Title: Wetteri's remuneration policy
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Wetteri's remuneration policy

Introduction

Wetteri Plc's (hereinafter "Wetteri" or "the company") remuneration policy has been prepared in accordance with the requirements of the revised Shareholder Rights Directive (EU 2017/828), the Limited Liability Companies Act, the Securities Markets Act and the Corporate Governance Code.

The remuneration policy determines the principles for the remuneration of Wetteri Plc's Board of Directors and the CEO, as well as the Deputy CEO if appointed. Wetteri's Board of Directors has approved the remuneration policy to be presented at the company's Annual General Meeting in 2023. The remuneration policy is valid for four years, until the Annual General Meeting in 2027, unless the company's Board of Directors presents a new remuneration policy to be approved by the Annual General Meeting before then.

Wetteri's remuneration policy is available on the company's website for the duration of its application. Wetteri Plc's CEO has not participated in the approval of the remuneration policy.

Remuneration principles

The purpose of Wetteri's remuneration policy is to promote the company's business strategy, long-term financial success and positive shareholder value development.

The remuneration policy takes the principles followed in the remuneration of personnel into account, which aim to recruit, retain and motivate the best employees from the company's perspective. The remuneration of Wetteri's personnel is based on total remuneration, which may consist of fixed and variable remuneration components, as well as personnel benefits, among other elements.

The same principles apply to the remuneration of the CEO as to the remuneration of employees. The Board of Directors' remuneration does not include short- or long-term incentives or other variable components. However, the Board of Directors' fees or part of them may be paid in the company's shares.

Decision-making process

The company has a Remuneration Committee appointed by the Board of Directors for the management of the remuneration system.

Wetteri Plc's Annual General Meeting decides on the remuneration of the members of the Board of Directors annually based on a proposal prepared by the Board of Directors. In exceptional circumstances, an Extraordinary General Meeting may decide on the remuneration of the Board of Directors. The Annual General Meeting or the company's Board of Directors, authorised by the Annual General Meeting, may decide on the issue of shares, option rights and other special rights entitling their holders to shares for remuneration purposes. The company's Board of Directors prepares proposals to this effect for the Annual General Meeting.

The company's Board of Directors decides on the CEO’s remuneration and key terms of employment. If the CEO is also a member of the Board of Directors, they do not participate in the preparation or decision making related to their remuneration. The remuneration of the Board of Directors’ members and the CEO takes place within the framework of the remuneration policy.

Remuneration of the Board of Directors

The Annual General Meeting decides on the Board of Directors’ remuneration and the grounds for the reimbursement of expenses annually for one term of office at a time. The decision on the remuneration of the Board of Directors’ members is based on the remuneration policy that has been presented to the Annual General Meeting and is in force. In exceptional circumstances, an Extraordinary General Meeting may decide on the remuneration of the Board of Directors.

The Board of Directors’ remuneration may consist of annual or monthly fees and any meeting fees. Increased fees or meeting fees may be paid to the Chair of the Board of Directors. The Board of Directors’ fees may be paid in part or in full in the company’s shares or cash. The Board of Directors’ members are not covered by the short-term performance bonus scheme or the company’s option programmes or other long-term remuneration schemes. The members of the Board of Directors or entities controlled by them may be paid reasonable compensation for the management of special duties that differ significantly from the Board members’ normal duties.

Remuneration of the CEO

The company’s Board of Directors decides on the CEO’s remuneration within the framework of the remuneration policy. The Board of Directors or, if necessary, a separate Remuneration Committee prepares proposals for decisions concerning the CEO’s remuneration to the Board of Directors. The CEO’s contract is made in writing.

The CEO’s remuneration may consist of fixed and variable remuneration. Fixed remuneration consists of an annual salary and fringe benefits. Variable remuneration includes any fees the amount of which depends on the person’s performance or an externally determined factor such as the development of the company’s financial or non-financial key figures or any other factor to be determined. These include short-term and long-term remuneration schemes, for example.

Remuneration payments may take the form of cash, shares, options, other share-based rights or securities, or benefits in kind or other benefits. The components of the CEO’s fixed and variable remuneration must be proportionate to each other in relation to the objectives of remuneration, taking the business strategy and objectives and the company’s long-term interest into account.

Based on the Board of Directors’ proposal, the Annual General Meeting decides on the issue of shares, options or other special rights entitling their holders to shares to the CEO, or on the Board’s authorisation, to decide on the issue of shares, options or other special rights entitling their holders to shares to the CEO.

The CEO’s pension security is arranged under statutory pension security, which provides pension security based on the period of service and earnings as prescribed by law. The CEO’s retirement age is determined based on the Employees Pensions Act. The company may grant supplementary pensions to the CEO.

The period of notice applicable to the CEO is provided in their employment contract. There is no separate severance payment for the termination of the employment relationship.

The Chair of the Board of Directors evaluates the CEO's remuneration on an annual basis and, if necessary, makes a proposal to the Board of Directors to change the CEO's remuneration.

Conditions for temporary deviations

Wetteri's Board of Directors may decide to deviate from the remuneration policy presented to the Annual General Meeting based on careful consideration in certain special situations:

- A significant change in the company's business strategy
- A significant corporate transaction such as an acquisition or divestment, merger, division or another corporate transaction deemed significant by the Board of Directors
- An immediate need for engagement arising from external factors
- An immediate need to promote an increase in the CEO's ownership in the company
- Changes in legislation, regulations, taxation or similar aspects related to changes in the operating environment
- A change of CEO

With respect to the terms and conditions of the employment contract or the CEO's contract, incentive schemes, time frames, earnings criteria and earning opportunities, deviations from the remuneration policy may be made in accordance with what Wetteri Plc's Board of Directors deems essential to ensure the positive development of the company's business strategy, long-term financial success and/or shareholder value.

A temporary deviation from the remuneration policy requires careful consideration by Wetteri Plc's Board of Directors, and the grounds for any deviations must be presented openly to the shareholders no later than in the next remuneration report to be presented to the Annual General Meeting.