

RENUMERATION REPORT FOR BEIJER ELECTRONICS GROUP AB (PUBL)

Introduction

This report describes how the policies for Executive remuneration of Beijer Electronics Group AB, adopted by the Annual General Meeting 2020, were implemented during 2020. The report also provides details on the remuneration to the CEO and the deputy CEO and a summary of the company share-based incentive program. The report has been prepared in accordance with the Remuneration rules issued by the Swedish Corporate Governance Board and the Swedish Companies Act.

Further information on Executive remuneration is available in note 6 in the Annual Report 2020. Information on the work of the Remuneration Committee in 2020 is set out in the Corporate Governance Report in the Annual Report 2020.

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 in the Annual Report 2020.

Key developments 2020

A summary of BEIJER GROUP's overall performance can be found in "CEO'S STATEMENT" on pages 8-9 in the Annual Report 2020.

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

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 is able to recruit and retain qualified personnel. To this end, the company must offer competitive remuneration. The company's remuneration policy enables the company to offer Executives a competitive total remuneration. Under the remuneration policy, Executive remuneration shall be on market terms and may consist of the following components: fixed base salary, variable remuneration, pension benefits and other benefits. The variable remuneration shall aim to promote long-term value creation within the Group by promoting BEIJER GROUP's business strategy and its long-term interests, including its sustainability work, and shall be based on a performance and share-based incentive program. The design of the program aims at the objective of linking the interests of senior executives with the interests of shareholders by the Senior Executives also being shareholders in BEIJER GROUP and to increase the proportion of total remuneration linked to the Group's development.

The guidelines are available in the Corporate Governance Report on page 92 in the 2020 Annual Report. The remuneration guidelines, which were unanimously approved by the 2020 Annual General Meeting, have been fully implemented. No deviations from the guidelines have been agreed and no exceptions from the implementation process of the guidelines have been made. The auditor's report regarding the company's compliance with the guidelines is available at www.beijergroup.se/sv-SE/Corporate_Governance. No compensation has been refunded. In addition to remuneration covered by the remuneration guidelines, the company's AGM has decided to introduce a long-term share-based incentive program.

Total remuneration to CEO and deputy CEO in 2020

Name (Position)	Fixed remuneration		Variable remuneration		Extra-ordinary items	Pension expense	Total remuneration	Proportion fixed and variable
	Base salary	Other benefits	One-year	Multi-year				
Per Samuelsson (CEO)	4 168	236	469	0	0	1 519	6 392	93%/7%
Joakim Laurén (deputy CEO)	2 171	126	256	0	0	567	3 120	92%/8%

Share-based remuneration

The company has implemented four share-based incentive programs (LTI 2017/2020, LTI 2018/2021, LTI 2019/2022 and LTI 2020/2023) with a maximum of 20 participants per program.

In order to receive Performance shares, it is required that the Performance Target set by the Board regarding the financial years is achieved or exceeded. To participate in the program, the participant must undertake to own shares in Beijer Electronics Group. The shares are received free of charge subject to continued employment. The performance target that must be achieved or exceeded refers to (i) EBIT, (ii) Earnings per share, (iii) Free cash flow, and (iv) Order intake.

A total of approximately 276,000 performance shares have been awarded and allotted, which corresponds to approximately 1% of the shares in the company.

Name (Position)	Main conditions of share program					Number of shares					
						Information regarding the reported financial year					
	Program name	Performance period	Date for award	Date for allotment	Expire of retention period	Opening balance Entitled shares at the beginning of the year	During the year Awarded Allotted		Closing balance Subject to performance condition Awarded but not allotted Subject to retention period		
Per Samuelsson (CEO)	LTI 2017/2020	2017	23 April 2018 *a)	27 Juni 2020	27 Juni 2020	5 782	0	5 782 *1)	0	0	0
Per Samuelsson (CEO)	LTI 2018/2021	2018	30 Januari 2019 *b)	prel. May 2021	prel. May 2021	21 000	0	0	0	21 000	21 000
Per Samuelsson (CEO)	LTI 2019/2022	2019	18 Februari 2020 *c)	prel. May 2022	prel. May 2022	9 856	9 856	0	0	9 856	9 856
Per Samuelsson (CEO)	LTI 2020/2023	2020	4 Februari 2021 *d)	prel. May 2023	prel. May 2023	0	0	0	12 876 *3)	0	12 876
Per Samuelsson (CEO)						36 638	9 856	5 782	12 876	30 856	43 732
Joakim Laurén (deputy CEO)	LTI 2017/2020	2017	23 April 2018 *a)	27 Juni 2020	27 Juni 2020	2 859	0	2 859 *2)	0	0	0
Joakim Laurén (deputy CEO)	LTI 2018/2021	2018	30 Januari 2019 *b)	prel. May 2021	prel. May 2021	10 500	0	0	0	10 500	10 500
Joakim Laurén (deputy CEO)	LTI 2019/2022	2019	18 Februari 2020 *c)	prel. May 2022	prel. May 2022	4 928	4 928	0	0	4 928	4 928
Joakim Laurén (deputy CEO)	LTI 2020/2023	2020	4 Februari 2021 *d)	prel. May 2023	prel. May 2023	0	0	0	6 438 *3)	0	6 438
Joakim Laurén (deputy CEO)						18 287	4 928	2 859	6 438	15 428	21 866

*a) Outcome: 26%

*b) Outcome: 70%

*c) Outcome: 33%

*d) Outcome: 44%

*1) Value: 221 KSEK based on shareprice at allotment (38,20 SEK) multiplied with number of shares

*2) Value: 109 KSEK based on shareprice at allotment (38,20 SEK) multiplied with number of shares

*3) LTI 2020/2023 were awarded Februari 4, 2021 where CEO were awarded 12 876 shares and deputy CEO were awarded 6 438 shares.

Holding of shares and other instruments

For information on Management's holdings of shares and other instruments linked to the company, see page 100 in the 2020 annual report.

Application of performance criteria for CEO and deputy CEO for the financial year: cash remuneration

Name (position)	Description of criteria for the remuneration component	Relative weight of criteria	a) Measured performance and b) actual award / remuneration outcome
Per Samuelsson (CEO)	Group orders Sept-Dec	40%	a) 504 MSEK b) 113 KSEK
Per Samuelsson (CEO)	Group EBIT Sept-Dec	30%	a) -3,5 MSEK b) 0
Per Samuelsson (CEO)	Group free cash flow Sept-Dec	30%	a) +53 MSEK b) 200 KSEK
Joakim Laurén (deputy CEO)	Group orders Sept-Dec	40%	a) 504 MSEK b) 60 KSEK
Joakim Laurén (deputy CEO)	Group EBIT Sept-Dec	30%	a) -3,5 MSEK b) 0
Joakim Laurén (deputy CEO)	Group free cash flow Sept-Dec	30%	a) +53 MSEK b) 106 KSEK

Comparative information of the change of remuneration and company performance

Comparisons over five years are shown as an annual index with 2016 as the base year where remuneration can be compared with the Group's outcome in the table below.

	2016 index	2017 vs. 2016	2018 vs. 2016	2019 vs. 2016	2020 vs. 2016	RFY (2020) *1)
Remuneration to CEO	100	118	134	126	128	6 392
Remuneration to the deputy CEO	n/a	n/a	n/a	100	102 *2)	3 120
<u>Group actuals</u>						
Orders	100	110	139	136	127	1 448 957
EBIT excl. restructuring costs	100	178	739	1 009	289	30 758
Average remuneration on a full-time equivalent basis of employees	100	112	127	128	127	528

*1) Actuals 2020 for reference in KSEK

*2) Index 100 put to 2019 for reference as role not existed before