

## REMUNERATION POLICY FOR THE EXECUTIVE MANAGEMENT OF AS PRO KAPITAL GRUPP

### 1. General principles

The remuneration policy for the executive management of AS Pro Kapital Grupp (The Company) have been prepared in accordance with the Estonian Securities Market Act, in addition, the recommendations of the Corporate Governance Recommendations have been taken into account. The remuneration policy will be published on the Company's website and is also described in the section of the Company's annual report entitled "Corporate governance report. Management remuneration report".

Compliance with the remuneration policy is monitored by the Supervisory Council.

### 2. Remuneration Policy of Management Board

The members of the Management Board are elected by the Supervisory Council on the proposal of the Remuneration Committee<sup>1</sup> based on their expertise in the sector the Company is operating. In addition candidate's leadership and management experience is taken into account as well as their integrity and their commitment to the Company.

The principles of remuneration and other terms and conditions of the of the contract of a member of the Management Board are decided by the Supervisory Council on the proposal of the Remuneration Committee.

The remuneration of the Management Board consists of the basic salary, performance fee, other benefits.

The remuneration of a member of the Management Board must motivate the person to act in the best interests of the Company, be competitive and avoid a situation of conflict of interest. The Supervisory Board may revise and change the amount of basic salary during the term of the contract. Changes in basic salary are determined based on Company business results and individual contribution.

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<sup>1</sup> The Remuneration Committee is an advisory body of the Supervisory Council in matters involving nomination and remuneration of the Management Board of the Company as well as nomination and remuneration of key executives of the subsidiaries. The committee has been established to facilitate and co-ordinate the search for a balanced and qualified Supervisory Council and Management Board members based on specific profiles and needs of the Company in order to identify potential candidates to meet those profiles and needs and, ultimately, to allow the shareholders to make an informed assessment of the abilities and suitability of each Council member candidate and for the Supervisory Council to make an assessment regarding the Management Board member candidates. The committee also safeguards that the Management Board's remuneration and company performance are linked when they annually assess the results of management of the Company.

Performance fees if applicable are related to achieving targets and strategic objectives set by Supervisory Council and are paid quarterly, semi-annually or annually. No share options are offered to the management. Management Board members can use general benefits available for all employees of the Company (free parking, coffee/tea in the office etc).

The severance pay of a member of the Management Board is related to their previous job performance. The amount of severance pay must reflect the results achieved over time. The supervisory Council decides on the compensation of a member of the Management Board in the event of premature termination of the contract of a member of the Management Board. Severance pay is not paid to Management Board member if doing so harms the interests of the Company.

### **3. Remuneration of the Supervisory Council and Committee Members**

The remuneration of Supervisory Council and Committee members is approved by the shareholders at the AGM (an annual general meeting). The members of the Supervisory Council and Committee are not employed by the Company.

The members of the Supervisory Council receive remuneration. No other fees are paid to the Supervisory Council members or Chairman of the Supervisory Council for the participation in the work of the committees.

### **4. Amendment, Approval and Implementation of Policy**

The general meeting of the Company votes on the remuneration policy at least once every four years, as well as when significant changes are made to the remuneration system.

The remuneration policy shall be deemed approved if more than one-half of the votes represented at the general meeting are in favour of them.

The decision of the general meeting to approve the remuneration policy is of an advisory nature for Supervisory Council.

The remuneration policy will be applied starting in 2022.