

## PROPOSAL OF THE BOARD OF DIRECTORS OF BE GROUP AB FOR GUIDELINES FOR EXECUTIVE REMUNERATION

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The Board of Directors of BE Group AB (publ) (“**BE Group**”) proposes that the annual general meeting 2020 resolves on the following guidelines for executive remuneration.

The individuals who are members of the group management of BE Group during the period of which these guidelines are in force, fall within the provisions of these guidelines. The guidelines are forward-looking, *i.e.* they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2020. These guidelines do not apply to any remuneration decided or approved by the general meeting.

### **1. The guidelines’ promotion of BE Group’s business strategy, long-term interests and sustainability**

BE Group is a trading and service company in the steel and metal industry. Customers mainly operate in the construction and manufacturing industries in Sweden, Finland and the Baltic States, where BE Group is one of the market’s leading actors. With extensive expertise and efficient processes in purchasing, logistics and production, BE Group offers inventory sales, production service and direct deliveries to customers based on their specific needs for steel and metal products. BE Group’s vision is to be the most professional, successful and respected steel service company in the markets where the company is active. A prerequisite for the successful implementation of BE Group’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 BE Group’s guidelines for executive remuneration is therefore to offer competitive remuneration on market terms, so that competent and skillful personnel can be attracted, motivated and retained. These guidelines enable the company to offer the executive management a competitive total remuneration. For more information regarding the company’s business strategy, please see [www.begroup.com](http://www.begroup.com).

### **2. Types of remuneration, etc.**

The remuneration shall be on market terms and may consist of the following components: fixed cash 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.

#### *Fixed cash salary*

The fixed cash salary for the senior executives within BE Group shall be individual and differentiated on the basis of the individual’s responsibility and performance, and shall be determined annually.

#### *Variable cash remuneration*

The variable cash remuneration shall be based on predetermined, well-defined and measurable financial criteria for the group and the relevant business area and may amount to not more than fifty (50) per cent of the total fixed cash salary during the

measurement period for the criteria. The criteria for variable cash remuneration shall mainly relate to the group's and the business area's respective underlying operating result and, in addition, individual criteria may be established. The criteria shall be designed so as to contribute to BE Group's business strategy and long-term interests, including its sustainability, by for example being linked to the business strategy or promoting the senior executive's long-term development within BE Group. The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year.

#### *Pension benefits*

For the CEO and other senior executives, pension benefits shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 30 per cent of the fixed annual cash salary.

#### *Other benefits*

Other benefits may include, for example, life insurance, health and medical insurance, company cars and housing allowance. Such benefits may amount to not more than 10 per cent of the fixed annual cash salary.

#### *Foreign employments*

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

### **3. Criteria for awarding variable cash remuneration, etc.**

The 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. Remuneration to the CEO shall be resolved by the Board of Directors. Remuneration to other senior executives shall be resolved by the CEO, after consulting the remuneration committee.

Variable cash remuneration can be paid after the measurement period has ended or be subject to deferred payment. 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).

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

The notice period may not exceed twelve months if notice of termination of employment is made by the company. Fixed cash salary during the period of notice and severance pay may together not exceed an amount equivalent to the fixed cash salary for twelve months for the CEO and other senior executives. The period of notice may not exceed six months without any right to severance pay when termination is made by the executive.

## **5. 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. This has been made by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

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

The Board of Directors has established a remuneration committee. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for executive remuneration. 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. The remuneration committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The members of the remuneration committee are independent of the company and its executive management. The CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

## **7. 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. As set out above, the remuneration committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

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Malmö in March 2020  
THE BOARD OF DIRECTORS