

Approved by the resolution no 3
of the annual general meeting of the shareholders of
AS Tallink Grupp of 9.06.2022

AS Tallink Grupp

Principles of Remuneration of Members of the Management Board

General provisions

The principles of remuneration of AS Tallink Grupp are established on the basis of section 135² of the Securities Market Act and apply to the remuneration paid to the members of the Management Board of AS Tallink Grupp (hereinafter Tallink).

The remuneration policy is primarily based on Tallink's long-term objectives, taking into account the company's financial performance and the legitimate interests of the investors and creditors. The purpose of the remuneration policy is to organise transparent, fair, and motivational remuneration. The power to decide on the remuneration paid to the members of the Management Board lies with the Supervisory Board of Tallink that also monitors compliance with the principles.

The principles of remuneration of the members of the Management Board are confirmed by the general meeting of shareholders at least once every four years. Substantial changes to the principles of remuneration are submitted to the general meeting for a vote each time. The decision of the general meeting regarding the approval of the principles of remuneration is advisory for the Supervisory Board.

Principles of remuneration

A prerequisite for the successful implementation of the business strategy of the company and promoting long-term interests, including sustainability, is the ability of the company to recruit and retain competent and professional employees, including top managers. One of the prerequisites for this is the offering of competitive total remuneration.

The remuneration system within the company is competitive, supports and rewards the enhancement of performance and the creation of a working environment focused on achieving business goals, while at the same time providing remuneration conditions that are sustainable and motivational over the long term.

The remuneration system is consistent with the strategy of the company and its values and long-term interests. The total remuneration of the members of the Management Board must be conducive to achieving an excellent result as well as be competitive on the market.

Types of remuneration

The system of remuneration of the members of the Management Board consists of the following types of remuneration: the monthly remuneration of a member of the Management Board, benefits associated with work, performance pay, share options, and additional payments.

Remuneration of a member of the Management Board

A member of the Management Board is paid monthly remuneration which is determined by the Supervisory Board of Tallink and is fixed in the contract of a member of the Management Board concluded with him/her. When deciding on the remuneration of a member of the Management Board, the Supervisory Board will proceed from the assessment of the activities of the member of the Management Board. In assessing the activities of a member of the Management Board, the Supervisory Board shall take into account, in particular, the area of responsibility and the duties of a particular member of the Management Board and his/her competence, as well as the financial situation of the issuer, the current state of business, and future directions.

Benefits associated with work

Additional benefits may be agreed upon with a member of the Management Board in the contract of the member of the Management Board, which may include additional paid holiday, the right to use a company car, the right to use communications and computing equipment, and other benefits offered to the employees of Tallink.

Performance pay

The performance pay of a member of the Management Board is determined on the basis of a decision of the Supervisory Board, provided that the financial year ends with a profit. The amount of the performance pay, which is dependent on the financial results of Tallink, is determined by the Supervisory Board of Tallink for each member of the Management Board.

Shares, share options

The remuneration of members of the Management Board with Tallink's shares, share options, or other similar rights relating to the acquisition of Tallink's shares is carried out on the basis of the respective decision of the general meeting and the respective decision of the Supervisory Board.

Additional payments

Upon termination of the contract of a member of the Management Board, the member of the Management Board will have the right to receive compensation for the termination of the contract pursuant to the ground of termination of the contract, the amount of which is agreed upon in the contract concluded with the member of the Management Board.