Oriola Remuneration Policy 2020-2023

1 Overview of the Remuneration for Executives

Oriola's Remuneration Policy describes the remuneration for the Board of Directors and the President and 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) for listed companies and the Shareholders' Rights Directive legislation.

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.

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

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 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.

The Compensation and Human Resources Committee monitors the effectiveness of the incentive schemes for executives and key employees 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 personnel remuneration policies and issues related to executive appointments and makes proposals on such matters to the Board of Directors. More information about the Compensation and Human Resources Committee can be found on the company's website and in the Corporate Governance statement.

The Board of Directors reviews and decides annually on the remuneration and benefits of the President and CEO based on the proposal of the Compensation and Human Resources Committee.

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

The Remuneration Policy is prepared by the Compensation and Human Resources Committee and reviewed by 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. After the approval at the Annual General Meeting the Remuneration Policy will be applied to the Board of Directors' and the President and CEO's remuneration and the Remuneration Policy is published on the company's website.

Derogation from the Remuneration Policy

The Board of Directors may temporarily derogate 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 and CEO or execution of strategic corporate transactions, 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 and 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.

Temporary derogations 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 and 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.

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 separate Board and Committee attendance fees. The amount of the annual fee set varies based on the position in the Board and Committees. The proposal of Board of Directors' remuneration is based on among other things benchmarking data on Board compensation.

The Board of Directors' compensation can be paid out in shares or cash or combination of those.

4 President and CEO's remuneration

The main components of the President and CEO's total remuneration are base salary and short- and long-term incentives. If targets are met, over half of the President and CEO's total remuneration is based on variable remuneration, with more emphasis on the long-term incentive. The President and 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 and CEO consists of base salary and fringe benefits.
Fringe benefits	The President and CEO is eligible for customary benefits.
Pension and Other	Pension accumulation and retirement age of the President and CEO is determined by the terms of the applicable law in Finland. Pension payment for the President and

financial benefits	CEO is based on the Finnish Pension Act (TyEL). The President and CEO has no supplementary pension scheme.
Short-term incentive (STI)	The short-term incentive plan is based on the achievement of the company's financial targets and personal targets. 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.
Long-term incentive (LTI)	Long-term incentive schemes 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. *Share-based incentive programs* Oriola has share-based incentive programs in which the President and CEO may participate. The programs have annually commencing performance periods of at least 3 years, which is aligned with the market practice. 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. 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 from the performance periods is based on strategic financial measures. The potential reward will be paid partly in shares and partly in cash after the end of the performance period. The cash proportion is intended to cover taxes and tax-related costs arising from the reward to a participant. *Share savings plan* The prerequisite for participation in the long-term incentive programs and for receipt of reward on the basis of the plan is that the President and CEO has enrolled in the key personnel share savings plan and makes the monthly saving from his or her fixed gross monthly salary, in accordance with the rules of the key personnel share savings plan in force.

Other terms of President and CEO's employment

In the event of termination, a mutual notice period of six (6) months shall apply. Severance pay is twelve (12) monthly base salaries if the company terminates the contract.

The President and CEO must hold 50% of the net shares given on the basis of the long-term incentive plans, until his shareholding in the company in total equals the value of his gross annual base salary. Such number of shares must be held as long as the key person holds the position of the President and CEO.

Malus and clawback

Based on the terms and conditions of the incentive plans, if the President and 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 and CEO, Oriola has the right to retroactively amend the amount of the bonus and demand the President and CEO to repay the excess part of the bonus pursuant to decrees on unjust enrichment.

The short- and long-term remuneration schemes and payout of related bonuses are not part of the terms and conditions of the President and 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.