Remuneration Policy for the Governing Bodies of Kamux Corporation

Board of Directors

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Introduction

The Remuneration Policy defines the principles regarding the remuneration of Kamux Corporation's ("Kamux" or "company") Board of Directors, CEO and the Deputy CEO, when applicable. The matters relating to the CEO shall also relate to the Deputy CEO.

Company's Board of Directors have considered the recommendations of the Corporate Governance Code 2020 and the new regulations of Securities Law and Companies Act when preparing the Remuneration Policy. The Remuneration Policy shall be presented to the Kamux's Annual General Meeting on 21 April 2020 and it shall be in force until the Annual General Meeting of 2024, unless the Board of Directors presents the Remuneration Policy to the Annual General Meeting earlier. The essential changes in the Remuneration policy are always required to be presented to the General Meeting.

Essential principles

The aim of the Remuneration Policy is to determine the remuneration practices, which encourage to promote the company's growth strategy, long-term economical success and creating shareholder value. The Remuneration Policy also enables the recruitment of competent operative management and members of the Board of Directors and to enforce their commitment to the company.

In accordance with the essential principles of remuneration, the company's economic growth and formation of long-term ownership value should affect significantly to the remuneration of the CEO. The total earnings possibility must be competitive, and the remuneration should be in connection with company's strategy and shareholder value. The remuneration must support the entrepreneurial mindset of Kamux and the uniformity between the benefits of CEO and shareholders in the long run.

The Remuneration Policy and its principles are based on the remuneration principles applicable on the whole personnel of Kamux. This is reflected, for example, in the criteria of variable remuneration, which are derived from the company's strategy to support profitable growth and are partially common to the CEO and other personnel.

Process for decision-making

Decision-making relating to The Remuneration Policy

The Board of Directors of Kamux shall compose the Remuneration Policy. The Board of Directors shall constantly supervise and evaluate the Remuneration Policy in order to ensure that it follows the company's strategy and principles of remuneration. In addition, the Board of Directors shall consider the advisory resolutions of the General Meeting and the comments of the shareholders relating to the Remuneration Policy.

The Remuneration Policy shall be presented to the General Meeting at least every fourth year and the shareholders shall make an advisory decision of their stand for the presented Remuneration Policy, in accordance with the legislation in force from time to time.

Decision-making relating to the remuneration of the Board of Directors

The shareholders shall decide on the remuneration of the Board of Directors at the General Meeting. The largest shareholders or the potential Nomination Board of the Shareholders can prepare a proposal for the General Meeting relating the remuneration of the Board of Directors. The remuneration of the Board of Directors shall be resolved as its own item on the Agenda at the General Meeting.

Decision-making relating to the remuneration of the CEO

The company's Board of Directors shall decide on the remuneration of the CEO. The remuneration of the CEO shall be executed according to the Remuneration Policy presented at the General Meeting. The Board of Directors shall annually supervise and evaluate the execution of the remuneration and ensure that it is in line with the Remuneration Policy.

The potential conflicts of interests have been considered in the decision-making relating to the remuneration. In order to avoid the conflict of interests, the CEO shall not be a member of the Board of Directors or does not participate in the decision-making relating to her/his remuneration.

When remunerating the CEO, the company's shares, options or other rights entitling to shares can be used promoting the uniformity between the benefits of CEO and shareholders. Issuance of shares, options and other rights entitling to shares potentially used for the remuneration of the CEO is decided by the Board of Directors upon the authorization by the General Meeting, or the General Meeting.

Remuneration of the Board of Directors

The shareholders of Kamux shall decide at the General Meeting on the remuneration of the Board of Directors in accordance with the Remuneration Policy and legislation in force from time to time.

The aim of the remuneration of the Board of Directors is to be in line with the companies with similar market values, and to reflect the competence and the workload required from each member of the Board of Directors in their duties in a fair and proportionate manner.

It is recommended that the members of the Board of Directors own shares in the company, and the General Meeting can decide that a part of the remuneration is paid with the company's shares.

If a member of the Board of Directors is in an employment or service relationship with the company, the General Meeting shall decide on a reward paid for them for the work in the Board of Directors. The terms of the employment or service relationship of the member of the Board of Directors shall be determined in accordance with the company's normal policies and according to their duties and role.

Remuneration of the CEO

Parts of remuneration

The remuneration of the CEOs consists of annual salary with fringe benefits and variable remuneration, which include the annual bonus payment and the long-term incentive scheme. Significant part of the annual bonus of overall remunerating consists of the variable remuneration. The Board of Directors shall annually decide on the scale of remunerating and emphasis between the annual bonus and the long-term incentive scheme in such a way that the remuneration supports the company's success in best possible way in the long run. Typically, the long-term incentive's proportion of the targeted overall remuneration is at least equal to the annual bonus.

The annual salary is meant to be competitive and to reflect the scope of the company's business and its development status as well as the individual skills and experience of the CEO. Fringe benefits, such as phone and car benefits, are included in the annual salary.

The purpose of the annual bonus is to guide the CEO towards reaching the company's short-term economical and operative targets and to support the fulfilment of the company's strategy in the short run. The Board of Directors shall set the targets for the annual bonus, separately for each year, and they are based on growth, profitability in accordance with the company's strategy and/or potentially on other, primarily numerical, indicators based on the strategy. The remuneration, confirmed by the Board of Directors and based on reaching the earning criteria, shall be paid in cash after one-year-long earning periods.

The purpose of the long-term incentive scheme is to guide the CEO towards executing the company's strategy and growing the shareholder value in the long run, and to enforce the CEO's engagement to the company. The form of the long-term incentive scheme may, for example, be performance-based share reward scheme or other incentive mechanism that the Board of Directors deems most appropriate. The value of the target level earning potential of the share-based incentive scheme is calculated by using the prevailing market price of the Kamux's share upon the beginning of the earning period.

The total time span of the long-term incentive scheme's earning period is at least three years, so that the long-term incentive is uniform with the shareholders' benefits in the long run. There can be one or more earning criteria on each period. Each earning criterion has a target period of 1-3 years as deemed most appropriate by the Board of Directors. Remuneration earned based on the long-term incentive schemes can be paid either after the target period or after the earning period. A transfer limitation is set on the remuneration paid before the end of the three-year earning period and they must be returned to the company, if the CEO’s service agreement ends before the earning period does.

The criteria of the long-term incentive scheme can be based, for example, on the economical and/or operational indicators, the total profit of the shareholders and/or the company’s strategical targets. The Board of Directors shall clearly specify the earning criteria and their targets and principles of measurement for each earning criterion at the same time, when the targets for them are set out.

The CEO’s shareholdings in the company will enforce the entrepreneurial mindset and the uniformity between the benefits of the CEO and the shareholders in the long run. The CEO is recommended to increase their shareholdings in the company in a way that the value of their shareholdings in the company equals at least their annual salary. The Board of Directors can include terms relating to shareholding in the long-term incentive schemes, which shall promote the CEO to increase his/her shareholding in the company.

Essential term and conditions of the service relationship

Terms and conditions of the service relationship of the CEO shall be determined in a written director agreement and confirmed by the Board of Directors. The director agreement of the CEO shall be permanent, and the termination period of the service relationship shall be at least six months. Potential terms and conditions relating to severance pay and potential other terms and conditions relating to the termination of the service relationship shall be agreed on the director agreement so that they are in line with the market practice in force when the agreement is made as well as with the company’s state and development status. A lower retirement age as well as a supplementary pension provision as part of the overall remuneration may be agreed with the CEO.

When the service relationship of the CEO terminates, the Board of Directors can, at its own discretion, decide if the remuneration is paid from the annual bonus system and/or the long-term incentive scheme and if s/he entitled to some or all of the shares s/he has received under the share-based incentive scheme, whose lock-up period is in force at the time of the termination. The Board of Directors can decide on terms based on which these remunerations are paid.

Cutting back, postponing and recovering the remuneration

The Board of Directors is entitled to cut back the remuneration under the remuneration systems or to postpone the payment to a better time for the company, when for example the circumstances beyond the control of company or other conditions would lead to harmful or unreasonable result for the company or the CEO.

The Board of Directors also have a right to recover the already paid remunerations fully or partially, if the company’s financial statements must be altered and it has an effect on the amount of the remuneration, of the targets of the system have been manipulated or in cases of violation of the company's business interests, criminal or employment law, or the company's ethical guidelines or in cases of other unethical actions.

Special circumstances and temporary deviations

When special circumstances occur, it might be in the long-term interest of the company's shareholders and the company's economic growth, that the Board of Directors can temporarily deviate from the Remuneration Policy. The Board of Directors can, after a thorough consideration, to decide on deviating from the Remuneration Policy presented to the General Meeting under special circumstances, such as the following:

- change of CEO
- Major corporate transaction, such acquisition or divestment, merger, demerger or other transaction as deemed material by the Board of Directors
- Major change in the business strategy of the company
- Immediate need for engagement, due to external reason
- Changes in legislation, regulations, taxation or other matters affecting the operational environment

The Remuneration Policy can be deviated in respect of parts of the remuneration, the terms and conditions applied to the service or director agreements, the structures and mechanisms of the incentive schemes, time spans, earning criteria and earning possibilities as deemed necessary by the Board of Directors to ensure the company's long-term success.

The temporary deviation from the Remuneration Policy requires thorough consideration and the deviation must be justified openly to the shareholders, at the latest in the next Remuneration Report to be presented to the General Meeting. If the deviation, which was meant to be temporary, continues so that it can no longer be seen as temporary, the Board of Directors must present an amended Remuneration Policy to the next General Meeting.