

**OLVI PLC'S
REMUNERATION POLICY
2024-2027**



1 INTRODUCTION

The Remuneration Policy describes the remuneration principles and elements applied to Olvi plc's governing bodies, the Board of Directors and the CEO as laid down in the Limited Liability Companies Act, as well as the decision making process that is followed in approving, assessing and implementing the Remuneration Policy.

The Remuneration Policy will be presented to the Annual General Meeting to be held on 26 March 2024 for approval. While shareholders decide on the Remuneration Policy in an advisory manner, remuneration must be in accordance with the Remuneration Policy presented to the Annual General Meeting. This Remuneration Policy applies to rewards agreed after the approval of the 2024 Annual General Meeting and any changes made to them. This Remuneration Policy is intended to be followed until the 2028 Annual General Meeting.

This Remuneration Policy has been prepared in accordance with the EU directives on shareholder rights and the Finnish Corporate Governance Code (2020) for listed companies.

The objective of Remuneration Policy is to promote operations and the achievement of targets in line with Olvi plc's purpose, strategy and values by maintaining and developing competitive, fair, motivating and rewarding systems and compensation. Olvi plc has created remuneration practices that encourage its people to promote the company's success and the creation of shareholder value over the long term. The CEO's remuneration is also based on these practices.

Olvi plc's goal is profitable and sustainable growth. The strategy relies on the competitive advantages arising from the company's strong multi-local market position and its extensive, constantly evolving product range that meets local needs. The cornerstones of the strategy and sources of growth include profitable core operations, the broad product range, presence in multiple channels, international brands and partnerships. Growth is enabled by people, personnel and sustainability. Investments are made in the well-being and competence of the personnel. Olvi seeks a competitive advantage through sustainable ways of working and products, taking all ESG aspects into consideration. Data are used more extensively in improving production efficiency, as well as in the customer interface and decision making.

2 DECISION MAKING PROCESS FOR REMUNERATION

The Remuneration Policy is prepared by the People and Sustainability Committee and approved by the Board of Directors, after which the Remuneration Policy is presented to the Annual General Meeting. The Annual General Meeting makes an advisory decision on the Remuneration Policy. The Remuneration Policy is presented to the Annual General Meeting at least every four (4) years or if significant changes are made to it.

Olvi plc's Annual General Meeting decides on the remuneration of the members of the Board of Directors. The Annual General Meeting, or the company's Board of Directors as authorised by it, decides on the issuance of shares, options or other special rights entitling their recipient to shares, for example, as part of share-based incentive plans.

Olvi plc's Board of Directors decides on the remuneration of the CEO. The People and Sustainability Committee prepares remuneration plans for decision by the Board. The People and Sustainability Committee monitors and assesses the competitiveness and development of the company's remuneration systems.

3 DESCRIPTION OF THE REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration of the members of the Board of Directors is decided by the Annual General Meeting. The remuneration of the members of the Board of Directors takes into account the company's need to have extensive and correct expertise in the Board of Directors.

Each member of the Board of Directors is paid a fixed-rate monthly fee and a meeting fee. The fee varies in accordance with the role. In addition, the members of the Board's committees are paid a meeting fee for committee meetings. The members of the Board of Directors may be compensated for direct costs arising from the Board's activities, including travel expenses in accordance with the company's travel policy.

The remuneration of the members of the Board of Directors may be paid in cash, shares or a combination of these.

The members of the Board of Directors do not participate in the same incentive plans as other management or the personnel.

4 DESCRIPTION OF THE REMUNERATION OF THE CEO

The Board of Directors determines the CEO's remuneration based on the governing bodies' Remuneration Policy presented to the Annual General Meeting.

The CEO's remuneration consists of a fixed-rate monthly salary, fringe benefits, and short- and long-term incentives. The goal is for variable remuneration to account for more than half of total earnings if variable remuneration is achieved in accordance with maximum earnings.



THE MAIN ELEMENTS OF THE REMUNERATION OF THE CEO

Remuneration element	Purpose and link to the strategy	Description and policy
Salary	Attracting and committing competent members of the management to implementing the business strategy	<p>Fixed-rate remuneration consists of a basic salary and fringe benefits.</p> <p>Job complexity, individual experience and competence, as well as the salary level of similar companies are taken into account in the basic salary.</p> <p>The basic salary is usually adjusted once a year, taking into account the average salary adjustments of other members of the personnel.</p>
Benefits		The CEO is entitled to regular benefits.
Pension and other benefits	Pension in accordance with pension legislation	The CEO's retirement age is in accordance with the Finnish Employees Pensions Act and does not include supplementary pension benefits.
Short-term incentive (STI) plan	The goal of short-term remuneration is to provide encouragement and pay a reward for the realisation of the short-term business strategy and the achievement of operational and financial targets	<p>The Board of Directors decides on the basis for the determination of incentives. The STI plan is based partly on financial indicators and partly on measurable non-financial operational indicators. The Board of Directors sets the performance indicators, their weighted values and targets annually.</p> <p>In the STI plan, the maximum monitoring period is one (1) financial year, and the achievement of the targets is assessed in conjunction with the completion of the financial statements.</p> <p>The remuneration payable under the STI plan is a certain percentage of the fixed annual salary. The maximum annual amount of the remuneration is limited.</p>
Long-term incentive (LTI) plan	The goal of long-term remuneration is to pay a reward for the achievement of strategic goals and sustainable long-term growth, as well as to engage the management	<p>As a rule, long-term incentives are based on performance- and share-based incentive plans confirmed by the company's Board of Directors, which offer the opportunity to earn a predetermined number of the company's shares as a reward for achieving the goals set by the Board of Directors. However, in addition to the performance- and share-based incentive plans, the Board of Directors may use other long-term share-based incentives, including restricted shares and additional shares in exchange for investments in treasury shares that contribute to the achievement of the goals.</p> <p>Any remuneration paid to the CEO is based on performance criteria approved by the Board of Directors, which are related to the company's long-term strategic, financial and ESG goals.</p> <p>Performance is assessed against the criteria in conjunction with the financial statements at the end of the performance period, and any reward to be paid depends on the level of success in achieving the set targets.</p> <p>The minimum performance period in performance- and share-based incentive plans is three years. Any other share-based incentives have a performance or commitment period of at least one year.</p> <p>Long-term incentives are usually paid in shares, as well as a cash proportion corresponding to taxes and tax-like payments arising from the receipt of shares.</p>
Shareholding	Seeking to combine the benefits of the CEO and shareholders in the long term	<p>The Board of Directors decides on the CEO's long-term shareholding target.</p> <p>The current long-term target for the CEO is a shareholding in the company equalling at least 50% of the gross annual salary.</p>

OTHER TERMS APPLICABLE TO THE CEO'S SERVICE CONTRACT

The company's Board of Directors decides on the terms applied to the CEO's service contract, which are defined in the written service contract.

The CEO's service contract is prepared so that the CEO's notice period is six (6) months if terminated by the CEO and six (6) months if terminated by the company. If the company terminates the CEO's service contract, the company will also pay severance pay, the amount of which corresponds to the CEO's salary of six (6) months if the service contract has lasted less than two (2) years. Otherwise, the severance pay will correspond to the CEO's basic salary of twelve (12) months.

If the CEO's service contract ends before incentives have been paid, the right to the incentives will be determined in accordance with the terms of the incentive plans.

RECOVERY

With regard to incentive plans, the Board of Directors has the right to reduce, cancel or recover the incentives paid in full or in part if the Group's financial statements information needs to be changed and this has an impact on the amount of the incentives, or if activities have been in breach of law, the company's interests or the company's Code of Conduct or otherwise unethical.

5 CONDITIONS FOR TEMPORARY DEVIATIONS

The remuneration of the Board members and the CEO takes place within the framework of the Remuneration Policy presented to the Annual General Meeting. However, the company has the right to temporarily deviate from the Remuneration Policy to ensure its long-term interests if the company's key operating conditions have materially changed after the consideration of the governing bodies' Remuneration Policy at the Annual General Meeting. Such changes include, but are not limited to:

- Appointment of a new CEO
- Business restructuring
- Other material changes in the company's financial situation
- Significant changes in the business strategy
- Amendments to mandatory applicable legislation

Deviations may concern the CEO's total remuneration, and they are decided by the company's Board of Directors, if it deems that the governing bodies' current Remuneration Policy is no longer appropriate in the changed circumstances and the deviation is required to ensure the long-term interests of the company. When assessing the company's long-term interests, its long-term financial success, competitiveness and shareholder value development are taken into account. Deviations will be reported at the upcoming Annual General Meeting in the annual remuneration report.