

Purmo Group PLC, Stock Exchange Release, 20 July 2022 at 11:00 am. EEST

Purmo Group to launch a new share-based incentive plan for key employees

The Board of Directors of Purmo Group Plc has decided to launch a new share-based incentive plan for key employees of the company. The incentive plan is for a maximum of approximately 50 key employees including the CEO and other members of the Management Team. The purpose of the Performance-Based Matching Share Plan 2022–2027 is to align targets of shareholders and key employees in order to increase the long-term value of the company, retain key employees and offer them a competitive incentive plan that is based on company share ownership and successful performance.

The new Performance-Based Matching Share Plan comprises one performance period from the financial year 2022 to 2025. The performance period is followed by a pay-out period covering the financial years 2026 and 2027.

The performance criterion of the plan is Total Shareholder Return (TSR) of the Purmo Group Class C share as set by the Board of Directors. Achievement of set TSR targets will determine the proportion of the maximum reward payable to participants. The minimum threshold for reward payout is a share price of EUR 16.00 per share. The maximum reward is earned at a share price of EUR 24.00 per share. Accumulated dividends and return of capital from reserves distributed during 2022-2027 are added to the share market price when calculating the TSR.

A prerequisite for participation and reward according to the incentive plan is ownership of Purmo Group Class C shares in terms of number of shares and at date set by the Board of Directors. Participants are eligible to acquire Class C shares in a directed share issue to be decided upon by the Board of Directors and arranged during the financial year 2022.

As a main rule, reward payment is subject to a valid employment or service contract between the participant and Purmo Group Plc on the date of payment. Potential rewards are payable to participants if the set TSR targets have been reached during the pay-out period. Rewards will be paid as soon as practically possible after the targets have been reached, but no later than 31 May 2028. The reward will be paid in both Purmo Group Class C shares and in cash to cover taxes and statutory social security contributions arising from receipt of the reward.

The rewards payable according to the incentive plan, including the proportion to be paid in cash, correspond to the value of an approximate maximum total of 1,500,000 Class C shares of Purmo Group Plc. The final number of reward shares is subject to participants' personal share ownership and achievement of set TSR targets.

As a consequence of the launched incentive plan, the Company will, as disclosed in the merger and listing prospectus, at the following general meeting present a proposal to amend paragraph 10, subsection 5 of Purmo Group's Articles of Association which aligns the conversion rights of class F shares to class C shares with the management's incentive program in case of certain extraordinary corporate events.

PURMO GROUP PLC
Board of Directors

Further information

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