

TULIKIVI CORPORATION'S REMUNERATION POLICY

1 INTRODUCTION

The Tulikivi Corporation Remuneration Policy sets out the principles and decision-making processes for the remuneration of the Board of Directors and the Managing Director and the key terms of the contract of the Managing Director.

The company's remuneration principles apply to all employees of the company. Transparency in remuneration, market orientation and rewarding good performance are key principles in the remuneration process.

The company's remuneration policy applies to the company's Board of Directors and the Managing Director. The purpose of the company's remuneration policy is to encourage and reward management for operating in accordance with the company's current strategy and for compliance with current rules, and to motivate them to strive for Tulikivi's success.

Effective and competitive remuneration is an essential tool for recruiting capable management for the company, which in turn contributes to the company's financial success and good governance. Remuneration supports the achievement of the company's goals, strategy and long-term profitability.

Remuneration in accordance with the remuneration policy is based on the following elements. Basic salary and employee benefits must comply with local market practices, laws and regulations. The purpose of the short-term incentive plan is to steer the performance of individuals and the organisation and to support the rapid implementation of strategic projects. The long-term incentive plan is designed to engage key people. Long-term incentives aim to engage management and align their interests with those of the company's shareholders.

2 DECISION-MAKING PROCESS

Tulikivi Group's remuneration principles and policies are discussed by the Board of Directors. The company does not have a remuneration committee appointed by the Board of Directors to manage the remuneration system. It has not been considered necessary given the size and nature of the company's operations.

The Board of Directors monitors and supervises the performance of the remuneration policy, the competitiveness of remuneration, and the way in which the remuneration policy contributes to the long-term goals of the company and the Group and, if necessary, will propose changes to the company's remuneration policy.

When changing the remuneration policy, the Board will provide the reasons for any significant changes. In addition, the Board will give an account of how the new remuneration policy has taken into account the decision of the Annual General Meeting concerning the previous remuneration policy and the opinions expressed during the Annual General Meeting's consideration of remuneration reports published following the adoption of the previous remuneration policy.

The Board of Directors adopts and presents the company's remuneration policy to the General Meeting.

The remuneration policy must be presented to the Annual General Meeting at least every four years. In addition, material changes in the remuneration policy must always be presented to the General Meeting. The General Meeting will decide whether it supports the proposed remuneration policy. The General Meeting's decision is advisory.

If a majority at a General Meeting does not support the proposed remuneration policy, the revised remuneration policy and a description of how the new remuneration policy has taken into account the decision of the General Meeting regarding the previous remuneration policy must be submitted to the General Meeting at the next Annual General Meeting at the latest.

The Board of Directors has been entrusted with the preparation of the remuneration proposal. The General Meeting makes the final decision on the fees payable to the members of the Board of Directors.

The Board of Directors shall decide on the remuneration and key terms of service of the Managing Director and Deputy to the Managing Director, if any. The decisions must be made within the current remuneration policy presented to the General Meeting.

The Managing Director is assisted by the Management Group in the operative management of the company. The Board appoints the Managing Director, who appoints the other members of the Management Group. The Board of Directors decides on the company's remuneration and incentive plan.

3 REMUNERATION OF THE BOARD OF DIRECTORS

The Annual General Meeting decides on the fees paid to the members of the Board of Directors for one term at a time based on the Board of Directors' proposal.

The decision on the remuneration of the members of the Board of Directors must be based on the valid remuneration policy that has been presented to the Annual General Meeting.

In accordance with the decision of the Annual General Meeting, members of the Board of Directors are paid an annual or monthly fee and / or a meeting fee.

Members of the Board of Directors may be reimbursed for travel expenses and / or other expenses resulting directly from the duties as a Board member in accordance with the decision of the Annual General Meeting.

The Board members and members of any committee may be paid, in accordance with the decision of the Annual General Meeting, in whole or in part in company shares.

The members of the Board of Directors are not covered by the short-term incentive pay scheme, the company's stock option schemes or other long-term incentive plans.

The General Meeting or the Board, when authorised by the General Meeting, decides on the distribution of the company's shares, options and other special rights entitling to shares. Where shares, options or other special rights entitling to shares are granted to members of the company's bodies as part of remuneration, this must take place within the framework of the remuneration policy.

If a company employee is a member of the Board of Directors, their remuneration shall be determined on the same basis as that of the other members of the Board of Directors, and their salary and other benefits are determined in accordance with the terms and conditions applicable to their employment relationship.

4 REMUNERATION OF THE MANAGING DIRECTOR

The Board of Directors decides on the remuneration of the Managing Director and the terms and conditions of his/her contract of service within the framework of a valid remuneration policy that has been presented to the Annual General Meeting.

Remuneration components and their proportional shares of overall remuneration

The Managing Director's remuneration consists of a monthly salary, benefits and performance-based incentive plans. The Managing Director's remuneration may also include a supplementary pension and severance compensation.

The incentive plans consist of an annual short-term incentive pay scheme and a long-term share-based incentive plan.

The Managing Director's basic salary must be in line with the interests of the company and its shareholders. The basic salary should be competitive on the labour market in order to attract and retain talented professionals.

Short-term incentive pay

The Managing Director may be paid an annual performance bonus. The Board of Directors set the Managing Director's performance targets. The Managing Director's performance period for the short-term incentive pay is one year.

The Managing Director may be entitled to an performance bonus of up to 75 per cent of the fixed annual salary if the criteria set annually by the Board are met.

The criteria defined by the Board of Directors may take into account financial, business or shareholder value, customer or staff satisfaction, quality and corporate responsibility objectives that are critical for the implementation the company's strategy. The Board of Directors will evaluate whether the criteria have been met.

Long-term incentive pay

The purpose of the long-term incentive pay is to encourage the Managing Director to work on increasing the long-term shareholder value and to further commit the Managing Director to the company.

The Managing Director is covered by a share- or option-based plan decided by the company.

The stock options will be distributed to key personnel employed by a Group company as part of the Group's incentive and commitment plan for key personnel. The terms and conditions of the stock options define the related vesting periods and ownership obligation.

The company may distribute stock options or bonuses to key personnel employed by the company and to the Managing Director as part of the Group's incentive and commitment programme for key personnel.

The company does not currently have a stock option plan.

Pension plan

The Managing Director's pension coverage is provided under statutory pension cover (YEL), which provides pension and earnings-based pension coverage as required by law. The retirement age of the Managing Director is determined by the Employees' Pensions Act.

Terms of termination

The service contract may stipulate a notice period applicable to the Managing Director. The Managing Director's period of notice is three months. If the company terminates the service contract, the period of notice is 12 months. A separate severance payment will not be paid at the termination of the contract. In addition, other terms of termination may be agreed upon with the Managing Director, such as that the Managing Director will be entitled to a stock option plan that has already been issued, in all circumstances, including in the event of termination.

Terms for deferral and possible clawback of remuneration

The company's remuneration policy does not include any terms or conditions for deferring remuneration that could be used to reclaim any benefits paid other than for stock options. As a rule for stock options, key employees lose their options when their employment relationship with the company ends. However, the Board of Directors may decide to deviate from the above condition in the terms of the Managing Director's service contract.

5 REQUIREMENTS FOR TEMPORARY DEVIATION

There may be temporary deviation from the remuneration policy when it is necessary to ensure the long-term interests of the company, taking into account the company's long-term financial success, competitiveness and development of shareholder value.

Temporary deviation from a valid remuneration policy is only possible in exceptional circumstances in which the core operating circumstances of the company have, following the General Meeting's consideration of the remuneration policy, changed as a result of a change of Managing Director or a merger or an acquisition proposal or regulation, and the valid remuneration policy of the company's bodies would no longer be appropriate in the changed circumstances.

If the deviation from the remuneration policy is expected to continue other than on a temporary basis, the company shall draw up a new remuneration policy, which will be discussed at the next Annual General Meeting.

The Board of Directors evaluates the need for deviation from the remuneration policy and decides on the deviation. An account of a temporary deviation must be included in the remuneration report.

6 AVAILABILITY OF REMUNERATION POLICY

The company's valid remuneration policy is available to the public on its website.

The company originally adopted this remuneration policy at the annual general meeting in 2020. The company's board of directors has decided to propose the policy unchanged to the annual general meeting in 2024. This remuneration policy will remain in effect until the annual general meeting in 2028, unless it is replaced by a modified version earlier.