Remuneration Policy 2024

Remuneration Policy for the Governing Bodies 2024

Introduction

This Remuneration Policy for the Governing Bodies ("Policy") of Enento Group Plc ("Enento" or the "Company") has been developed based on the guidance set out in the amended EU's Shareholder Rights Directive, which has been implemented in Finland mainly into the Limited Liability Companies Act, Securities Markets Act, Decree of the Ministry of Finance and the 2020 Finnish Corporate Governance Code.

This Policy has been approved by the Board of Directors of Enento and is subject to advisory decision by the Annual General Meeting of the Company (March 25, 2024). Changes done to the Remuneration Policy 2024 are only few and with a technical nature. This is supported by the results of the 2020 voting where majority of the shareholders supported the previous Remuneration Policy and as there has not been any requests for changes followed by the annual Remuneration reports. The Annual General Meeting shall review this Policy once every four years and whenever substantial changes have been made to it.

Remuneration is based on the principles of performance, fairness, competitiveness, and transparency. A motivating, fair, competitive, and transparent remuneration structure has a significant effect on the Company's ability to attract and retain talents as well as deliver strategy, maximise shareholder value creation and achieve both short-term and long-term goals. To support these goals, a significant part of the CEO's total remuneration is granted in incentive plans, of which rewards are earned based on Enento business performance.

Remuneration shall support the achievement of strategic goals, motivate, and reward for excellent performance and encourage value-based behaviour. Rewards are balanced between long-term value creation and efficient achievement of short-term goals, to ensure aligned management interest with those of shareholders.

The Remuneration Policy is set to be consistent with the remuneration framework and philosophy applied to all Enento employees. However, a larger portion of the CEO's total compensation is typically granted in variable pay incentive schemes, since Enento aims to have a stronger link to performance and the CEO remuneration than for typical employee remuneration.

This Policy describes the principles and governance of the remuneration paid to the Company's Board of Directors and to the CEO. If a Deputy was appointed to the CEO, the same principles applied to the CEO would apply to the Deputy CEO.

Decision-making process

The Board of Directors' remuneration: The Annual General Meeting of shareholders makes the decision on the Board's remuneration. The Shareholders' Nomination Board annually prepares its proposal for the remuneration of the members of the Board of Directors and Board Committees according to principles defined in this Policy. The Chairman of the Board of Directors is a member of the Shareholders' Nomination Board as his/her role in providing insight regarding the Board of Directors' work and composition is significant. The Chairman of the Board will not participate in the consideration of the proposal on the Board of Director's remuneration.

The remuneration of the CEO: The Board of Directors decides on the salary, short- and long-term incentives and other benefits received by the CEO, as well as the associated targets related to the incentive schemes. The Board may delegate its decision-making authority to the Chairman of the Board. The CEO is not a member of the Board of Directors and is not in any way involved in the decision-making process regarding his or her remuneration.

To promote alignment of interests with shareholder, as well as pay for performance, a part of the remuneration may be paid out in Enento shares or share-linked instruments. Such payments shall be decided by the General Meeting, or by Enento Board according to the authorisation by the General Meeting.

Remuneration of the Board of Directors and Board Committees

The purpose of the Board remuneration is to ensure that Enento has a high performing and efficient Board consisting of highly competent professionals who represent a diverse and relevant mix of skills, capabilities, and experience. The leading principle in the structure of the Board Remuneration is to align Board's interests with those of all shareholders. The Board of Directors' remuneration shall be transparent, reasonable, and comparable to market levels. The level of remuneration may differ for each Board member, according to their positions as Chairman, Vice Chairman, or Member, as well as their roles in Board committees.

The fees to be paid to directors may be paid in cash or in shares or in combination, based on the decision by the Annual General Meeting. The members of the Board of Directors are not eligible for the Company's share incentive plans or other incentive plans.

Remuneration of the CEO

The principle to the remuneration of the CEO is that the remuneration should align the interest of the CEO with those of the Company's shareholders. Enento uses various remuneration elements to attract, motivate and retain high performing individuals with the right skills and capabilities. Performance correlates with the reward level, which promotes high performance and focus on the strategy execution and business goals on both short-term and long-term. Measurement principles for variable remuneration elements shall be clearly defined by the Board when the targets are set. The remuneration structure and level should be comparable to the relevant national and industry benchmarks. The CEO is encouraged to accumulate and maintain a personal shareholding in Enento.

The Board of Directors appoints the CEO and decides on the salary, benefits and the terms and conditions of his or her contract.

The remuneration of the CEO may consist of a fixed base salary, other benefits, annual short-term incentives, and long-term incentives, such as share-based incentives and pension schemes. The elements are described below

Fixed Remuneration

Remuneration element	Decription
Base salary	Fixed pay includes the monthly fixed salary. The salary is defined by the Board of Directors to be reasonable and comparable against market levels, and to reflect the individual's skills and experience, as well as other relevant factors.
Fringe benefits, pension coverage and other possible benefits	Fringe benefits may includwe car, lunch and well-being benefits and other such benefits according to remuneration principles for Employees. The medical care coverage is according to remuneration principles for Employees. Pension benefits include statutory pension insurance according to law. The pension benefits may be supplemented by voluntary defined contribution plan according to decision by the Board of Directors. Benefits will be provided in line with appropriate levels indicated by market practice and may evolve year on year.

Variable Remuneration

Remuneration element	Share of total rewards	Description
Short-term incentives (STI)	The maximum short-term incentive opportunity shall be 100% of annual base salary for the CEO.	Short-term incentive consists of annually defined bonus that is paid annually in cash based on set financial targets aligned with the Company strategy. The STI is set for one calendar year at time.
Long-term incentives (LTI)	The value of an annual LTI grant at maximum shall be 150% of one year's annual gross base salary, calculated with Enento share price at the time of the grant. Share price development after the grant moment will have an increasing or decreasing effect on the realised long-term incentive plan rewards.	Long-term incentives consist of share-based incentive schemes commencing by the decision of Board of Directors. The scheme or schemes may be based on rewarding for Enento performance, and/or encouraging to invest in Enento share, and/or for retention purposes. As a main rule, the remuneration is paid partly in shares and partly in cash. The performance criteria, timeline, and other terms of the LTI are decided by the Board for each grant separately to steer towards increasing the value of Enento and align interests with the shareholders. The criteria for the LTI may include financial criteria, as well as targets tied to Enento share value development and strategic development targets. The total vesting time normally for each LTI grant shall be at minimum 3 years (unless otherwise approved by the Board). The Board of Directors has discretion to adjust the formulaic LTI outcome in changed circumstances to improve the alignment of pay with value creation for shareholders, and to ensure the outcome is a fair reflection of the company performance.

Guidance for remuneration mix

Performance-based incentive plans shall form a significant portion of the annual target remuneration opportunity provided to the CEO. The aim is that at a target-level performance, most of the CEO's total remuneration accrues via performance-based incentives. The long-term share-based incentives shall form the majority of the CEO's total variable pay opportunity, to ensure strong long-term alignment with shareholders.

Other key terms applicable to the service contract

The service contract of the CEO is made for an indefinite period up until the retirement age, which follows applicable law. The CEO's contract of service may be terminated with mutual six (6) months' notice. Upon termination of the contract by the Company, without reasons comparable to those stipulated in the Finnish Employment Contracts Act (55/2001), the CEO shall be entitled to receive a one-off severance payment equivalent to six months' salary in accordance with his salary rate at the time of termination of the contract. The Board may exercise its discretion in leaver situations regarding potential partial or full payment of granted STI and/or LTI rewards. Potential rewards may be paid during the year of departure or later. In addition, Board may set conditions for reward pay-out.

The Board may set share ownership guidelines and restrictions to reward shares for the CEO to encourage building a meaningful shareholding in Enento. The CEO must hold as minimum all the shares received from the LTI-plans until his/her shareholding in total corresponds to the value of gross annual salary.

Terms for deferral and possible claw back of remuneration

The Board has the right to reduce incentive plan rewards or defer payments to a time that is more favourable to the Company, if changes in circumstances beyond the Company's control or other circumstances would result in materially adverse or unacceptable result for the Company or for the CEO.

Requirements for temporary deviation

Temporary deviation from this Policy can be made by the Resolution of Board of Directors to ensure the Company's long-term interests in the following exceptional circumstances:

- Recruitment of a new CEO
- Significant merger, acquisition, demerger, or other corporate restructuring event
- Changes in regulations, such as taxation or in case of exchange control
- Significant change in Enento's strategy
- Any other similar, significant change in circumstances.

The Company may temporarily deviate from remuneration components, terms, and conditions of the service contract or the STI and LTI plans applicable to the CEO. Any deviation from the Remuneration Policy must be communicated transparently to Enento's shareholders. If a deviation decision has been taken, and the deviation is not considered temporary, the Company will present the next Annual General Meeting with a revised Policy.

This policy applies to all the incentive programs regarding the remuneration of the CEO commencing from 1st January 2024 onwards. BoD has a right to make payments based on programmes that have commenced before application of this Policy.