Beijer Ref AB Election Committee’s explanatory statement regarding the proposal for election of the Board of Directors at the Annual General Meeting 2020

In accordance with the resolution passed by the 2019 Annual Meeting of shareholders, the following members were appointed to the Election Committee ahead of the 2020 Annual General Meeting of shareholders: Johan Strandberg, Chairman (SEB Fonder), Arne Lööw (Fjärde AP-fonden), Joen Magnusson (own holding), Bernt Ingman (Chairman of Beijer Ref) and Muriel Makharine (Carrier Global Corporation).

The Election Committee’s proposal to the Annual Meeting of shareholders

- Beijer Ref’s Chairman Bernt Ingman is proposed as Chairman of the Annual General Meeting.

- The number of members of the Board is proposed to remain seven.

- It is proposed re-election of Bernt Ingman, Joen Magnusson, Peter Jessen Jürgensen, Monica Gimre, Frida Norrbom Sams and William Striebe as board members.

- It is proposed that Gregory Alcorn is elected as Board Member

- It is proposed re-election of Bernt Ingman as Chairman of the Board of Directors.

- Remuneration shall be paid as follows:

SEK 775,000 to the Chairman (2019: 720.000)

SEK 375,000 to Board Members (2019: 350.000)

SEK 100,000 to the Chairman of the Audit Committee (2019: 75.000)

SEK 75,000 to Members of the Audit Committee (2019: 50.000)

In total: SEK 2,275,000 excluding remuneration for Committee work

Board Members employed by the Carrier Global Corporation will not be paid remuneration.

- The Election Committee further proposes, the election of the registered accounting firm Deloitte AB, with authorized public accountant Richard Peters as auditor in charge.

- The Election Committee proposes that the Auditors´ fee shall be paid on the basis of approved invoice.

The Election Committee’s justified statement over its proposal for Board of Directors

In the election work for this year’s AGM, the Election Committee has made an assessment of the composition and size of the current Board as well as Beijer Ref operations, it’s phase of development and conditions in general. Furthermore, the Election Committee has discussed the Board of Directors’ diversity and composition relating to industry experience, competence, gender distribution, and international experience. As a basis for its decision, the Election Committee has taken note of the Chairman's statement of the board's work, studied the results of the external board evaluation and interviewed all Board members.

To replace Chris Nelson, who is not standing for re-election, the Election Committee has deemed it desirable to supplement the Board of Directors with an international member with broad industry experience and experience of sales and leadership. Gregory Alcorn was born in 1966. Gregory Alcorn is Vice President, Global Partnerships, for Carrier Global Corporation, responsible for partner relationships, performance and growth.  He has been with Carrier’s parent company, United Technologies Corporation (UTC), for 25 years, and with Carrier for the last 19 years. His entire Carrier career has been focused in increasingly responsible roles in general management, sales and marketing, channel/distribution management, and business development, including senior executive roles within Carrier’s North America Commercial HVAC business and Business Transformation for Global Commercial HVAC. Gregory holds a bachelor’s degree in Mechanical Engineering from Duke University and an MBA from the Stanford Graduate School of Business.

It is the Election Committee´s opinion that Gregory Alcorn´s experience response well to the wanted competence profile.

Gregory Alcorn holds no shares in Beijer Ref and is independent in relation to Beijer Ref and its management but dependent in relation to the company’s largest shareholder.

The Election Committee has noted that the Board has a high attendance at board meetings and the Board evaluation shows that members of the Board are well prepared for meetings. Two out of seven of the proposed Directors of the Board to be elected at the shareholders’ meeting are women.

The Election Committee has before the AGM 2020 held four meetings. After its evaluation, the Election Committee has found that the board work functions well. The Election Committee considers that the composition and the size of the proposed Board is appropriate to meet Beijer Refs needs. The Election Committee has also assessed that the proposed Board members will be able to devote the necessary time required to fulfil their tasks as Board members in Beijer Ref.

The Election Committee has applied rule 4.1 of the Swedish Corporate Governance Code as diversity policy in its election work. The Election Committee considers that a breadth and versatility as regards age, nationality, educational background, gender, experience, competences and the term of office is represented among the proposed Directors of the Board. The Election Committee believes that diversity is vital and that it is important that coming Election Committees continue to work actively to achieve a gender balance in the Board.

It is noted that the Election Committee has found that the proposed Board is considered to be in compliance with relevant requirements for independence.

The Election Committee has discussed the level and structure of the Board compensation and board fees compared with fees in in similar companies. The corresponding has been done regarding the fees to the Audit Committee. Against this background the Election Committee proposes an increase as a market adjustment.

The Election Committee has reviewed the current instructions for the Election Committee, which were resolved by the Annual General Meeting 2014, and has decided that no changes will be proposed