

# Remuneration Report

Financial Year 2021

**TAALERI**

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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 2021 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 2021 has been implemented within the framework of the remuneration policy approved by Taaleri Plc's Annual General Meeting on 25 March 2021 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 2021 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):**

Year	Turnover	Profit of the financial period
2017	81.0	21.8
2018	72.5	21.6
2019	67.2	11.5
2020	69.4	13.1
2021	72.6	136.1

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

Position	2017	2018	2019	2020	2021
Chairman of Board	38,000	50,000	50,000	53,000	58,500
Deputy Chairman of Board	28,000	36,000	36,000	36,000	41,000

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Chairman of the Audit Committee	23,000	36,000	36,000	42,000	48,000
Other Members of Board	23,000	30,000	30,000	30,000 + Possible meeting fees	35,000 + Possible meeting fees
The CEO	Fixed annual earnings:  368,100  Variable fees:  87,604	Fixed annual earnings:  392,080  Variable fees:  133,468	Fixed annual earnings:  565,489  Variable fees:  166,800	Fixed annual earnings:  458,827  Variable fees:  272,549	Fixed annual earnings:  427,868  Variable fees:  1,662,732.34
The Deputy CEO <sup>1</sup>	Fixed annual earnings:  232,440  Variable fees:  55,046	Fixed annual earnings:  232,440  Variable fees:  85,800	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
Employee					
Average Fixed Annual Earnings	76,817	80,387	82,303	74,748	82,332 <sup>2</sup>
Average Variable Fees	19,458	36,963	13,947	15,689	36,411 <sup>2</sup>

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.

1 The Deputy CEO left the position on 13 August 2020, after which the company has not had a Deputy CEO

2 Salaries, fees, and number of employees in the Asset Management business for the period from 1 January to 30 April 2021

## 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 2021 (EUR):

Member's Name	Annual Fees	Meeting Fees	Other financial benefits	Total Fees
Juhani Elomaa	55,000	3,500	444 (phone benefit)	58,944
Juha Laaksonen	41,000			41,000
Elina Björklund	35,000			35,000
Petri Castrén	35,000	3,500		38,500
Hanna Maria Sievinen	41,000	7,000		48,000
Tuomas Syrjänen	35,000			35,000
Peter Ramsay (25.3-25.10.2021)	20,416.66	1,500		21,916.66

### Remuneration of the Chairman of the Board based on his previous employment:

Juhani Elomaa, Chairman of Taaleri's Board of Directors, served as the company's CEO from 2007 to 2019 before being elected Chairman of the Board. Due to his previous position as the company's CEO, Juhani Elomaa continues to participate in the company's long-term share incentive plan and has also been paid performance bonuses as described below:

#### Share-based payment plan

Juhani Elomaa participates in a share-based, long-term committed incentive plan for the company's key personnel, which was decided by the company's Board of Directors on 30 October 2017. The potential reward of the plan for the different earning period (2017–2020 and 2018–2021) is based on the total return on Taaleri Plc's share. The company's Board of Directors decides on the system's earnings criteria and the targets to be set for each earnings criterion at the beginning of the earning period.

The rewards to be paid for the earning period 2017–2020 correspond to a maximum total value of 180,000 Taaleri Plc shares and the rewards to be paid for the earning period 2018–2021 correspond to a maximum total value of 240,000 Taaleri Plc shares, including shares payable in cash.

The potential reward for the earning period 2017–2020 and the earning period 2018–2021 will be paid as soon as possible after the end of the earning period unless the Board decides otherwise annually. The remuneration is paid partly in company shares and partly in cash

unless the Board decides otherwise annually. Shares paid as a reward may not be transferred during the one-year waiting period set for the shares.

Juhani Elomaa has been allocated 40,500 shares for the earning period 2017–2020 and 20,000 shares for the earning period 2018–2021. As his employment with the company has ended, the number of shares granted in both earning periods is proportional to the date of termination of the CEO during the earning period. Juhani Elomaa has thus been allocated 22,500 shares for the earning period 2017–2020 and 4,445 shares for the earning period 2018–2021. There were no rewards payable for the 2017–2020 earnings period. Remuneration was payable for the earning period 2018–2021 and, when converted into cash, the share reward and the credit for the distribution of assets totalled EUR 29,081.05.

### Performance Bonuses

Juhani Elomaa had a total of EUR 9,333.33 in overdue performance fees due in the spring of 2021. This is the last installment of the performance bonus earned for 2017. There are no other performance bonus fees due later.

## 3. Remuneration of the CEO for the previous financial year

According to the remuneration policy, the remuneration of the CEO (and his deputy) 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 2021 (EUR):

	Fixed Annual Salary with Fringe Benefits	Annual Performance Bonus 2020	Share-based incentive payment from the year 2021 (CEO LTI)	Severance Pay and Salary in the Notice Period (8 mths salary in total)	Performance Bonus 2021	Total Fees
(Robin Lindahl 1.1-25.10.2021)	427,868	176,000	854,732	320,000	312,000	2,090,600
Karri Haaparinne (25.10. – 30.11.2021)	20,000	0	0	0	0	20,000
Peter Ramsay (01.12.2021 →)	40,020	0	0	0	0	40,020

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**Fixed Annual Earnings**

Robin Lindahl, who served as CEO from 01 January to 25 October 2021, had fixed annual earnings of EUR 409,676 and taxable benefits of EUR 18,192.

Karri Haaparinne, who served as CEO from 25 October to 30 November 2021, had fixed annual earnings of EUR 20,000. He had no taxable benefits during the above period.

Peter Ramsay, who started as CEO on 1 December 2021, had fixed annual earnings of EUR 40,000 in the financial year 2021, EUR 10,000 per month of which is paid directly to group pension insurance. Peter Ramsay's taxable benefits were EUR 20 in the financial year 2021.

**Annual Performance Bonus**

In 2021, Robin Lindahl, who served as CEO until 25 October 2021, was paid a performance bonus totaling EUR 488,000, EUR 335,407.50 of which was paid for group pension insurance and EUR 152,592.50 in cash. The performance bonus was based on 2020 and the achievement of the financial targets set by the Board. In accordance with the terms of his employment, Robin Lindahl had acquired a total of 1,397 shares in the company at a unit price of EUR 10.95 on 10 May 2021).

**Long-term share-based payment plan**

On 19 June 2019, Taaleri Plc's Board of Directors decided to introduce a share-based incentive plan for the company's President and CEO. The purpose of the plan is to combine the goals of the owners and the CEO to increase the company's value in the long term, and to commit the CEO to implementing the company's strategy and offering him a competitive reward system based on the acquisition, earning and accumulation of the company's shares. The CEO acquires at least EUR 200,000 of the company's shares in the plan. The share-based incentive plan is a non-recurring five-year plan. The earning period of the plan is 1 June 2019 – 15 June 2024. This period includes three measurement periods starting at the beginning of the earning period and ending on 15 September in 2022, 2023 and 2024. The potential reward of the plan is based on the total return per share (TSR) of Taaleri Plc. The reward of the plan corresponds to a maximum total value of 249,000 Taaleri Plc' shares, including the portion to be paid in cash. The reward will be paid based on the achievement of the TSR targets within four years of the end of each measurement period in four instalments. The reward is paid partly in company shares and partly in cash. The CEO must own the net shares paid to him under the plan until his total shareholding in the company corresponds to the value of his gross annual salary. This number of shares must be owned for as long as the CEO's employment with the company continues.

As Robin Lindahl's CEO Agreement ended on 25 October 2021, he was paid the first instalment of the abovementioned share-based incentive plan. The share paid in the financial year 2021 was EUR 854,732 and, by a separate decision of the Board of Directors, Lindahl did not have to purchase Taaleri Plc's shares for a net amount.

Public

## The Deputy CEO

Karri Haaparinne served as the company's Deputy CEO from 01 January to 13 August 2020, after which the company has not had a Deputy CEO.

### Remuneration of the Deputy CEO in 2021 (EUR):

	Fixed Annual Salary with Taxable Fringe Benefits	Annual Performance Bonus 2020	Share-based incentive payment from the year 2021	Total Fees
Deputy CEO	0	65,033	78,154	143,187

### Fixed Annual Earnings

Karri Haaparinne no longer served as Deputy CEO in the financial year 2021, so he was not paid a fixed annual salary.

### Annual Performance Bonus

In 2021, a total of EUR 65,033 was paid in bonuses to the Deputy CEO, EUR 43,346 of which was paid for group pension insurance and EUR 21,687 in cash. The performance bonus was based on 2020 and the achievement of the financial targets set by the Board.

### Long-term share-based payment plan

The Deputy CEO participates in the long-term committed share-based incentive plan for the company's key personnel, which was decided by the company's Board of Directors on 30 October 2017. The potential reward of the plan for the different earning period (2017–2020 and 2018–2021) is based on the total return on Taaleri Plc's share. The company's Board of Directors decides on the system's earnings criteria and the targets to be set for each earnings criterion at the beginning of the earning period.

The potential reward of the plan for the different earning period (2017–2020; 2018–2021 and 2019–2022) is based on the total return per share of Taaleri Plc. The company's Board of Directors decides on the system's earnings criteria and the targets to be set for each earnings criterion at the beginning of the earning period.

The rewards to be paid for the earning period 2017–2020 correspond to a maximum total value of 180,000 Taaleri Plc shares, the rewards to be paid for the earning period 2018–2021 correspond to a maximum of 240,000 Taaleri Corporation shares and the rewards to be paid for the earning period 2019–2022 correspond to a maximum of 235,000 Taaleri Plc's share value, including shares payable in cash.

Possible reward for the earning period 2017–2020; 2018–2021 and 2019–2022 will be paid as soon as possible after the end of the earning period unless the Board decides otherwise annually. The remuneration is paid partly in company shares and partly in cash unless the Board decides otherwise

annually. Shares paid as a reward may not be transferred during the one-year waiting period set for the shares.

The Deputy CEO has been allocated 27,000 shares for the earning period 2017–2020 and 20,000 shares for the earning period 2018–2021. As the employment relationship has ended, the number of shares issued in both earning periods is proportional to the date of termination of the Deputy CEO per earning period. The amounts allocated to the Deputy CEO for the earning period 2017–2020 are thus 25,125 shares and for the earning period 2018–2021 11,945 shares. There were no rewards payable for the 2017–2020 earnings period. Remuneration was payable for the earning period 2018–2021 and, when converted into cash, the share reward, and the credit for the distribution of assets totalled EUR 78,154.