

Remuneration report for Beijer Alma AB (publ) 2020

Introduction

This report describes how the guidelines for executive remuneration of Beijer Alma AB, adopted by the 2020 Annual General Meeting, were implemented in 2020. The report also provides information on remuneration to the CEO. The report has been prepared in accordance with the Swedish Companies Act and the *Rules on Remuneration of the Board and Executive Management and on Incentive Programs* issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in Note 2 Employees on pages 46-47 of the 2020 Annual Report. Information on the work of the Remuneration Committee in 2020 is set out in the Corporate Governance Report available on pages 27-30 of the 2020 Annual Report.

Directors' fees are not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and disclosed in Note 2 on page 47 of the 2020 Annual Report.

Key developments 2020

The CEO summarizes the company's overall performance in his statement on pages 2-3 of the 2020 Annual Report.

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 can recruit and retain qualified personnel. To this end, the company must offer competitive remuneration. The company's remuneration guidelines enable the company to offer senior executives competitive total remuneration. Under the remuneration guidelines, executive remuneration is to be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Variable cash remuneration is to be linked to financial or non-financial criteria. These criteria may comprise individualized, quantitative or qualitative objectives. The criteria are to be designed so as to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or to promote the senior executive's long-term development.

The guidelines are found on pages 46-47 of the 2020 Annual Report. During 2020, the company complied with the applicable remuneration guidelines adopted by the general meeting of shareholders. There have been no deviations from the guidelines and no derogations from the decision-making process that, according to the guidelines, is to be applied when determining remuneration. The auditor's report regarding the company's compliance with the guidelines is available on www.beijeralma.se/en/investor-relations-en/annual-general-meeting/. No remuneration has been reclaimed.

Table 1 – Total remuneration to the CEO 2020 (SEK 000s)

Name of senior executive	1 Fixed remuneration		2 Variable remuneration		3 Extraordinary items	4 Pension cost	5 Total remuneration	6 Proportion of fixed and variable remuneration ***
	Basic salary*	Other benefits**	One-year variable	Multi-year variable				
Henrik Perbeck (CEO)	4,115	108	608	-	-	1,022	5,853	90/10

* Including holiday pay of SEK 80,000.

** Company car benefit.

*** Pension costs (column 4), which pertain entirely to basic salary and are contribution defined, have been recognized entirely as fixed remuneration.

Share-based remuneration

The company has not decided to introduce any share-based or share price-based incentive programs.

Application of performance criteria

The performance criteria for the CEO's variable remuneration have been selected to deliver on the company's strategy and to encourage behavior that is in the long-term interests of the company. In the selection of performance criteria, the strategic objectives and short-term and long-term business priorities for 2020 have been taken into account.

Table 2 – Performance of the CEO in the reported financial year: variable cash remuneration

Name of senior executive	1 Description of the criteria related to the remuneration component	2 Relative weighting of the performance criteria	3 Measured performance (a) and actual award/remuneration outcome (b)
Henrik Perbeck (CEO)	Growth in earnings per share 2020	50%	No growth in earnings per share (a), SEK 0 (b)
	Return on shareholders' equity 2020	50%	41% (a), SEK 608,000 (b)

Comparative information on changes in remuneration and company performance

Table 3 – Comparative information on changes in remuneration and company performance over the last five reported financial years (SEK 000s)*

	2020
Remuneration to the CEO	5,853
Group operating profit, MSEK	544.8
Remuneration per employee**	1,538

* As of the 2020 financial year, which was the first financial year for which this type of remuneration report was prepared.

** Average remuneration based on the number of full-time equivalent employees in the Parent Company (excluding members of Group management).