

VIKING LINE

Compensation Policy



This compensation policy describes Viking Line's main compensation principles for the Board of Directors, the President and CEO, and the Deputy CEO. The policy was prepared in accordance with Finnish law and the Finnish Corporate Governance Code that entered into force on January 1, 2020.

The compensation policy has been approved by Viking Line's Board of Directors and will be presented to the Annual General Meeting on May 13, 2020. The compensation policy shall be presented to the ordinary General Meeting at least every four years. This compensation policy therefore applies until the Annual General Meeting 2024 unless changes are required beforehand.

Introduction

Viking Line's compensation policy is aimed at promoting the Group's success and long-term economic interests in accordance with Viking Line's strategy and values.

Compensation levels shall be competitive enough to attract, retain and motivate people with a high level of skills. Salaries and terms of employment for Viking Line's employees shall be taken into consideration when compensation for the President and CEO and the Deputy CEO is determined.

The decision process

The Annual General Meeting is the Company's highest decision-making body. The Annual General Meeting determines fees paid to Board members for one period of operations at a time. In the event the Board has appointed a Nomination Committee, the committee prepares a proposal for Board fees. Otherwise, the Board handles preparations for the proposal. In preparations for the matter, comparisons are made with fees for other companies taking into consideration the Board's duties and responsibilities. The Board's compensation shall be in line with shareholders' interests.

Each year, the Board of Directors determines the compensation and benefits paid to the President and CEO and to the Deputy CEO. These decisions shall be made within the scope of Viking Line's compensation policy.

Fees for the Board of Directors

Compensation to the Board of Directors and any of its committees is determined each year by shareholders at the Annual General Meeting. This can consist of a fixed annual fee and an attendance fee for each meeting attended. Fees can vary depending on the member's position, workload and responsibility. Reasonable travel costs can be reimbursed. Compensation to the Board of Directors is paid in cash.

Compensation to the President and CEO and to the Deputy CEO

Each year, the Board of Directors determines the compensation and benefits paid to the President and CEO and to the Deputy CEO. Compensation is paid in cash and consists of a fixed monthly salary and benefits in kind.

The salary level is determined based on the requirements of the position taking into consideration the individual's skills and relevant experience as well as performance.

Benefits in kind can consist of a car, residence, telephone, life insurance, health care and other benefits that are in line with local practice.

The Group has no variable, performance-related system of remuneration or bonuses. Viking Line has no requirement that the President and CEO or the Deputy CEO have a certain shareholding in the Company. General pension terms and the lowest statutory retirement age at each point in time apply to the President and CEO and the Deputy CEO.

The President and CEO and the Deputy CEO have an employment contract that is in effect until further notice. The termination notice period is 8 months for the President and CEO and 6 months for the Deputy CEO. In case of termination by Viking Line, the President and CEO receives 8 months' salary after notice is given, while the Deputy CEO receives 6 months' salary. No other individual contracts include compensation in case of termination.

Conditions for temporary deviations

The Board of Directors can decide to temporarily deviate from the compensation to the President and CEO and the Deputy CEO laid out in this policy, in full or in part, to safeguard Viking Line's interests in the long term. This can occur in exceptional circumstances when the Group's key operating conditions change, such as during a restructuring of the Company or other reorganization that affects the Company or its size, a change in ownership structure, a change in relevant laws or collective trade agreements, or in conjunction with the appointment of a new President and CEO or Deputy CEO.

Any temporary deviations from the compensation policy are published in Viking Line's annual compensation statement. If the deviation leads to a change in the compensation policy, this shall be presented at the next possible Annual General Meeting.

Deviations concerning Board fees require a decision at the Annual General Meeting.