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Oriola Remuneration Policy

1 Introduction

Oriola's Remuneration Policy describes the remuneration for the Board of Directors and the President & CEO and the considerations of determining and operation of the policy. The Remuneration Policy complies with the recommendations of the Finnish Corporate Governance Code (2020) and the Shareholders' Rights Directive. Should a Deputy President & CEO be appointed at some point in the future, this Remuneration Policy is applicable to the Deputy President & CEO in a similar way as to the President & CEO.

The Remuneration Policy was presented to Oriola's Annual General Meeting (AGM) for the first time in 2020 and is proposed to be revised at the AGM of 2023. Revisions compared to the Remuneration Policy adopted in 2020 include that the President & CEO may be granted an additional pension benefit. In addition, following the Board of Directors' decision in 2022 to terminate the company's Share savings plan, the President & CEO is no longer required to take part in the Share savings plan as a condition to participate in the long-term incentive plan.

This Remuneration Policy shall be applied until the AGM of the year 2027 unless earlier replaced with a new or revised remuneration policy presented to the AGM.

Key remuneration principles

The goal of Oriola's executive remuneration is to commit executives to develop the company and its financial success in the long term. Oriola's remuneration supports achieving strategic targets, profitability and increase of shareholder value. The objective is to reward concrete achievements in implementing Oriola's strategy and in achieving its targets. According to the pay for performance principle, incentive plans have the emphasis on performance to ensure that management achieves its goals. Outstanding performance should provide higher rewards than average performance.

When setting the remuneration for executives, Oriola follows the same main principles as for other employees in the company. Remuneration across the company is reviewed regularly to secure its competitiveness in the market.

2 Decision-making process

Remuneration Policy

The Remuneration Policy is prepared by the Compensation and Human Resources Committee and reviewed by the Board of Directors. This Remuneration Policy is approved by the Annual General Meeting and will be presented to the Annual General Meeting every four years or when changed substantially. The resolution by the AGM is advisory. After the approval at the Annual General Meeting the Remuneration Policy will be applied to the Board of Directors' and the President & CEO's remuneration. The Remuneration Policy is available on the company's website.

The Compensation and Human Resources Committee monitors the implementation of the Remuneration Policy and ensures that the remuneration of the company's governing bodies

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takes place within the framework of the Remuneration Policy presented to the Annual General Meeting. The Compensation and Human Resources Committee also monitors the possible needs to revise the Remuneration Policy.

A Remuneration Report is presented to the Annual General Meeting annually for an advisory vote.

Remuneration of the Board of Directors

The Annual General Meeting decides annually on the remuneration payable to members of the Board of Directors for their term of office as well as possible meeting attendance fees. The Shareholders' Nomination Board prepares a proposal concerning the composition and the remuneration of the Board of Directors for the company's Annual General Meeting.

The remuneration of the executives and the Board of Directors is differentiated, and the members of the Board of Directors cannot participate in the same incentive programs with other executives or personnel.

Remuneration of the President & CEO

The Board of Directors reviews and decides annually on the remuneration and benefits of the President & CEO based on the proposal of the Compensation and Human Resources Committee. The President & CEO cannot participate in the preparation nor the decision making regarding her/his own remuneration.

The Compensation and Human Resources Committee monitors the effectiveness of the incentive schemes for the President & CEO to ensure that the schemes promote the achievement of the company's short-term and long-term goals. The Compensation and Human Resources Committee reviews executive and key personnel remuneration policies and makes proposals on such matters to the Board of Directors.

The Annual General Meeting decides on the Board of Directors' authorizations to decide on repurchase of own shares and the issuance of shares or special rights entitling to shares that can be used e.g. as part of Oriola's incentive schemes.

3 Remuneration of the Board of Directors

The Annual General Meeting decides on fixed annual remuneration of the Board of Directors for their term of office and possible separate Board and Committee attendance fees. The amount of the annual fee set varies based on a member's position in the Board and Committees. The Board of Directors' compensation can be paid out in shares or cash or combination of those. Travel and accommodation expenses related to the Board and Committee meetings are compensated in accordance with the company policy.

The proposal of Board of Directors' remuneration by the Shareholders' Nomination Board is based on among other things benchmarking data on board compensation.

The members of the Board of Directors may be employed by Oriola or any company belonging to the Group or may act as an advisor thereof. In such cases, Board members are eligible for employment relationship related salaries, remuneration or financial or other benefits related to these positions, and they are eligible for pension scheme.

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4 President & CEO's remuneration

The main components of the President & CEO's total remuneration may include a base salary and short- and long-term incentives. If targets are met, over half of the President & CEO's total remuneration is based on variable remuneration, with more emphasis on the long-term incentives. The compensation components may consist of cash, shares and/or options.

The President & CEO's current remuneration and detailed pay mix description is given on the company's website.

Element	Purpose and summary
Base salary	Fixed remuneration of the President & CEO consists of a monthly base salary.
Fringe benefits	The President & CEO is eligible for customary benefits. The benefits may include a car, phone and health insurance.
Pension and other financial benefits	Pension accumulation of the President & CEO is determined by the terms of the applicable laws. In addition, the President & CEO may receive additional pension benefits based on a defined contribution scheme or a cash allowance in lieu of a pension contribution.
Short-term incentive (STI)	<p>The short-term incentive plan is based on the achievement of the company's financial targets and personal targets. The measures may consist of a mix of financial, operational and ESG related metrics. The Board of Directors decides annually on the earnings criteria and the determination of the STI based on the proposal of the Compensation and Human Resources Committee.</p> <p>The maximum earnings opportunity for the President & CEO may be 50 - 80% of her/his fixed annual base salary.</p>
Long-term incentive (LTI)	<p>Long-term incentive schemes such as share-based incentive programs unite the objectives of shareholders and key personnel to increase the value of the company, commits the key personnel to the company, and offers key personnel a competitive remuneration system based on ownership of shares in the company.</p> <p><i>Share-based incentive programs</i> Oriola has share-based incentive programs in which the President & CEO may participate. The programs have annually commencing performance periods of at least 3 years, which is aligned with the market practice.</p> <p>The performance criteria may include financial or non-financial measures to support the Group's long term success such as key financial targets, ESG targets, strategic priorities, shareholder return and other performance measures set for the performance period.</p>

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	<p>The Board of Directors will resolve on the plan's performance criteria and on the required performance level for each criterion at the beginning of a performance period.</p> <p>The criteria are evaluated after each performance period and the amount of the reward is determined based on the extent to which the targets have been reached during the performance period. The potential reward, calculated as gross amount and after which taxes and tax-related payments are deducted, is paid after the end of the performance period.</p> <p>The maximum LTI pay-out at any given year is limited to 3x share price increase (compared to grant share price).</p>
Other terms of President & CEO's employment	<p>In the event of termination, usually a mutual notice period of six (6) months shall apply. Severance pay is usually twelve (12) monthly base salaries if the company terminates the contract.</p> <p>The President & CEO must hold 50% of the net shares given on the basis of the long-term incentive plans, until her/his shareholding in the company in total equals the value of her/his gross annual base salary. Such number of shares must be held as long as the person holds the position of the President & CEO.</p>
Malus and clawback	<p>Based on the terms and conditions of the incentive plans, if the President & CEO receives a fee based on the remuneration scheme that subsequently turns out to be incorrectly paid due to intent or gross negligence by the President & CEO, Oriola has the right to retroactively amend the amount of the incentive and demand the President & CEO to repay the excess part of the incentive pursuant to decrees on unjust enrichment.</p> <p>The short- and long-term remuneration schemes and payout of related incentives are not part of the terms and conditions of the President & CEO's employment contract or remuneration, and the Board of Directors is entitled to decide on the use of the schemes or amend their terms and conditions at any time.</p>

5 Deviation from the Policy

The Board of Directors may temporarily deviate from the Remuneration Policy in exceptional circumstances such as essential changes to the operating conditions of the company, for example, in case of appointment of a new President & CEO, execution of strategic corporate transactions, corporate transactions such as mergers and public tender offers, or, in case there are changes to the regulative environment affecting the remuneration. In such situations, derogation may be done relating to the compensation of the President & CEO. This should cover situations where the derogation is necessary to serve the long-term interests of the company as a whole or assure its viability.

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Temporary deviations from the Remuneration Policy will be reported in the Remuneration Report. Respectively, significant and permanent changes in the composition of the total remuneration of the President & CEO will be included in the agenda of Annual General Meeting. The Compensation and Human Resources Committee prepares the remuneration matters to be updated and proposes them to the Board of Directors for approval. After the changes have been approved the revised Remuneration Policy is presented to the Annual General Meeting.