

# Koskisen Corporation Remuneration Report 2024

## Introduction

The Remuneration Policy for Koskisen's governing bodies defines the framework for the remuneration of Koskisen Corporation's governing bodies. The Remuneration Policy complies with the Finnish Limited Liability Companies Act, other regulations concerning publicly listed companies, the company's Articles of Association and the agendas of the Board of Directors and its committees. In addition, the company complies with the rules and guidelines of Nasdaq Helsinki Ltd and the Securities Market Association's Corporate Governance Code 2025.



## Remuneration development

EUR 1,000	2024	2023	2022	2021	2020
Total annual and meeting fees of the Board of Directors	266.5	265.5	273.6 <sup>1</sup>	137.6	108.9
Fees paid to the Chair of the Board of Directors	70.0	70.2	78.0 <sup>1</sup>	48.0	48.0
Fees paid to the Board members on average	39.3	39.1	43.5 <sup>1</sup>	22.4	22.8
Annual remuneration of the CEO <sup>2</sup>	621.8	750.1	562.1	309.4	312.9
Koskisen employees' average salary <sup>3</sup>	44.7	48.4	43.6	41.7	38.5
Group's operating profit (EUR million)	13.0	24.4	58.2	52.7	2.2

<sup>1</sup>The remuneration of the Board of Directors in 2022 was affected by the preparations related to the listing process and the increase in the number of Board members.

<sup>2</sup>Includes cash-basis salaries, fees and supplementary pension, does not include social and pension costs

<sup>3</sup>Personnel costs in Finland in 2020–2022 excluding social and pension costs/average number of employees.

<sup>3</sup>As of 2023, median full-time employees in Finland for the full year excluding social and statutory pension costs

This Remuneration Report contains information on the remuneration of the Company's Board of Directors and CEO, the key terms and conditions of the CEO's contract and other Remuneration Report information referred to in the Corporate Governance Code for the financial year 2024. The remuneration report will be available on Koskisen's website for at least ten years.

Remuneration is based on the remuneration policy reviewed by the Annual General Meeting. The core idea of remuneration is rewarding performance and responsibility. These principles guide the short-term and long-term incentive schemes that support the growth of the company's value, long-term financial success and the implementation of the business strategy.

The remuneration of the Board of Directors for 2024 is based on the resolutions of Annual General Meetings on remuneration. The remuneration of the CEO is based on the remuneration policy approved by the Annual General Meeting. Koskisen Corporation's remuneration policy was reviewed by the Annual General Meeting of 2023. The 2024 Annual General Meeting approved the Remuneration Report for the financial year 2023 without voting.

The table above shows the development of the remuneration of the Chair of the Board of Directors, the members of the Board of Directors and the CEO compared to the development of the average remuneration of all employees of the Group and the financial development of the Group for the previous five financial years.

## Remuneration of Board members 2024

The remuneration of the Board of Directors for 2024 is based on the resolutions of the Annual General Meeting.

### ANNUAL FEES OF THE BOARD OF DIRECTORS 2024

EUR	
Chair	60,000
Chair of the Audit Committee	42,000
Member	30,000

### BOARD AND COMMITTEE MEETING FEES PER MEETING 2024

EUR	
Chair	1,000
Member	500

In addition, the members of the Board of Directors have been compensated for travel expenses as decided by the 2024 Annual General Meeting. The members of the Board of Directors are not covered by share-based remuneration schemes, and they are not covered by the company's remuneration or pension schemes. The Chair of the Board had taken out voluntary TyEL insurance until 31 January 2024.

## REMUNERATION OF THE BOARD OF DIRECTORS 2024

EUR	Period	Annual fee	Meeting fees <sup>1</sup>	Total
Kuusniemi Pekka, Chair of the Board of Directors	1 Jan–31 Dec 2024	60,000	10,000	70,000
Koskinen Kari	1 Jan–31 Dec 2024	30,000	5,000	35,000
Masala Hanna	1 Jan–31 Dec 2024	30,000	7,500	37,500
Reponen Kalle	1 Jan–31 Dec 2024	30,000	5,000	35,000
Sievinen Hanna	1 Jan–31 Dec 2024	42,000	9,500	51,500
Wathén Eva	1 Jan–31 Dec 2024	30,000	7,500	37,500
<b>Total</b>		<b>222,000</b>	<b>44,500</b>	<b>266,500</b>

<sup>1</sup> The meeting fees include the meeting fees payable for attending the meetings of the Board of Directors and the meeting fees of the Audit Committee.



## Remuneration of the CEO 2024

### CEO contract and remuneration principles

The company's CEO was Jukka Pahta during the financial period.

The remuneration of the CEO consists of a fixed monthly salary, fringe benefits and variable short-term and long-term incentive schemes. The Board of Directors decides on the remuneration of the CEO, the content of the performance bonus and the objectives. The Board of Directors has the right to amend the terms of incentive schemes unilaterally for a weighty reason.

The CEO is covered by the Finnish statutory TyEL insurance. The CEO has a defined contribution supplementary pension insurance. The CEO's supplementary pension benefit is determined in accordance with the decision of the company's Board of Directors. The minimum retirement age is 65 years.

The CEO's period of notice is six months. If the company gives notice, an amount equal to six months' salary will be paid as severance pay.

### Short-term incentive scheme

The maximum short-term performance bonus is the amount corresponding to six months' salary and it is paid in cash.

For 2023, the Board of Directors decided to pay the CEO a performance bonus of EUR 68,400, amounting to 38% of the maximum bonus, in 2024. This was paid in February 2024. This was based on success in the sustainability indicators and the preparation of the growth strategy.

For 2023, Pahta had three main goals with weightings:

- 60% achievement of Group financial targets (revenue development and EBITDA level), outcome 4.9%
- 20% sustainability metrics (occupational safety and employee well-being), outcome 15.1%
- 20% growth strategy preparation, outcome 18%.

For 2024, the Board of Directors decided to pay the CEO a performance bonus of EUR 40,773, 22% of the maximum amount, in 2025. This was paid in February 2025. This was based on success in the sustainability metrics with regard to safety and in the definition and implementation of the strategy.

For 2024, Pahta had three main goals with weightings:

- 60% achievement of Group financial targets (revenue development and EBITDA level), outcome 0%.
- 20% sustainability metrics (occupational safety and employee well-being), outcome 6%.
- 20% definition and implementation of the strategy, outcome 16%.

### SHARE PLAN 2022–2026

Share Plan 2022–2026	Earning period 2022–2024 <sup>1</sup>	Earning period 2023–2025 <sup>2</sup>	Earning period 2024–2026 <sup>3</sup>
Maximum number of shares granted	44,000	60,000	60,000
Metrics (weighting)	EBITDA 50% Return on capital employed 50%	EBITDA 100%	Revenue growth 50% EBITDA 50%
Outcome	92.6%	-	-
Shares earned (gross)	40,744	-	-
Year of transfer	2025	2026	2027

<sup>1</sup> For the earning period 2022–2024, the Board of Directors set targets for the development of EBITDA and return on capital employed over the three-year earning period, both with a 50% weighting. The shares earned during the earning period will be paid during 2025.

<sup>2</sup> For the earning period 2023–2025, the Board of Directors set a target for the development of EBITDA over the three-year earning period, with a 100% weighting.

<sup>3</sup> For the earning period 2024–2026, the Board of Directors set targets for the cumulative growth in revenue and EBITDA, which are based on the company's growth strategy, both have a 50% weighting.

## Long-term incentive scheme

The long-term incentive scheme is the share-based incentive scheme 2022–2026. The scheme has three earning periods, financial periods 2022–2024, 2023–2025 and 2024–2026. Any payment is paid as a combination of shares and cash. The purpose of the cash component is to cover the taxes and tax-like levies incurred by the recipient. The earning criterion of the scheme is a continuous service contract at the time of payment of the reward. The indicators of the long-term incentive scheme focus on the Group's long-term profitability, and return on capital and implementation of the growth strategy.

The Board of Directors has granted the CEO a separate share-based incentive scheme related to the company's listing, the fees for which were paid in two instalments in 2023 and 2024.

## LISTING-RELATED BONUS SCHEME

### EUR

Number of shares granted	30,000
of which shares paid in 2023 (gross)	12,000 <sup>1</sup>
of which shares paid during the financial year 2024 (gross)	18,000 <sup>2</sup>

<sup>1</sup> Calculated using the average share price of EUR 6.4385 on the share transfer date of 17 February 2023.

<sup>2</sup> Calculated using the average price of EUR 6.3651 on the share transfer date of 29 February 2024.

## CEO'S REMUNERATION 2024

### EUR 1,000

Fixed salary	438.9
Fringe benefits (included in fixed salary)	24.0
Supplementary pension benefit insurance (included in fixed salary)	60.0
Short-term performance bonus	68.4
Listing-related share-based incentive	114.6
<b>Total</b>	<b>621.8</b>
Variable compensation as a percentage of total earnings	29.4%

Long-term share-based incentive plans are included in the reporting as a separate item for the year in which the reward was paid.