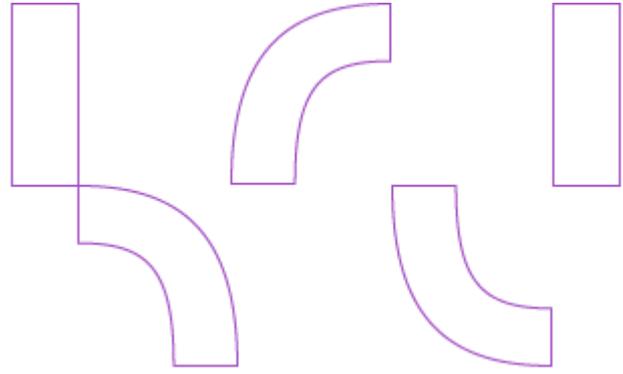


INNOFACTOR[®]



Remuneration policy

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1 Introduction

This remuneration policy (later "Remuneration policy") has been drafted taking into consideration the requirements of the EU's Second Shareholder Rights Directive¹, Companies Act, Finnish Securities Markets Act, and Corporate Governance for listed companies.

The Remuneration policy defines the principles for remunerating the Board of Directors and CEO of Innofactor Plc (later "Innofactor" or "Company"). The Remuneration policy also applies to the remuneration of the CEO's deputy.

Innofactor's Board of Directors has approved the Remuneration policy to be presented in the Innofactor's Annual General Meeting 2024. The Remuneration policy will be valid for four years, until the Annual General Meeting 2028. The previous remuneration policy was approved in Innofactor's Annual General Meeting on 31.3.2020. The Remuneration policy may be updated during its validity period due to changes in legislation, if necessary. If there are significant changes to the policy, the changed policy will be presented to Innofactor's General Meeting.

This Remuneration policy will be available on the Company's web site during its validity period. No significant changes have been made to the remuneration policy compared with the 2020 version. The company did not receive any comments regarding the remuneration policy or the remuneration reports in the General Meetings held in 2020-2023.

The CEO of Innofactor has not participated in the approval of the Remuneration policy.

2 Main principles of the Remuneration policy

The Company's remuneration scheme has been drawn up to promote Innofactor's long-term financial success and beneficial development of the shareholder value. The Innofactor's Remuneration policy aims at hiring, keeping and motivating the best persons for the Company in the Company's governing bodies. In remunerating Innofactor's personnel, the starting point is in finding and keeping the right persons and right kind of know-how. The remuneration of the Company's employees is based on Innofactor's remuneration principles and the person's position.

The remuneration of Innofactor's employees is based on a fixed component and variable components, which may include, for example, short and long term incentives. The variable components are tied to the Company's business strategy. Remuneration is an incentive for reaching the Company's strategic goals. The CEO's remuneration follows the same principles as the remuneration of employees. In the remuneration of the Board of Directors, the above mentioned short and long term incentives and other

¹ Directive (EU) of the European Parliament and of the Council amending Directive 2007/36/EU as regards the encouragement of long-term shareholder engagement.

variable components are not applied. However, a Board member fee or part of it may be paid in Company's shares.

3 Description of the decision-making process

The Board member fees are decided annually by the Innofactor's Annual General Meeting based on a proposal drafted by the Board of Directors. In special circumstances, also an Extraordinary General Meeting may decide on the Board member remunerations.

The General Meeting or the Board of Directors, when authorized by the General Meeting, may decide on remunerations in the form of granting shares, warrants or other special rights entitling to shares. The Company's Board of Directors prepares the proposals concerning this for the General Meeting.

The Board of Directors decides on the CEO's fee and the key terms and conditions of their service. If the CEO is also a member of the Board of Directors, the CEO does not participate in the preparation or decision-making concerning the CEO's fee. The remuneration of Board members and the CEO is carried out within the framework of the Remuneration policy.



4 Remuneration of the Board of Directors

The Annual General Meeting decides annually the Board member fees and grounds for expense compensations. In special circumstances, also an Extraordinary General Meeting may decide on the Board member remunerations.

The remuneration of the Board of Directors may consist of annual fees and possible meeting fees. The Chairman of the Board, possible deputy Chairman, and possible members of committees may be paid an increased fee or meeting fee. The fees paid to the Board members may be paid in cash or in part or entirely in Company shares.

5 Description of the CEO's remuneration

The Board of Directors decides annually on the CEO's remuneration based on the Remuneration policy. The Company's Remuneration Committee prepares the proposals concerning the CEO's remuneration for the Board of Directors.

5.1 Remuneration components used in the CEO's remuneration

The CEO's remuneration consists of a fixed component and variable components. The fixed component consists of the CEO's annual salary and benefits. The variable components of the CEO's remuneration may include, for example, short and long term incentives. Additionally, the CEO's remuneration may consist of other benefits, such as insurances, compensation for termination, and voluntary pension benefits.

The CEO's meeting fee depends on the Company's performance in comparison with the goals set for the Company. Innofactor's goal for the CEO's remuneration is that the variable components of the CEO's remuneration form approximately 0–50% of the CEO's possible total maximum fee, which does not include possible Board member fees or a possible benefit derived from a share issue directed at the management and personnel.

5.2 Description of the CEO's variable remuneration

The CEO's short and long term incentives are based on the Company's financial performance, result or other performance for which the Board of Directors decides the basis. This kind of performance criteria may be, for example, meters related to the Company's net sales growth, profitability, customer satisfaction, and employee satisfaction. The Board of Directors defines annually the remuneration based on short and long term incentives. For short and long term meters, performance criteria, which have an effect on the Company's financial success in the long run, are selected. If necessary, the Board of Directors may add required further details to the incentive systems.

The short term remuneration of the CEO is based on the same short term incentive system that is applied to other personnel. The period for determining short term incentives is a calendar year.

5.3 Other key terms applicable to the CEO's service contract

The term of notice for the CEO's contract is six months at the minimum. The fixed remuneration components are paid for the term of notice. The terms of the applicable short or long term incentive programs are applied to the short and long term components of the remuneration.

The CEO's service contract may include a severance package, which will be paid to the CEO, if the Company terminates the CEO's contract. The severance package is not paid, if the Company has the right to annul the CEO's contract. The severance package is not paid in a situation in which the CEO has terminated the contract.

5.4 Terms for deferral and possible clawback of remuneration

As regards the variable components of remuneration, the Company has the right for a clawback of the paid remunerations, if Innofactor's regulations have been violated or, in case of a termination, the termination has been done for reasons pertaining to the person.

The Company reports any clawbacks of remunerations in the annual remuneration report for the governing bodies.

6 Terms for temporary deviations

The Company has the right to temporarily deviate from the Remuneration policy in whole or partly in order to ensure the Company's long-term interests. The Board of Directors may temporarily deviate from this policy in connection with the appointment of a new CEO or deputy CEO or in connection with significant changes in the Company's ownership or organization, such as a purchase offer, merger, diffusion or other similar action. The Board of Directors may deviate from this policy in the event of a significant change in the Company's strategy or a change in the regulations governing the Company.

The company will disclose deviations in the next Remuneration Report. If the decided deviation cannot be considered temporary, the Company must update the Remuneration policy and present the updated policy to the next General Meeting.