

# BORES

REMUNERATION POLICY OF  
GOVERNING BODIES

2022

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## 1 INTRODUCTION

The remuneration policy of Boreo Plc's governing bodies has been compiled in accordance with the 2025 Finnish Corporate Governance Code for listed companies. The Corporate Governance Code for listed companies is available on the website of the Securities Market Association at [www.cgfinland.fi](http://www.cgfinland.fi).

Boreo Plc's remuneration policy includes a description of the decision-making order and key principles of remuneration for the members of the Board of Directors and the CEO. This remuneration policy also applies to the Deputy CEO, if elected.

This remuneration policy was represented at Boreo Plc's Annual General Meeting on April 19, 2022 and is intended to remain in force for 4 years, unless needs for change arise before this.

The purpose of the remuneration policy is to contribute to the long-term development of the company's stakeholder value and ensure performance-based remuneration of the company's management. The remuneration policy also aims to commit key personnel and ensure transparency in remuneration.

## 3 DESCRIPTION OF DECISION-MAKING PROCESS

The remuneration policy of governing bodies is decided by the General Meeting at intervals prescribed by law. The remuneration of governing bodies must be carried out within the framework of the approved remuneration policy and the remuneration report describing the outcome of remuneration is annually presented to the Annual General Meeting. The remuneration of the members of the Board of Directors

## 2 REMUNERATION PRINCIPLES

The company's financial performance, the skills and performance of people involved, the complexity of their duties and external salary and remuneration references in the relevant markets are considered when determining salaries and remuneration.

The remuneration of the CEO addresses this specific roles' impact on forming and implementing the company's business strategy, as well as in achieving the short- and long-term financial results.

The remuneration of the Board of Directors is based on generally accepted remuneration plans for members of the Board so that the Board as a whole is able to support the development of the Company's current and future business in the best possible way.

and Board Committees is decided by the Annual General Meeting. The Board of Directors decides on the remuneration of the CEO and the principal terms of his/her employment based on a proposal by the Chairman of the Board. Remuneration is assessed annually.

The Annual General Meeting decides on the use of company shares for share-based remuneration based on a proposal from the Board of Directors. The General Meeting can authorize the Board of Directors to decide on a share issue and special rights entitling to shares.

## 4 DESCRIPTION OF BOARD OF DIRECTOR'S REMUNERATION

The remuneration of the Board of Directors may consist of one or more components, such as annual remuneration and meeting fees. The fees are usually paid in cash, but the annual remuneration may consist either exclusively of a cash payment or may be divided into portions paid as company shares and in cash.

Additional or increased fees can be paid to the members of the Board of Directors, e.g., based on the role or position of the member in the Board, such as Chairman or Vice-Chairman of the Board, or Chairman or member of a committee set up by the Board of Directors, or based on a special fixed term assignment agreed for an individual member of the Board.

Member of the Board of Directors are not covered by the company's incentive or pension plans.

## 5 DESCRIPTION OF CEO'S REMUNERATION

### *The components of remuneration and their relative shares*

The remuneration of the CEO consists of a basic salary, fringe benefits and incentive plans in force at the time. The basic salary and fringe benefits constitute a total fixed salary. Short-term incentives can be paid up to the equivalent of 6 months' basic salary per year. The long-term incentive plan requires a personal investment in the company's shares and may also include a benefit in the form of a share price discount and/or a matching element. This amortized value of the benefit granted under the long-term incentive plan may not exceed 25 % of the annual basic salary.

### *Principles for determining variable remuneration components*

The CEO is eligible for the company's short-term incentive plan in accordance with the terms and conditions in force at the time. In addition, the CEO may be entitled to a long-term incentive plan. The Board of Directors annually defines the performance criteria that form the basis for the short-term incentives, which may consist of the Group's key financial and non-financial indicators, as well as personal targets. The performance criteria are chosen so that they are in line with the company's growth strategy and profitability targets and encourage building preconditions for long-term value creation.

The Board of Directors annually assesses the fulfilment of the CEO's performance targets based on preparation by the Chairman of the Board.

The long-term incentive plan encourages long-term value creation and achievement of the company's financial targets. It encourages investing in company shares and keeping the CEO in the company's service. In share-based incentive plans, the aggregate length of the performance and vesting periods is, as a rule, several years. Share-based incentive plans may include disposal restrictions or contractual obligations to purchase or own a certain number of shares over a specified period of time. A long-term incentive plan may also include a so-called matching element. The matching element may include criteria based on the financial performance of the company or the performance of the share. Bonuses can be paid in cash or company shares.

#### *Other key elements and conditions applicable to the employment relationship*

The CEO's term of notice and severance pay may be agreed in the CEO's service contract and must be in line with the general practice at the time of the contract. The severance pay may at most be an amount equal to the basic salary of 12 months.

The CEO's service contract may provide for possible special remuneration related to the entry into force of the contract, the total amount of which may not exceed the amount corresponding to the CEO's basic salary of 6 months.

The compensation may be paid in cash or shares. The CEO is encouraged to acquire company shares.

## 6 REQUIREMENTS FOR TEMPORARY DEVIATION

In order to ensure the long-term interests of the company, the remuneration policy may be temporarily deviated from if the company's key operating conditions change substantially, e.g., due to a change of the CEO, corporate restructuring or regulatory changes.

The deviation may relate to the remuneration of the Board of Directors or the CEO as defined in the remuneration policy. For the CEO, the value of the deviation may not exceed the sum corresponding to the CEO's basic salary of 6 months.

The Board of Directors decides on the deviation. The condition is that, after careful consideration, the exemption is deemed necessary or advisable, considering, e.g., the company's long-term financial performance, the development of its competitiveness and shareholder value, and the continuity of its management. The deviation may concern one or more aspects of the remuneration policy, depending on what is deemed appropriate and necessary under the circumstances. The company communicates any deviation openly in its remuneration report.