The Board of Directors’ Proposal

The Board of Directors’ full proposal for resolutions (2021 Annual Meeting of shareholders)

**7b. Dividend**

The Board of Directors proposes that, of the available profits of SEK 1,412,040,000, dividends shall be paid in the total amount of SEK 3,00 per share, entailing a total dividend amount of SEK 379,610,130. Out of the proposed amount, SEK 2.50 per share corresponds to an ordinary dividend and SEK 0.50 is an extra dividend paid as a compensation for the lower dividend paid in 2020.

Payment for the dividend shall be made in two instalments: a first instalment of SEK 1.80 per share and a second instalment of SEK 1.20 per share (SEK 0.40 per share after split). It is proposed that the record date for the first instalment be 19 April 2021 and for the second instalment 8 October 2021.

If the Annual General Meeting decides to accept this proposal, the first instalment will be due to be paid from Euroclear on 22 April 2021 and the second instalment on 13 October 2021.

The Board of Directors has set the proposed dividend in relation to the requirements which the nature, extent and risks of the operation place on the size of shareholders’ equity and the need for consolidation, liquidity and position in general for the parent company and the Group. The Board is

of the opinion that the proposed dividend is within the scope of the company’s long-term objectives and is defensible with reference to the prudence rule in Chapter 17, Para 3 of the Companies Act.

**14. Resolution regarding share split and associated change of Articles of Association.**

The Board of Directors of Beijer Ref AB (publ) proposes, with the purpose to increase the liquidity in the company’s share, that the Annual General Meeting 2021 resolves on a share split as follows:

- to increase the number of shares in the company by dividing every share, regardless of share series, into three (3) shares of the same series (*Sw. aktiesplit 3:1*),

- to determine the record date for the share split to 26 April 2021,

- to amend § 5 of the Articles of Association so that the minimum number of shares shall be 103,000,000 and the maximum number of shares shall be 412,000,000, and

- to authorise the Board of Directors or any person appointed by the Board of Directors, to make necessary adjustments to the resolution by the Annual General Meeting in order to enable registration of the share split with the Swedish Companies Registration Office (*Sw: Bolagsverket*) or Euroclear Sweden AB’s administration.

The share split will result in an increase of shares in the company from 127,434,690 to 382 304 070, represented by 29,756 160 A shares and 352,547,910 B shares. The proposed share split will result in a change of the share’s quota value from approximately SEK 2.92 to approximately SEK 0.97.

**Item 15: Resolution regarding changes to the Articles of Association**

The Board of Directors proposes that a new article 12 is included in the Articles of Association with the purpose to permit the collection of proxies and postal voting, and that as a consequence hereof, the current § 12 becomes § 13:

§12 – The Board of Directors may collect proxies pursuant to the procedure stated in Chapter 7, Section 4, second paragraph of the Swedish Companies Act (2005:551). Before a General Meeting, the Board of Directors may decide that shareholders shall be able to exercise their voting rights by post at the General Meeting pursuant to the procedure stated in Chapter 7, Section 4a of the Swedish Companies Act (2005:551).

The resolution must be supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the meeting.

**Item 16 – Resolution regarding repurchase of call options in LTIP 2018/2021**

Based on the resolution of the Annual General Meeting 2018, Beijer Ref has implemented a long-term share-based incentive program for key individuals in the Beijer Ref Group, further to which approximately 60 participants have at market price acquired call options for 2,700,000 Beijer Ref shares of series B (after split) at an exercise price of approximately SEK 52,67 (after split). The call options may be exercised 1-30 June 2021. The Board of Directors proposes to offer to repurchase up to all call options as per 31 May 2021, at a purchase price corresponding to per option the volume weighted average share price paid on Nasdaq Stockholm during the period 24-28 May 2021 less the exercise price, subject to a requirement that the participant will subscribe in full to the participant’s offer in the LTIP 2021/2024 program. Should all participants accept the repurchase offer, the cash flow associated with the repurchase amounts to maximum SEK 186 million, based on a share price of SEK 365. The background to the proposal is that it is considered more cost-effective for the company to repurchase call options of the LTIP 2018/2021 program than to repurchase new shares to secure the delivery of shares under the LTIP 2021/2024 program. Beijer Ref thus intends to retain the shares repurchased to secure delivery under the LTIP 2018/2021 program to secure future incentive programs and that the repurchase of additional shares to secure the delivery of shares under the LTIP 2021/2024 program can thus be limited to a corresponding extent.

**Item 17. Decision regarding Board of Director’s proposal to implement a long-term share-based incentive program LTIP 2021/2024 by (A) issuing call options for shares in Beijer Ref, (B) authorising the Board of Directors to resolve on acquisition of own shares, and (C) approving the transfer of repurchased shares to participants of the incentive program.**

The Board of Directors proposes that the 2021 Annual General Meeting passes a resolution to adopt a long-term share-based incentive program LTI 2021/2024 (the “**Scheme**”). The Scheme, which will include around 120 key individuals in the Beijer Ref Group, in main includes that the participants will be given an opportunity to acquire, at a market price, call options in respect of class B shares in Beijer Ref AB (publ) (”**Beijer Ref**” or the “**Company**”) that have been repurchased by Beijer Ref, and that in connection with the transfer of the call options, the participants will receive a subsidy in the form of a gross salary supplement corresponding to 50 per cent of the premium paid for the options.

The Scheme consists formally of (A) issuing call options for shares in Beijer Ref, (B) authorisation of the Board of Directors to decide to acquire the Company’s own shares and (C) approving the transfer of shares repurchased and already held to participants in the incentive Scheme in accordance with the following.

All share information in the proposal refers to the number of shares after the share split.

**(A) Decision to issue call options for shares in Beijer Ref**

1. The number of call options to be issued shall be no more than 2,262,000, corresponding to approximately 0,6 per cent of the total number of shares and approximately 0.4 per cent of the total number of votes in the Company (including shares held by the Company). Each call option provides entitlement to the acquisition of one (1) repurchased class B share in the Company during the period from 1 June 2024 until 30 June 2024 inclusive. The acquisition of shares may not, however, take place during any period when trading in shares in the Company is prohibited in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) or any other equivalent legislation in force at any time.
2. The exercise (purchase) price for shares when exercising the option shall correspond to 125 per cent of the volume-weighted average of the price paid for the Company’s share at Nasdaq Stockholm during the five trading days immediately prior to the sale and transfer of the call options to the participants.
3. The right to acquire call options shall be granted to the CEO, the Executive Management at Beijer Ref and approximately 110 additional key individuals with the Beijer Ref Group who have a direct opportunity to influence the Group’s profits. The CEO shall be able to buy no more than 300,000 of call options and other members of Executive Management together a few Managing Director’s for larger entities shall be able to buy no more than 60,000 call options per person. Other participants are divided into three categories according to position, the first group of which with approximately 20 participants shall be able to buy no more than 30,000 call options per person and the second group with approximately 30 participants shall be able to buy no more than 12,000 call options per person and the third group with approximately 56 participants shall be able to buy no more than 6,000.
4. If a person who is entitled to an allocation declines to acquire the call options offered, either fully or partly, such non-acquired call options shall be distributed pro rata between those entitled to an allocation who have registered in writing their interest in acquiring additional call options. A participant will not be permitted purchase call options for more than 20 per cent of the participant’s annual salary.
5. The Board of Directors shall finally confirm the allocation of call options in accordance with the principles set out in points (c) and (d) above, as well as the number of call options that will be offered for purchase to employees within each category.
6. The price (option premium) for the call options shall correspond to the market value of the call options at the time of the transaction, calculated independently by PwC Sverige, in accordance the Black & Scholes model. The variables of the Black & Scholes model will be determined based on the market conditions in connection with the sale and transfer of the call options.
7. The issuing of call options to employees outside Sweden is dependent on tax effects, on there being no legal obstacles and on the Board of Directors considering that such an allocation can take place with the use of reasonable administrative and financial resources. The Board shall have the right to make any minor adjustments to the Scheme made necessary by applicable foreign laws and regulations.
8. The call options are freely transferable. However, Beijer Ref will reserve a right, but not the obligation, to re-purchase the call options upon termination of employment or pre-emptively, on customary terms and conditions established by the board of directors.
9. The number of shares to which the call options provide entitlement to purchase, as well as the exercise price, may be recalculated for such reasons as e.g. bonus issues, revers splits or splits of shares, new share issues, reduction of the share capital or similar measures, in accordance with standard terms and conditions for recalculation.
10. In order to encourage participation in the Scheme, the Board of Directors is authorised to pass a resolution on a subsidy in the form of a gross salary supplement, corresponding to a maximum of 50 per cent of the premium paid for each call option. In this event, payment of the subsidy shall take place in connection with the sale and transfer of the call options.
11. The Company has a right but not an obligation to repurchase from the participant any call options that the participant does not wish to exercise in accordance with the participant’s application to the Company. The repurchase of options shall take place at a price corresponding to no more than the market value at any time. The repurchase of call options may not, however, take place during any period when trading in shares in the Company is prohibited in accordance with Article 19 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) or any other equivalent legislation in force at any time.
12. The Board of Directors shall, within the framework of the terms and guidelines set out above, assume responsibility for the more detailed structuring and management of the Scheme.

**(B) Resolution to authorise the Board of Directors to pass a resolution to acquire the Company’s own shares**

In order to secure Beijer Ref’s delivery of shares to the participants in the Scheme and possible future incentive programs, the Board of Directors proposes that the Annual General Meeting shall pass a resolution to authorise the Board of Directors to acquire up to 2,262,000 class B shares in the Company before the next Annual General Meeting. The intent is to exercise the authorisation only to the extent needed for the LTI 2021/2024 program, depending on the number of re-purchased call options in the LTI 2018/2021 program. Acquisitions shall take place at Nasdaq Stockholm in accordance with the stock exchange’s regulations at a price within the price range registered at any time, which means the range between the highest buy rate and the lowest sell rate. Acquisitions shall be paid for in cash and may take place on one or more occasions.

**(C) Resolution to transfer shares repurchased and already held to participants in the Scheme**

The Board of Directors’ proposal also includes that the Annual General Meeting shall approve that the Board of Directors, with deviation from the preferential rights of shareholders, shall transfer to the participants in the Scheme up to 2,262,000 of the Company’s class B shares repurchased by the Company to secure delivery of shares in the LTI 2021/2024 program or earlier incentive programs, at the established exercise (purchase) price (subject to any recalculations). The transfer shall take place during the period when the participants are entitled to exercise the call options to acquire shares in accordance with the terms of the Scheme. The reason for the deviation from the preferential rights of shareholders in connection with the transfer of the Company’s own shares is to give Beijer Ref the opportunity to deliver shares in the Company to the participants in the Scheme.

**Dilution, costs and effect on important key indicators**

The Scheme does not involve any dilution for existing shareholders as it is based on call options in respect of shares already issued in the Company.

The costs of the Scheme consist of the subsidy that may be paid in connection with the transfer of the call options as described above, the social security contributions incurred for this subsidy and the cost of financing the repurchased shares. The total cost for the subsidy is estimated to be approximately SEK 19,6 M (before corporate tax, and SEK 14,7 M after corporate tax) over the term of the Scheme. Against the subsidy, the option premium corresponds to a total of approximately SEK 31,4 M, which the Company receives for the sale and transfer of the call options. The Company’s financing cost for the repurchase of shares is estimated to be approximately SEK 2,9 M after corporate tax. All information is calculated based on a share price of SEK 365 (before split of shares).

During its term, the Scheme will have a positive effect on the key indicator “profit per share” because of the Company’s repurchasing of shares and a negative effect because of the costs described above. The net effect on the key indicator “profit per share” will be insignificant during the term of the Scheme and will disappear entirely after its conclusion. In general terms, it is also determined that the Scheme will have only an insignificant effect on important key indicators.

**Reason for the Scheme and its preparation**

The Board of Directors’ reason for the implementation of the Scheme is to provide executives within the Beijer Ref Group with the opportunity through a personal investment to take part in and strive to achieve a positive value growth in the Company’s shares and thereby achieve a greater shared interest between them and the Company’s shareholders. The intention of the Scheme is also to contribute to executives in the long term increasing their shareholding in the Company. The Scheme is also expected to create conditions for retaining and recruiting competent personnel in the Beijer Ref Group, to provide competitive compensation and to unite the interests of shareholders and executives. The Board of Directors considers the Scheme to be reasonable in its scope and cost-efficiency. The executives covered by the Scheme is the group that, in an otherwise strongly decentralised organisation, has an opportunity to create a positive impact on profits through collaboration between the Group’s subsidiaries. Against this background, the Board of Directors believes that the introduction of the Scheme will have a positive effect on the Beijer Ref Group’s continued development and that the Scheme will be of benefit to both the shareholders and the Company.

The proposal for the Scheme has been prepared by the Company’s Board of Directors. The decision to propose the Scheme to the Annual General Meeting was made by the Board of Directors. Members of the Company’s Board of Directors are not covered by the Scheme.

The Company has one long-term share based incentive scheme already in existence, expiring in June 2021.