

Beijer Ref

Remuneration report 2022

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 and 2022, respectively, have been implemented in 2022. 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. 75–76 in the annual report 2022. Information on the work of the remuneration committee in 2022 is set out in the corporate governance report and is available on p. 46–47 in the annual report 2022.

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. 76 in the annual report 2022.

Beijer Ref's remuneration report 2021 was approved at the annual general meeting 2022 and no views were expressed by the shareholders which need to be addressed in the remuneration report 2022.

Key Developments 2022

The CEO summarizes the company's overall performance in his statement on p. 8–9 in the annual report 2022.

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 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.

The guidelines, adopted by the annual general meeting 2022, can be found on p. 47 in the annual report 2022. 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 <https://www.beijerref.com/corporate-governance/>. No remuneration has

been reclaimed. Remuneration presented in this report was either accrued or paid in 2022 or accrued in 2022 and paid in 2023.

Total remuneration of the CEO in 2022 (kSEK)

	Base salary	Other benefits	One-year variable	Extraordinary remuneration	Pension expense	Total Remuneration	Proportion fixed/variable
Christopher Norbye, CEO	9,685	235	4,752	-	2,906	17,578	73/27

During 2022 the CEO Christopher Norbye has received a base salary of SEK 9,685K (incl. vacation pay) and other benefits amounting to SEK 235K. Other benefits include healthcare insurance and car benefit. An annual amount equivalent to 30 per cent of his base salary is appropriated to a pension insurance scheme (SEK 2,906K). The pension is contribution based. The CEO has also received variable remuneration amounting to SEK 4,752K. This equals to a total amount of SEK 17,578K, where the proportion of fixed and variable nomination is 73/27, whereof fixed remuneration includes base salary, other benefits and pension expense. The CEO did not receive any remuneration from another entity within the group.

Share based remunerationOutstanding share and share-price related incentive programs.*Long-term share-based incentive programs LTI 2021/2024 and LTI 2022/2025*

The company has two outstanding long-term share-based incentive programs, LTI 2021/2024 and LTI 2022/2025. LTI 2021/2024 includes about 120 employees and LTI 2022/2025 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. The programs have been subject to recalculation due to the board of directors' decision on rights issue that was announced on 21 February 2023 and which is estimated to be completed before the 2023 Annual General Meeting (the "**Rights Issue**"). After recalculation, each call option entitles to acquire 1.10 shares of series B in the Company during the period 1 June 2024 to 30 June 2024 as regards LTI 2021/2024 and 15 May 2025 to 15 June 2025 as regards LTI 2022/2025.

After recalculation, the exercise price per call option in LTI 2021/2024 amounts to SEK 150.40. 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.

After recalculation, the exercise price per call option in LTI 2022/2025 amounts to SEK 148.40. The maximum number of call options which was offered under the program amounted to 1,616,000 and the number of call options acquired by participants amounts to 482,500.

Further information about the call option programs can be found in note 6 on p. 76 in the annual report 2022.

EQT Management Participation Program

The CEO, group management and the chairperson of the board (nine people in total) has, on market terms, invested in the securities of a Luxembourgish special limited partnership which in turn, alongside EQT Private Equity, has invested in the Luxembourgish holding company Breeze TopCo S.à.r.l. which owns shares in Beijer Ref. Beijer Ref has not participated in the offer, which was made by EQT Private Equity on its own initiative. The costs and financing of the program are fully covered by EQT Private Equity and not by the company. The CEO holds a total of 100,000,000 ordinary shares and 50,000,000 preference shares in EQT:s Management Participation Program.

Remuneration of the CEO in shares and share options

The CEO participates in LTI 2021/2024 with 100.000 options, as stated in the table below. The group management has not participated in LTI 2022/2025.

Incentive program	Allocation date	Exercise period	The call option's acquisition price	Exercise price, share	Holding of call options, December 31, 2022
LTI 2021/2024	9 June 2021	1 June 2024 – 30 June 2024	20.80	150,40 ¹	100,000
LTI 2022/2025	-	-	-	-	-
Total					100,000

¹After recalculation due to the Rights Issue.

Compliance with the remuneration guidelines and application of performance criteria

The CEO may receive a maximum amount of variable cash remuneration equal to 55 per cent of annual salary. The performance measures for the CEO's variable remuneration are based on five variables: net profit growth, net sales growth, improvement of cash conversion cycle, acquisitions and sustainability with the weighting in accordance with the table below.

Name of director (position)	1 Description of the criteria related to the remuneration component	2 Relative weighting of the performance criteria	3 a) The CEO's performance and b) actual award/ remuneration outcome
Christopher Norbye, CEO	Net profit growth	50%	a) 100 % b) 2 640 tkr
	Net sales growth	20%	a) 100 % b) 1 056 tkr
	Improvement of cash conversion cycle	10%	a) 0 % b) 0 tkr
	Acquisitions	15%	a) 100 % b) 792 tkr
	Sustainability	5%	a) 100 % b) 264 tkr

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 2022 has complied with the company's remuneration guidelines.

Comparative information on the change of remuneration and company performance

	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022
Group operating profit	50 %	13 %	-16 %	31 %	58 %	2 145
CEO base & benefits	10 %	2 %	3 %	64 % ¹	6 %	9 685
CEO variable remuneration	18 %	7 %	-87 %	1690 % ²	-34 % ³	4 752
CEO Total remuneration	12 %	4 %	-28 %	164 %	-12 %	17 578
Average base & Benefits/FTE (Europe)*	6 %	7 %	-5 %	-1 %	7 %	476
Average variable remuneration/FTE (Europe)*	24 %	19 %	-23 %	0 %	16 %	29
Average total remuneration/FTE (Europe)*	7 %	7 %	-6 %	-1 %	7 %	505

* Excluding members of the group executive management.

Malmö, March 2023
The Board of Directors
 Beijer Ref AB (publ)

¹ The increase in the CEO's fixed compensation for 2021 compared to 2020 can be explained by the following: Due to the Covid-19-Pandemic, the former CEO Per Bertland, voluntarily accepted a reduction of 5 percent of the basic salary during April-August 2020, at former CEO's closing accrued vacation was paid out. The fixed compensation for Christopher Norbye who took over as CEO in 2021 includes the subsidy (SEK 1,040k) he received for participation in LTI 2021/2024. Christopher Norbye had as CEO, 56% higher gross salary than the previous CEO.

² Non-fulfilment of criteria for variable cash remuneration in 2020 due to the Covid-19 pandemic and the sign-on bonus 4 900 kSEK (extraordinary remuneration) paid to the new CEO in 2021, has resulted in an increase of remuneration in the comparison 2020/2021.

³ Reduction of the variable remuneration in the comparison 2021/2022 can be explained by that the CEO received a sign-on bonus in 2021.