.

Performance target 1: Earnings per share

Performance target 1 pertains to NCC’s Earnings per share (EPS) for the period 2023-2025. The allotment of Performance Shares will be based on the minimum and maximum target levels established by the Board for each year during the period. The outcome will be calculated annually, whereby one third of the Performance Shares will be measured against the outcome for 2023, one third will be measured against the outcome for 2024 and one third will be measured against the outcome for 2025: i.e. 30 percent of the total outcome for each year.

The Board is of the opinion that the minimum and maximum target levels will be well-balanced and will entail a not insignificant increase in EPS. The targets for 2023 will be established by the Board not later than at the start of the program, and the targets for 2024 and 2025 will be established at the start of the respective years. The targets will be communicated to participants in the program as soon as practically possible.

If the minimum level for the year in question is not achieved, no Performance Shares will be awarded. If the maximum target level for the year in question is



achieved or exceeded, Performance Shares connected to performance target 1 will be awarded at a rate of 100 percent. If the minimum level is exceeded but the maximum level is not achieved, allotment will occur linearly within the span.

The Board of Directors intends to present the established performance targets related to EPS in the Annual Report or remuneration report for 2025.

Performance target 2: Climate and environment

NCC strives to eliminate emissions from the entire value chain, increase energy efficiency and enable adaptation to climate change. NCC's target is to achieve a 60-percent reduction in CO₂e (tons)/SEK M within Scopes 1 and 2 by 2030 compared with 2015. Scope 1 pertains to emissions related to fuel consumption in asphalt plants, and from own vehicles and machinery. Scope 2 pertains to emissions related to the production of electricity, district heating and district cooling used in the operations.

At year-end 2021/2022, the emission intensity was 2.70 CO₂e (tons)/SEK M, corresponding to a reduction of 48 percent compared with 2015. The target is that the emission intensity at the end of 2025 will not exceed 2.47 CO₂e (tons)/SEK M. If the target level is not achieved, no Performance Shares will be awarded. If the target level is achieved, Performance Shares connected to performance target 2 will be awarded at a rate of 100 percent.

Should the Group's product mix change during the course of the program, the Board will be entitled to adjust the target to take the change into account.

Performance target 3 Health & Safety

NCC strives to reduce the number of accidents and completely eliminate serious accidents and incidents. This is to be measured through the metric of LTIF4, meaning work-related accidents resulting in more than four calendar days of absence per million hours worked by NCC's employees. NCC's outcome regarding LTIF4 was 4.1 for year 2022. The target is that LTIF4 at the end of 2025 will not exceed 2.25. If the target level is not achieved, no Performance Shares will be awarded. If the target level is achieved, Performance Shares connected to performance target 3 will be awarded at a rate of 100 percent.

7. Prior to definitively establishing the number of Performance Shares to be awarded, the Board must assess whether allotment according to the principles in Items 5 and 6 is reasonable, taking into account NCC's earnings and financial position, conditions in the stock market and other circumstances. If, in the opinion of the Board of Directors, this is not the case, the Board will be authorized to reduce the number of Performance Shares that are awarded, to the lower number of shares that the Board deems fit.
8. The number of Performance Shares that may be obtained on the basis of Savings Shares may be subject to recalculation due to a bonus issue, splits and/or reverse splits of shares, preferential rights issues or similar events impacting the number of shares in NCC. In connection with such a change in the number of shares, performance target 1 may also be recalculated.
9. A condition for participation in the LTI 2023 Share Program is that such participation is legally permitted and that, in NCC's assessment, participation is possible with reasonable administrative costs and financial input.
10. The Board of Directors will be responsible for the more detailed presentation and management of the LTI 2023 Share Program within the framework of the main terms and conditions stated above and will also be entitled to make such minor adjustments to these terms and conditions that may be required due to legal or



administrative circumstances. The Board will also be entitled to make adjustments to and derogate from the terms and conditions due to local regulations and prevailing standard market practice.

LTI 2023 Share Program costs and impact on important key figures

The LTI 2023 Share Program will comprise a total of not more than 880,000 own Series B shares (including shares to cover social security fees), corresponding to about 0.81 percent of the total number of shares and about 0.39 percent of the number of voting rights in the Company.

The cost of the LTI 2023 Share Program will be based on the IFRS 2 accounting standard and be allocated over three years. Assuming a share price of SEK 100 at the date of acquisition and the maximum outcome, the cost for the LTI 2023 Share Program, including estimated costs for social security fees, will be about SEK 87.8 million (68.3)*. This corresponds to a value of approximately 0.81 (0.42%)* percent of the total number of shares in the Company at December 31, 2022.

Assuming a positive share price trend of 10 percent during the term of the program, the cost will increase to SEK 96.6 million and, assuming a 20-percent rise, the cost will increase to SEK 105.4 million.

The annual cost of LTI 2023, including social security fees, is estimated to amount to approximately SEK 29.3** million (22.8)* in accordance with the conditions described above. This cost may be compared with NCC's total personnel costs, including social security fees, of SEK 11,392 M for 2022.

The maximum value that a participant may receive at allotment of Series B shares is limited to an amount per share that corresponds to 400 percent of the share price. The share price is calculated on the basis of the average last price paid during a period of ten trading days immediately following the date of the 2023 AGM, a period when the share is traded ex-rights to dividends.

The costs and dilution are expected to have a marginal impact on NCC's key figures.

The free-of-charge transfer of a maximum of 677,000 Performance Shares to the participants in the LTI 2023 Share Program is estimated to correspond to dilution of earnings per share by not more than about 0.69 percent (the maximum number of shares that can be distributed through the program divided by the total number of shares, excluding the Company's treasury holding).

* Data within the parentheses refers to LTI 2021, which was adopted by the 2021 AGM.

** The cost of estimated target fulfillment will be charged against profit for the respective year

Preparation of the motion

The LTI 2023 Share Program has been prepared and approved by the Board of Directors. Neither the CEO nor other executives who may be encompassed by the LTI 2023 Share Program have participated in the Board of Directors' preparation of and decisions concerning the motion.

B. Transfer of own Series B shares to participants of LTI 2023 Share Program.

To be able to deliver shares under the LTI 2023 Share Program, the Board proposes that the AGM vote to approve the transfer of own Series B shares in NCC based on the following terms and conditions.



1. The number of Series B shares that may be transferred for allocation of Performance Shares to participants in the LTI 2023 Share Program may not exceed 677,000.
2. Transfer of Performance Shares to the participants will be free of charge.
3. The number of shares that will be transferred under the LTI 2023 Share Program may be subject to recalculation due to a bonus issue, splits and/or reverse splits of shares, preferential rights issues or similar events impacting the number of shares in NCC.
4. The rationale for the derogation of the existing shareholders' preemptive rights when transferring the treasury shares is to facilitate NCC's transfer of Performance Shares to the participants in the LTI 2023 Share Program.

C. Authorization for the Board of Directors to decide on transfer of own Series B shares.

The Board proposes that the AGM resolve to authorize the Board to decide on the transfer of own Series B shares based on the following terms and conditions.

1. The transfer of Series B shares may occur on Nasdaq Stockholm, on one or several occasions during the period up to the next AGM.
2. A maximum of 145,000 Series B shares may be transferred.
3. The shares are to be transferred on Nasdaq Stockholm and may only be acquired at a price within the registered span of share prices at the particular time, by which is meant the span between the highest price paid and the lowest asked price.
4. The shares are to be paid for in cash.

The purpose of the authorization, and the reasons for disapplying the shareholders' preferential rights in connection with the transfer of own shares, is to enable the Company to deliver own Series B shares in order to secure delivery of shares according to LTI 2020 and LTI 2021 and to cover costs, such as costs for dividend compensation, social security fees and payments on the basis of the synthetic shares, arising from outstanding long-term performance-based incentive programs in NCC from time to time.

D. Third-party share-swap agreements due to LTI 2023 Share Program

Should it not be possible to gain the requisite majority for item 20 B above, the Board proposes that the AGM, resolve to secure the anticipated financial exposure in respect of the LTI 2023 Share Program by permitting NCC to enter into share-swap agreements with a third party on normal market terms, whereby the third party will be able to acquire Series B NCC shares in its own name and transfer them to employees who participate in the LTI 2023 Share Program. The additional cost for such share handling may be estimated at between SEK 0.5 million and SEK 1 million.