

REMUNERATION REPORT 2023

Introduction

This remuneration report presents information on the remuneration of the Board of Directors and the CEO of Consti Plc during the period 1 January through to 31 December 2023 and it is based on the recommendations of the Corporate Governance Code 2020 of the Securities Market Association, as well as the requirements of the Finnish Companies Act and Securities Markets Act in force in Finland. In financial year 2023, there were no deviations to Consti Plc's remuneration policy.

Main components of the remuneration

The remuneration of the governing bodies of Consti Plc is based on the remuneration policy, addressed by the Annual General Meeting 6 April 2020. The remuneration policy is applied until the Annual General Meeting 2024, unless the Board of Directors decide to present it to the General Meeting for review earlier.

The aim of the remuneration of the governing bodies of Consti Plc is to further the long-term financial performance of the company and the creation of lasting shareholder value by hiring, engaging and incentivising the top management to implement the strategy of Consti for the benefit of all stakeholders. The primary goal of the remuneration policy is to ensure that Consti applies performance-based remuneration that rewards the implementation of Consti's strategy in a simple, open and comprehensive manner.

The remuneration is based on the following main principles:

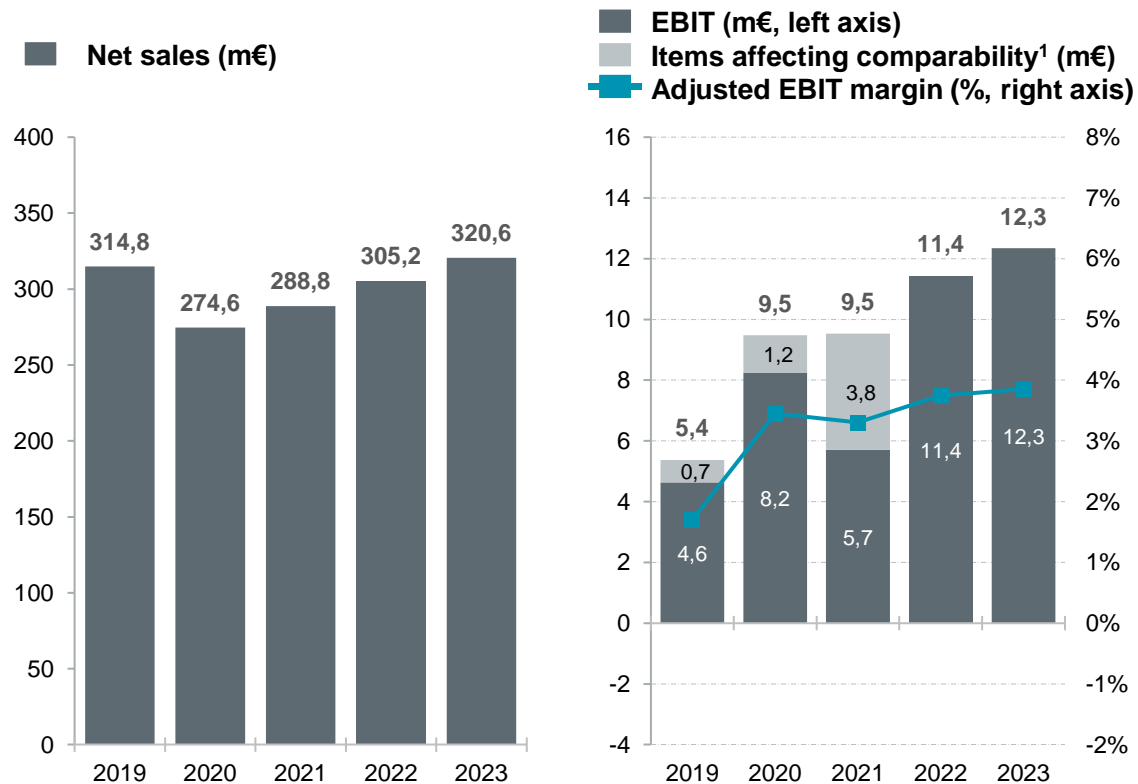
- Offering a competitive possible earning as part of the total remuneration
- Emphasising a result-based reward by constructing the total remuneration of the CEO so, that part of the earning possibilities is based on result-based incentives
- Emphasising a strong connection with the benefits of our shareholders by basing part of the annual variable earning possibility for the CEO on long-term share-based incentive schemes

The principles for the remuneration of the governing bodies adhere to the remuneration practice applied to Consti's whole personnel. This is evidenced e.g. in the earning criteria applied to the variable remuneration, that are derived from the strategy of the company. The earning criteria are partly common for the CEO and the personnel, and their intent is to support the profitable growth of the company.

Financial development of Consti Group and development of the remuneration

Net sales and EBIT development 2019-2023

The net sales and EBIT development of the company has, in the past few years, been positive. The financial performance of the company has been solid in recent years regardless of the uncertainties and rapid changes of the operating environment.



Remuneration development 2019-2023 (paid compensations during the year)

Average compensation (€)	2019	2020	2021	2022	2023
Chairman of the Board	36,000	40,500	42,000	46,000	52,000
Member of the Board	24,000	28,500	30,000	33,800	40,000
CEO*	302,948	323,404	340,951	455,348	646,568
Consti employee**	49,539	49,581	51,167	53,453	54,014

* Remuneration paid to the CEO during the financial period including monthly fixed salary and additional pension benefits. In addition, the CEO has been paid in 2019, 2021, 2022 and 2023 rewards under the share-based incentive schemes 2016, 2018, 2019 and 2020, respectively.

** The salary development of the average Consti Group employee is based on personnel costs excluding social security contributions and divided by the average number of employees during the year.

¹ Items affecting comparability in 2021 relate to the arbitral award from the arbitral tribunal in the dispute between Consti Korjausrakentaminen Oy and Kiinteistö Oy Yrjönkatu 13 which relates to the construction project for Hotel St. George carried out by Consti Korjausrakentaminen Oy between years 2015-2018 and to the related legal costs. Items affecting comparability in 2019-2020 relate to the legal costs of the construction project for Hotel St. George.

Remuneration of the Board of Directors in 2023

Remuneration of the Board of Directors of Consti 1 January – 31 December 2023

The Annual General Meeting 2023 resolved 4 April 2023, that the Board of Directors would receive annual fees as follows: the Chairman of the Board of Directors 48,000 euros and members of the Board of Directors 36,000 euros. It was also resolved to pay meeting fees of 500 euros per meeting to the members of the Board for each Board meeting. Travel costs of the members of the Board arising from participating in the meetings would be compensated according to invoice. No separate fees would be payable for committee work. The Board is not included in the scope of the company's long-term incentive schemes. The Board of Directors has not been offered or granted shares, options or rights entitling to shares.

Board member	Annual fee (€)	Meeting fees (€)	Total (€)
Petri Rignell, Chairman of the Board	46,500	5,500	52,000
Erkki Norvio	34,500	5,500	40,000
Pekka Salokangas	34,500	5,500	40,000
Johan Westermarck	34,500	5,500	40,000
Anne Westersund	34,500	5,500	40,000
Juhani Pitkääkoski	34,500	5,500	40,000
Total	219,000	33,000	252,000

Remuneration of the CEO in 2023

Remuneration of the CEO in 2023

The CEO receives a fixed salary, payable monthly and a result-based variable annual bonus in accordance with the result scorecard defined by the company. The share of the bonus can be no more than 60 per cent of the annual salary. In addition, the CEO is included in the scope of the share-based incentive schemes of the company. The CEO is, in addition, entitled to an additional pension benefit payable by the company. The pension insurance is a defined contribution scheme.

CEO	Fixed annual salary* including taxable fringe benefits (€)	Bonuses from previous years (€)	Additional pension benefit fees (€)	Total (€)
Esa Korkeela	345,604	292,465	8,500	646,568

* Includes holiday pay

Annual bonus and share-based long-term incentive scheme

In 2023, the CEO was paid 292,465 euros under the share-based incentive scheme 2020, which was initially based on the CEO's realised bonus of 124,563 euros for the financial period 2020. In 2023, the CEO was not paid any short-term bonus, as the CEO had opted to convert the bonus earned from 2022 in its entirety into the long-term share-based incentive scheme (the LTI scheme) of the company. The bonus 2022 was based on the key targets set by the Board of Directors in the beginning of the financial period 2022 and relating to the financial, strategic and operative targets of the Group. Based on the achieved performance, the realised bonus 2022 for the CEO was 110,215 euros, equalling 61.2% of the maximum amount. The bonus for the earning period 2022 is paid to the CEO in 2025 after a two-year commitment period partly in shares and partly in cash.

The Board set, at the beginning of the financial period 2023, short-term incentive criteria to support the development of the business of the Group. Based on the achieved performance, the realised bonus 2023 for the CEO was 141,915 euros, equalling 73.0% of the maximum amount. The CEO had opted to convert the bonus earned from 2023 in its entirety into the LTI scheme of the company. The bonus for the earning period 2023 is paid to the CEO in 2026 after a two-year commitment period partly in shares and partly in cash.

Share option rights

The share option rights incentivise key employees to work long-term to grow shareholder value. The share option rights awarded to CEO Esa Korkeela have been presented below:

Option scheme	2022	2020
Grant date	22 June 2022	17 June 2020
Amount of granted options to the CEO (pcs)	15,000	15,000
Subscription price* (€)	9.65	6.65
Subscription period	1 July 2025 – 30 June 2026	1 July 2023 – 30 June 2024

* The share subscription price is deducted by the amount of dividends and/or distribution of assets to be decided before share subscription.