



Merus Power Plc

REMUNERATION POLICY FOR THE BOARD OF DIRECTORS

1. Introduction

This remuneration policy for the governing bodies of Merus Power Plc ("**Merus**" or "**the Company**") ("**Remuneration Policy**") sets out the Company's general principles and decision-making processes for the remuneration of the members of the Board of Directors and the CEO ("governing bodies"). The principles applicable to the CEO also apply to any deputy CEO.

Merus' Board of Directors has approved this Remuneration Policy, which will be presented to the Annual General Meeting in 2026. This Remuneration Policy will remain in force until the Annual General Meeting in 2030, unless it is replaced by a new or amended version earlier. The Remuneration Policy will be available on the Company's website at least during the period of its application.

Merus follows these principles in its remuneration: *competitiveness, fairness, and motivation*. The aim of remuneration is to motivate, attract, and retain talented individuals, thereby contributing to the development of shareholder value and supporting the company in achieving its business strategy and long-term financial interests.

2. Description of the decision-making process

The company's remuneration policy is presented at the Annual General Meeting at least every four years and whenever significant changes are proposed. The Annual General Meeting makes an advisory decision on whether to endorse the proposed remuneration policy. If the Annual General Meeting does not approve the proposed remuneration policy, the revised policy shall be presented at the next Annual General Meeting at the latest.

The Board of Directors monitors the implementation of the remuneration policy and prepares an annual remuneration report. The remuneration report is presented annually at the Annual General Meeting, which decides on its approval. The decision of the Annual General Meeting on the remuneration report is advisory.

Based on the remuneration policy, Merus's Board of Directors or its committee, if any, prepares and decides on matters related to the remuneration of the bodies. The preparation and decision-making process shall comply with the provisions of the Finnish Limited Liability Companies Act concerning the disqualification of board members and the CEO to ensure that the bodies do not participate in decision-making concerning their own remuneration.



The Board of Directors or its committee, if any, prepares an annual proposal to the Annual General Meeting on the remuneration of the members of the Board of Directors and the fees payable to them, after which the shareholders decide on the matter at the Annual General Meeting. In addition, the general meeting or the board of directors authorized by it shall decide on the issue of shares, options, or other special rights entitling to shares, if such has been decided in connection with decisions on remuneration.

The company's Board of Directors or its committee, if any, prepares and the Board of Directors decides on the remuneration of the CEO and the key terms and conditions of his employment in accordance with this Remuneration Policy.

3. Description of the remuneration of the Board of Directors

In accordance with the Articles of Association, the shareholders decide on the remuneration of the members of Merus' Board of Directors at the Annual General Meeting. The remuneration of the members of the Board of Directors may consist of annual, monthly, and/or meeting-specific remuneration. In addition, members of the Board of Directors are reimbursed for reasonable travel expenses incurred by them. The Chairman of the Board of Directors may be paid a higher remuneration, which is considered reasonable due to the greater workload associated with the role of Chairman.

Remuneration paid to members of the Board of Directors may be paid in cash or partly or entirely in shares, options, or other special rights.

4. Description of the CEO's remuneration

Merus's Board of Directors decides on the remuneration of the CEO and other terms and conditions of the CEO's contract within the framework of the remuneration policy. The company's Board of Directors also decides on the principles of the CEO's incentive scheme, which may also be applied to the remuneration of other management.

The CEO's remuneration consists primarily of a fixed salary and variable remuneration, which may include performance bonuses, incentives, and commitment programs. The Board of Directors is responsible for deciding on remuneration in a manner that best supports the objectives mentioned at the beginning.

a. Fixed remuneration

The fixed portion of the CEO's remuneration is based on a written CEO agreement and consists of a monthly salary and fringe benefits. The Board of Directors reviews the CEO's salary at intervals determined by the circumstances and assesses whether it corresponds to the CEO's personal level of experience and expertise, performance in his duties, market level, and the company's success. As part of the fixed remuneration, the CEO may be entitled to various insurance policies, such as voluntary health



insurance, life insurance, or pension insurance. The CEO's fringe benefits are based on the Company's current personnel practices.

b. Variable remuneration

The CEO's variable remuneration is based on possible short- and/or long-term incentive schemes, the purpose of which is to support the implementation of the strategy and promote commitment by setting clear and measurable targets that have a direct impact on the company's results or the achievement of financial or operational targets set for the business, or on the development of the company's value/share price.

The Board of Directors decides on the implementation of incentive schemes and their content and targets.

Any short-term incentive payments may total no more than 80 percent of the CEO's fixed annual salary. Long-term incentive schemes may be share-based, in which case the maximum amount of remuneration payable under them is limited on the basis of the number of shares.

In addition, the Board of Directors may decide to pay the CEO one-off bonuses based on individual successes or performance. One-off bonuses may amount to a maximum of 30% of the CEO's annual salary on an annual basis and may also be share-based.

c. Other key terms and conditions applicable to the employment relationship

The terms and conditions of the CEO's employment relationship are defined in writing and approved by the Board of Directors. The terms and conditions concerning the duration of the CEO's employment relationship, the notice period and possible severance pay, possible terms and conditions related to pension arrangements, as well as any other terms and conditions relating to the termination of the employment relationship, shall be agreed in the CEO's contract in such a way that they are in accordance with this policy, correspond to market practice at the time of signing the contract, and reflect the company's situation.

d. Terms and conditions concerning the deferral and possible recovery of remuneration

The Board of Directors may change the amount and payment date of the remuneration payable under the incentive schemes or decide not to pay the aforementioned remuneration at all if it is found that the payment of the remuneration would jeopardize the continuity of the company's business and its financial position.

The Board of Directors may also recover remuneration already paid or an amount corresponding to the value of the shares earned if there are grounds for doing so, for example, because the payment of the remuneration was based on incorrect or misleading information or the recipient of the remuneration has acted in violation of



regulations or the Company's operating guidelines. Remuneration may also be recovered in cases of misconduct or as a result of misrepresented information.

5. Conditions for temporary deviations

Temporary deviations from the remuneration policy may be made if deemed necessary to secure the Company's long-term interests. When assessing long-term interests, factors such as the Company's financial success, competitiveness, and shareholder value development are taken into account.

The possibility of temporarily deviating from the Remuneration Policy is intended to be applied only in exceptional circumstances. Such situations, in which Merus's key operating conditions are considered to have changed, include the following: change of CEO, various corporate restructuring situations, and other significant changes in the Company's business operations. Changes in regulations, such as taxation, may also be considered exceptional circumstances if, as a result of these changes, remuneration within the framework of the Remuneration Policy would not be in line with the new regulations or the Company's long-term interests, or would otherwise be inappropriate.

Any deviation from the Remuneration Policy requires careful consideration. Deviations from the Remuneration Policy will be disclosed openly to shareholders no later than in the next remuneration report, which will be discussed at the next Annual General Meeting. If a deviation from the Remuneration Policy is deemed to be more than temporary, the Company will prepare a new remuneration policy, which will be discussed at the next Annual General Meeting.