

Description of the remuneration policy

Introduction

In Finnish Minerals Group, remuneration is a management tool that supports the implementation of the group's strategy and the achievement of business targets. Remuneration encourages excellent performance and development. As a state-owned special-purpose company, we follow the instructions of the state-owner in our remuneration practices.

Scope of application

This policy applies in the Finnish Minerals Group Oy and its wholly owned subsidiaries; Sokli Oy and Finnish Battery Chemicals Oy. Decisions on the personnel and remuneration policy of subsidiary Terrafame Oy are made by Terrafame's Board of Directors.

Content of the remuneration policy

Our company intends remuneration to be fair, competitive and sufficiently attractive for us to hire and retain individuals who possess skills, experience and motivation necessary to achieve the company's strategic objectives. We also wish to increase the commitment of management and personnel to a responsible and successful business environment.

Wages and salaries

The CEO, Executive Leadership Team members and other personnel are paid a total compensation that includes a monthly salary and other benefits that may be provided by the company at any given time to be selected by the salary earner. No share options or pension schemes in excess of the statutory amount are in use.

The Board of Directors decides on the CEO's salary. The Board of Directors decides on the salaries of Executive Leadership Team members and other employees reporting directly to the CEO on the basis of the CEO's proposal. The CEO decides on the salaries of other employees on the proposal of the employee's supervisor.

The remuneration of the Board of Directors of Finnish Minerals Group is decided by the General Meeting of Shareholders.

Performance-based bonuses

In addition to a fixed salary, the CEO, Executive Leadership Team members and other named members of personnel may receive an annual performance bonus. The bases for receiving the bonus are comprised of the company's strategic and financial targets, targets specific to the business area, and personal performance targets.

In our performance-based bonus scheme, we follow the grouping of personnel. Depending on the group, the performance bonuses are no more than 10–15 per cent of the fixed annual salary and, in exceptionally good performance, no more than 20–30 per cent of the fixed annual salary.

Decisions on remuneration are made within the limits of the state's guidelines for special-purpose companies.

The performance-based bonus model and its targets and amount of bonus are confirmed annually by the Board of Directors based on the Personnel and Remuneration Committee's proposal. The Board of Directors also has the right to change the performance-bonus model in the middle of the performance-bonus period, and they always have the right to make a decision not to pay the remuneration.

Changes

Decisions on annual salary adjustments are made in the spring in accordance with the policy of the Company's Board of Directors. In the adjustments we take into account the agreements negotiated by the central labour market organisations. If a person is covered by a collective agreement, we will comply with the terms of the agreement.

At the same time, salary adjustments arising from the employees' performance, competence and development of duties may be made. Promotion raises may also be granted at other times of the year if the employee's duties and role change significantly. Salaries may otherwise be adjusted during the year only on special grounds.

Reporting

We report on the remuneration in our annual report. In addition, the Company's Board of Directors describes the remuneration policy at the General Meeting of Shareholders and justifies the CEO's actual performance-based remuneration, the Executive Leadership Team's performance-based remuneration as a single entity, as well as the remuneration principles for personnel.

Policy implementation

The CEO is responsible for the implementation of the remuneration policy. The person responsible for Human Resources is responsible for overseeing and interpreting the application of the policy.

Policy adoption

The remuneration principles have been approved as part of the personnel and remuneration policy by the Board of Directors of Finnish Minerals Group on 28 March 2022. The wholly owned subsidiaries of Finnish Minerals Group follow the parent company's policies without any separate approval.

The personnel and remuneration policy is reviewed at least once a year and updated as needed.