

Remuneration Policy

Introduction

This remuneration policy describes the framework and practices for the remuneration of Duell Group's ("Duell") Board of Directors and the CEO. What is stated about the CEO will also apply to a possible deputy CEO. The remuneration policy is approved by the Board of Directors and is responsible for the implementation of the policy.

The Board of Directors continually evaluates the remuneration policy to ensure that the policy is aligned with the Company's growth strategy and rewards concerning the relevant personnel for the achieved results. The Board of Directors and the People and Remuneration Committee monitor the implementation of the remuneration policy and ensure that remuneration comply with the remuneration policy. Duell's remuneration policy is presented annually at the Annual General Meeting.

Key principles

The aim of the remuneration policy is to ensure that remuneration supports Duell in achieving strategic growth targets, profitability, and increased shareholder value in the long term. The remuneration policy is created to align the remuneration and business results, and to attract and retain competent management and Board members. This, in turn, contributes to the financial success of the Company, and the implementation of good corporate governance.

Duell pursues to remunerate its governing bodies (the Board of Directors and the CEO) in a way that motivates and commits them to carry out Duell's strategy, pursue Duell's financial targets and to promote shareholders' value creation. Duell's success, overall economic development and remuneration practices in the industry build the base for the remuneration level and trend. The main principles are to focus on the total remuneration and to have performance-based incentives on top of a fixed salary. The total remuneration consists of the following elements:

- Annual base salary and employee benefits in compliance with the local market practices, laws and regulations,
- Incentives programmes
- Other financial benefits.

The principles of the remuneration policy apply to all employees in Duell Group. The remuneration of employees consists of basic salary and employee benefits in compliance with the local market practices, laws, and regulation, and short-term incentives programme.

A Remuneration Report is presented annually in the Annual General Meeting. The Remuneration Report details the remuneration paid to the governing bodies (Board of Directors and the CEO).



Decision-making process

Board of Directors

The remuneration of the Board of Directors is decided by Annual General Meeting. Any proposed changes to the policy must be explained by the Board. The remuneration policy is annually reviewed and assessed by the People and Remuneration Committee. The policy and any material changes to the policy are proposed by People & Remuneration Committee to Board of Directors to approve and to be presented to the Annual General Meeting. The Annual General Meeting can solely decide the policy or any material changes.

At the Annual General Meeting, the shareholders decide if they adopt to the remuneration policy presented. Based on the decision and discussion of the Annual General Meeting, the Board of Directors evaluates the need to change the proposed policy. If the presented remuneration policy is not approved at the Annual General Meeting, a revised version is presented no later than the next Annual General Meeting.

CEO

The Board of Directors nominates the CEO, decides the terms of service and the remuneration of the CEO annually in accordance with the principles of the remuneration policy. The People & Remuneration Committee reviews annually the previous financial year's incentives pay-out and prepares the incentive targets for the new financial year of the CEO for the Board of Directors to decide. The CEO is not entitled to be involved in any way in the consideration of CEO's remuneration.

Material changes of the remuneration policy is approved by the Annual General Meeting. The Board of Directors have the mandate to make immaterial changes to the policy. The proposed material changes must be explained by the Board. The Annual General Meeting will decide upon the Board of Directors' proposal to change the remuneration policy.

The People & Remuneration Committee regularly evaluates the competitiveness of the CEO's remuneration to ensure it is aligned with Duell's strategy and shareholder interests. In this evaluation, external experts, as well as related external research data, can be utilized to ensure that the CEO's remuneration is competitive compared to typical levels in companies of comparable industry, location, size, and complexity. To promote alignment of interests with shareholders, and alignment of pay and performance, a part of the CEO's total compensation may be paid out in Duell shares.

Board of Directors' Remuneration

The remuneration paid to the Board of Directors is decided by the shareholders at Annual General Meeting based on the proposal by Board of Directors. The remuneration of Board of Directors is determined on the basis to ensure that the remuneration is aligned with the success and complexity of Duell's business, competitive in relation to the market and that the remuneration reflects the competencies and efforts required from the members of the Board to fulfil their duties. The Annual General Meeting decide upon the fees for the Chair and other members of the Board.



CEO's Remuneration

CEO's total remuneration package

With CEO's total remuneration, Duell targets to direct the realisation of the targets set in the Duell's growth strategy, to reward the CEO for achieving the targets, promote Duell's long-term financial success, and promote shareholder value creation. The total remuneration of the CEO is decided by the Board of Directors. As part of the CEO's remuneration, it is possible to offer agreements that differ from the statutory pension benefits for employees. The key components of the CEO's total remuneration are:

- Annual base salary, including fixed salary and a car and phone benefit
- Short-term incentive (STI) based on achieving annual targets
- Long-term incentive (LTI) scheme, such as share and/or option programs
- Other financial benefits, such as pension plans, supplementary insurance, or other benefits offered to the personnel

CEO's service agreement and severance pay

The terms of the CEO's service agreement are decided by the Board of Directors in accordance with the remuneration policy. In the CEO's contract can be agreed a notice period of up to six months and severance pay equivalent to up to twelve months' salary in addition to the pay during the notice period. In addition, the CEO's contract must include a non-compete clause. The severance pay does not need to be paid if the CEO's contract ends due to a material breach of contract by the CEO, negligence of the CEO's duty of care, or violation of the key rules or regulations applying to the CEO. When the CEO's contract ends, the CEO will be subject to a non-compete clause.

CEO's performance metrics and incentives

The CEO is included in the short-term incentive (STI) scheme, which is based on achieving annual targets. Board of Directors sets and approves the CEO's financial targets annually. The targets are based on Duell's strategy and may be tied to factors such as growth, profitability, and/or other indicators – primarily numerical in nature – of the implementation of Duell's strategy. The target level for the annual performance-related bonus may be 15–40% of the fixed annual salary, and the maximum amount not more than 30–80% of the annual salary. Any long-term incentive schemes are intended to direct the CEO to implement the Company's strategy and increase shareholder value over the long term. A further target is to commit the CEO to the Company. The Board of Directors decides upon the establishment of long-term incentive schemes separately so that the remuneration supports Duell's strategy and the creation of long-term shareholder value in an optimal way.

Long-term incentive schemes may include share-based option or share bonus programs, and the earning criteria may be based on factors such as the share price or total shareholder return, the Duell's key financial indicators, or Duell's strategic goals. The vesting period of the schemes must always be at least three years, as this is in the long-term interests of shareholders. Remuneration based on long-term incentive plans can form a significant part of the CEO's total remuneration if the growth in the Company's shareholder value is excellent. Share-based incentive schemes may include transfer restrictions in accordance with the Limited Liability Companies Act, recommendations, or contractual obligations to hold a certain number of shares for a certain time.



Deferred incentive payments and clawbacks

The Board of Directors is entitled to increase or decrease the amount of the remuneration under extraordinary circumstances over the period in which the predefined earning criteria were reached or would have been reached. Under extraordinary circumstances, the Board of Directors is entitled to change the amount of performance-based incentives included in the short- or long-term schemes and the timing of the payment of the bonus. In addition, the Board of Directors may claw back the CEO's variable remuneration if any misconduct, basis of incorrect financial data, or other data.

Deviations at exceptional circumstances

The remuneration policy allows the Board of Directors to react to an unforeseen situation by temporarily deviating from certain principles defined in the policy. The deviations can be done, after a careful consideration, on the benefit of Duell and its shareholders in the following situations:

- Recruitment of a new CEO
- Significant merger, acquisition, demerger, or another corporate restructuring event
- A significant change in Duell's strategy
- Immediate retention needs arising from external factors
- Changes in legislation, regulation, taxation, or equivalent.

Changes may apply to components of remuneration, key terms applicable to the service agreement and incentive plan structures, instruments and mechanisms, as well as incentive plan timelines, metrics and earning opportunities. The changes must be considered compulsory to ensure the development of Duell long-term shareholder value. Any deviation from the Remuneration Policy must be communicated transparently to Duell shareholders no later than at the next remuneration report and the Annual General Meeting.

