



## ASPOCOMP GROUP PLC'S REMUNERATION POLICY FOR GOVERNING BODIES

### INTRODUCTION

This remuneration policy sets the main framework for the remuneration of the governing bodies of Aspocomp Group Plc (“Aspocomp” or the “Company”). The governing bodies are the Board of Directors and the President and CEO.

Where applicable, the principles applicable to the CEO also apply to the Deputy CEO. However, with respect to the level and structure of the remuneration, the Board of Directors is not bound by the remuneration of the CEO when deciding on the remuneration of the Deputy CEO.

This remuneration policy has been prepared in accordance with the new Corporate Governance Code of the Securities Market Association effective January 1, 2020 and the SHRD II European Union Shareholder Rights Amendment Directive and has been approved by the Board of Directors on March 9, 2020. This remuneration policy will be presented to the Company's Annual General Meeting on April 2, 2020. The remuneration policy is available on the company's website.

The purpose of the remuneration policy is to contribute to the long-term interests of both the company and its shareholders and the business strategy of the company as well as to promote the long-term financial success of the company. The remuneration policy is based on the company's employee remuneration policy, which aims to encourage good performance and motivate long-term work to achieve the company's goals. Remuneration is based on the job's demand level, personal effectiveness and performance as well as the market situation. Remuneration is assessed on a regular basis in relation to common market practices for persons in similar positions. Remuneration of the CEO is based on the same principles as the remuneration of the company's personnel with certain appropriate additions concerning the CEO. The performance-based remuneration components applicable to the CEO are higher than those of other employees, with the aim of supporting the company's strategy, financial success and shareholder value growth.

All current remuneration paid to the Board of Directors and the CEO is in accordance with this policy.

## DESCRIPTION OF THE DECISION-MAKING PROCESS

### PREPARATION AND APPROVAL

The Remuneration Committee of Aspocomp Group Plc's Board of Directors or, if the Committee has not been established, the Board of Directors prepares the Remuneration Policy for governing bodies and any significant changes thereto. The Board shall present to the Annual General Meeting an approved remuneration policy at least once every four years and whenever significant changes are made to it. In addition, the Board presents an annual Remuneration Report to the AGM, starting from the AGM in 2021.

The AGM will make an advisory resolution on whether it supports the presented policy. If a majority of the General Meeting opposes the presented remuneration policy, an amended policy must be presented no later than at the next AGM. In such cases, the remuneration of the Board of Directors and the CEO shall be based on the remuneration policy presented to the AGM until the revised remuneration policy is discussed at the next General Meeting. The company will consider on a case-by-case basis how the drafting of the new remuneration policy is affected by the General Meeting's resolution on the previous remuneration policy or the shareholders' statements presented at General Meetings when discussing the remuneration reports disclosed since the adoption of the previous remuneration policy.

The Board of Directors monitors and oversees the implementation and effectiveness of the remuneration policy as well as the competitiveness of remuneration and, if necessary, proposes to the Annual General Meeting any changes to the remuneration policy. The introduction to the amended remuneration policy describes the significant changes to the policy and how it has taken into account the decision of the AGM on the previous remuneration policy. In addition, the amended Remuneration Policy states how it has taken into account the shareholders' statements presented at the AGM when discussing the remuneration reports disclosed since the adoption of the previous remuneration policy.

Aspocomp may make non-significant changes to the remuneration policy without presenting the revised policy to the General Meeting. Such permitted non-significant changes include technical amendments to the remuneration decision-making process or the terminology used.

### EXECUTION

The remuneration of the governing bodies is in accordance with the remuneration policy presented to Aspocomp's AGM.

The Nomination Committee of the Board of Directors or, if such a committee has not been established, the Board of Directors prepares proposals for the composition of the Board of Directors and their remuneration to be submitted to the Annual General Meeting. The Annual General Meeting decides on the remuneration paid to the members of the Board of Directors and the basis on which the fees are determined for one year at a time.

The Board's Remuneration Committee makes proposals to the Board of Directors on the remuneration of the CEO; if such a committee has not been established, the Board carries out the preparation of the remuneration. Various external compensation comparisons may be used and, if necessary, external experts may be consulted. The Board decides on the CEO's remuneration and other terms of employment.

The Board decides on all the company's remuneration and incentive schemes and their related target criteria and reward opportunities and discusses the achievement of the set performance targets. In accordance with the Companies Act, the General Meeting or the Board

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of Directors with authorization from the General Meeting shall decide on the issuance of shares, options or other special rights entitling to shares.

## CONFLICTS OF INTEREST

The remuneration of the company's governing bodies is governed by the provisions of the Companies Act and the Corporate Governance Code concerning the disqualification of a Board member and the CEO. If a member of the Board of Directors is employed by the Company, he or she will not participate in the decision-making or preparation of the terms and conditions of his or her employment; these decisions are made by independent Board members. The CEO will not participate in the decision-making or preparation of the terms and conditions of his or her remuneration. The purpose of the decision-making process is to ensure that decisions are fair and impartial.

## DESCRIPTION OF THE REMUNERATION OF THE BOARD OF DIRECTORS

The Annual General Meeting decides on the remuneration of the Board members for one term of office at a time. This remuneration policy does not limit shareholders' decision-making power with respect to remuneration at Annual or Extraordinary General Meetings.

Aspocomp publishes proposals regarding the members of the Board of Directors and their remuneration in the notice of the AGM and on the company's website. The decisions of the General Meeting concerning the remuneration of the members of the Board of Directors shall be published in the same stock exchange release as other decisions made at the General Meeting.

## DESCRIPTION OF THE REMUNERATION OF THE CEO

### REMUNERATION COMPONENTS AND PROPORTIONAL SHARES OF OVERALL REMUNERATION

Remuneration of the CEO is decided by the Board of Directors in accordance with the remuneration policy presented to the AGM and the terms and conditions of employment and financial benefits are defined in a written CEO's agreement approved by the Board. The CEO is not involved in decision-making regarding his/her remuneration.

The CEO's total remuneration may consist of fixed and variable remuneration, the relationship of which is assessed by the Board of Directors in accordance with the business environment in which the company is operating. The relative proportions of the components of remuneration may vary according to the objectives set by the Board of Directors and their achievement.

Contractual fixed wages may include the monetary value of salary and fringe benefits such as telephone, food and car benefits. The fixed salary is determined based on the requirements of the job, the person's appropriate level of experience and the skills corresponding to the job. Holidays, holiday pay, sick leave and other similar terms and conditions may be dealt with in accordance with the company's employee remuneration policy.

The variable components of remuneration may include, but are not limited to, short-term performance-based incentive programs and long-term incentives. A short-term incentive scheme can be, for example, the company's profit-sharing scheme. Long-term incentives may consist of a performance-based incentive plan and/or a share-based incentive or other similar long-term incentive scheme.

## GROUNDS FOR DETERMINING ANY VARIABLE REMUNERATION COMPONENTS

The Board of Directors decides on the objectives and criteria for remuneration in all variable remuneration systems and the structure and proportion of variable remuneration. The Board sets both target and maximum levels and approves the payment of rewards at the end of the earning periods for all incentive programs. When the Board decides on the level and structure of the overall remuneration, it considers financial and operational results as well as the earnings criteria related to long-term objectives.

The grounds for determining variable remuneration components may be based on the achievement of the company's strategy, financial and performance targets, and the individual performance of the recipient. The aim is to optimize the company's strategic goals, long-term and short-term financial performance and shareholder value growth.

A short-term incentive plan, if one is established, may be based on the Group's performance or other one-year earnings criteria set by the Board of Directors, and the bonus is paid based on the achieved objectives. The maximum yield is always limited.

The purpose of possible long-term incentive schemes (LTIs) is to encourage and commit the CEO to implement the strategy and increase shareholder returns. The benchmarks and terms and conditions of the systems are decided by the Board. Shares, options or other share-based rights may be granted to the CEO as part of the CEO's long-term commitment program. Share-based incentive schemes may include transfer restrictions, recommendations, or contractual obligations to own a certain number of shares over a certain period of time.

### Other key terms applicable to the service contract

The Board of Directors also decides on other terms of the CEO's employment, such as possible insurance coverage and pension arrangements. The CEO may, if necessary, be granted a lower retirement age than in the effective retirement pension legislation. If necessary, additional pension contributions may be paid to the CEO. The CEO's contract shall specify the duration, term of service and severance pay, as well as any other termination clauses, at levels and principles consistent with normal market practice at the time of signature. The current CEO's key terms of service and financial benefits can be found on the company's website.

### Terms for deferral and possible clawback of remuneration

The company's ability to defer remuneration and to reclaim variable compensation already paid is determined by the terms and conditions of the incentive schemes and applicable Finnish legislation.

## REQUIREMENTS FOR TEMPORARY DEVIATION

A deviation from the remuneration policy of Aspocomp's governing bodies may be granted in exceptional circumstances, where the company's operating conditions have changed, and the deviation is intended to ensure the company's long-term interests and competitiveness or financial success. Such exceptional circumstances include, for example, a change in the composition of the Board of Directors or a change of CEO, an exceptional change in the company or its business, or a significant change in the company's strategy, a material change in the financial position or prospects of the company, changes in the company's decision-making process on remuneration, and arrangements such as a merger, acquisition offer or acquisition. Remuneration policies may also be derogated from due to changes in legislation and company regulations, such as taxation.

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The Board will carefully consider the reasons for the temporary deviation, paying particular attention to the company's long-term financial performance, competitiveness and shareholder value development, and continuity of management. Any temporary deviation is always described in the annual remuneration report. If the deviation from the remuneration policy is expected to continue other than temporarily, the Board will prepare and approve a new remuneration policy, which will be presented at the next Annual General Meeting. The deviation may apply to all components of remuneration. The Board of Directors decides on the deviation in respect of the remuneration of the CEO and the Annual General Meeting decides on the Board of Directors.