

# REMUNERATION POLICY

## Introduction

The remuneration policy of Wulff Group Plc ("the Group") presents the remuneration principles for the company's governing bodies, which are the Board of Directors, CEO and a possible substitute for the CEO (later the CEO) and the decision-making processes associated with the policy.

The target of the remuneration policy is to support the effective strategy in place and the actualization of long-term business profitability. The remuneration of the CEO must be in line with the company's other personnel's remuneration considering the demands and the responsibility of the duty. The remuneration according to the remuneration policy consists of basic salary and fringe benefits and a possibility to make an agreement of a short- and a long-term incentive plan. The General Meeting decides upon the remuneration of the members of the Board of Directors.

The Board of Directors approves the remuneration policy to be presented to the Annual General Meeting. The General Meeting decides if it supports the remuneration policy presented by the Board. This remuneration policy is in effect until the Annual General Meeting of 2024, unless a new replacing remuneration policy is prepared and approved earlier.

## The decision-making process

The Board of Directors handles all its tasks. Setting up Board committees or a supervisory board has not been considered necessary due to the company's small size and to ensure operational efficiency.

The Board can discuss the remuneration policy with the major shareholders during the preparation of the policy. The remuneration policy of the governing bodies is assessed, handled and approved in a Board meeting once a year or more frequently if necessary. The Board also supervises the execution of the policy.

The shareholders decide in the General Meeting whether they accept the presented remuneration policy. The shareholders cannot make any amendments to the policy before or during the meeting. The Board of Directors assesses the need to amend the remuneration policy based on the decisions made in the General Meeting and based on the statements presented in the General Meeting. If the General Meeting does not approve the remuneration policy presented by the Board, a revised policy will be presented in the next Annual General Meeting at the latest.

Remuneration shall be decided by the governing body which appointed the person. The Annual General meeting decides upon the remuneration of the Board of Directors yearly and the Board of Directors decides upon the remuneration of the CEO. The CEO has no right to attend the Board of Directors meeting when the remuneration of the CEO is handled. The Board of Directors evaluates the remuneration of the CEO yearly or when it is agreed within the CEO contract and makes decisions to change the remuneration when needed.

According to the Company's Act the General Meeting or the Board of Directors authorized by the company will decide upon granting shares, options or other entitlements to shares. When shares, option or other entitlements to shares are granted as a part of remuneration, this will be made in accordance with the remuneration policy. The Board of Directors of the company proposes to the General Meeting

yearly that the General Meeting shall authorize the Board of Directors to resolve on the acquisition of maximum 300,000 own shares effective until the next annual General Meeting and that the Board of Directors may use acquired own shares in remuneration of the company's CEO or other personnel to implement the company's incentive scheme.

The remuneration report on the actual remuneration is presented to the General Meeting yearly.

The company may make only other than significant adjustments to the remuneration policy without submitting them to the Annual General Meeting. When making adjustments to the remuneration policy the Board of Directors explains significant changes and the General Meeting will decide upon the changed remuneration policy presented by the Board of Directors.

## **Remuneration of the Board of Directors**

The General Meeting decides upon the remuneration of the Board of Directors according to the Board of Directors' proposal.

## **Remuneration of the Group CEO**

The Wulff Group Plc's Board of Directors decides upon the parent company's CEO's remuneration and other terms and conditions according to the remuneration policy presented to the General Meeting.

### **Remuneration components and proportional shares of overall remuneration**

The remuneration of the CEO consists of a fixed monthly salary, fringe benefits and a statutory pension. The Group CEO is entitled to bonus holiday pay and to a possible short- and/or long-term incentive scheme, that can be paid in cash, shares, options, other share-based rights or bonds.

### **Grounds for determining any variable remuneration components**

The CEO is entitled to a variable incentive scheme to be determined and paid. The grounds for possible separately agreed short- and/or long-term variable remuneration is based on for example the development of the company's financial performance and profitability according to the company's strategy. The development of the financial performance and profitability can be assessed for example on the basis of the whole group's operating profit or comparable operating profit, the responsibility of the company and non-financial key figures, internal and external legitimacy or in the assessment of the person's accomplishments. The restriction period of the short-term remuneration is one year maximum. The remuneration of the short-term incentive scheme may vary from 0-50% of the fixed salaries.

The restriction period of the long-term remuneration is more than a year. The remuneration of the long-term incentive scheme may vary from 0-100 % of the fixed salaries.

In case the remuneration consists of the company's shares, liabilities, restrictions and recommendations to own the shares can be set in the incentive scheme according to the usual market practice. In case the incentive scheme is share based, the restriction period must be two years at least. The Board of Directors decides upon the CEO's share based remuneration according to the authorization received from the General Meeting. The possible remuneration is determined according to the accomplished strategic targets.

### **Other key terms applicable to the service contract**

The service contract is subject to the notice periods defined in the CEO contract. If the company terminates the agreement unilaterally, the CEO is entitled to a severance payment corresponding to three months' fixed monthly salary.

The CEO is encouraged to acquire the company's shares.

Pension arrangements are in line with market practice and may change from year to year.

**Terms for deferral and possible clawback of remuneration**

The company's remuneration policy does not apply any deferral clauses or conditions that allow for the redemption of benefits paid other than in the case of separately to be agreed short- and/or long-term variable remuneration.

**Requirements for temporary deviation**

Remuneration of the governing bodies may, in exceptional circumstances, be departed from the remuneration policy on a temporary basis in order to ensure the long-term interests of the company in accordance with the decision-making process required by the Companies Act.

When assessing the long-term interest of the company the long-term financial performance and profitability, competitiveness and the development of the shareholder value can be taken into account.

Exceptional situations may arise as a result of a change of CEO, a business acquisition, a change in tax or other legislation where the effective remuneration policy of the governing bodies not appropriate in the changed circumstances.

If the extraordinary situation is expected to continue longer than temporarily, the company will prepare a new remuneration policy for consideration at the next possible Annual General Meeting.