

Dovre Group Plc

# CORPORATE GOVERNANCE STATEMENT 2020

CORPORATE DOCUMENTS

## CORPORATE GOVERNANCE STATEMENT 2020

### Corporate Documents

Date: 28 January 2021

Approved by: Board of Directors of Dovre Group Plc

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# 1 INTRODUCTION

This Corporate Governance Statement has been composed in accordance with the reporting requirements of the Finnish Corporate Governance Code (2015) issued by the Finnish Securities Market Association, and Chapter 7, Section 7 of the Finnish Securities Markets Act. The Finnish Corporate Governance Code can be found on the Association's website, [www.cgfinland.fi](http://www.cgfinland.fi). This Corporate Governance Statement is issued separately from the report by the company's Board of Directors. The Statement has been reviewed by Dovre Group Plc's Board of Directors.

# 2 GENERAL PRINCIPLES

Dovre Group's parent company, Dovre Group Plc, is a public limited company registered in Finland and domiciled in Helsinki, Finland. In its decision-making and governance, Dovre Group complies with all applicable legislation, the company's Articles of Association, and the Finnish Corporate Governance Code issued by the Finnish Securities Market Association. In addition, the company complies with the rules and regulations of Nasdaq Helsinki Ltd and the standards, regulations, and guidelines of the Finnish Financial Supervisory Authority. Dovre Group's subsidiaries comply with local legislation.

The Board of Directors does not have any designated board committees. The establishment of committees has not been deemed necessary due to the size of the company and the Board. The duties of the Audit Committee are managed by the Board of Directors.

Up-to-date information about the company's corporate governance is available on the company's website, [www.dovregroup.com/investors/corporate-governance.html](http://www.dovregroup.com/investors/corporate-governance.html).

## 2.1 DOVRE GROUP'S GOVERNING BODIES

The General Meeting of Shareholders, the Board of Directors, and the CEO are responsible for the Group's management. Their tasks and responsibilities are determined in accordance with the Finnish Limited Liability Companies Act. The CEO, assisted by the Group Executive Team, is responsible for the Group's operational management.

### **General Meeting of Shareholders**

Dovre Group's supreme decision-making body is the General Meeting of Shareholders. The Annual General Meeting of Shareholders is organized once a year on a date set

by the Board of Directors and is held within six (6) months of the end of the financial period. The Board of Directors may convene one or more Extraordinary General Meetings during the financial year if necessary. In accordance with the Articles of Association, the General Meeting is to be held in Espoo, Helsinki, or Vantaa. Notice of the Annual General Meeting and a proposal for the agenda are released as stock exchange releases and published on the company's website.

The Annual General Meeting decides on the following issues:

- Adoption of the income statement and balance sheet
- Use of the profit or loss shown on the balance sheet
- Discharging from liability the members of the Board and the CEO
- Number of Board members and their election
- Election of the Auditor
- Remuneration of the Board and compensation of the Auditor
- Other issues as outlined in the notice of the meeting

### **Board of Directors**

Dovre Group's Board of Directors is responsible for the administration and the proper organization of the company's operations. The Board supervises the company's operations and management, and decides on significant matters concerning the company's strategy, organization, financing, and investments. The duties and responsibilities of the Board are determined in accordance with the company's Articles of Association and the Finnish Limited Liability Companies Act.

The Board has not established an audit committee; the duties of the audit committee are discharged by the Board in its entirety.

The Board prepares an annual charter that specifies the Board's meeting procedures and duties. In accordance with the Board charter, the duties of the Board include following:

- Assuming responsibility for tasks specified as obligatory for the Board of Directors by the Finnish Limited Liability Companies Act, the company's Articles of Association, or elsewhere
- Approving the Group's strategy and long-term financial targets
- Approving the Group's Code of Conduct
- Approving the Group's management system and organizational structure
- Approving annual business plans and changes to them, if any
- Approving internal control and risk management policies and monitor them
- Approving the Group's financial reports, including the company's half year financial report, annual financial statements, report by the Board of Directors, and Q1 and Q3 trading statements
- Assuming responsibility for communications related to the Group's financial objectives

- Approving the Group's financial policy
- Assuming responsibility for the development of the Group's market value and specifying dividend policy
- Approving business acquisitions and divestments and significant individual investments and contingent liabilities
- Approving the Group's incentive system and policy
- Appointing and dismissing the Group's top management (CEO and members of the Group Executive Team) and deciding on their terms of employment and remuneration
- Overseeing the succession planning of the CEO
- Deciding on the establishment of new legal entities
- Assuming responsibility for the development of the Group's corporate governance
- Approving the agenda for Board meetings
- Reviewing the operations of the Board annually
- Reviewing the CEO's performance and giving feedback
- Acting as the Audit committee

In accordance with the Articles of Association, the Board has a minimum of three (3) and a maximum of eight (8) members. The Board members are elected by the Annual General Meeting for one term of office at a time. The term of office of a member of the Board begins at the end of the General Meeting that elected the member and expires at the end of the first Annual General Meeting following the election. The company's Articles of Association do not specify an upper age limit for, or the maximum number of terms of office, of a Board member, and place no other restrictions on the authority of the General Meeting to elect members to the Board. The Board selects a Chairman and a Vice Chairman from among its members, and the Board is deemed to have a quorum present when more than half of its members are present.

The company considers diverse composition of the Board as an important asset. In selecting candidates to the Board, the company pays attention, amongst other things, to the candidates' diverse and mutually complementary background, experience, and expertise, especially in international business. The company also aims to have, where possible, representatives of both genders on the Board.

The Board convenes normally once a month according to an pre-agreed schedule, and may hold additional meetings, if necessary. Minutes are kept for all meetings. In addition to matters requiring Board decision, the Board, in its meetings, is provided with up-to-date information on the Group's operations, financial situation, and risks.

### **Chief Executive Officer (CEO)**

The Board of Directors appoints the CEO. The CEO is responsible for the day-to-day management of the Group's business operations and governance in accordance with the Articles of Association, the Finnish Limited Liability Companies Act, and the instructions issued by the Board. The CEO is assisted by the Group Executive Team.

### **Group Executive Team**

The Group Executive Team is appointed by the Board of Directors. The Group Executive Team assists the CEO in the operative management of the Group, prepares items for the Board and the CEO, and plans and monitors the operations of the Group's business units. The Group Executive Team convenes at least once a month. The CEO acts as the Chairman of the Group Executive Team.

## **2.2 INTERNAL AUDIT**

The Group has no separate internal audit organization. The establishment of an internal audit organization has not been deemed necessary due to the size of the company. The Group's Executive Team assesses and ensures the sufficiency and effectiveness of the Group's internal control, as well as supports the Board with its monitoring responsibility.

## **2.3 EXTERNAL AUDIT**

According to the Articles of Association, Dovre Group shall have one auditor who shall be an audit firm. The term of the auditor expires at the end of the first Annual General Meeting following their selection. The Board's proposal for the auditor is disclosed in the notice of the General Meeting.

The primary purpose of an audit is to verify that the financial statements give accurate and adequate information concerning the Group's result and financial position for the financial period. In addition, the auditors shall report to the Board of Directors on the ongoing auditing of administration and operations.

## **2.4 INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS PERTAINING TO FINANCIAL REPORTING**

The purpose of the Group's internal control is to support the implementation of the Group's strategy and to ensure that the Group complies with all relevant rules and regulations. The Group's internal control framework is based on the Dovre Group Authorization Matrix, which specifies the authority and the responsibilities of the

Group's management. The Authorization Matrix is approved by the Board of Directors, which also acts as the highest supervisory body of the Group's internal control. The implementation of internal control measures is supervised primarily by the CEO and CFO, who report to the Board.

The ultimate responsibility for accounting and financial administration lies with Dovre Group's Board of Directors. The Board is responsible for internal control, and the CEO is responsible for the day-to-day organization and monitoring of the control system. The steering and monitoring of business operations is based on the reporting and business planning system that covers the entire Group. The CEO and CFO report monthly to the Board and the Group Executive Team on the Group's financial situation and development.

The purpose of financial reporting is to ensure that all assets and liabilities in the financial statements belong to the company; that all rights and liabilities of the company are presented in the financial statements; that items in the financial statements have been classified, disclosed, and described correctly; that assets, liabilities, income, and expenditure are entered in the financial statements at the correct amounts; that all transactions during the reporting period are included in the accounts; that transactions entered in the accounts are factual transactions; and that assets have been secured.

## 2.5 RISK MANAGEMENT AND RISK ASSESSMENT

The Group's risk management is guided by legal requirements, business requirements set by shareholders of the company, and the expectations of customers, personnel, and other important stakeholders. The goal of risk management is to acknowledge and identify systematically and comprehensibly any risks relating to the company's operations and to make sure that all such risks are appropriately accounted for when making business decisions.

The Group's risk management procedures support the achievement of the Group's strategic goals and seeks to ensure the continuity of the Group's business operations. The Group takes risks that are a natural part of its strategy and objectives. The Group is not ready to take risks that might endanger the continuity of its operations or be uncontrollable or that may significantly harm the Group's operations.

In accordance with the Group's risk management procedures, the Board of Directors receives an annual report of the most significant risks facing the Group. The Board analyses the risks from the point of view of shareholder value.

The company's risk management process includes an annual identification and analysis of risks pertaining to financial reporting. In addition, the company seeks to analyze and report all new risks immediately as soon as they have been identified.



Taking into account the extent of the Group's business operations, the most significant risks pertaining to the reliability of financial reporting relate to revenue recognition, impairment testing (including goodwill), and tax reporting.

## 2.6 CONTROL FUNCTIONS

The correctness and reliability of financial reporting are ensured through compliance with Group policies and guidelines. Control functions that ensure the correctness of financial reporting include controls related to accounting transactions, to the selection of and compliance with the Group's accounting principles, to information systems, and to fraud or malpractice.

Revenue recognition is supervised by the Group's CFO and is based on the required sale and delivery documents.

The Group's bad debt provision is reviewed monthly. Any eventual bad debt provisions are based on the aging of trade receivables per sales company.

The Group's goodwill is tested for impairment at the end of each financial year on the balance sheet date. Key variables used in the calculations are net sales growth and the estimated change of profit margin. In addition, indications of impairment are monitored regularly. If indications of impairment are detected, a separate testing is performed.

The performance of business operations and the attainment of annual goals is assessed monthly in Group Executive Team and Board meetings. Monthly management and Board reporting includes both the actual and the estimated results compared to the budget and the actual results of previous periods. Financial reports generated for the management are used for monitoring certain key indicators associated with the development of sales, profitability, and trade receivables on a monthly basis.

In accordance with its strategy, Dovre Group may complement its organic growth with acquisitions. In making acquisitions, the Group follows due diligence and utilizes its internal competence together with external advisors in the planning phase (e.g. due diligence), takeover phase, and when integrating acquired functions into the Group's operations.

## 2.7 INTERNAL COMMUNICATION AND SHARING OF INFORMATION

The purpose of management reporting is to produce up-to-date, relevant information for decision-making. The CFO provides the Group's business units with monthly reporting guidelines and is in charge of any special reporting instructions related to

budgeting and forecasting. The Group's financial administration distributes, on a regular basis, internal information on processes and procedures pertaining to financial reporting. Internal control tasks are carried out in accordance with this information. Financial administration also arranges targeted training for the organization's personnel on the procedures associated with financial reporting and changes in them, if necessary. The Group's investor relations maintain, in cooperation with the Group's financial administration, the guidelines on the disclosure of financial information, including, for example, the disclosure obligations of a publicly listed company.

## 2.8 MONITORING

Monitoring refers to the process of assessing Dovre Group's internal control system and its performance in the long term. The Group continuously monitors its operations also through various separate assessments, such as internal and external audits, and supplier audits carried out by clients. The Group's management monitors internal control as part of its day-to-day work. The Group Executive Team is responsible for ensuring that all operations comply with applicable laws and regulations. The Group's financial administration monitors compliance with the financial reporting processes. The financial administration also monitors the correctness of external and internal financial reporting. The Board of Directors assesses and ensures the appropriateness and effectiveness of the Group's internal control and risk management.

The Group's internal control is also assessed by the Group's external auditor. The auditor verifies the correctness of external annual financial reporting. The most significant observations and recommendations of the audit are reported to the Board of Directors.

## 2.9 INSIDER ADMINISTRATION AND TRADING RESTRICTIONS

With regards the company's insider guidelines, Dovre Group complies with the applicable legislation, the standards of the Finnish Financial Supervisory Authority as well as Nasdaq Helsinki Ltd.'s Guidelines for Insiders effective as of July 3, 2016. In accordance with the legislation in force and the standards and guidelines in question, inside information refers to all information of a precise nature, which has not been made public and relates, directly or indirectly, to one or more issuers or to one or more financial instruments and which, if made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments. Dovre Group discloses any possible inside information concerning the company as soon as possible and as a stock exchange release. However, the company may, on its own responsibility and on a case-by-case basis, delay disclosure of inside information to the public in accordance with the conditions outlined in the Market Abuse Regulation ((EU) No 596/2014). Should the company

decide to delay disclosure, the company documents and continuously monitors the preconditions of delayed disclosure. The company notifies the Finnish Financial Supervisory Authority of the delayed disclosure immediately after the information has been publicly disclosed.

Dovre Group does not maintain a list of permanent insiders, but establishes project-specific insider lists following the identification of a specific issue as inside information by the company's Board of Directors and the Board's decision to establish an insider list relating to the identified issue. The CFO is responsible for administration of the company's insider registers and project-specific insider lists are maintained by the company.

The company has defined the Board of Directors, the CEO and the Group Executive Team as persons discharging managerial responsibilities. The company maintains a list of persons discharging managerial responsibilities and their closely associated persons. In accordance with current legislation, persons discharging managerial responsibilities in Dovre Group as well as their closely associated persons are obliged to notify the company and the FSA of every transaction in the company's financial instruments. The notification obligation applies to all transactions once a total amount of EUR 5,000 has been reached within a calendar year. Dovre Group will disclose all such transaction notifications as stock exchange releases within three (3) business days of the date of transaction.

Persons discharging managerial responsibilities in the company may not trade in any financial instruments in the company during a closed period of 30 calendar days before the announcement of the company's half year financial report, annual financial statements, or Q1 and Q3 trading statements. In addition to persons discharging managerial responsibilities in the company, the trading restriction applies to the company's employees participating in the preparation, drawing-up, and disclosure of the company's financial reports.

## 2.10 REMUNERATION

The Annual General Meeting decides on the remuneration of the Board of Directors. The Board decides on the terms and conditions of the employment of the CEO, specified in writing. The remuneration principles of the key management are set by the Board. The Board annually approves the Group's short-term and long-term incentive schemes.

The Board decides on the CEO's and the Group Executive Team's remuneration. The remuneration of the management of the Group's business areas is based on the so-

called one-over-one principle whereby the remuneration decision must be approved by the supervisor of the employee's direct supervisor.

## 3 CORPORATE GOVERNANCE IN 2020

### **Annual General Meeting**

Dovre Group's Annual General Meeting was held in Espoo on April 28, 2020.

### **Board of Directors**

The Annual General Meeting elected four (4) members to the Board of Directors. The Chairman of the Board was Svein Stavelin and the Vice Chairman Ilari Koskelo. The other members were Kristine Larneng and Antti Manninen. Members of the Board were independent of the company and significant shareholders.

In 2020, the Board convened 12 times, with an attendance rate of 100 per cent. The Group's CEO acted as the Secretary of the Board of Directors.

Board member attendance at meetings:

Svein Stavelin	12/12
Ilari Koskelo	12/12
Kristine Larneng	12/12
Antti Manninen	12/12

### **CEO**

Arve Jensen has served as the Group's CEO as of November 1, 2018.

On December 31, 2020, Arve Jensen held a total of 80,000 shares in Dovre Group Plc.

### **Group Executive Team**

At the end of 2020, the members of the Group Executive Team were Arve Jensen (CEO & President, business area Norway), Sirpa Haavisto (CFO from 1.10.20) and Stein Berntsen (President, business area Consulting).

There are no longer any active option plans.

Shareholdings of Dovre Group Plc's management on December 31, 2020:

<b>Name</b>	
Berntsen Stein (Member of the Group Executive Team)	0
Haavisto Sirpa (Member of the Group Executive Team)	5,000
Jensen Arve (CEO)	80,000
Koskelo Ilari (Vice Chairman of the Board)	7,279,653
Larneng Kristine (Member of the Board)	0
Manninen Antti (Member of the Board)	533,485
Stavelin Svein (Chairman of the Board)	334,613

Information includes also ownership through controlled companies of the Board members.

### **External audit**

In 2020, the Group's auditor was BDO Ltd., Authorized Public Accountants, with Ari Lehto, APA as the principal auditor.

### **Board members December 31, 2020**

#### **Svein Stavelin**

Chairman of the Board  
Board member since March 28, 2018

M.Sc. (Computer Science), Pedagogy (PUFS), Business Economist  
b. 1957, Norwegian citizen

#### *Key employment*

Incepto AS, CEO and Founding Partner, 2007– present  
Bridgehead AS (Oaklins), Partner, April 2005–August 2007  
Telecomputing ASA (Visolit), CEO, January 2004–March 2005  
Creuna AS, CEO and cofounder, June 2001–December 2003  
Ementor ASA (Atea) (Avenir until 26 October 2000), Managing Director /CEO, 1994–2001

#### *Other key positions of trust, current*

Chairman of the board, Incepto AS (from 2007 - present)  
Chairman of the board, Proventus AS (from 2007 - present)  
Chairman of the jury of The Norwegian Consulting Prize

#### *Independent of the company and significant shareholders*

#### **Ilari Koskelo**

Vice Chairman of the Board

Board member since February 28, 2008

M. Sc. (Management)  
b. 1959, Finnish citizen

*Key employment*

Navdata Ltd., Managing Director and founder, August 1988– present  
Thai Biogas Energy Corporation, Pte, Ltd., Thailand, Co-investor and Director, June 2016– present  
SaraRasa Bioindo, Pte, Ltd., Singapore, Co-investor and Director, August 2014– present  
Soil Scout Oy, Finland, Co-founder and CFO, May 2013– present  
Planman Oy, Co-investor and Director, January 2010–June 2015  
Global Satellite Solutions Inc, USA, Co-investor, March 1997–September 2000

*Other key positions of trust*

Chairman of the Board, Navdata Ltd  
Member of the Board, Soil Scout Ltd,  
Chairman of the Board, SaraRasa Bioindo Pte. Ltd.  
CEO, Proha Oy

*Independent of the company and significant shareholders*

**Kristine Larneng**

Member of the Board  
Board member since March 27, 2019

Master of Law  
b. 1982, Norwegian citizen

*Key employment*

LYNX advokatfirma DA, Partner, 2020 - present  
LYNX advokatfirma DA, Senior attorney-at-law, 2018 - 2019  
LYNX advokatfirma DA, Attorney-at-law, 2012 - 2018  
LYNX advokatfirma DA, Associate, 2008 - 2012

*Other key positions of trust*

Chairman of the board, Best Helse AS, 2018 - present  
Member of the board, Aega ASA, 2017 - present

*Independent of the company and significant shareholders*

**Antti Manninen**

Member of the Board  
Board member since March 28, 2018

M.Sc. (Econ.)  
b. 1961, Finnish citizen

*Key employment*

Rio Group Oy, Chairman of the Board, 1998–present  
Dovre Group Plc, Member of the Board, Vice Chairman and the Chairman, 2008–2013  
Mega Vision S.A. Ltd., Director, Investments, 1993–1998

*Other key positions of trust*

Chairman of the Board, Event Management Group Oy, 2004– present

*Independent of the company and significant shareholders*

**Group Executive Team December 31, 2019**

**Arve Jensen**

CEO

Member of the Group Executive Team since October 2009

M. Sc. (Mech.)

b. 1959, Norwegian citizen

*Key employment*

Dovre Group, CEO, November 2018– present  
Dovre Group, President of Business Area Norway, Project Personnel June 2015–  
Dovre Group, EVP – Project Personnel, May 2012–June 2015  
Dovre Group, EVP Norway, 2009–May 2012  
Dovre International AS, CEO, 2001–2008  
Dovre International AS, Regional Manager Oslo, 1993–2001  
Dovre International AS, Consultant within Contracts Management and Project  
Management (client : Statoil), various projects 1995–1999  
ABB Global Engineering AS, Senior Project Engineer within Staffjord Satellite Project,  
1990–1993  
Entrepreneur, Senior Project Engineer at Aker and Statoil, 1988–1990  
Aker Engineering AS, Piping Engineer with Statoil (Gullfaks B project), 1985–1987

**Stein Berntsen**

President, business area Consulting

Member of the Group Executive Team since July 2014

M. Sc. (Econ. and BA)

b. 1965, Norwegian citizen

*Key employment*

Dovre Group, President, business area Consulting 2014– present  
Dovre Group, Managing Director/ Managing Partner, Dovre Consulting Norway 2011–  
2014  
Dovre Group, EVP, Management Consulting 2008–2011

Dovre International AS, Vice President, Project Management, 2006–2008

Dovre International AS, Vice President, Project Consulting, 2002–2008  
Dovre International AS, Manager Project Analysis, 2000–2002  
Dovre International AS, Project Control Manager (at Statoil), 1999–2000  
Dovre International AS, Senior Consultant (at Statoil), 1997–1999

Philips Petroleum AS, Department Manager, Risk Management, 1995–1997  
Philips Petroleum AS, Senior Cost Estimator, 1993–1995  
Philips Petroleum AS, Cost and Contracts Engineer, 1991–1993  
Philips Petroleum AS, Cost Estimator, 1989–1991

### **Sirpa Haavisto**

CFO from 1.10.2020

Member of the Group Executive Team since October 2020

M.Sc. (Economics and Business Administration, Accounting)

Authorized Public Accountant

b. 1963, Finnish citizen

#### *Key employment*

Dovre Group Plc, Chief Financial Officer, 2020–present

Azets Insight Oy, Senior Advisor, 2019-2020

Azets Insight Oy, Director, IFRS, Group Reporting and M&A, 2016-2019

Visma Services Oy, Director, IFRS, Group Reporting and M&A, 2013-2016

Visma Services Oy, Chief Financial Controller, SMB, 2011-2013

Proha Plc, Chief Financial Officer, 2002–2011

Ernst & Young Oy, Senior Manager, IFRS Specialist, 1997-2002

Ernst & Young LLP, Chicago, Audit Senior III, 1995–1997

Ernst & Young Oy, Authorized Public Accountant, 1995

Ernst & Young Oy, Auditor, 1986 - 1995

## **4 REMUNERATION IN 2020**

### **Board of Directors**

The General Meeting decides on the remuneration of the Board of Directors. The proposal for the remuneration of the Board of Directors presented to the General Meeting is based on the shareholders' proposal delivered to the company. In 2020, the proposal for the remuneration of the Board of Directors came from shareholders, who represented over 35 per cent of all shares and votes in the company.

The Annual General Meeting held on April 28, 2020, decided that the Chairman of the Board be paid EUR 35,000, Vice Chairman EUR 25,000, and each other member of the Board EUR 22,000 for the term which will last to the next Annual General Meeting.



Actual travelling expenses are compensated as incurred. Remuneration was decided to pay in cash.

Remuneration of the members of the Board of Directors in 2020:

Member	
Svein Stavelin	35 000
Ilari Koskelo	25 000
Kristine Larneng	22 000
Antti Manninen	22 000
Total	<u>104 000</u>

### CEO

The Board of Directors decides on the remuneration of the CEO. The terms and conditions of employment of the CEO are approved by the Board and specified in writing.

The service terms and conditions of the current CEO, Arve Jensen, comprise of an annual salary (including holiday pay, and car and phone benefits) of NOK 1,950,000 (approx. EUR 196 thousand) and a performance-based bonus decided by the Board. The CEO will have same pension and personnel insurance as the other company employees in Norway. The contract does not specify the CEO's retirement age. The contract may be terminated by either party by giving six (6) months' notice. The contract does not include any additional severance payment to the CEO in case the company decide to terminate the employment contract.

The CEO's bonus is based on the company's or its individual units' performance and profitability or on the successful completion of organizational measures. These objectives are specified annually. The STI part of the plan is paid in cash and the objectives are defined annually. The LTI part is a fully equity settled share-based payment transaction and the objectives are defined annually.

In 2020, CEO Arve Jensen's total compensation was EUR 239,468. The amount includes performance bonus of EUR 54,696. Additionally, Arve Jensen earned 494 120 Dovre Group Plc shares from the LTI 2018-2020 program, which will be awarded to him at the beginning of 2021.

### Group Executive Team

The Group Executive Team's remuneration consists of total salary (including salary in money and typical fringe benefits such as car and phone) as well as long- and short-term incentives as decided by the Board of Directors. Short-term incentives include a yearly performance-based bonus decided by the Board. Long-term incentives include

option plans, for which all members of the Group Executive Team are eligible, as well as yearly performance-based share-based incentive plans. The Board decides on long term incentive plans. The Group has not taken out any additional pension insurance for the members of the Group Executive Team.

The Board approves annually the terms and criteria of the Group Executive Team's short-term incentives (or bonuses). Any bonuses are based on the achievement of financial targets, such as operating result and net sales and other related targets, on either Group and/or business unit level. In addition, members of the Group Executive Team may have either individual or team objectives.

In 2020, the total salaries, fees and benefits of the Group Executive Team members, not including the CEO Arve Jensen, were EUR 435 216. The amount includes short-term performance bonuses of EUR 74,472.

### **Long-term incentive plans for key personnel (option plans)**

At the end of December 2020, Dovre Group did not have any option plans. The subscription period for 2013C option plan ended on February 28, 2020. The share subscription period and price per series under the 2013C option plan was as follows: subscription price EUR 0.43; subscription period March 1, 2017 – February 28, 2020.

The full terms and conditions of the company's option plan can be found on the company's Investor pages at <https://www.dovregroup.com/investors/corporate-governance.html> -> Remuneration.

The company's Board of Directors has also an authorization granted by the Annual General Meeting held on April 28 , 2020, to decide on the issuance of new shares and the granting of option rights and other special rights entitling to shares. The authorization is valid until June 30, 2021. In accordance with the resolution of the Annual General Meeting, the Board may use the authorization, among other things, for the company's incentive programs. The Board may issue a maximum of 10,100,000 shares by virtue of the authorization, and the Board may use the authorization in one or more installments.

The Board of Directors used the authorization in 2020 and the Dovre Group issued 1,009,747 new shares to the sellers of Tech4Hire AS in a directed share issue. The issue was related to the payment of an additional purchase price to the sellers of Tech4Hire, where a part of the additional consideration was be used to subscribe for new shares in Dovre Group Plc. The subscription price per share was 0.34 euros and the total subscription price was 343,314.00 euros.

### **Long-term incentive plans for key personnel (LTI 2018 - 2020)**

As of January 1, 2018, the Group has a new share-based remuneration and incentive program, where the remuneration is based on an annually set performance condition and a service condition.

Estimated amount of shares earned:

Year	Shares pcs
2018	213 960
2019	354 564
2020	290 105
<b>Total accrued</b>	<b>858 629</b>

The executive is responsible for personnel income tax on award. The shares will be awarded when the vesting period ends at the beginning of 2021.

