

# Salary policy

## Purpose

Salary formation is a strategic matter, and the salary policy is a management tool for developing the business, ensuring the supply of skills, and achieving the company's goals.

The salary policy serves as a common platform and a support for employees, company management, and managers responsible for salary setting. It thereby contributes to continuity and a shared perspective.

## Goal

The goal of Modul's salary policy is for salary setting and salary formation to contribute to achieving the company's operational objectives. Competitive salaries should enable Modul to recruit and retain the right competence in both the short and long term.

The salary policy should encourage engagement and development at work and thereby lead to improvements in efficiency, productivity and quality. Therefore, salaries should be individual and differentiated.

## Fundamental principles

Salary setting should be based on systematic assessments of the difficulty level of the work, as well as the employee's performance and achievement of objectives.

Salary setting should be based on clear, transparent, and pre-established salary-setting principles.

The same salary setting principles should apply to all employees regardless of gender, gender identity or expression, ethnic origin, religion or other belief, disability, sexual orientation or age. Employees on parental leave must not be disadvantaged in salary setting.

## Conditions

The company's operational goals should be well known to employees.

Employees' individual goals should be established based on the operational goals.

Salary criteria should be well-defined and clearly communicated.

The organization should have a culture where rewarding good performance is natural.

## **Responsibilities**

### **CEO is responsible for:**

- Defining the financial conditions and framework during salary reviews.

### ***Managers responsible for salary setting are responsible for:***

- Setting goals for employees.
- Ensuring the salary policy and salary criteria are well communicated to employees.
- Assessing and following up on employees' performance and achievement of objectives.
- Setting salaries in accordance with the salary policy and other guidelines.
- Anchoring salary proposals with the immediate higher-level manager.
- Providing feedback to employees regarding salary decisions.

### ***Employees are responsible for:***

- Being open to and willing to engage in dialogue about requirements, work results and goal achievement.