

Dovre Group Plc's Remuneration Report 2020

1. Introduction

The Dovre Group Plc's remuneration report has been prepared according to the remuneration reporting section instructions of the Finnish Corporate Governance Code 2020.

Dovre Group presented the remuneration policy to the 2020 Annual General Meeting which unanimously approved it. Dovre Group's Remuneration Policy will be presented in the company's annual general meeting at least every fourth year and always if significant changes are proposed to it. In the 2020 financial period existing remuneration policy was complied with both the members of the Board of Directors and the CEO.

The objective of remuneration is to promote the implementation of Dovre Group's strategy and Dovre Group's long-term financial success, competitiveness, and the favorable development of shareholder value. Remuneration is the Company's key incentive and a tool to commit key employees to the Company. Remuneration also plays a key role in ensuring competitive recruitment for the Company. The Company's current strategy is a growth strategy, which the Company seeks to take into account in the methods and conditions of remuneration.

The Company's objective is fair and encouraging remuneration at all organizational levels, which is why the Company's employee salary and remuneration terms are also taken into consideration when deciding on the remuneration of governing bodies.

The Annual General Meeting decides on the remuneration of the Board of Directors.

The Board decides on the terms and conditions of the employment of the CEO, specified in writing. The remuneration principles of the key management are set by the Board. The Board annually approves the Group's short-term and long-term incentive schemes.

Dovre Group has previously had option plans. The subscription period for the latest option plan 2013C ended on 28 February 2020. The share subscription period and price per series under the 2013C option plan was as follows: subscription price EUR 0.43; subscription period March 1, 2017 – February 28, 2020. No shares were subscribed under the option plan. At the end of 2020, Dovre Group had no open option plans.

The table below presents the development of the remuneration of the Board of Directors and the CEO compared to the development of the average remuneration of the group's employees and to the group's financial development for the previous five financial years.

1 000 eur	2020	2019	2018	2017	2016
Board, total remuneration	104	99	97	104	104
CEO, total remuneration	280	325	301	230	222
Average employee remuneration *)	113	122	120	120	139
Group Net Sales	77 474	83 135	65 466	62 681	83 810
Group Operating result	2 351	2 705	539	52	4

*) Employee benefits expenses in the financial statements divided by the number of average personnel during the period

In 2016-2018, 40% of total gross compensation paid to Board members was paid in the company's shares purchased in public trading. In 2020 and 2019, the remuneration of the members of the Board of Directors was paid in cash.

Total remuneration for the CEO is the following:

1 000 eur	2020	2019	2018	2017	2016
Salaries and benefits	239	267	257	227	202
Share-based payments	41	58	44	3	20
Total	280	325	301	230	222

2. Remuneration of Members of the Board of Directors

The General Meeting decides on the remuneration of the Board of Directors. The proposal for the remuneration of the Board of Directors presented to the General Meeting is based on the shareholders' proposal delivered to the company. In 2020, the proposal for the remuneration of the Board of Directors came from shareholders, who represented over 35 per cent of all shares and votes in the company.

The Annual General Meeting held on April 28, 2020, decided that the Chairman of the Board be paid EUR 35,000, Vice Chairman EUR 25,000, and each other member of the Board EUR 22,000 for the term which will last to the next Annual General Meeting. Actual travelling expenses are compensated as incurred. Remuneration was decided to pay in cash.

Remuneration of the members of the Board of Directors in 2020:

1 000 eur		
Svein Stavelin	Chairman	35
Ilari Koskelo	Vice Chairman	25
Kristine Larneng	Member	22
Antti Manninen	Member	22
Total		104

3. Remuneration for the CEO

The Board of Directors decides on the remuneration of the CEO. The terms and conditions of employment of the CEO are approved by the Board and specified in writing.

The service terms and conditions of the current CEO, Arve Jensen, comprise of an annual salary (including holiday pay, and car and phone benefits) of NOK 1,950,000 (approx. EUR 196 thousand) and a performance-based bonus decided by the Board. The CEO will have same pension and personnel insurance as the other company employees in Norway. The contract does not specify the CEO's retirement age. The contract may be terminated by either party by giving six (6) months' notice. The contract does not include any additional severance payment to the CEO in case the company decide to terminate the employment contract.

The CEO's bonus is based on the company's or its individual units' performance and profitability or on the successful completion of organizational measures. These objectives are specified annually. The STI part of the plan is paid in cash and the objectives are defined annually. The LTI part is a fully equity settled share-based payment transaction and the objectives are defined annually.

In 2020, CEO Arve Jensen's total compensation was EUR 239,468. The amount includes short-term performance bonus of EUR 54,696. Additionally, Arve Jensen earned 494 120 Dovre Group Plc shares from the LTI 2018-2020 program. The vesting period ended at the beginning of 2021. The earned shares were awarded to him in March 2021.