

# Remuneration Report 2024

## 1. INTRODUCTION

As of 1 January 2025, Talenom Plc complies in full with the 2025 Finnish Corporate Governance Code issued by the Securities Market Association. The Corporate Governance Code is available on the website of the Securities Market Association at [www.cgfinland.fi](http://www.cgfinland.fi). In addition to the Corporate Governance Code, Talenom Plc complies in its decision-making and corporate governance with the Finnish Limited Liability Companies Act, securities market legislation, and other legal provisions concerning listed companies, Talenom Plc's Articles of Association, and the rules and guidelines issued by Nasdaq Helsinki Ltd.

This remuneration report is also available on the company's website at [investors.talenom.com/en](http://investors.talenom.com/en). In accordance with the Limited Liability Companies Act and the Articles of Association, the highest responsibility for the governance and operations of Talenom is held by its governing bodies, which are the General Meeting of Shareholders, Board of Directors and CEO.

The principles and decision-making processes for the remuneration of the Board of Directors and CEO and for the key terms of the service contract are set forth in Talenom Plc's remuneration policy. The company's remuneration policy applies to all employees of the company. The key principles of remuneration are its transparency and market orientation, as well as remuneration based on good performance. The company's remuneration policy applies to the company's Board of Directors and CEO. The objective of the company's remuneration policy is to encourage and reward management for work that is in line with its current strategy, as well as motivate them to strive for the success of

Talenom Group. Effective and competitive remuneration is an essential tool for hiring competent directors and executives at the company, which in turn contributes to the company's financial success and good governance. Remuneration supports achievement of the company's objectives, implementation of the strategy and long-term performance.

Remuneration in accordance with the remuneration policy consists of the following components:

- Basic salary and employee benefits where Talenom applies local market practices, legislation and regulations
- A short-term incentive scheme whose purpose is to guide the performance of an individual and the organisation and support fast implementation of strategic projects
- A long-term remuneration scheme is designed to commit key personnel to the company. Long-term incentives aim to commit management to the company and harmonise their interests with those of shareholders.

### Development of remuneration in relation to the financial development of the company

The following table and diagrams present the trend in the remuneration of the Board of Directors and CEO compared to the trend in the average remuneration of Group employees and the financial development of the Group during the past five financial periods. In accordance with Talenom's remuneration policy, part of the remuneration of the CEO consists of short-term and long-term incentives that are linked to the operating result. The CEO's remuneration for 2023 was increased by the first vesting period 2020-2023

of the performance share plan 2020-2024 coming to an end. The options granted in 2016 and 2019 and the sharp increase in the company's share price had a positive effect on the value of long-term incentives in 2018-2020 (subscription to 2016A, 2016B and 2016C options) and in 2022

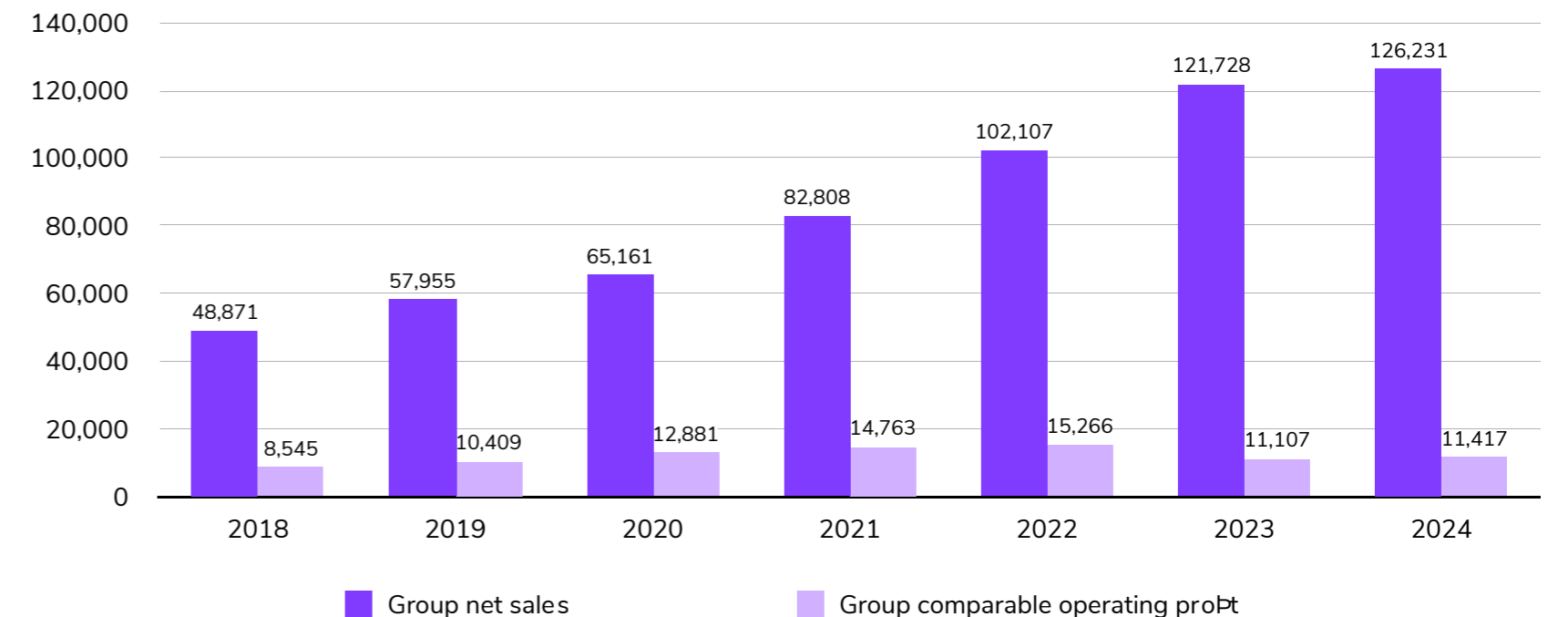
(subscription to 2019 options). The amount paid in remuneration to the Board of Directors rose in 2020 and 2023 as the number of Board members increased by one and remuneration increased.

## REMUNERATION TREND

EUR 1,000	2018	2019	2020	2021	2022	2023	2024
Annual remuneration of the Board of Directors	134	132	182	192	192	224	228
Annual remuneration of the CEO	212	409	712	231	1,004	317	290
Average salary trend in the Group EUR 1,000 per person *)	37	38	38	39	40	42	42
<b>Change</b>	<b>1%</b>	<b>2%</b>	<b>0%</b>	<b>4%</b>	<b>2%</b>	<b>3%</b>	<b>1%</b>
Average salary trend in Finland EUR 1,000 per person *)				39	40	44	45
<b>Change</b>					<b>2%</b>	<b>9%</b>	<b>3%</b>
Average salary trend in Sweden EUR 1,000 per person *)				41	41	40	41
<b>Change</b>					<b>1%</b>	<b>-3%</b>	<b>4%</b>
Average salary trend in Spain EUR 1,000 per person *)				37	39	35	33
<b>Change</b>					<b>6%</b>	<b>-10%</b>	<b>-5%</b>

\* The average salary trend at Talenom is calculated by dividing salaries and benefits by the average number of personnel not adjusted for working time during the financial period.

## COMPANY'S FINANCIAL DEVELOPMENT EUR 1,000



## 2. REMUNERATION OF THE BOARD OF DIRECTORS

The general meeting decides on the remuneration of the Board of Directors for one term of office at a time based on a proposal by the Board of Directors. The decision on the remuneration of the Board of Directors shall be based on the valid remuneration policy presented to the general meeting.

On 14 March 2024, the Annual General Meeting of 2024 approved a monthly fee of EUR 6,000 for the Chairman of the Board of Directors and of EUR 2,200 for the members of the Board of Directors. In addition, it was decided that the members of the Board of Directors will be reimbursed for travel expenses according to the company's travel rules.

## 3. REMUNERATION OF THE CEO

The remuneration of the CEO and the terms of his or her service contract are decided by the Board of Directors within the limits of the valid remuneration policy presented to the general meeting.

The company's CEO is Otto-Pekka Huhtala. In line with the CEO contract, the CEO will work in the task until further notice and the period of notice applied to the contract is two months. A normal pension contribution in accordance with the pension legislation is paid on the CEO's salary. No supplementary pension contributions are paid to the CEO.

### Fixed salary component

The fixed salary component of the CEO consists of a monthly salary and fringe benefits. In 2024, the annual salary including fringe benefits was EUR 231,382.00, of which fringe benefits accounted for EUR 240.00.

### Short-term incentive scheme

The CEO, like the other members of the Executive Board, is entitled to a performance bonus when predetermined criteria are met.

The criteria consider the company's net sales, EBITDA, EBIT, customer retention, operational efficiency, personnel satisfaction, progress in product development and product group-specific growth. In addition, the Board of Directors separately assesses the performance of the CEO in his or her task and decides on a separate performance bonus to be paid to the CEO.

The Board of Directors set targets for the company's net sales and operating profit as the earning criteria for the CEO's short-term incentive in 2024. Minimum values had to be achieved in both. The weight for both was 50%. In 2024, no short-term performance bonuses based on the 2023 result were paid.

### Long-term incentive schemes

The purpose of the long-term performance bonus is to motivate the CEO to increase shareholder value over the long term and further commit the CEO to the company. CEO Otto-Pekka Huhtala is included in the 2020-2024 and 2024-2025 performance share plan and the 2021, 2022 and 2023 option schemes. Based on the results of 2021-2023, the CEO was paid 10,750 gross shares as share-based incentives in 2024.

## REMUNERATION PAID TO BOARD MEMBERS 1 JANUARY 2024 TO 31 DECEMBER 2024

Name	Annual fees	Other financial benefits	Total
Harri Tahkola (Chairman of the Board)	72,000		72,000
Olli Hyyppä (Board member)	26,400		26,400
Mikko Siuruainen (Board member)	26,400		26,400
Elina Tourunen (Board member)	26,400		26,400
Johannes Karjula (Board member)	26,400		26,400
Sampsa Laine (Board member)	24,200		24,200
Erik Tahkola (Board member)	26,400		26,400
<b>Total</b>	<b>228,200</b>		<b>228,200</b>

The Board members do not participate in the company's share-based incentive schemes, and Board fees are not paid as shares in the company.

Performance Share Plans	PSP 2024-2025	PSP 2021-2023
Maximum number of shares allocated to the CEO	40,000	25,000
Earning criteria (weight)	Group net sales (25%) Operating profit (25%) Strategy execution (50%)	Group net sales (50%), Operating profit (30%) Implementation of strategic projects (20%)
Year of share transfer	2026	2024

## Remuneration of the CEO during the financial period

EUR 1,000	Fixed annual salary (including fringe benefits)	Short-term incentive bonus paid	Share-based or option-based bonus	Total remuneration
CEO	231,382 80%	0 0%	58,555 20%	289,937