

**TECNOTREE
CORPORATION
REMUNERATION POLICY
2020**



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This Remuneration Policy for Governing Bodies (“the **Remuneration Policy**”) describes remuneration principles and framework for the Chief Executive Officer (**CEO**) and for the members of the Board of Directors (“**Board**”) of Tecnotree Corporation (“**Tecnotree**” or the “**Company**”). The Remuneration Policy will also be applied to a deputy CEO should such deputy be appointed.

This Remuneration Policy has been prepared in accordance with the Finnish Corporate Governance Code, 2020. The main objective of this Remuneration Policy is to promote Tecnotree’s business strategy and long-term financial success. The Remuneration Committee, while drafting the Policy, has taken into consideration the terms and conditions of the employees’ salaries and employment relationships.

2. **Decision-making process for the Remuneration policy.**

This Remuneration Policy has been prepared by the Board and will be considered in Tecnotree’s Annual General Meeting 2020 (“**AGM**”) for the shareholders approval. The resolution of the AGM is advisory in nature. This Remuneration Policy is intended to remain in place for a period of 4 (four) years until AGM 2024, unless it is replaced with another policy.

The Remuneration Committee along with the Board shall monitor the compliance, performance and outcome of the proposed remuneration model and if, needed, suggest amendments.

The Board of Directors can make changes to this Remuneration Policy that are not deemed material, such as, technical changes to the decision-making process for remuneration or to the terminology concerning remuneration or changes required by a change in legislation, without having to present the policy to the General Meeting.

The Remuneration Committee supervises the implementation of the Remuneration Policy presented to the General Meeting and ensures that the Company’s governing bodies are remunerated in accordance with the Remuneration Policy presented to the General Meeting. A Remuneration Report shall be presented to the General Meeting every year.

Remuneration of the Board of Directors: The remuneration of the Board will be decided by the passing of a resolution by the shareholders of Tecnotree at the AGM. The proposal regarding the remuneration is made to the AGM by Board of Directors, based on the proposal of the Nomination Committee, if one has been established. The Shareholders



take into account the responsibilities, individual contribution and obligations of each member of the Board while determining the remuneration of each member of the Board.

Remuneration of the CEO: The Board decides on the fixed compensation, variable compensation, long and short term incentives, pension, transportation allowance, housing benefit, employee wellness benefits, employee insurance benefits, fringe benefits, bonuses and other benefits received by the CEO, in accordance with the Remuneration Policy in force. The Board may delegate its authority to make a decision to the Chairman of the Board, or the Remuneration Committee. All changes to the remuneration of the CEO are subject to the approval of the Board.

3. General principles of remuneration.

The purpose of the remuneration system is competitive remuneration in order to acquire and commit key resources.

The remuneration system of the CEO consists of a fixed monthly salary and a performance-related bonus based on targets agreed upon and planned with the Board. Potential returns from the performance-related bonus system is tied to the achievement of Tecnotree's targets in accordance with such plan. The targets are determined annually.

The variable compensation system in Tecnotree, and its subsidiaries is designed to promote competitiveness and the Company's long-term financial success and to contribute to a positive development of owner value. Compensation plans are based on pre-determined and measurable performance and result criteria.

The same remuneration principles are generally applied to the CEO as to other employees. However, taking into account the special nature and requirement level of the CEO's duties as well as the position of responsibility related to the role, the CEO can be offered certain benefits that deviate from the general personnel's benefits. Also, the proportion of the variable pay compared to the fixed pay is higher than what applies to other executives in the company.

4. Remuneration of the Board of Directors.

The decisions concerning the remuneration of the Board are made by the shareholders in the General Meetings. The main key principles for review and proposal of the remuneration of the Board are:

- a. To be competitive to attract the members of the Board with high level of competence, experience and expertise;



- b. To align the interests of the Board with those of the shareholders.

Board Members are not covered by incentive programs and are not eligible for performance-based remuneration. There are no pension scheme and other financial benefits awarded to the Board members, in addition to the fees paid. However, the members will be reimbursed for necessary travel according to the policies adopted by Tecnotree.

5. Remuneration of the CEO.

The final decision concerning the remuneration of the Company's CEO are made by the Board of Directors of the Company. The remuneration of the CEO consists of fixed remuneration, variable remuneration consisting of long-term and short-term incentive, pension, transportation allowance, housing benefit, employee wellness benefits, employee insurance benefits, fringe benefits, bonuses and other financial benefits. The objective is to have a good balance of rewarding elements, and to guarantee a market competitive level of fixed remuneration supported with short- and long-term incentive schemes aimed at driving Company performance and providing an appropriate reward.

Fixed Remuneration: The fixed remuneration paid to the CEO consists of monthly base salary and fringe benefits. The annual base salary of the CEO will be 12 (twelve) times the monetary salary paid to the CEO on a monthly basis and is also based on the requirement of the position, past performance, relevant individual experience, competence, experience in the Company, business management and skills. The fixed remuneration is reviewed annually, based on the performance of the Company and the CEO, along with the market conditions. The Company may, upon receipt of written consent from the CEO, have the right to change the fringe benefits into monetary compensation in accordance with their taxable value.

Short-term incentive/ Annual Bonus: Incentives based on the achievement of the Company's profitability and other financial, strategic and operational targets for the financial year as set by the Board at the beginning of the financial year. The CEO is also eligible for performance-based bonus. The annual short-term incentive may not exceed 100% of the individual's annual fixed base salary. The CEO's annual bonus requires a valid employment contract at the end of the year, provided that the Board may, by way of the Service Agreement entered into between the Company and the CEO, affix mutually agreed terms for the exercise of such incentives granted to the CEO by the Company.

Long-Term Incentive: In accordance with the Long-Term Incentive Program, the Company will grant the CEO, certain stocks of the Company, which may be exercised by the CEO in accordance with the Long-Term Incentive (LTI) Program. The grant is subject to the Company



procuring all approvals and/or ratifications from the General Meeting, or the Board authorized by the General Meeting, to affect the LTI Program.

Pension: The CEO may participate in the pension schemes reflecting the market practice in Finland or in the CEO's country of residence. The pension schemes may evolve every year. The retirement age and the pension arrangements are decided by the Board in accordance with the market practice.

A lower retirement age as well as a supplementary pension provision as part of the overall remuneration may be agreed with the CEO.

Other benefits: Other benefits include housing benefit, employee wellness benefits, employee insurance benefits, including but not limited to health insurance, travel insurance and allowances for international assignments. The CEO will be entitled to obtain the said benefits in-line with appropriate and relevant levels as indicated by local market practices in the country of employment of the CEO and may evolve on an annual basis.

The Board can also exceptionally use different non-recurring remuneration components such as sign-in or stay-on bonuses.

Other key terms applicable to the service contract: Certain other terms of service impact the overall compensation of the CEO. These include for example the contract term, term of notice and severance pay. The period of termination by the CEO shall in general be a minimum of 6 (six) months, but shorter periods can be agreed for certain situations.

Terms for deferral and possible claw-back of remuneration: The Board may reduce the rewards of incentive plan or defer payments at its discretion, in such circumstances where the financial position of the Company is substantially hindered due to misconduct, malpractice or unethical acts of the CEO, that cannot be deemed to be minor when assessed as a whole.

6. Deviations from the Remuneration Policy.

The Board of Directors upon recommendation of the Nomination/Remuneration Committee may temporarily deviate from any sections of this Policy based on its full discretion in the circumstances described below:

- Upon change of the CEO (if applicable) in accordance with the new hire policy;



- Upon material changes in the Company structure, organization, ownership and business (for example merger, takeover, demerger, acquisition, etc.), which may require adjustments to short-term incentive and long-term incentive plans or other remuneration elements to ensure continuity of management and business operations; and
- In any other circumstance where the deviation may be required to serve the long-term interests and sustainability of the Company or to assure its business continuity.

The deviations, whether temporary or otherwise, shall be reported in the Remuneration Report to be presented in the next AGM.

