

# Board's proposal

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## The board of directors' full proposal for resolution (2019 Annual Meeting of shareholders)

### **Proposal for Dividend – item 8 b) on the Agenda**

The Board of Directors proposes that, of the available profits of SEK 1 433 878 521, dividends shall be paid in the total amount of SEK 3.00 per share, making a total dividend amount of SEK 379 610 130. Payment shall be made in two instalments of SEK 1.50 per share in each instalment. It is proposed that the record date for the first instalment be 12 April 2019 and for the second instalment 11 October 2019. If the Annual General Meeting decides to accept this proposal, the first instalment will be due to be paid from Euroclear on 17 April 2019 and the second instalment on 16 October 2019.

The Board of Directors has set the proposed dividend in relation to the requirements which the nature, extent and risks of the operation place on the size of shareholders' equity and the need for consolidation, liquidity and position in general for the parent company and the Group. The Board is of the opinion that the proposed dividend is within the scope of the company's long-term objectives and is defensible with reference to the prudence rule in Chapter 17, Para 3 of the Companies Act.

### **Proposal for a resolution regarding guidelines for the remuneration of senior executives – item 13 on the Agenda**

The Board of Directors proposes that the annual general meeting adopt guidelines for the compensation paid to senior executives corresponding to the guidelines for the year 2018 with the exception that the variable compensation paid to the CEO shall be capped at 55% of the annual fixed salary (previously 50%). The Board of Directors proposes that the Annual Meeting adopts guidelines for remuneration and other terms of employment for senior executives as follows.

Senior executives are CEO, CFO, COO ARW EMEA, COO ARW APAC, COO Toshiba HVAC and General Counsel.

The remuneration shall consist of a fixed salary, a variable salary, a pension and other remuneration such as a company car. The total remuneration shall be on market terms and support the interest of the shareholders by enabling the company to attract and retain senior executives.

The variable salary is based on the outcome in relation to the set economic targets. The CEO will receive a maximum amount equal to 55% of the annual fixed salary and other senior executives will receive a maximum amount equal to 50% of the annual fixed salary.

The Executive Management's pension scheme is contribution-based. An amount equivalent to 30% of the gross salary is appropriated annually for the CEO, and a maximum amount equivalent to 25% of the gross salary is appropriated annually for the other Swedish Members of the Executive Management. For senior executives outside Sweden, other terms may apply as a consequence of legislation or market practice.

Severance pay of not more than 24 months' salary, including salary at notice, will be paid to the CEO. Severance pay to the other Members of the Executive Management amounts to not more than 12 months' salary including salary at notice.

The Executive Management can give six months' notice of termination. Notice of termination by the CEO or other senior executives does not trigger any severance pay.

The Board of Directors prepares matters of remuneration and other terms of employment for the Executive Management and the Board of Directors as a whole constitutes the Remuneration Committee. The CEO does not participate in the work.

The Board of Directors may abandon these guidelines if there are specific reasons for it in an individual case.

Malmö, March 2019

BEIJER REF AB (publ)

Board of Directors