

Document:	Neles Remuneration Committee Charter
Owner:	CFO
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## Neles Remuneration Committee Charter

### 1. General

The Remuneration Committee is established by the Board to assist in preparing human resources matters pertaining to the compensation and performance of the CEO and the executive team of the company, and the company's remuneration and incentive plans.

The Remuneration Committee manages its tasks in accordance with this charter approved by the Board of Directors, the Finnish Corporate Governance Code as well as the applicable laws and regulations.

### 2. Composition

The Remuneration Committee comprises at least three members, one of which shall be the Chairperson of the committee, appointed annually by the Board among its members. The majority of the members of the committee must be independent of the company.

### 3. Duties

The Remuneration Committee shall:

- 1) prepare matters pertaining to the appointment of the CEO, the deputy CEO (if any) as well as the identification of their successors
- 2) based on the preparation of the CEO, make proposals for the appointment and compensation of the other executive members of the company
- 3) prepare and make proposals to the Board for the remuneration of the CEO and decide upon the remuneration of the members of the executive team of the company
- 4) periodically evaluate the performance and compensation of the CEO and the members of the company's executive team and present its findings, opinions and possible recommendations to the Board
- 5) review and monitor the competitiveness of the remuneration and incentive systems within the company
- 6) prepare the company's policy concerning the remuneration of the company's Board, the CEO and the deputy CEO (if any) ("Remuneration Policy") for the Board at least every four years

- 7) prepare the company's report concerning the remuneration of the company's Board, CEO and the deputy CEO (if any) ("Remuneration Report")

The Remuneration Committee shall undertake any other duties as directed by the Board.

Upon delegation by the Board, the Chairperson of Remuneration Committee may decide upon the remuneration and benefits of the members of the company's executive team as proposed by the CEO.

#### **4. Meetings and reporting to the Board**

The committee convenes at least twice a year according to the Board calendar.

The CEO and Head of Human Resources also attend the committee meetings, except for agenda items relating to them. Other employees of the company may attend the committee meetings as required on the invitation of the CEO.

The Chairperson of the committee, the CEO and the Head of Human Resources prepare the matters on the agenda of the meetings. Head of Human Resources shall act as the secretary of the committee, unless otherwise decided by the committee.

The Remuneration Committee reports of its actions to the Board in the following Board of Directors' meeting.

The Remuneration Committee shall annually review its performance and report to the Board thereon.

The Remuneration Committee members shall not receive compensation other than as decided by the Annual General Meeting.