

Compensation statement 2020

Introduction

Viking Line Abp's highest decision-making body is the Annual General Meeting (AGM). The company shall have a compensation policy that describes Viking Line's main principles for compensation for the Board of Directors, the CEO and the Deputy CEO. The compensation policy shall be submitted to the AGM at least every four years. The compensation policy was approved by Viking Line's AGM on May 13, 2020. This compensation policy is therefore in effect until the AGM 2024 unless changes are warranted before then.

Compensation to the Board

Fees adopted by the Annual General Meeting are paid as compensation for the Board's work. Reasonable travel expenses are paid as invoiced. The Board's compensation is a monetary payment. The Board has not appointed any committees; instead all duties are performed directly by the Board. The following fees are paid to the Board in accordance with the AGM's decisions:

Euro	2020
Annual fee, Chairman of the Board	28,000
Annual fee, other regular Board members	22,000
Annual fee, deputy Board members	5,000
Fee per meeting attended, Board and deputy members	1,000

For the financial year 2020, a total of EUR 294,000 (EUR 259,000 in 2019) was paid in Board fees. Due to the impact of the COVID-19 pandemic on the Group's strained financial situation, the Board of Directors took no meeting fees during the period March 10-May 13, 2020. No other temporary deviations from the compensation policy were made in 2020.

EUR	Annual fee	Meeting fees	Total
Ben Lundqvist	28,000	17,000	45,000
Nils-Erik Eklund	22,000	17,000	39,000
Erik Grönberg, member until May 13, 2020, deputy member as of May 13, 2020	5,000	5,000	10,000
Jakob Johansson, member as of May 13, 2020	22,000	14,000	36,000
Agneta Karlsson, member until May 13, 2020	0	3,000	3,000
Dick Lundqvist, member until May 13, 2020	0	3,000	3,000
Stefan Lundqvist, member as of May 13, 2020, deputy member until May 13, 2020	22,000	14,000	36,000
Lars G Nordström	22,000	15,000	37,000
Laura Tarkka, member as of May 13, 2020	22,000	14,000	36,000
Peter Wiklöf	22,000	17,000	39,000
Ulrica Danielsson	5,000	0	5,000
Casper Lundqvist, deputy member as of May 13, 2020	5,000	0	5,000
Total	175,000	119,000	294,000

Compensation to the CEO and Deputy CEO

The Board determines compensation and other benefits for the CEO and the Deputy CEO. The CEO and the Deputy CEO are paid a monthly salary, which is determined each year by the Board. The CEO, Jan Hanses, is paid a monthly salary of EUR 25,000 and the following additional benefits in kind: telephone benefits and group life insurance coverage, including insurance for medical expenses. The CEO and the Deputy CEO decreased their salaries by about EUR 47,000 during the period April–June due to the impact of the COVID-19 pandemic on the Group's strained financial situation. No other temporary deviations from the compensation policy were made in 2020.

The Group has only defined-contribution pension plans. The CEO and the Deputy CEO are subject to public pension terms and the lowest legal retirement age in effect at each point in time.

The CEO has a termination notice period of 8 months. The company's Board is entitled to terminate his contract, after which the CEO receives 8 months of salary from the termination date. The Deputy CEO receives 6 months of salary in the event the company terminates his contract. Otherwise the Group has made no individual agreements on termination-related benefits.

The Group has no incentive scheme or bonus systems.

Compensation to the CEO and Deputy CEO in 2020, EUR	Fixed salary	Total compensation in 2020
CEO	286,864	287,600
Deputy CEO	151,156	160,691
Total	438,020	448,291

Comparative data

Group	2016	2017	2018	2019	2020
Compensation to the Board, EUR M	0.3	0.3	0.2	0.3	0.3
Compensation to the CEO, EUR M	0.3	0.3	0.3	0.3	0.3
Compensation to the Deputy CEO, EUR M	0.2	0.2	0.2	0.2	0.2
Salaries, EUR M	123.6	123.5	121.9	122.2	79.6
Personnel during the year (average number)	2,742	2,746	2,671	2,632	1,640
Operating income, EUR M	13.7	10.0	9.3	17.4	-49.3

The Group's operating conditions deteriorated significantly in 2020 due to the COVID-19. A large percentage of the staff in Finland has been furloughed. In Sweden and Estonia, State-subsidized short-term furloughs were utilized. The furloughs were carried out in the form of part-time furloughs and for shipboard staff largely as full-time furloughs.

Further information about compensation for the Group's key individuals in management positions can be found at [Vikingline.com](https://www.vikingline.com) and in Note 6.1.3 to the consolidated financial statements.