

Remuneration report – Taaleri Plc

Financial Year 01 January - 31 December 2023

TAALERI

Basic information about the document

Purpose	Remuneration report required by regulation, which describes the remuneration of the company's Board of Directors, the CEO and the Deputy CEO during the previous financial year.
Update Frequency	Annually
Approver	Taaleri's Board of Directors
Effective from	13 February 2024
Responsible organization	Taaleri Plc
Contact Person	Pasi Erlin
Regulation on which the documentation is based	Finnish Companies Act (2006/624), Finnish Securities Market Association's Corporate Governance Code 2020

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1. Introduction

This remuneration report concerns the remuneration of Taaleri Plc's Board of Directors and the CEOs during the financial period 1 January - 31 December 2023 and is based on the recommendations of the Finnish Securities Market Association's 2020 Corporate Governance Code and the requirements of the Securities Markets and Companies Act.

Remuneration of Taaleri Plc's institutions during the financial year 2023 has been implemented within the framework of the remuneration policy approved by Taaleri Plc's Annual General Meeting on 13 April 2023 and in accordance with its principles. There have been no deviations from the remuneration policy during the previous financial year. The fees paid have not been recovered during the 2023 financial year.

Rewarding institutions contributes to the achievement of the company's long-term financial goals by motivating members of the institutions to implement a business strategy and act in the interests of all the company's stakeholders. In addition, competitive remuneration enables the acquisition and commitment of capable management to the company, strengthening the continuity of operations.

Development of the company's financial result and remuneration

Development of the company's financial result during the previous five financial years (EUR million):

	2019	2020	2021	2022	2023
Total income	67,2	69,4	72,6	56,8	65,6
Profit of the financial period	11,5	13,1	136,1	21,3	26,5

On January 1, 2023, Taaleri adopted the IFRS 17 Insurance Contracts standard, and the adjusted comparative data for 2022 was published on March 30, 2023. The figures for the comparison period in the compensation report are adjusted comparison figures.

Five-year remuneration development (remuneration paid during the year, EUR):

Position	2019	2020	2021	2022	2023
Chairman of Board	50,000	53,000	58,500	56,004	52,000 ^{*1}
Deputy Chairman of Board	36,000	36,000	41,000	47,000	44,333
Chairman of the Audit Committee	36,000	42,000	48,000	47,000	44,333 ^{*1 *2}
Other Members of Board	30,000	30,000 + Possible meeting fees	35,000 + Possible meeting fees	35,000 + Possible meeting fees	34,667 + ^{*1} Possible meeting fees
The CEO(s)	Fixed annual earnings: 565,489 Variable fees: 166,800	Fixed annual earnings: 458,827 Variable fees: 272,549	Fixed annual earnings: 487,888 Variable fees: 1 662 732,34	Fixed annual earnings: 486,640 Variable fees: 854,732	Fixed annual earnings: 499,440 Variable fees: 235,840
The Deputy CEO ²	Fixed annual earnings: 233,400 Variable fees: 70,200	Fixed annual earnings: 157,022 Variable fees: 70,200	Fixed annual earnings: N/A Variable fees: 143,188	Fixed annual earnings: N/A Variable fees: 14,166	Fixed annual earnings: N/A Variable fees: N/A

Public

Employee³	82,303	74,748	82,332	84,897	87,517
Fixed Earning	13,947	15,689	36,411	32,563	28,798

1 It was decided at the Annual General Meeting 2023 that the remuneration of Taaleri Plc's board members will be paid monthly starting in April 2023, instead of the previous annual remuneration paid as a lump sum. As a result, in 2023, board fees have only been paid for the period 13 April to 31 December 2023.

2 In 2023, Hanna Maria Sievinen served as the vice-chairman of the board and the chairman of the audit committee.

3 The CEO's deputy left his position on 13 August 2020, since then the Company has not had a CEO's deputy.

3 Fixed and variable personnel costs in 2023 (excluding social costs) divided by the average annual number of personnel.

According to the remuneration policy, part of the remuneration of the CEO (and his deputy) consists of variable remuneration, i.e. short-term and long-term incentives, which are determined by the achievement of quantitative or qualitative targets or the development of Taaleri Plc's share price. Quantitative targets can be, for example, the company's financial and profitable performance. Achieving quantitative targets promotes the company's business strategy and long-term financial interests by setting financial targets so that achieving them creates value in the long term, for example through dividends paid to shareholders and the development of the company's value. Consequently, the company's financial development and the remuneration of the CEO and his deputy are interlinked.

2. Remuneration of the Board of Directors for the previous financial year

Fees Paid

Remuneration paid to the members of the Board of Directors during the financial year 2023 (EUR):

Member's name	Annual Fees	Meeting Fees	Other Financials Benefits	Total Fees
Juhani Elomaa	52,000			52,000
Hanna Maria Sievinen	43,333	1,000		44,333
Elina Björklund	34,667			34,667
Petri Castrén	34,667	500		35,167
Tuomas Syrjänen	34,667			34,667
Jouni Takakarhu	34,667	500		35,167

3. Remuneration of the CEO for the previous financial year

According to the remuneration policy, the remuneration of the CEO may consist of fixed remuneration, variable remuneration and other financial benefits. Fixed remuneration is all financial benefits the amount of which is known in advance to the parties, such as annual salary and fringe benefits. The variable remuneration may be determined based on the achievement of quantitative or qualitative targets or the development of Taaleri Plc's share price and includes an annual performance bonus and a long-term share-based incentive plan.

The CEO

Remuneration of the CEO in 2023 (EUR):

	Fixed Annual Salary with Fringe Benefits	Annual Performance Bonus 2022	Total Fees
Peter Ramsay	499,440	235,840	735,280

Fixed Annual Earnings

The CEO's fixed annual salary in the financial year 2023 was EUR 499,440 of which EUR 10,000 per month is paid directly to the group pension insurance, i.e. a total of EUR 120,000 per year. The CEO's taxable fringe benefits were 1,002.78 euros in 2023.

Annual Performance Bonus

In 2023, the CEO was paid a performance bonus totaling EUR 235,840, which was paid in full to the group pension insurance. The performance bonus was based on the year 2022 and the achievement of the financial goals set by the board of directors.

Stock option scheme – CEO Peter Ramsay

Taaleri Plc's board of directors decided on 6 April 2022 to introduce an option program aimed at the group's CEO. The purpose of the option program is to encourage the CEO to work long-term to increase shareholder value. Option rights also aim to commit the CEO to the company. Obtaining the option rights required that the CEO acquired Taaleri Plc shares in the system for at least EUR 400,000 during spring 2022. In 2022, a total of 300,000 stock options 2022 were granted, and they entitle to subscribe for a maximum of the same number of new or existing shares of the company. Option rights are granted free of charge. Of the stock options, 100,000 are marked with code 2022A, 100,000 are marked with code 2022B and 100,000 are marked with code 2022C. The subscription period for shares subscribed with options is for option right 2022A 1.2.2025–31.1.2026, for option right 2022B 1.2.2026–31.1.2027 and for option right 2022C 1.2.2027–31.1.2028. The CEO must hold all the acquired Taaleri Plc shares with option rights 2022C until the start of the subscription period for significant shares. If the CEO sells his investment shares, he loses his option rights for each type of option in the same proportion as he sells his investment shares, to the extent that the subscription period for shares subject to option rights has not started.