



PLC UUTECHNIC GROUP OYJ'S REMUNERATION POLICY

Approved by Plc Uutechnic Group Plc Board of Directors on March 2, 2020

This Remuneration Policy of Plc Uutechnic Group Plc (the "Company") sets out the principles and decision-making processes for the remuneration of the Board of Directors and the CEO and the key terms of the employment contract.

The Company's remuneration principle applies to all employees of the Company. Fairness, transparency, market orientation, and reward for good performance are key principles in the remuneration process.

The Company's Remuneration Policy applies to the Company's Board of Directors and President and CEO and, where applicable, to the Deputy CEO. The purpose of the Company's Remuneration Policy is to encourage and reward management for activities within the strategy, compliance and to motivate working for the success of the UTG Mixing Group.

Effective and competitive remuneration is an essential tool for hiring and engaging capable executives, 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 under the Remuneration Policy consists of the following elements:

- Basic salary and employee benefits are in accordance with local market practices, laws and regulations
- The purpose of the short-term incentive plan is to guide the performance of the individual and the organization and to support the rapid and effective 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 the company's shareholders.

DECISION MAKING PROCESS

The principles and policies governing the remuneration of the UTG Mixing Group 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 scale of the company's operations.

The Board of Directors monitors and supervises the functioning of the remuneration policy, the competitiveness of the remuneration, and how the remuneration policy contributes to the long-term goals of the company and the Group and, if necessary, proposes changes to the company's remuneration policy.

When changing the remuneration policy, the Board explains significant changes. In addition, the Board explains how the new remuneration policy has taken into account the decision of the Annual General Meeting on the previous remuneration policy and the statements made in the consideration of the remuneration reports published at the Annual General Meeting after the adoption of the previous remuneration policy.

The Board of Directors approves and presents the company's remuneration policy to the General Meeting. The remuneration policy shall be presented to the Annual General Meeting at least every four years. In addition, essential changes in the remuneration policy must always be presented to the General Meeting. The General Meeting decides whether it supports the proposed remuneration policy. The decision of the General Meeting is advisory.

If the majority of shareholders of the general meeting of the listed company has not voted in favour of the proposed remuneration policy, the revised remuneration policy and a description of how the new remuneration policy has taken into account the General Meeting decision, shall be presented to the Annual General Meeting no later than the next Annual General Meeting.

The Board of Directors has been entrusted with the preparation of the remuneration proposal. The remuneration of the Board of Directors is finally decided by the Annual General Meeting.



The Board of Directors decides on the remuneration of the CEO and the main terms and conditions of his employment. The decisions must be made within the current remuneration policy presented to the General Meeting.

In managing the operations, the CEO is assisted by a management team. In addition to the CEO, the Board of Directors appoints the Deputy CEO and other members of the Management Team and decides on the remuneration and other terms and conditions of the Management Team. In addition to the above, the Board decides on the company's remuneration and incentive plan.

DESCRIPTION OF THE BOARD REMUNERATION

The Annual General Meeting decides on the remuneration of the members of the Board of Directors for one term at a time based on the proposal made by the Board of Directors. The decision on the remuneration of the members of the Board of Directors shall be based on the remuneration policy, which is presented to the Annual General Meeting and is in effect.

In accordance with the decision of the Annual General Meeting, the members of the Board of Directors are paid an annual or monthly remuneration. No separate meeting fees are paid. No remuneration is paid to the employees of the Company or the Group.

Members of the Board of Directors may be reimbursed for travel expenses and / or other direct expenses of the Board work in accordance with the decision of the Annual General Meeting.

Members of the Board of Directors of the Company are not covered by the Board's short-term performance-based incentive plan, the Company's stock option programs or other long-term incentive plans.

The General Meeting or the Board of Directors authorized by the General Meeting shall decide on the issue of shares, stock options or other special rights entitling to shares. Where shares, options or other special rights entitling to shares are granted to the Company or Group personnel as part of the remuneration, this must be done within the framework of the remuneration policy.

DESCRIPTION OF THE CEO'S REMUNERATION

The Board of Directors shall decide on the remuneration of the CEO and the terms and conditions of his or her contract of employment within the framework of the remuneration policy presented and valid for the Annual General Meeting.

Compensation components used in the remuneration and their relative proportions. The CEO's remuneration consists of monthly salary, employee benefits and performance-based incentive programs. The CEO's remuneration may also include a supplementary pension scheme and severance pay.

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

The basic salary of the CEO must be in line with the interests of the company and its shareholders. The basic salary should be competitive in the labour market comparison, in order to attract and retain talented professionals.

Determining Variable Rewards

The target levels and maximum levels of the variable remuneration indicators are based on the long-term strategic goals set by the Board of Directors. Meters are monitored regularly.

Short term performance bonus

The CEO may be paid an annual performance bonus. The Board of Directors sets performance targets for the CEO. The CEO's short-term performance bonus period is one year.

Subject to criteria set annually by the Board of Directors, the CEO may be entitled to a performance bonus, which may not exceed the CEO's total salary for six (6) months.

Criteria defined by the Board of Directors may include, for example, the Company's net sales, EBITDA, EBIT, EPS, cash flow, customer acquisition, customer retention, operational efficiency, personnel satisfaction, product development progress and product group growth. The Board of Directors decides on the criteria to be used and assesses whether the criteria are met.

Long term performance bonus

The purpose of the long-term performance bonus is to encourage the CEO to work on long-term to add shareholder value and to further commit the CEO to the company. The CEO is covered by a share or option plan decided by the company.

Possible stock options may be distributed to key personnel employed by a group company as part of a group incentive and commitment plan. The terms and conditions of the stock options define the related vesting periods and ownership obligations.

The pension plan

The Employees' Pensions Act (TyEL) provides pension cover based on length of service and earnings as provided by law. The retirement age of the CEO is determined by the employee's pension law. No additional pension payments are made to the CEO.

Termination of contract

The contract of employment may provide for notice to be given to the CEO. The period of notice for the CEO and the Deputy CEO shall be a maximum of six months and a minimum of three months. In addition, other terms of termination may be agreed in the service contract, such as severance pay or how the CEO is entitled to a stock option plan in various circumstances.

Terms and conditions for deferral of remuneration and possible recovery

The Company's Remuneration Policy does not apply any deferred terms or conditions that may require the redemption of benefits paid other than for stock options. The basis for stock options is that a key person loses his / her stock option if his / her employment with the company or the group ends. However, the Company's Board of Directors may decide to deviate from the foregoing terms in the terms and conditions of service of the CEO or key personnel.

CONDITIONS FOR TEMPORARY DEROGATION

Remuneration policies may be temporarily waived if such actions are 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. Exemption from the applicable remuneration policy may be granted in exceptional circumstances, when the key operating conditions of the company have changed since the consideration of the remuneration policy at the Annual General Meeting, such as a change of CEO, mergers, acquisitions, a merger, takeover bid, or regulatory changes, and the current remuneration policy would no longer be appropriate in these changed circumstances.



If the deviation from the remuneration policy is expected to continue other than temporarily, the company shall prepare a new remuneration policy, which will be discussed at the next possible Annual General Meeting.

The Board of Directors assesses the needs for deviation from the remuneration policy and decides on the deviation. The temporary deviation should be explained in the Remuneration Report.

AVAILABILITY OF REMUNERATION POLICY

The Company maintains its current remuneration policy available to the public on its website.

If the company's general meeting has voted on the remuneration policy, the date and result of the vote must be disclosed at the same time.