

Beijer Ref

Remuneration report 2021

Introduction

This remuneration report provides an outline of how Beijer Ref's guidelines for executive remuneration (the "remuneration guidelines"), adopted by the annual general meeting 2020, have been implemented in 2021. The report also provides details on the remuneration of Beijer Ref's CEO. In addition, the report contains a summary of Beijer Ref's outstanding share and share-price related incentive programs. The report has been prepared in compliance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in note 6 (Employees and remuneration of employees) on p. 90-92 in the annual report 2021. Information on the work of the remuneration committee in 2021 is set out in the corporate governance report and is available on p. 63 in the annual report 2021.

Remuneration of the board of directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed in note 6 on p. 90-92 in the annual report 2021.

Beijer Ref's remuneration report 2020 was approved at the Annual General Meeting 2021 and no views were expressed by the shareholders which need to be addressed in the remuneration report 2021.

Key Developments 2021

The CEO summarizes the company's overall performance in his statement on p. 8-11 in the annual report 2021.

The company's remuneration guidelines: scope, purpose and deviations

The aim of Beijer Ref's remuneration policy for senior executives is to offer competitive and market-based remuneration, so that competent and skilled employees can be attracted, motivated and retained. These guidelines allow Beijer Ref to offer the executives a competitive total remuneration. Under the guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed salary, variable cash remuneration, pension benefits and other benefits. Variable cash remuneration shall be based on predetermined, well-defined and measurable financial target for the group and at group and individual level such as profit growth, sales growth and change in working capital.

The guidelines, adopted by the annual general meeting 2020, can be found on p. 64 in the annual report 2021. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The auditor's report regarding whether the company has complied with the guidelines is available on the

company's website General meeting – Beijer Ref (English) No remuneration has been reclaimed.

Total remuneration of the CEO in 2021 (kSEK)

	Base salary	Other benefits	One-year variable	Extraordinary remuneration	Pension expense	Total Remuneration	Proportion fixed/variable
Per Bertland, CEO	5,359 ¹	110	2,266	N/A	1,267	9,002	75/25
Christopher Norbye, CEO	4,450 ²	55	N/A	4,900	1,023	10,428	53/47

Per Bertland, CEO until 2021-08-31 has received a base salary of SEK 5,359K (incl. vacation pay) and other benefits amounting to SEK 110K. Other benefits include healthcare insurance and car benefit. He has also received a bonus payment of SEK 2,266K. An annual amount equivalent to 30 per cent of his gross salary is appropriated to a pension insurance scheme (SEK 1,267K). The pension is contribution based. This equals to a total amount of SEK 9,002K, where the proportion of fixed and variable nomination is 75/25, whereof fixed remuneration includes base salary, other benefits and pension expense. Per Bertland did not receive any remuneration from another entity within the Group.

Christopher Norbye, first day of employment 2021-08-23 and CEO as from 2021-09-01 has received a base salary of SEK 3,410K and other benefits amounting to SEK 55K. In addition to that he received a subsidy for participating in LTIP 2021/2024 of SEK 1,040K in the form of salary pay out. Other benefits include healthcare insurance and car benefit.

Christopher Norbye received a sign-on bonus to compensate for lost income from his previous employer in the amount of SEK 4,900K in connection with entering his position as the CEO of Beijer Ref. In accordance with the company's remuneration guidelines such extraordinary remuneration may be awarded as one-off arrangements in extraordinary circumstances, for the purpose of recruiting or retaining executives. The resolution was made by the board of directors. An annual amount equivalent to 30 per cent of his gross salary is appropriated to a pension insurance scheme (SEK 1,023K). The pension is contribution based. This equals to a total remuneration of SEK 10,428K, where the proportion of fixed and variable nomination is 53/47, whereof fixed remuneration includes base salary, other benefits and pension expense. During 2021 Christopher Norbye used 61% of his base salary and extraordinary remuneration as a salary exchange for pension contribution. Christopher Norbye did not receive any remuneration from another entity within the Group.

Share based remuneration

Outstanding share and share-price related incentive programs.

Long-term share-based incentive programs 2018/2021 and 2021/2024

The company has implemented two long-term share-based incentive programs, LTI 2018/2021 and LTI 2021/2024. LTI 2018/2021 included about 60 employees and LTI

1 Included in base salary is a payment of accrued vacation days in connection to the CEO's exit. This is not base for pension payment.

2 For details see the 2nd paragraph below the table.

BEIJER REF

2021/2024 includes about 90 employees. Through the programs the participants have had the opportunity to acquire, at market price, call options in respect of Beijer Ref AB (publ) class B shares. In connection with the transfer of the call options the participants have received a subsidy in the form of a gross salary supplement corresponding to 50 per cent of the premium paid for the options. Each call option entitles to the acquisition of one share in the company for a period of approximately one month, which for each program begins three years after the implementation of the program.

The exercise price per call option in LTI 2018/2021 amounted to SEK 52.67 and the exercise period was during June 2021, which means that the program, which included a total of 2,574,000 options, has ended. In accordance with the resolution by the annual general meeting 2021, Beijer Ref offered to repurchase the call options 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 participants also subscribed in full to the participant's offer in the LTI 2021/2024 program.

The exercise price per call option in LTI 2021/2024 amounts to SEK 165.60 and the exercise period is set to June 2024. The maximum number of call options which was offered under the program amounted to 2,262,000 and the number of call options acquired by participants amounts to 1,476,000.

Further information about the call option programs can be found in note 6 in p. 92 in the annual report 2021.

EQT Management Participation Programme

During 2021, the CEO and Executive Management have been offered and accepted to invest in securities in a Luxembourg special limited partnership that in turn has invested alongside EQT Private Equity in the Luxembourg holding company Breeze TopCo S.à r.l. that holds shares in Beijer Ref AB. Beijer Ref has not participated in the offer, which was submitted by EQT Private Equity on its own initiative. The CEO has invested during 2021 whereas for the rest of the Executive Management the principles of the offer was presented at the end of the year and at the time of this report the actual investments have not been executed. The costs and financing of such program is wholly carried by EQT Private Equity and not by the company.

Remuneration of the CEO in shares and share options

In connection with LTI 2018/2021 expired in 2021, the previous CEO Per Bertland's holding of 90,000 call options were repurchased by Beijer Ref at market value.

Christopher Norbye participates in LTI 2021/2024, as stated in below table.

Incentive program	Allocation date	Exercise period	The call option's acquisition price	Exercise price, share	Holding of call options, December 31, 2021
LTI 2021/2024	9 June 2021	1 June 2024 – 30 June 2024	20.80	165.60	100,000
Total					100,000

Compliance with the remuneration guidelines and application of performance criteria

The performance measures for the CEO's variable remuneration are based on three variables: net sales growth, net profit growth and cash conversion improvement, where net profit represent 50 per cent of the relative weighting and the other two 25 per cent each. The CEO can receive a maximum amount of variable cash remuneration equal to 55 per cent of annual salary. In 2021, the former CEO Per Bertland achieved the set performance criteria which resulted in a variable cash remuneration amounting to SEK 2,266K for the eight months he held the position as CEO. The current CEO Christopher Norbye did not receive any variable cash remuneration during 2021.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. Beijer Ref's remuneration guidelines enable the company to offer the CEO a competitive total remuneration. Total remuneration of the CEO during 2021 has complied with the company's remuneration guidelines.

Comparative information on the change of remuneration and company performance

	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	2021
Group operating profit	22.2%	49.7%	13.4%	-16%	31,4%	1,360,720
CEO base & benefits	4%	10%	2%	3%	64%	9,974
CEO variable remuneration	208%	18%	7%	-87%	1690%	7,166
CEO Total remuneration	32%	12%	4%	-28%	164%	17,140
Average base & Benefits/FTE (Europe)*	5%	6%	7%	-5%	-1%	446
Average variable remuneration/FTE (Europe)*	72%	24%	19%	-23%	0%	25
Average total remuneration/FTE (Europe)*	7%	7%	7%	-6%	-1%	471

* Excluding members of the group executive management.

The increase in CEO base and benefits 2020 to 2021 are explained by the following: Due to the Covid-19 pandemic, the former CEO voluntarily accepted a 5 percent decrease of the base salary during April-August 2020. At the exit of the former CEO accrued vacation days were paid out. Included in the base salary for the new CEO is the extra cost of the subsidy (SEK 1,040K) for participation in LTIP 2021/2024. The new CEO has 56% higher base salary than the former CEO.

Non-fulfilment of criteria for variable cash remuneration in 2020 due to the Covid-19 pandemic and the sign-on bonus of SEK 4 900K (extraordinary remuneration) paid to the new CEO in 2021, is the reason to increase of variable remuneration in the comparison 2020/2021.

Malmö, March 2022

The Board of Directors

Beijer Ref AB (publ)