

Proposal of the Board of Bergman & Beving AB (publ) to the Annual General Meeting on 26 August 2020 regarding remuneration to senior management

The Board proposes the following guidelines for remuneration of the President & CEO and other members of Group management as well as directors to the extent they receive remuneration in addition to Board assignments. The guidelines are to be applied to agreements entered into after the 2020 Annual General Meeting.

The Company must provide remuneration that is in line with market conditions if it is to implement the Company's strategy and sustainable long-term interests. The remuneration is to be in relation to the responsibilities and powers held and consists of fixed and variable salary, pension and other benefits. Fixed salary is to be paid in the form of cash salary and be reviewed annually. The variable salary may be equivalent to not more than 40 percent of the fixed annual salary. In addition, a premium of 20 percent of the variable salary can be paid for the portion used to acquire shares in Bergman & Beving AB. Variable remuneration shall be linked to established, predetermined and measurable targets, which may be financial or non-financial, or individual performances that promote the Company's long-term and sustainable development. Variable salary is regulated the year after qualification. The Board assesses, on the basis of a proposal from the Compensation Committee, how well the President & CEO fulfilled the targets for variable remuneration at the end of the measurement period. The President & CEO makes a similar assessment of other management. Pension benefits for the President & CEO and other senior management may consist of either a defined-benefit pension plan according to ITP or a defined-contribution plan with certain individual adjustments. Provisions for pensions must not exceed 40 percent of the pensionable salary. Salary sacrifices can be used to strengthen the occupational pension by paying pension provisions as a lump sum on the condition that the total cost for the Company is neutral. Other benefits, including company car, travel concessions, healthcare insurance and occupational health services, shall be competitive and only represent a minor share of the total remuneration. In addition to remuneration, the Board shall annually evaluate the need for share-based incentive programmes and, where necessary, present a proposal for resolution at the General Meeting.

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, in addition to salary and other benefits during the notice period, shall amount to not more than 12 months' fixed salary. Efforts should be made to link severance pay to rules governing loyalty and a non-compete undertaking according to prevailing case-law, in addition to rules that regulate deduction from other remuneration.

In the event of termination of employment on the initiative of the member of senior management, the period of notice is a maximum of 12 months.

Bergman & Beving's directors elected by the General Meeting shall, in special cases and for a limited period, be paid for services that are not considered Board work. Remuneration for these services shall be on market terms and for each director never exceed two times the normal annual directors' fee.

The Board shall prepare a proposal for new guidelines at least every fourth year for resolution by the Annual General Meeting. The Compensation Committee appointed by the Board shall continuously monitor and evaluate these guidelines and their implementation.

Remuneration of the President & CEO shall be decided by the Board after being prepared and recommended by the Compensation Committee, within the scope of established remuneration principles. Remuneration of other senior management shall be decided by the Compensation Committee, within the scope of established remuneration principles and after consulting with the President & CEO. The President & CEO and other senior management do not participate in the Board's or Compensation Committee's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

The Board may decide to derogate from the guidelines for employment contracts governed by rules and practice other than what applies in Sweden or in individual cases if there are special reasons for this and a derogation is necessary to serve the Company's and shareholders' long-term interests. The Compensation Committee prepares the Board's decisions concerning derogation from the guidelines. In the preparation of the Board's proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account and comprised a part of the Compensation Committee's and Board's decision documentation.

Stockholm, July 2020

Board of Bergman & Beving AB (publ)