

RENUNERATION REPORT 2021 FOR BEIJER ELECTRONICS GROUP AB

Introduction

This report describes how the policies for executive remuneration of Beijer Electronics Group AB, adopted by the Annual General Meeting 2020, was implemented during 2021. 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 2021. Information on the work of the remuneration committee in 2021 is set out in the corporate governance report 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 in the Annual report 2021.

Key developments 2021

A summary of BEIJER GROUP's overall performance during the year 2021 can be found in "Retiring and Entering CEO's STATEMENT" on pages 8-9 in the Annual report 2021.

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 on page 92 in the corporate governance report in the 2021 Annual report. The remuneration guidelines, which were unanimously approved by the 2020 Annual General Meeting, have been fully implemented. With the exception of a non-recurring amount that has been awarded to a member of the executive management (see note 6 in the Annual Report 2021), no deviations from the guidelines have been decided 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 2021

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)	4 270	1 106	818	0	0	1 804	7 998	90%/10%
Joakim Laurén (deputy CEO)	2 212	561	436	1 000	0	594	4 804	70%/30%

Share-based remuneration

The company has four share-based incentive programs impacting the year (LTI 2018/2021, LTI 2019/2022, LTI 2020/2023 and LTI 2021/2024) with a maximum of 25 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 itself must undertake to own shares in Beijer Electronics Group AB. The Performance 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 for the programs LTI 2018/2021, LTI 2019/2022 and LTI 2020/2023. For LTI 2021/2024 the performance targets are (i) Earnings per share, (ii) Free cash flow, and (iii) Order intake.

A total of 333 882 performance shares have been awarded for these four programs, which corresponds to approximately 1% of the shares in the company.

Number of shares

Name (Position)	Main conditions of share program					Information regarding the reported financial year					
						Opening balance	During the year		Closing balance		
	Program name	Performance period	Date for award	Date for allotment	Expire of retention period	Entitled shares at the beginning of the year	Awarded	Allotted	Subject to performance condition	Awarded but not allotted	Subject to retention period
Per Samuelsson (CEO)	LTI 2018/2021	2018	30 January 2019 *a)	May 2021	May 2021	21 000	0	21 000 *1)	0	0	0
Per Samuelsson (CEO)	LTI 2019/2022	2019	18 February 2020 *b)	prel. May 2022	prel. May 2022	9 856	0	0	0	9 856	9 856
Per Samuelsson (CEO)	LTI 2020/2023	2020	4 February 2021 *c)	prel. May 2023	prel. May 2023	0	12 876	0	0	12 876	12 876
Per Samuelsson (CEO)	LTI 2021/2024	2021	28 February 2022 *d)	prel. May 2024	prel. May 2024	0	0	0	11 600 *3)	0	11 600
Per Samuelsson (CEO)						30 856	12 876	21 000	11 600	22 732	34 332
Joakim Laurén (deputy CEO)	LTI 2018/2021	2018	30 January 2019 *a)	May 2021	May 2021	10 500	0	10 500 *1)	0	0	0
Joakim Laurén (deputy CEO)	LTI 2019/2022	2019	18 February 2020 *b)	prel. May 2022	prel. May 2022	4 928	0	0	0	4 928	4 928
Joakim Laurén (deputy CEO)	LTI 2020/2023	2020	4 February 2021 *c)	prel. May 2023	prel. May 2023	0	6 438	0	0	6 438	6 438
Joakim Laurén (deputy CEO)	LTI 2021/2024	2021	28 February 2022 *d)	prel. May 2024	prel. May 2024	0	0	0	5 800 *3)	0	5 800
Joakim Laurén (deputy CEO)						15 428	6 438	10 500	5 800	11 366	17 166

*a) Outcome: 70%

*b) Outcome: 33%

*c) Outcome: 44%

*d) Outcome: 40%

*1) Value: 1 090 KSEK based on shareprice at allotment (51,90 SEK) multiplied with number of shares

*2) Value: 545 KSEK based on shareprice at allotment (51,90 SEK) multiplied with number of shares

*3) LTI 2021/2024 were awarded Februari 28, 2022 where CEO were awarded 11 600 shares and deputy CEO were awarded 5 800 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 2021 Annual report.

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

Name (position)	Description of criteria for the remuneration component	Relative weight of performance criteria	a) Measured performance and b) actual award / remuneration outcome
Per Samuelsson (CEO)	Group orders Jan-Dec	40%	a) 2 030 MSEK b) 818 KSEK
Per Samuelsson (CEO)	Group EBIT Jan-Dec (excluding IFRS16)	40%	a) 64 MSEK b) 0
Per Samuelsson (CEO)	Group free cash flow Jan-Dec	20%	a) negative b) 0
Joakim Laurén (deputy CEO)	Group orders Jan-Dec	40%	a) 2 030 MSEK b) 436 KSEK
Joakim Laurén (deputy CEO)	Group EBIT Jan-Dec (excluding IFRS16)	40%	a) 64 MSEK b) 0
Joakim Laurén (deputy CEO)	Group free cash flow Jan-Dec	20%	a) negative b) 0
Joakim Laurén (deputy CEO)	Separate multiyear employmentrelated agreement	n/a	a) n/a b) 1 000 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	2021 vs. 2016	RFY (2021) *1)
Remuneration to CEO	100	118	134	126	128	160	7 998
Remuneration to the deputy CEO *2)	n/a	n/a	n/a	100	102	157	4 804
<u>Group actuals</u>							
Orders	100	110	139	136	127	178	2 030 594
EBIT excl. restructuring costs	100	178	739	1 009	289	640	68 154
Average remuneration on a full-time equivalent basis of employees in the group	100	112	127	128	127	132	550

*1) Actuals 2021 for reference in KSEK

*2) Index 100 put to 2019 for reference as role not existed before. The step-up increase in 2021 due to separate agreement impacting that year.