

## **Proposal of the Board of Directors of Bergman & Beving (publ) to the Annual General Meeting on 23 August 2018 as regards the adoption of guidelines for determining remuneration and other terms of employment for the President & CEO and other members of Group management**

The Board aims to ensure that the reward mechanism in place for the President & CEO and the other members of the Group's senior management team ("Group management") is competitive and in line with market conditions. To provide continuity, the Board's proposals set out below correspond in all material aspects with previous remuneration principles and are based on existing agreements between the Bergman & Beving Group and each senior executive.

The Board proposes that the guidelines below for determining remuneration and other terms of employment for Group management are adopted.

### **The Board's proposal regarding guidelines**

For the Board of Directors, it is crucial that the Company is able to recruit, provide long-term motivation for and retain competent employees who create long and short-term shareholder value. To achieve this goal, it is important that the Company is able to offer competitive terms. The Company's remuneration levels and remuneration structure for Group management are to be in line with market conditions. The total remuneration package for the individuals in question is to comprise a balanced combination of fixed salary, variable salary, long-term incentive programmes, pension benefits and other benefits. Variable salary and long-term incentive programmes should primarily be linked to the Group's earnings and value performance.

- Fixed salary is to be adjusted to market conditions and be based on responsibility, competence and performance. Fixed salary is determined based on market principles and is reviewed annually.
- Variable salary is to be determined in relation to fixed salary and is set as a function of the Group's earnings.
- Members of Group management are to be included in a long-term incentive programme (LTI programme).
- Pension benefits are to comprise either a defined-benefit pension plan or a defined-contribution plan, whose annual premium is determined as a function of fixed salary, variable salary and age. Certain individual adjustments occur. The retirement age for Group management is currently 65.
- Other benefits are to be in line with market conditions and enable the members of Group management to perform their duties.
- In the event of termination of employment on the initiative of the President & CEO or another member of Group management, the period of notice is six months. In the event of termination of employment on the initiative of the company, the period of notice is a maximum of 12 months. Severance pay may amount to a maximum of 12 months' salary.

The Board is entitled to deviate from the above guidelines in individual cases if special reasons exist.

The intention is that these guidelines will be applied to all agreements entered into with the President & CEO and other members of Group management during 2018/2019.