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The Board's proposals concerning

- A. Introduction of a long-term performance-based incentive program (LTI 2024 share savings program).**
- B. Transfer of own Series B shares to participants of LTI 2024 share savings program.**
- C. Third-party share-swap agreements due to LTI 2024 share savings program.**
- D. Authorization for the Board of Directors to decide on transfer of own Series B shares.**

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 2024-2026 ("LTI 2024 share savings program").

Based on the background to the previous year's program, LTI 2023, the Board's opinion is that it is appropriate to have LTI programs in the present format every second year 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. Furthermore, 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. Accordingly, the Board proposes a program for 2024, albeit with slightly amended terms compared to the 2023 program, which is why the program only entails a minor cost increase (see key figures below) compared to a program corresponding to LTI 2023 introduced every second year.

The LTI 2024 share savings program is based on essentially the same structure as LTI 2023. As was also the case for LTI 2023, personal investment in NCC shares is a condition for participation in the LTI 2024 share savings program. The Board is convinced that the LTI 2024 share savings 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 item 21 A introduction of the LTI 2024 share savings program and 21 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 21 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 item 21 C.



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A. Introduction of a long-term performance-based LTI 2024 share savings program

Program in summary

The purposes of the LTI 2024 share savings 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 climate and environment (carbon dioxide emissions) and health and safety (reductions in work-related accidents).

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 two (three*) to five (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 2024 share savings program, comprising at most 450,000 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 2024 share savings program.
2. A condition for participation in the LTI 2024 share savings 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 4 (5*) to 8 (10*) percent of the respective participant's basic annual salary for 2023 ("basic salary").
3. Acquisitions of savings shares must take place no later than June 1, 2024, 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 until the end of the savings period, three years after the start of the program, and the participant remains in the employment of the NCC Group, each savings share will thereafter provide the participant with entitlement to a maximum of two to five 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 2027 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 8 percent of his basic salary and may receive a maximum of five performance shares for each savings share held.

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- Other members of the SMT (11 persons) are entitled to acquire savings shares for an amount corresponding to not more than 6 percent of their respective basic salary and may receive a maximum of four 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 4 percent of their respective basic salary and may receive a maximum of three performance shares for each savings share held.
- Key personnel line/staff units (about 190 persons) are entitled to acquire savings shares for an amount corresponding to not more than 4 percent of their respective basic salary and may receive a maximum of two performance shares for each savings share held.

Assuming an average share price of SEK 126 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 2024 Share savings program	CEO	Other Senior Management Team (SMT)	Business area management teams, etc.	Key personnel line/staff units	Total
Number of participants	1	11 ¹	40	188	240
Cap % of basic salary	8.0%	6.0%	4.0%	4.0%	
Maximum number of saving shares , average	6,496	1,645	665	492	
Maximum number of saving shares for the group	6,496	18,095	26,580	92,498	143,669
Allotment, number of performance shares per savings share	5	4	3	2	
Maximum number of performance shares in total for the group	32,480	72,380	79,740	184,996	369,596
Maximum number of shares to cover social security fees	6,496	14,476	15,948	36,999	73,919
Total maximum number of shares to be allotted/transferred by NCC					443,516

¹The Senior Management Team consists of 11 people in addition to the CEO since February 2024.

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.

The Board will annually set specific target levels in all three areas, based on current and possibly updated targets for NCC. These will be communicated in the Annual Report or remuneration report for 2026. Targets for 2024 will be communicated to participants in the program not later than in conjunction with the start of the program, and thereafter the annual targets will be communicated annually at the beginning of 2025 and 2026.

Performance target 1: Earnings per share

Performance target 1 pertains to NCC's earnings per share (EPS) for 2024, 2025 and



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2026. 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 2024, one third will be measured against the outcome for 2025 and one third will be measured against the outcome of the program for 2026: i.e. 30 percent of the total outcome for each year.

In the opinion of the Board, the objectives will be well balanced.

If the minimum level for the year in question is not achieved, no performance shares will be awarded for the year in question. 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 for the year in question. If the minimum level is exceeded but the maximum level is not achieved, allotment will occur linearly within the span.

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 2023, the emission intensity was 2.30 CO₂e (tons)/SEK M, corresponding to a reduction of 56 percent compared with 2015.

The Board will set appropriate targets primarily based on the Group's own Scope 1 and 2 emissions or another appropriate and measurable target figure.

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.

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. At year-end 2023, LTIF4 amounted to 4.0.

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.



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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 2024 share savings 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 2024 share savings 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 2024 share savings program costs and impact on important key figures

The LTI 2024 share savings program will comprise a total of not more than 450,000 own Series B shares (including shares to cover social security fees), corresponding to about 0.45 percent (0.81^{*}) of the total number of shares and about 0.22 percent (0.39^{*}) of the number of voting rights in the company.

The cost of the LTI 2024 share savings program will be based on the IFRS 2 accounting standard and be allocated over three years. Assuming a share price of SEK 126 at the date of acquisition and the maximum outcome, the cost for the LTI 2024 share savings program, including estimated costs for social security fees, will be about SEK 55.9 M (87.8^{*}). This corresponds to a value of approximately 0.45 percent (0.81%^{*}) of the total number of shares in the company at December 31, 2023.

Assuming a positive share price trend of 10 percent during the term of the program, the cost will increase to SEK 61.5 M and, assuming a 20-percent rise, the cost will increase to SEK 67.1 M.

Given the above conditions and assumptions, the annual cost of LTI 2024, including social security fees, is estimated to amount to a maximum of approximately SEK 18.6^{**} M (29.3^{*}). This cost may be compared with NCC's total personnel costs, including social security fees, of SEK 11,862 M for 2023.

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 2024 AGM, a period when the share is traded ex-rights to dividends.

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



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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 375,000 performance shares to the participants in the LTI 2024 share savings program is estimated to correspond to dilution of earnings per share by not more than about 0.38 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).

Preparation of the motion

The LTI 2024 share savings program has been prepared and approved by the Board of Directors. Neither the CEO nor other executives who may be encompassed by the LTI 2024 share savings 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 2024 share savings program

To be able to deliver shares under the LTI 2024 share savings 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 2024 share savings program may not exceed 375,000.
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 2024 share savings 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 2024 share savings program.

C. Third-party share-swap agreements due to LTI 2024 share savings program

Should it not be possible to gain the requisite majority for item 21 B above, the Board proposes that the AGM, resolve to secure the anticipated financial exposure in respect of the LTI 2024 share savings 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



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participate in the LTI 2024 share savings program. The additional cost for such share handling may be estimated at between SEK 0.5 million and SEK 1 million.

D. 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 100,000 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 2021 and LTI 2023 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.