Remuneration Policy for Governing Bodies of Vaisala Corporation has been prepared pursuant to the Finnish Corporate Governance Code 2020. The Corporate Governance Code is publicly available on the website of the Securities Market Association at www.cgfinland.fi.

Vaisala’s Remuneration Policy includes the description of the decision-making procedure and main principles concerning the remuneration of the members of the Board of Directors ("Board") and the President & CEO ("CEO").

1. Introduction
This remuneration policy, which complies with the Corporate Governance Code, has been developed taking into account the remuneration principles of the management and employees of the company as well as the specific features of the remuneration of governing bodies.

Vaisala's remuneration strategy and principles are as follows:

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<th>Remuneration is motivational and promotes performance</th>
<th>Remuneration is fair, competitive, well-communicated and effectively implemented</th>
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<td>1. Our remuneration encourages teamwork and enhances sustainable development of the company in both the short- and long-term.</td>
<td>1. Our remuneration is easy to understand, internally consistent, non-discriminatory and complies with best practices, good governance and statutory regulations.</td>
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<td>2. Our variable pay aligns employees’ annual objectives with clear, challenging and relevant targets.</td>
<td>2. Our monetary remuneration is competitive in the markets in which Vaisala competes for talent.</td>
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<td>3. We use the most impactful compensation vehicles for each employee group and recognize significant achievements during the year.</td>
<td>3. Our remuneration differentiates based on responsibility, demonstrated performance, know-how, skills and behavior aligned with our core values.</td>
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In determining the remuneration, Vaisala takes into account its financial performance, employees’ knowledge and performance in their job, job grading and external remuneration references at relevant markets. The Board approves the company’s incentive plans and their target groups annually.

Remuneration of the CEO follows the same principles and takes into account the special role of the position in the formation and implementation of the business strategy of the company and in achieving short and long-term financial results.

Remuneration of the Board is based on generally accepted remuneration systems for Board members so that the Board as a whole is able to support the development of the company’s current and future business in the best possible way.

2. Description of the decision-making process
The general meeting of the company decides, at intervals prescribed by law, on the remuneration policy for governing bodies based on a proposal prepared by the Board's Remuneration and HR Committee. The remuneration of governing bodies must take place within the limits of the approved remuneration policy, and the remuneration report describing the implementation of the remuneration shall be presented to the annual general meeting.

The general meeting decides each year on the remuneration of the members of the Board and the Board committees based on a proposal by the Board.

The Board decides on the remuneration as well as on the key terms and conditions of the CEO’s service relationship based on a proposal by the Remuneration and HR Committee. Remuneration is reviewed annually.

The general meeting decides on the use of company’s shares for share-based incentives based on the proposal by the Board. The general meeting may authorize the Board to decide on the issue of shares and special rights entitling to shares (e.g. option rights).
3. Description of the remuneration of the Board

The remuneration of the Board can consist of one or more components, such as an annual fee and meeting fees. The fees can be paid in cash, or partially in cash and in company shares. The members of the Board do not participate in incentive or retirement plans of the company.

4. Description of the remuneration of the CEO

Remuneration components and proportional shares of overall remuneration

The CEO's remuneration consists of base salary, fringe benefits and short and long-term incentive plans. Base salary and fringe benefits form a fixed total salary. The short-term incentive may not exceed 72% and the long-term incentive at the time it is determined may not exceed 200% of the total fixed annual salary.

Grounds for determining any variable remuneration components

The CEO is eligible to participate in the company's short-term incentive plan (annual bonus) in accordance with the terms and conditions applicable at any given time. Each year, the Board determines the annual performance criteria on which the reward is based, which may consist of key financial and non-financial measures as well as personal targets. The Board annually evaluates the achievement of the CEO's performance targets through the preparation of Remuneration and HR Committee.

The CEO is eligible to participate in the company's long-term incentive plans in accordance with the terms and conditions in force at any given time. Each year, the Board determines the terms and conditions of the plan and the long-term performance criteria based on strategic objectives. The total earning period in the long-term incentive plans shall be minimum of three years. Within each earning period, there may be one or several performance metrics, each having a performance period of one to three years, as assessed most effective for each metric by the Board. At the end of the earning period of the scheme, the Board will evaluate the achievement of performance targets through the preparation of the Remuneration and HR Committee. The terms and conditions of the plan may include a restriction period, in which case the reward will be paid only after the end of the restriction period following the earning period.

5. Requirements for temporary deviation

In order to ensure the long-term interests of the company, the remuneration policy may be temporarily deviated from as a result of material changes in the company's operating environment, for example due to change of the CEO, corporate arrangements or changes in regulations. The deviation may apply to the CEO's remuneration as defined in the remuneration policy. The Board shall decide on the deviation.

Other key terms applicable to the service contract

The applicable term of notice and severance pay may be agreed in the CEO's service contract and those shall be consistent with current general practice at the time of the agreement.

The CEO's retirement age may be lower than stipulated by the statutory pension plan. In addition to the statutory pension plan, the CEO may be covered by a supplementary defined contribution pension plan.

The CEO's service contract may include possible special awards related to its entry into force.

Vaisala applies a shareholding requirement to the CEO, which requires the CEO to build up and hold the reward shares received from the share-based incentive plans so that the CEO's total shareholding in Vaisala corresponds to the annual base salary.

Terms for possible clawback of remuneration

The Board may decide to modify, cancel or claw back paid rewards if the CEO has acted against the law or company's ethical guidelines or otherwise unethically, or the reward is only afterwards found to be based on materially inaccurate information and does not reasonably reflect the earnings criteria.