

**Remuneration
report** for executive
management of
BEWI ASA for 2022

BEWI



Contents

1. Overview	3
2. Overview of the year	3
3. Remuneration of the board of directors	4
3.1 Board composition	4
4. Remuneration to the executive management	5
4.1 Executive management	5
4.2 Remuneration composition and framework	5
4.3 Share-option plan	6
5. Compliance with remuneration policy	9
5.1 Variable pay	9
6. Derogation from remuneration policy	10
7. Comparative information on the changes of remuneration and group performance	10
8. Statement by the board of directors	11
Independent auditor's assurance report on report on salary and other remuneration to directors	12

1. Overview

This remuneration report is prepared by the board of directors (“the board”) of BEWI ASA (the “company”) in accordance with Section 6-16b of the Norwegian Public Limited Liabilities Companies Act as applicable per 1 January 2021 (“NPCLCA”) and the administrative regulation regarding policy and report for the remuneration of the executive management. The reports contain information regarding remuneration of executive management and the board of directors for the financial year of 2022.

The report is based on the board of directors’ remuneration policy, which was approved by the general meeting on 3 June 2021, as outlined in the “Statement on remuneration of executive management”. The statement is included in BEWI ASA’s annual report for 2022) and is in accordance with Section 6-16a of the NPCLCA.

2. Overview of the year

In 2022, BEWI continued to deliver solid results combined with strong growth from both organic and strategic initiatives, as presented in the headlines below:

- Net sales grew by 40 per cent, from EUR 748 million for 2021 to EUR 1 050 million for 2022
- Adjusted EBITDA was EUR 134 million for 2022, 23 per cent higher than the EUR 109 million reported for 2021
- Net profit for 2022 was in line with 2021, amounting to EUR 35 million both years, although negatively impacted by items affecting comparability of EUR 18 million in 2022, compared to EUR 3 million in 2021

Net sales amounted to EUR 1050 million for the full year of 2022, an increase of 40 per cent from 2021, of which 17 per cent was organic growth following successful price management and organic growth initiatives. The company posted an adjusted EBITDA of EUR 134 million, representing 23 per cent growth over the previous year, of which approximately half was organic.

BEWI kept a steady focus on its three stated strategic priorities in 2022, including innovation, circular economy, and profitable growth. The company strengthened its innovation capabilities, with a top priority to accelerate the group’s progress to becoming circular. BEWI’s ambition to lead the industry’s way towards a circular economy is about the company’s dedication to sustainability throughout its value chain.

BEWI completed a high number of acquisitions in 2022 and invested in further development of its existing operations, resulting in strong growth. From an annual reported sales of EUR 748 million in 2021, the company closed off 2022 with annual pro forma sales of more than EUR 1 500 million, including full effect of seven acquired companies. Through the acquisitions, the company has expanded into the UK, the Baltics and Spain, broadened its offering, significantly strengthened its market positions, and further developed its recycling platform. In addition, several organic growth initiatives contributed positively to the growth, including the company’s new fish box facility at Senja.

Through its integrated and diversified business model, BEWI is exposed to many end markets and geographies. The company experienced mixed market developments in 2022, with volatile raw material prices, resulting in margins shifting from upstream to downstream segments. Further, demand from the building and construction industry dampened in the second half of the year, while demand for packaging remained stable, and demand for automotive components improved.

3. Remuneration of the board of directors

3.1 Board composition

From 1 January 2022, the board consisted of Gunnar Syvertsen (chair), Kristina Schauman, Stig Wærnes, Anne-Lise Aukner, and Rik Dobbelaere. Upon completion of BEWI's acquisition of Jackon Holding AS on 19 October 2022, Stig Wærnes resigned from the board and Andreas M. Akselsen, took on the position as director of the board, in accordance with the resolution made by the extraordinary general meeting on 16 February 2022.

Gunnar Syvertsen, Kristina Schauman, Stig Wærnes, and Anne-Lise Aukner were re-elected for a period of two years at the company's general meeting on 2 June 2022. Rik Dobbelaere was elected for a period of two years at the general meeting on 3 June 2021, and Andreas M. Akselsen was elected at the extraordinary general meeting on 16 February 2022 until the general meeting in 2023.

Remuneration

The board's remuneration is determined by the general meeting after receiving a proposal from the nomination committee. The remuneration is comprised of fixed payment for board directorship and work in sub-committees. Directors of the board are also reimbursed for travelling expenses. The company is responsible for payment of social security taxes, as well as cost for directors' and officer's liability insurance.

Table 1: Actual fees paid to the board of directors in 2022 and 2021

BEWI ASA	1 Jan 2021–31 Dec 2022			1 Jan 2021–31 Dec 2021		
	Basic salary incl. benefits/ board fees	Variable remuneration	Retirement compensation	Basic salary incl. benefits/ board fees	Variable remuneration	Retirement compensation
million EUR						
Board of Directors						
5 members of the board, whereof 2 women						
Gunnar Syvertsen (chairman)	0.06			0.07		
Stig Waernes	0.03			0.02		
Christina Schauman	0.04			0.05		
Ann-Lise Aukner	0.03			0.04		
Rik Dobbelaere	0.03			0.02		
Andreas Mjølner Akselsen	0.00			-		
Total	0.18			0.19		
Consultancy services board members						
Gunnar Syvertsen	0.10			0.10		
Rik Dobbelaere	0.06			-		
Andreas Mjølner Akselsen	0.00					

4. Remuneration to the executive management

4.1 Executive management

The company considers the Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO), Chief Human Resources Officer (CHRO), Chief Legal Officer (CLO), and Chief Communications Officer (CCO), as members of the executive management, to be covered by the term Directors under Companies Act.

The following persons are considered Directors:

- Christian Bekken, Group CEO
- Jonas Siljeskär, Group COO
- Marie Danielsson, Group CFO
- Roger Olofsson, CHRO (included from 1 October 2022)
- Petra Brantmark, CLO (included from 1 October 2022)
- Charlotte Knudsen, CCO (included from 1 October 2022)

4.2 Remuneration composition and framework

The remuneration principles and compensation elements are described in the remuneration policy for executive management. The elements include a (i) fixed base salary, (ii) pension, (iii) non-financial benefits ("fringe benefits"), (iv) variable pay and (v) a long-term incentive programme (referred to as share option plan)

Directors do not receive remuneration for directorships in group companies.

Table 2 contains an overview of the total remuneration which the Directors have received from the company in 2022 and 2021.

Table 2: Remuneration paid to executive management in 2022 and 2021

BEWI ASA million EUR	1 Jan 2022–31 Dec 2022			Other benefits	Retirement compensation	Total com- pensation	Proportion of fixed remuneration
	Basic salary	Short term variable pay	Long term variable pay				
CEO							
Christian Bekken	0.27	0.09	0.20	0.01	0.01	0.58	49%
Other Senior Executives							
Jonas Siljeskär	0.31	0.11	0.20	0.01	0.08	0.71	56%
Marie Danielsson	0.30	0.12	0.20	0.01	0.07	0.70	55%
Charlotte Knudsen	0.03	0.01			0.00	0.04	76%
Petra Brantmark	0.05	0.01			0.01	0.07	86%
Roger Olofsson	0.05	0.01			0.03	0.09	85%
Total	1.01	0.35	0.60	0.03	0.20	2.19	56%

BEWI ASA million EUR	1 Jan 2021–31 Dec 2021			Other benefits	Retirement compensation	Total com- pensation	Proportion of fixed remuneration
	Basic salary	Short term variable pay	Long term variable pay				
CEO							
Christian Bekken	0.24	0.09	0.30	0.01	-	0.64	39%
Other senior directors							
Jonas Siljeskär	0.28	0.14	0.30	0.01	0.02	0.19	63%
Marie Danielsson	0.27	0.10	0.30	0.01	0.02	0.33	39%
Total	0.79	0.33	0.90	0.03	0.16	2.21	44%

Notes:

The executive management was extended with CCO, CLO and CHRO as from 1 October 2022 and has thus been included in the numbers above from this date. The amount for the long-term variable pay included in the table above corresponds to the difference between the share price and strike price as of 31 December 2022 multiplied by the number of options vested during the year.

The variable incentive pay program is based on compensation accrued from performance related variable pay and is paid the year following the accruing year. See section 5.1 for further information.

EUR 0.2 million of the remuneration to Charlotte Knudsen in 2022 was recharged to KMC Properties ASA, a company related to the Bekken family, for services rendered to that company.

4.3 Share-option plan

On 19 November 2020, the board of BEWI adopted a share option plan comprising the executive management and other key employees of the company. The programme was resolved based on the approval by the extraordinary general meeting on 16 November 2020 to authorise the board to issue new shares to employees under a long-term incentive programme. The aggregate number of options under the plan shall never exceed two (2) per cent of the outstanding shares of the company, including options already outstanding.

The purpose of the share option plan is to further align the interests of the company and its shareholders. The awards of options shall give an interest in the company parallel to that of the shareholders, enhancing the interests of the executives to the company's continued long-term success and progress and motivate for individual contributions. The share option shall enable the company to attract and retain the executive employees and other key employees.

The strike price was set as the market price at the time of the grant of the options plus 10 per cent, to ensure that only value creation from allocation onwards is rewarded. The options vests with 20 per cent per after one year, 30 per cent after two years, and with 50 per cent three years after granted, provided the participant is still employed. The option lapses and becomes void after a period of 5 years. If the employee resigns from his or her position with the company, all unvested options will lapse and becomes void. The maximum profit gain from awarded options under the plan, is capped according to an agreement between the employee and the company. On 19 November 2021, the first 20 per cent of the options granted became available for the participants with an exercise window from 24 February until 2 March 2022. Further, additional 30 per cent of the options granted were vested on 19 November 2022, with an exercise window on from 18 to 19 February 2023.

Table 3: Long term incentive programme (share-option plan)

The main conditions of share option plans								Information regarding the reported financial year					
1 Specification of plan ¹	2 Performance period	3 Award date	4 Vesting date ²	5 End of holding period	6 Exercise period	7 Strike price of the share ³	Opening balance	During the year		Closing balance			
							8 Share options awarded at the beginning of the year	9 Share options awarded	10 Share options vested	11 Share options subject to perfor- mance condition	12 Share options awarded and unvested	13 Share options subject to holding period ⁴	
Christian Bekken (CEO)	1	19.11.2020- 19.11.2021	19.11.2020	19.11.2021	19.11.2025	19.11.2021- 19.11.2025	24.06	50 000	-	-	-	-	-
	1	19.11.2020- 19.11.2022	19.11.2020	19.11.2022	19.11.2025	19.11.2022- 19.11.2025	22.96	75 000	-	75 000	-	-	75 000
	1	19.11.2020- 19.11.2023	19.11.2020	19.11.2023	19.11.2025	19.11.2023- 19.11.2025	22.96	125 000	-	-	-	125 000	-
								250 000	-	75 000	-	125 000	75 000
Jonas Siljeskär (COO)	1	19.11.2020- 19.11.2021	19.11.2020	19.11.2021	19.11.2025	19.11.2021- 19.11.2025	24.06	50 000	-	-	-	-	-
	1	19.11.2020- 19.11.2022	19.11.2020	19.11.2022	19.11.2025	19.11.2022- 19.11.2025	22.96	75 000	-	75 000	-	-	75 000
	1	19.11.2020- 19.11.2023	19.11.2020	19.11.2023	19.11.2025	19.11.2023- 19.11.2025	22.96	125 000	-	-	-	125 000	-
								250 000	-	75 000	-	125 000	75 000
Marie Danielsson (CFO)	1	19.11.2020- 19.11.2021	19.11.2020	19.11.2021	19.11.2025	19.11.2021- 19.11.2025	22.96	50 000	-	-	-	-	50 000
	1	19.11.2020- 19.11.2022	19.11.2020	19.11.2022	19.11.2025	19.11.2022- 19.11.2025	22.96	75 000	-	75 000	-	-	75 000
	1	19.11.2020- 19.11.2023	19.11.2020	19.11.2023	19.11.2025	19.11.2023- 19.11.2025	22.96	125 000	-	-	-	125 000	-
								250 000	-	75.000	-	125 000	125 000

The main conditions of share option plans								Information regarding the reported financial year					
1 Specification of plan ¹	2 Performance period	3 Award date	4 Vesting date ²	5 End of holding period	6 Exercise period	7 Strike price of the share ³	Opening balance	During the year		Closing balance			
							8 Share options awarded at the beginning of the year	9 Share options awarded	10 Share options vested	11 Share options subject to perfor- mance condition	12 Share options awarded and unvested	13 Share options subject to holding period ⁴	
Roger Olofsson (CHRO)	1	19.11.2020- 19.11.2021	19.11.2020	19.11.2021	19.11.2025	19.11.2021- 19.11.2025	22.96	25 000	-	-	-	-	25 000
	1	19.11.2020- 19.11.2022	19.11.2020	19.11.2022	19.11.2025	19.11.2022- 19.11.2025	22.96	37 500	-	37 500	-	-	37 500
	1	19.11.2020- 19.11.2023	19.11.2020	19.11.2023	19.11.2025	19.11.2023- 19.11.2025	22.96	62 500	-	-	-	62 500	-
							125 000	-	37 500	-	62 500	62 500	
Petra Brantmark (CLO)	1	19.11.2020- 19.11.2021	19.11.2020	19.11.2021	19.11.2025	19.11.2021- 19.11.2025	24.06	25 000	-	-	-	-	-
	1	19.11.2020- 19.11.2022	19.11.2020	19.11.2022	19.11.2025	19.11.2022- 19.11.2025	22.96	37 500	-	37 500	-	-	37 500
	1	19.11.2020- 19.11.2023	19.11.2020	19.11.2023	19.11.2025	19.11.2023- 19.11.2025	22.96	62 500	-	-	-	62 500	-
							125 000	-	37 500	-	62 500	37 500	
Charlotte Knudsen (CCO)	1	19.11.2020- 19.11.2021	19.11.2020	19.11.2021	19.11.2025	19.11.2021- 19.11.2025	24.06	25 000	-	-	-	-	-
	1	19.11.2020- 19.11.2022	19.11.2020	19.11.2022	19.11.2025	19.11.2022- 19.11.2025	22.96	37 500	-	37 500	-	-	37 500
	1	19.11.2020- 19.11.2023	19.11.2020	19.11.2023	19.11.2025	19.11.2023- 19.11.2025	22.96	62 500	-	-	-	62 500	-
							125 000	-	37 500	-	62 500	37 500	
							750 000		150 000	-	600 000	150 000	

¹ Plan 1 refers to the plan adopted by the board on 19 November 2020.

² 20 per cent of the plan adopted on 19 November 2020 vested on 19 November 2021, 30 per cent on 19 November 2022 and 50 per cent will vest on 19 November 2023. The options are only exercisable during a window period after the release of the financial reports for the fourth and/or second quarters.

³ Strike price at the time of award for the plan adopted on 19 November 2020 was 24.48 NOK. The strike price is adjusted for, inter alia, dividends paid. By 31 December 2022 the strike price was NOK 22.96.

⁴ In March 2022, Christian Bekken and Jonas Siljeskär exercised 50 000 options respectively of those options vested in 2021.

5. Compliance with remuneration policy

The executives are compensated based on individual criteria, including each executive's role, experience, and competence. All executives are evaluated yearly as part of the company's Performance and Development Dialogue (PDD). The total compensation level targets at attracting and retaining executives, and to maintain a compensation level which for each individual is competitive compared to market conditions for the relevant position and individual.

Internal board assignments and similar internal positions are not remunerated separately. External assignments shall be approved by the CEO or by the board.

5.1 Variable pay

The variable incentive pay programme for the executive management team is built on 4 criteria with the objective to encourage achievement of financial- and operational targets. The variable pay programme is based on defined and measurable criteria, including financial targets, targets linked to strategic priorities and targets linked to health and safety.

For 2022, the variable incentive pay program was capped at 50 per cent of the annual base salary for the CEO, COO, and CFO, 40 per cent for the CHRO, and 25 per cent for the CLO and CCO.

Criteria:

1. Adjusted EBITDA: 50 per cent of maximum is based on the group's adjusted EBITDA targets, calculated with a linear scale from 95 per cent to 105 per cent of budgeted target.
2. Fixed cost: 10 per cent of maximum is related to development of fixed cost for the group with a maximum pay out if an improvement of 3 per cent of budgeted targets has been achieved, calculated with a linear scale from 100 per cent to 97 per cent of budgeted fixed cost targets.
3. Health & Safety: 10 per cent of maximum is related to health and safety targets with focus on number of accidents and absence due to accidents. Criteria for pay-out is equal to improvement compared to previous year (2021).
4. Personal objectives: 30 per cent of maximum is related to the personal objectives. For the CEO, the objectives are set and evaluated by the chairman of the board, while the personal objectives for the COO, CFO, CLO, CCO, and CHRO are set and evaluated by the CEO.

Table 4: Remuneration to directors according to the variable pay programme

Name	Function	EBITDA	Fixed cost	Health & Safety	Personal objectives	Total	Maximum
Christian Bekken	CEO	25.00%	0.00%	2.50%	12.50%	40.00%	50.00%
Jonas Skiljuskär	COO	25.00%	0.00%	2.50%	13.00%	40.50%	50.00%
Marie Danielsson	CFO	25.00%	0.00%	2.50%	15.00%	42.50%	50.00%
Roger Olofsson	CHRO	20.00%	0.00%	2.00%	10.80%	32.80%	40.00%
Petra Brantmark	CLO	12.50%	0.00%	1.25%	7.20%	20.95%	25.00%
Charlotte Knudsen	CCO	12.50%	0.00%	1.25%	7.50%	21.25%	25.00%

6. Derogation from remuneration policy

Variable pay programme

As stated in the remuneration policy, the directors are entitled to receive a cash bonus as outlined in the variable incentive pay programme with established criteria that reflects key drivers to pursue BEWI's strategic priorities, as well as achieving financial and sustainability targets.

All bonuses under the variable incentive pay programme were accrued for in the 2022 financial statements and are in line with the remuneration policy.

7. Comparative information on the changes of remuneration and group performance

Table 5 below contains information on the annual change of remuneration for each director, as well as the comparable information regarding salary increases based on applicable collective agreement in Norway, called "Kjemisk Teknisk overenskomst" (agreement no 106).

Table 5: Information on annual change of remuneration and average salary increase

Name	Function	2021	2020	2019	2018	2017
Christian Bekken	CEO	9%	38%	-4%	25%	18%
Jonas Siljeskär	COO	0%	8%	48%	24%	56%
Marie Danielsson	CFO	7%	-14%	112%	-30%	100%
Roger Olofsson ¹	CHRO					
Petra Brantmark ¹	CLO					
Charlotte Knudsen ¹	CCO					
Company performance						
Net sales	Annual percentage change	41%	62%	8%	13%	95%
Adj. EBITDA	Annual percentage change	27%	68%	25%	68%	171%
Adj. EBITDA margin (%)			14.6%	14.0%	12.1%	8.1%
Salary increase according to collective agreement Kjemisk Teknisk overenskomst (avtale nr. 106)		4.24%	2.11%	1.72%	2.05%	2.40%

Due to large changes in the BEWI organization as a consequence of several acquisitions, comparable salary data of own employees has not been reported.

¹ Included in the executive management team from 1 October 2022 and thus no comparable data for previous years.

8. Statement by the board of directors

The board of directors has today considered and adopted the Remuneration report for executive management of BEWI ASA for the financial year 2022. The Remuneration report has been prepared in accordance with section 6-16b of the Norwegian Public Limited Liability Companies Act. The Remuneration report will be presented for an advisory vote at the Annual General Meeting in 2023.

Trondheim, Norway, 24 April 2023

The board of directors of BEWI ASA

Gunnar Syvertsen
Chair of the Board

Anne-Lise Aukner
Director

Rik Dobbelaere
Director

Andreas M. Akselsen
Director

Kristina Schauman
Director

To the General Meeting of BEWI ASA



Independent auditor's assurance report on report on salary and other remuneration to directors

Opinion

We have performed an assurance engagement to obtain reasonable assurance that BEWI ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2022 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines

is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our independence and quality control

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We apply the International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the

remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Trondheim, 24 April 2023

PricewaterhouseCoopers

Kjetil Smørdal

State Authorised Public Accountant

(electronically signed)

BEWI
for a better everyday

BEWI ASA
www.bewi.com