

FERRATUM REMUNERATION POLICY 2020

This is the Ferratum Group's (hereinafter "Ferratum" or "the Company") remuneration policy, which complies with applicable legislation and the Finnish Corporate Governance Code 2020. This policy sets out the principles for remuneration of the Board of Directors, the President and CEO, and the deputy to the CEO, if one has been appointed.

The remuneration policy shall be presented to the Annual General Meeting of Shareholders and will be disclosed by a stock exchange release no later than three weeks prior to the General Meeting of Shareholders in which it is to be presented. The Remuneration Policy will be made available on Ferratum's website for at least the period that it is applied, and in the same connection, information will be presented on the date of the General Meeting of Shareholders that handled the matter as well as on the voting result if a vote was held on the Remuneration Policy.

1. INTRODUCTION

The goal of Ferratum's remuneration scheme is to promote competitiveness and long-term financial success of the Company and to contribute to the favourable development of shareholder value. Remuneration schemes are based on predetermined and measurable performance and result criteria.

Remuneration of Ferratum's personnel is based on a total remuneration, which may among other things include both variable and fixed components of remuneration as well as personnel benefits. In the remuneration of the Company's CEO, in particular, the guidelines set for the remuneration of the Company's management and key employees may be taken into consideration and used as applicable when deciding on remuneration.

The remuneration of the members of the Board of Directors is organised separately from the remuneration systems applicable to the Company's CEO, Executive Group and the personnel. The members of the Board of Directors do not receive fringe benefits and they are not included in the bonus schemes, incentive schemes or share-based bonus schemes that may exist in respect of the Company's CEO, Executive Group or the personnel. However, the fees to be paid to Directors can be paid in cash and/or partially or entirely in shares or other financial instruments, as determined by the General Meeting of Shareholders.

2. DESCRIPTION OF THE DECISION-MAKING PROCESS

The Board of Directors reviews and presents to the General Meeting the remuneration policy and any substantial changes to it whenever necessary, but at least every four (4) years. The General Meeting makes an advisory resolution on the remuneration policy, expressing whether it supports the presented policy. The shareholders cannot propose changes to the remuneration policy. If a majority of the general meeting opposes the presented remuneration policy, a revised policy must be presented no later than at the next Annual General Meeting. In such a case, the decision on remuneration of the Board of Directors and the CEO, shall be based on the initial remuneration policy presented to the General Meeting until the revised remuneration policy has been considered at the general meeting.

Ferratum's General Meeting of Shareholders makes decisions annually on the remuneration of the Board of Directors. In addition, the General Meeting — or the Board of Directors pursuant to an authorisation from the General Meeting — makes decisions concerning the distribution of shares, options or other special rights entitling to shares as part of remuneration. The Board of Directors or the Board's committees prepare, and the Board of Directors approves, the principles concerning the various remuneration systems and remuneration components and decides on the CEO's salaries, bonuses (e.g. performance bonuses and the issuance of shares, options or other special rights entitling to shares) and the key terms and conditions of their service within the limits of the Remuneration Policy presented to the Annual General Meeting. When shares, options, or other special rights entitling one to shares are issued to Directors or to the CEO as part of their remuneration, this must take place within the limits of the remuneration policy.

The Company's Remuneration Policy is assessed annually by the Company's Board of Directors or the Board committee it has appointed to the task. As of the year 2021, the Board of Directors presents a Remuneration Report to the Annual General Meeting each year on the basis of which shareholders can evaluate the realisation of the Remuneration Policy.

Potential conflicts of interest are also taken into consideration on a case-by-case basis in the approval, assessment and implementation of the Remuneration Policy.

3. DESCRIPTION OF THE REMUNERATION OF THE BOARD OF DIRECTORS

Ferratum's General Meeting of Shareholders decides on the remuneration of the members of the Board of Directors one term of office at a time at the Annual General Meeting or an Extraordinary General Meeting, as applicable. The Company does not have a nomination committee for the preparation of matters pertaining to the nomination or compensation of Directors. The Board of Directors may, however, decide to establish a nomination committee later.

The remuneration of the Board of Directors may consist of a variety of components. The Directors can, for example, be paid an annual or a monthly fee as well as a meeting fee for board meetings or committee and governing body meetings. The fees paid to the Chairman and Vice Chairman of the Board may be larger than those paid to the ordinary Board members.

The fees to be paid to Directors can be paid in cash and/or partially or entirely in shares or other financial instruments. Remuneration paid in shares or other financial instruments may be subject to restrictions or recommendations related to lock-up periods concerning time or board membership.

If a Director has an employment relationship or a service contract with the company, he or she will be paid a normal salary. The General Meeting will decide on any possible compensation to be paid to him or her for work done with the Board.

The travel costs of the members of the Board of Directors can be reimbursed in accordance with the Company's travel rules.

4. DESCRIPTION OF THE REMUNERATION OF THE CEO

The Board of Directors approves the principles concerning remuneration systems and decides on the CEO's salary and bonuses and the key terms and conditions of their service within the limits of the Remuneration Policy presented to the General Meeting. The CEO's performance in executing the decisions of the Company's Board of Directors, the general organisation of the business operations, risk taking and, in particular, risk management is crucial to Ferratum's profitability and risks. The earnings level of the CEO is assessed as a whole and must enable the Company to hire a competent person to the role.

The total earnings of the CEO may consist of a fixed monthly salary, fringe benefits and an incentivizing performance bonus scheme. In addition, various long-term incentives can be provided to the CEO, such as share based bonus schemes to elicit commitment. The portion of the variable component may be significant when comparing to the fixed component. If necessary, the Board of Directors may decide on one-off remuneration components for the CEO and deputy CEO, such as a stay bonus or sign on bonus. Both the short- and long-term incentives must align the objectives of the shareholders and CEO to continuously develop the Company and increase its value.

4.1. Fixed remuneration

The fixed remuneration of the CEO may include the monetary salary and possible fringe benefits. The basic salary is adjusted as necessary, taking into consideration the Company's result, personal performance and the market conditions. Health insurance, life insurance and pension arrangements may be obtained for the CEO and, as fringe benefits, they may be provided with benefits in accordance with the Company's remuneration practices valid at any given time (such as a car benefit, phone benefit and telecommunications benefit).

4.2. Variable remuneration

The terms of the performance-based variable remuneration are determined annually by the Board of Directors. The aim of the remuneration scheme is to align the objectives of the shareholders and the CEO to increase the value of Ferratum in the long term, to engage the CEO's commitment to the implementation of the Company's strategy and to provide them with a competitive remuneration programme that is based on earning and accumulating the Company's shares.

In all variable remuneration schemes, the Board of Directors determines the earning criteria of the scheme and set out the objectives for each criteria at the beginning of the earning period and evaluates the actual performance at the end of the earning period. The earning criteria may include key objectives in support of the company's strategy related to financial targets, development of business or shareholder value, customer or employee satisfaction and quality, as well as related to corporate responsibility.

Variable remuneration may consist of both short-term and long-term incentives. Short-term bonuses are typically paid quarterly or annual basis in cash or as additional pension contributions based on the achievement of the Company's profitability targets and other financial targets for the financial year. Long-term incentive schemes are typically share-based. In share-based remuneration schemes, the earning and restriction periods are at least several years in total. However, the Board of Directors may, on occasion, under special grounds, define a minimum of one-year earning and restriction period taken together.

Performance-based short and long-term incentives are rated at a target level higher than a fixed salary. In share-based incentive schemes, dimensioning occurs at the beginning of the earning period. The actual outcome depends on the fulfillment of the earning criteria. If the value of a share changes, the value of the reward to be paid increases or decreases accordingly. In variable remuneration, the weighting of a long-term incentive is higher than a short-term incentive, as calculated on an annual basis.

Share-based remuneration schemes may include restrictions on the transfer of shares under the Limited Liability Companies Act, as well as recommendations, or contractual obligations in relation to retaining a specific number of shares over a certain period of time.

4.3. Other key terms applicable to the service contract

With respect to the CEO's employment contract, the Board of Directors decides on any terms applied to the length of the employment relationship, period of notice, pay during the period of notice or severance compensation as well as other terms concerning benefits, pension benefits or additional pension coverage such that they are reasonably consistent with equivalent and market practice terms in ordinary CEO employment contracts.

4.4. Deferral, non-payment and possible clawback of variable remuneration components

In exceptional circumstances, the Board of Directors may increase or reduce the amount of remuneration if it deems that complying with the remuneration criteria would lead to an unreasonable outcome for the Company or CEO. The Board of Directors also has the right to postpone the payment of remuneration to such a time that is better for the Company if unforeseen factors beyond the control of the Company would lead to an unreasonable outcome for the Company or CEO.

The preconditions for the full payment of the remuneration are that the CEO or the Company has not terminated or dissolved the CEO's contract before the time of payment of the full remuneration, that the Company's financial statements have not been distorted such that it would affect the amount of the remuneration, and that the Company's CEO has not acted in contravention of the Company's ethical guidelines or otherwise unethically and has not caused significant harm to the Company through his/her actions or negligence. The Board of Directors is entitled to reclaim the remuneration partly or in whole if the breaches arise during the commitment period.

5. REQUIREMENTS FOR TEMPORARY DEVIATIONS

The remuneration of Ferratum's governing bodies takes place within the limits of the Remuneration Policy presented to the General Meeting. Ferratum has the possibility to temporarily deviate from the Remuneration Policy for governing bodies only in exceptional circumstances in which the key operating preconditions would have changed after the General Meeting of Shareholders and the deviation is necessary to ensure Ferratum's long-term interests. Such situations include, for example, changes in the Board of Directors, change of the CEO, major changes in the company's strategy, changes in Ferratum's remuneration decision-making process, major restructuring such as a merger, acquisition, demerger or other corporate arrangement, major change in the Company's strategy, direct and significant unforeseen commitment needs or other changes due to legislation, other regulation or taxation, a takeover bid, or an acquisition.

In the aforementioned exceptional circumstances, Ferratum's Board of Directors will assess the situation and make a decision on deviation to ensure the Company's long-term interests. The assessment of exceptional circumstances can take into account the Company's long-term financial success, competitiveness and shareholder value development.

The Board of Directors reports to the General Meeting on any deviations from the Remuneration Policy regarding the CEO in its next Remuneration Report, which is dealt with at the Annual General Meeting. With respect to the remuneration of the Board of Directors, all deviations are decided on by the General Meeting.

Relevant changes to the Remuneration Policy are prepared and presented to the Company's Annual General Meeting. The Company's Board of Directors may independently make any non-material changes and other technical changes to the decision-making process on remuneration – such as due to legislative amendments – and changes to the terminology used in remuneration without presenting them to the General Meeting.