



REMEDY 



REMUNERATION  
POLICY

# Remedy Entertainment Plc: Remuneration Policy 2023

## 1. Introduction

This is Remedy Entertainment Plc's (the "**Company**") Remuneration Policy (the "**Policy**"), which sets out the Company's principles around the remuneration of its Board of Directors and Chief Executive Officer (the "**CEO**"). The Company's Board of Directors has approved this Policy, which will be on the Annual General Meeting's agenda for the first time in the Annual General Meeting 2023. This Policy is available at the Company website at [investors.remedygames.com/remuneration/](https://investors.remedygames.com/remuneration/).

The goal of this Policy is to promote the achievement of the Company's strategic objectives and the creation of shareholder value as well as to improve the Company's competitiveness and long-term financial performance. The Company aims to be transparent and consistent in its remuneration. The Company's remuneration as a whole is reviewed regularly to ensure fairness and competitiveness.

The Company observes a total compensation principle, in which all remuneration components are considered when defining and reviewing compensation issues, covering fixed salaries, short and long-term incentives, benefits and other forms of remuneration.

## 2. Approval, presentation and implementation of this Policy

The Company's Board of Directors prepares and approves this Policy. In the preparation phase, the Board of Directors can engage in discussions about the Policy with the Company's largest shareholders.

The Policy, approved by the Board of Directors, is presented to the Company's General Meeting every four years, and the General Meeting resolves on the Policy with an advisory resolution. A new Policy version is presented to the General Meeting earlier if the General Meeting does not support the Policy or if material changes are made to it before the General Meeting considers the Policy the next time. In these cases, an updated Policy is presented to the following Annual General Meeting, at the latest.

The Board of Directors is responsible for ensuring that this Policy is observed in the Company's operations.

## 3. Decision-making on the Remuneration of the Board of Directors and CEO

The Company's Annual General Meeting resolves on the remuneration of the Company's Board members. The Company's Board of Directors or its major shareholders prepare a proposal about the Board's remuneration to the Annual General Meeting. If the Company has a Nomination Committee or a Nomination Board in the future, this proposal can be made by said body. The Board of Directors resolves on the CEO's remuneration and key service terms in accordance with this Policy.

If Board members or the CEO are granted shares, options, or other special rights entitling to shares as part of their remuneration, the decision to grant these will be made in accordance with the Finnish Companies Act.

The Company's remuneration decision-making is based on principles that aim to ensure good governance and avoid conflicts of interest. The Board of Directors considers remuneration issues annually and ensures their compliance with this Policy.

## 4. Remuneration of the Board of Directors

The Annual General Meeting resolves annually on the remuneration paid to the Board of Directors, which may comprise different elements such as annual fees, monthly fees or meeting fees. These fees may be paid in cash or as a combination of cash fees and shares. Additionally, the Board of Directors may be offered reasonable benefits such as management liability insurance.

The remuneration of the Board chairman and members must reflect fairly and in the right proportion the responsibilities of each role as well as the amount of work and competence that the role requires. The Board's remuneration is not linked to the Company's result.

The fees and benefits paid to the Board of Directors during the financial year are reported in the Company's separate Remuneration Report, which is presented to the Annual General Meeting each year.

## 5. Remuneration of the CEO

### Overview of the CEO’s remuneration

The Board of Directors resolves on CEO’s remuneration within the frames of this Policy. The CEO may not participate in the preparation of or decision-making around his or her own remuneration.

The CEO’s remuneration aims to offer him or her competitive total compensation that is in line with the market level. The goal is also to align the long-term objectives of the CEO and the Company’s shareholders as well as possible.

The fees and benefits paid to the CEO during the financial year are reported in the Company’s separate Remuneration Report, which is presented to the Annual General Meeting each year.

### The CEO’s remuneration elements

The CEO’s total compensation can be made up of the following elements:

Element	Purpose of Remuneration	Description of Remuneration
<b>Fixed salary</b>	The purpose of the fixed salary is to provide the CEO with a competitive fixed salary that is in line with the market level.	The Board of Directors evaluates the CEO’s salary level annually. When evaluating the salary level, the Board of Directors considers various factors such as the competitiveness of the salary and the earlier performance, professional competence, and responsibilities of the CEO. The fixed salary includes a basic salary and benefits.
<b>Short-term incentive</b>	The purpose of the short-term incentive is to reward the CEO for achieving short-term financial and operational targets.	The Board of Directors resolves on the CEO’s short-term incentive programs, their details, and their payment criteria. See Section “Further information on the CEO’s short-term incentive remuneration”.
<b>Long-term incentive</b>	The purpose of the long-term incentive is to reward the CEO for achieving long-term strategic and financial targets.	The Board of Directors resolves on the CEO’s long-term incentive programs, their details, and their payment criteria. See Section “Further information on the CEO’s long-term incentive remuneration”.
<b>Other benefits</b>	The purpose is to offer the CEO competitive benefits.	The CEO is entitled to the same employment benefits as the rest of the personnel. These may include, for example, private healthcare, extended health insurance, company car, and company-paid telephone.  The CEO may also be offered other additional benefits that are typically offered to a CEO, such as liability insurance and a supplementary pension benefit.



**Further information on the CEO’s short-term incentive remuneration**

The Board of Directors sets the targets and criteria for the CEO’s short-term incentive remuneration. The bonus is paid in cash unless the Board of Directors decides otherwise.

Further information on the CEO’s short-term incentive remuneration principles is presented in the following table.

**Principles of the CEO’s Short-Term Incentive Remuneration**

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<b>Earning Period and Bonus Payment</b>	The Board of Directors evaluates annually the CEO’s performance during the previous year. The evaluation is made based on predefined targets and criteria. The short-term incentive is paid to the CEO if these targets and criteria are met.
<b>Bonus Criteria</b>	<p>The CEO’s bonus targets and criteria are based on Remedy’s financial and operational targets. These may include, for instance, the Company’s revenue or operating profit growth, cash flow figures, or that the Company’s game projects have progressed in a specific, predefined way.</p> <p>The Board of Directors selects the targets annually so that they promote the Company’s business strategy and long-term financial performance in the best way possible.</p>
<b>Maximum Bonus</b>	The CEO has larger incentive-based earning possibilities than other employees, and this bonus forms a significant part of the CEO’s total compensation. There is no maximum amount set for the CEO’s short-term bonus.
<b>Bonus Payments if Contract is Terminated</b>	If the CEO’s contract is terminated, decisions on incentive bonuses are made on a case-by-case basis, taking into account the terms of the short-term incentive programs.

**Further information on the CEO’s long-term incentive remuneration**

The Board of Directors sets the targets and criteria for the CEO’s long-term incentive remuneration. The bonus is paid in shares or option rights unless the Board of Directors decides otherwise.

Further information on the CEO’s long-term incentive remuneration principles is presented in the following table.

**The terms for terminating the CEO’s service contract**

The terms for terminating the CEO’s service contract are set out in the CEO’s written service contract approved by the Board of Directors. The CEO’s notice period can be agreed to be between four and twelve months, and potential severance payments are agreed upon on a case-by-case basis when negotiating the contract. If the CEO’s service contract is terminated, decisions on incentive payments are made on a case-by-case basis, taking into account the terms of the CEO’s short- and long-term incentive programs.

The CEO’s service contract expires without separate notice when he or she reaches the retirement age defined in the contract, usually set at 65 years.

**Principles of the CEO’s Long-Term Incentive Remuneration**

**Earning Period and Payment of Incentive**

The Board of Directors evaluates annually the CEO’s performance during the previous year. The evaluation is made based on predefined targets and criteria. The CEO is granted shares or option rights of the Company, the amount of which is determined by the predefined targets and criteria and the terms of which are defined in accordance with the terms of the incentive program.

The terms of the incentive program may provide that shares or option rights received by the CEO are available only after a specified, predetermined time period from the grant date (so-called vesting period). The Board of Directors may also include obligations promoting holding of shares or option rights in the long-term incentive programs.

**Incentive Criteria**

The CEO’s incentive targets and criteria are based on Remedy’s financial, operational, and strategic targets. These criteria can be for instance tied to the Company’s revenue or operating profit, growth, the progression of Company’s game projects as planned or to executing the long-term strategic goals.

The Board of Directors selects the targets annually so that they promote the Company’s business strategy and long-term financial performance in the best way possible.

**Maximum Incentive**

The CEO has larger incentive-based earning possibilities than other employees, and this reward forms a significant part of the CEO’s total compensation. The maximum amount of the CEO’s long-term incentive remuneration is determined within the frames of the maximum number of shares and option rights that can be granted under the program in accordance with the terms and conditions of the program. When the actual size of the CEO’s award is decided upon, the Board also considers that allocations are made to other personnel from the same program. If the reward amount is expressed as shares or options only, the Company’s share price development during the vesting period can have a substantial impact on the final value of the reward.

**Incentive Payments if Contract is Terminated**

If the CEO’s contract is terminated, decisions on incentive payments are made on a case-by-case basis, taking into account the terms of the long-term incentive programs.

## 6. Remuneration of a Board member employed by the company

If a Board member is employed by the Company, the General Meeting resolves on the remuneration paid to him or her for Board work in accordance with Section 4 of this Policy.

A Board member's employment terms are laid out in a written employment contract entered into between the Board member and the Company in line with Company's normal practice.

The fees and benefits paid to an employed Board member during the financial year are reported in the Company's separate Remuneration Report, which is presented to the Annual General Meeting each year.

## 7. Deviations from the Remuneration policy

The Board of Directors may temporarily deviate from any Section of this Policy at its discretion in the following special situations:

- Change of CEO.
- Significant corporate transaction in which the Company's structure, organization, ownership, or business changes materially.
- Significant change in Remedy's business strategy.
- Material change in the Company's financial standing or outlook.
- Material change in laws, rules or regulations (e.g. tax laws).

A temporary deviation from the Policy requires careful consideration. If a decision to deviate has been made and the deviation is not considered temporary, the Company will present a revised Policy to the following Annual General Meeting. Potential deviations and their reasons are reported in the following Remuneration Report.



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**Remedy Entertainment Plc.**

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