

## The Board's overall proposal

*Item 14: Decision regarding the Board of Director's proposal to implement a long-term share-based incentive program LTI 2022/2025 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 and hedging activities in respect thereof*

The Board of Directors proposes that the Annual General Meeting resolves to adopt a long-term share-based incentive program LTI 2022/2025 (the "**Scheme**"), similar to the LTI 2021/2024 implemented in 2021 (collectively the "**Schemes**"), as set forth below. 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 from Beijer Ref AB (publ) ("**Beijer Ref**" or the "**Company**"), at market price, call options on class B shares of the Company, and that in connection with the acquisition 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. In order to hedge the undertakings and costs of Beijer Ref related to LTI 2022/2025, the Board of Directors further proposes that the Board of Directors be authorised to resolve on repurchase of shares and that the Annual General Meeting resolves on transfer of shares in Beijer Ref to the participants in LTI 2022/2025.

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

- a) The number of call options to be issued pursuant to the Scheme shall be no more than 1,616,000 options, corresponding to approximately 0,42 per cent of the total number of shares and approximately 0,25 per cent of the total number of votes in the Company (including shares held by the Company).
- b) Each call option will entitle the holder to acquire from the Company one (1) class B share in the Company during the period from 15 May 2025 to 15 June 2025, 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.
- c) The exercise (purchase) price for shares upon exercise 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.
- d) 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 and for who participation in the Scheme is deemed financially, administratively and practically justifiable. The CEO shall be able to buy no more than 200,000 call options and other members of Executive Management together with a few Managing Director's for larger entities shall be able to buy no more than 40,000 call options per person. Other participants are divided into four categories according to position, the first group of which with approximately 20-30 participants shall be able to buy no more than 20,000 call options per person and the other groups with approximately 80 participants in total shall be able to buy no more than, respectively, 8,000, 4,000 or 3,000 call options per person, depending on position.
- e) If a person who is entitled to allocation declines to acquire the call options offered, either fully or partly, such non-acquired call options may be distributed pro rata between those entitled to allocation who have registered their interest in acquiring additional call options. A participant will not be permitted to purchase call options for more than 20 per cent of the participant's annual salary.

- f) The Board of Directors shall finally confirm and resolve on the allocation of call options in accordance with the principles set forth herein, as well as the number of call options that will be offered within each category. Allocation is expected to take place during the second quarter of 2022.
- g) 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.
- h) The number of shares to which each call option provide entitlement to purchase, as well as the exercise (purchase) 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 call options, established by the Board of Directors.
- i) 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.
- j) During the exercise period, the Company shall have a right but not an obligation to repurchase call options at market value (cash settlement), if this is deemed financially, administratively or practically justified.
- k) The Board of Directors shall, within the terms and conditions established hereby, be responsible 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 Schemes and possible future incentive programs and, in terms of liquidity, hedge payments of future social security contributions related to delivery of shares, the Board of Directors proposes that the Annual General Meeting shall pass a resolution to authorise the Board of Directors to acquire up to 1,319,362 class B shares in the Company before the 2023 Annual General Meeting. The intent is to exercise the authorisation only to the extent needed for the Scheme. 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 approve of the transfer of shares 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, may transfer up to 1,616,000 of the Company's class B shares to participants in the Schemes following exercise of the call options, in accordance with the terms of the call options. The reason for the deviation from the preferential rights of shareholders is to give Beijer Ref the opportunity to deliver shares in the Company to the participants in the Schemes and possible future incentive programs.

Since the initiation of LTI 2022/2025 is not expected to give rise to any costs for social security contributions of Beijer Ref (and since a resolution on transfer is valid only until the next Annual General Meeting), the Board of Directors has decided not to propose that the Annual General Meeting 2022 resolves on transfer of the Company's own shares on a regulated market for in terms of liquidity, hedge payments of future social security contributions. However, before any transfers of Beijer Ref shares to participants in LTI 2022/2025 can be made, the Board of Directors intends to propose to a later General Meetings to resolve on transfers of the Company's own shares on a regulated marked in order to hedge such payments.

**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 17,471,000 (before corporate tax, and SEK 13,103,250 after corporate tax) over the term of the Scheme. Against the subsidy, the option premium corresponds to a total of approximately SEK 27,633,600, 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 5,524,514 after corporate tax. All information is calculated based on a share price of SEK 145. Other costs mainly relate to calculated social security contributions, which are hedged through the repurchase 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 on the same key indicator 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. Otherwise it is also assessed that the Scheme will have only an insignificant effect on important key indicators.

**Hedging**

To secure delivery of shares and to cover administrative costs, mainly costs for social security contributions, the Board of Directors proposes to resolve on repurchase of shares, and to resolve on transfer of shares to participants in LTI 2022/2025 in accordance with section B and C above.

**Other share based incentive programs**

The Company has one share based incentive scheme in force, LTI 2021/2024, expiring in June 2024. LTI 2021/2024 is in all major respects similar to LTI 2022/2025, as proposed, and currently includes call options for 1,476,000 class B shares at an exercise price of SEK 165.60 per share. The Schemes jointly corresponds to 0,81 per cent of the shares of the Company and 0,49 per cent of the votes, but entail no dilution for existing shareholders.

**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 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 Remuneration Committee and the 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.

### **Majority requirement**

The Board of Directors' proposal in accordance with points (A)-(C) above shall be adopted as a joint resolution under application of the majority rules in Chapter 16 of the Swedish Companies Act, which means that shareholders with at least nine tenths of both votes submitted, and shares represented at the Meeting must vote for the resolution.

### *Item 15: Decision on guidelines for remuneration to senior executives*

The Board of Directors proposes that the Annual General Meeting 2022 adopts the following guidelines for remuneration to senior executives in Beijer Ref AB, which at the longest shall be valid until the Annual General Meeting 2026. As compared to the current guidelines, the guidelines now include a possibility to apply non-financial criteria for variable cash remuneration and have also been adjusted by reason of the Board of Directors having established a Remuneration Committee.

### **The Board of Directors' proposal for guidelines for executive remuneration**

The CEO and President of the Beijer Ref Group and individuals who are members of the Group Management of Beijer Ref AB (the "company" or "Beijer Ref") during the period of which these guidelines are in force, fall within the provisions of these guidelines. These guidelines shall apply to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting 2022. The guidelines do not apply to any remuneration specifically decided by the general meeting, such as remuneration to board members or share-related incentive schemes.

### **The guidelines' promotion of the company's business strategy, long-term interests and sustainability**

Beijer Ref is a trading group that provides customers over most of the world with a broad range of products in the fields of commercial and industrial refrigeration, as well as heating and air conditioning. Beijer Ref has an expressed mission – to provide the market with global expertise in refrigeration and air conditioning. By growing more quickly than the market, the goal is to strengthen the position as a world-leading organisation. To do this, the group works according to a strategy that is divided into five focus areas – acquisition, OEM, purchasing & logistics, digitalisation and sustainability. A prerequisite for the successful implementation of Beijer Ref's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. The objective of Beijer Ref's remuneration policy for senior executives is therefore to offer competitive remuneration on market terms, in order to attract, motivate and retain competent and skilled employees. These guidelines enable the company to offer senior executives a competitive total remuneration. For more information regarding the company's business strategy, please see the company's website [www.beijerref.com](http://www.beijerref.com).

A call option program has been set up within the company. It has been resolved by the general meeting and is therefore excluded from these guidelines.

### **Forms of remuneration, etc.**

The remuneration shall consist of fixed salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration. The total remuneration shall be on market terms and promote the interests of the shareholders by enabling the company to attract and retain senior executives.

### *Variable cash remuneration*

The variable remuneration is based on the outcome in relation to set financial and non-financial goals. Fulfilment of criteria for payment of variable cash remuneration shall be measured during a one year period. CEO obtains an amount corresponding to a maximum of 55% of the annual salary and other senior executives obtains an amount corresponding to a maximum of 50% of the annual salary. Variable cash remuneration shall not qualify for pension benefits. The variable cash remuneration shall be linked to predetermined, well-defined and measurable financial and non-financial criteria for the Beijer Ref Group and on group and individual level, respectively, such as growth of revenue, growth of profit and working capital development and, with regard to the non-financial criteria, be linked to clear functional targets and/or sustainability targets. Weighting is done relatively between the different criteria based on which focus shall be given to the executive management; the primary weight is to be placed on growth of profit. The non-financial criteria may apply to a maximum of 20 percent of the total variable cash remuneration. The criteria shall be designed so as to contribute to Beijer Ref's business strategy and long-term interests, including its sustainability, by for example being linked to the business strategy or promote the senior executive's long-term development within Beijer Ref.

Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining senior executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 100 per cent of the fixed annual cash salary and may not be paid more than once each year per individual. Any resolution on such remuneration for the CEO and other senior and executives shall be made by the board of directors.

### *Pension benefits*

For the senior executives, pension benefits, including health insurance (Sw: sjukförsäkring), shall be premium defined. For the CEO, an amount corresponding to a maximum of 30% of the fixed annual salary is committed. For other senior executives, an amount corresponding to a maximum of 25% of the fixed annual salary is committed.

### *Other benefits*

Other benefits may include, inter alia, private healthcare insurance and company car. Such benefits may amount to not more than 10% of the fixed annual salary.

### *Extraordinary remuneration*

Further cash remuneration may be awarded as one-off arrangements in extraordinary circumstances, for the purpose of recruiting or retaining executives. Such remuneration may not exceed an amount corresponding to the annual fixed salary. Resolution on such remuneration shall be made by the board of directors

### *Foreign employments*

For senior executives outside of Sweden, whose employments are governed by other rules than Swedish, other terms may apply under law or market practice, and adjustments may therefore take place. In such cases, the overall purpose of these guidelines shall, to the extent possible, be taken into account.

### **Determination of the outcome for variable cash remuneration, etc.**

The company's remuneration committee, shall prepare, monitor and evaluate matters regarding variable cash remuneration. After the measurement period for the criteria for awarding variable cash remuneration has ended, it shall be determined to which extent the criteria have been satisfied. Evaluations regarding fulfilment of financial criteria shall be based on established financial information for the relevant period.

Variable cash remuneration will be paid after the measurement period has when the annual accounts have been approved at the annual general meeting. The board of directors shall have the possibility, under applicable law or contractual provisions, to in whole or in part reclaim variable remuneration paid on incorrect grounds (claw-back).

### **Employment term and termination of employment**

Senior executives shall be employed until further notice. Severance pay and fixed salary during the period of notice may not exceed an amount corresponding to 24 months fixed salary for the CEO and 12 months fixed salary for other senior executives.

At resignation by a senior executive, the notice period may amount to six months. A senior executive's own resignation does not trigger any right to severance pay.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid to the extent the previously employed executive is not entitled to severance pay for the same period. The remuneration may be paid during the time the non-compete undertaking applies, however not for longer than twenty-four months following termination of employment.

### **Salary and employment conditions for employees**

In the preparation of the board of directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the board of directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

### **The decision-making process to determine, review and implement the guidelines**

Within the Board of Directors, a remuneration committee is established. The remuneration committee prepares matters regarding remuneration and other employment conditions for the company management. The remuneration committee shall also monitor and evaluate the application of the guidelines for senior executive remuneration as well as the current remuneration structures and compensation levels in the company. Remuneration to the CEO and other senior executives shall be resolved by the board of directors, or after delegation, by the remuneration committee. The CEO and other members of the company management do not participate in the board of directors' or the remuneration committee's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters. The board of directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting.

### **Derogation from the guidelines**

The board of directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability.

### *Item 16: Decision regarding the Board of Director's proposal to authorise the Board of Directors to resolve on a new share issue*

The Board of Directors proposes that the general meeting will authorise the Board of Directors to resolve on one or more occasions during the period up to the next Annual General Meeting, to issue at maximum 38,230,407 new shares, corresponding to 10 per cent of the company's share capital and number of shares. The share issue may be with or without deviation from the shareholders' preferential rights, by payment in cash, by contribution in kind or by set-off.

The purpose of the authorisation and the reason for the deviation from the shareholders' preferential right is to pursue the company's acquisition strategy by enabling acquisitions by payment in Beijer Ref shares (contribution in kind) or flexibility in the financing of acquisitions. The share issue price shall be determined in accordance with market conditions, which may include customary discounts. Other terms may be resolved by the Board of Directors.

The Board of Directors, or anyone appointed by the Board of Directors, shall be authorised to make such minor adjustments of the resolution of the Annual General Meeting that may be necessary in connection with registration with the Swedish Companies Registration Office.

The proposal is subject to the support of shareholders representing at least two-thirds of the votes cast and the shares represented at the meeting.

---

Malmö, March 2022  
The Board of Directors

Beijer Ref AB (publ)

BEIJER REF AB is a technology-oriented trading Group which, through added-value products, offers its customers competitive solutions within refrigeration and climate control. Beijer Ref is one of the largest refrigeration wholesalers in the world, and is represented in 41 countries in Europe, Africa, Asia and Oceania.