



**Remuneration  
Policy 2026 and  
Remuneration  
Report 2025**



# Remuneration Policy 2026

## Introduction

This Remuneration Policy describes the main principles for the remuneration of VR's Board of Directors, Supervisory Board, CEO, and Leadership Team, as well as the decision-making process related to remuneration. The document adheres to the Finnish Government's resolution on ownership steering policy and is prepared in accordance with the Finnish Corporate Governance Code 2025 and the EU Shareholder Rights Directive.

### REMUNERATION DECISION-MAKING PROCESS

The bodies involved in the decision-making process for remuneration at VR are the General Meeting, the Board of Directors, and the Board's People and Culture Committee. No governing body may determine its own remuneration, nor participate in decision-making in situations that conflict with the interests of the body or of the individual who is a member of that body. The defined remuneration processes aim to prevent conflicts of interest and ensure fairness and impartiality in remuneration-related decision-making.

The People and Culture Committee prepares the Remuneration Policy and the Remuneration Report, which the Board of Directors approve and present to the Annual General Meeting (AGM) each year. While the AGM's decision is advisory, remuneration must comply with the Remuneration Policy presented to the AGM. The Remuneration Policy remains in effect until the following year's AGM, unless the Board deems it necessary to make significant changes. In this case, the changes must be presented to the AGM. The Remuneration Policy is published on the company's website.

The Board's People and Culture Committee prepares the remuneration schemes for VR's CEO and Leadership Team

members. The People and Culture Committee also prepares the company's remuneration principles for Board approval. The Board decides on the CEO's remuneration and annually approves the structures, performance criteria, target levels, and other governance rules for the short-term and long-term incentive schemes for the CEO and Leadership Team members, in line with the Remuneration Policy. The AGM decides on the annual remuneration of the members of the Board and its committees.

## Remuneration principles

VR complies with the guidelines for management remuneration and pension benefits in Finnish state-owned companies. VR aims to align remuneration with prevailing market practices and to reward management for sustainable performance.

The objective of remuneration is to promote the implementation of the company's strategy, business objectives, and long-term profitability. Remuneration encourages personnel to act in accordance with the company's strategic business and corporate responsibility objectives, fostering engagement, motivation, and strong performance.

Corporate responsibility is integral to VR's strategy and is embedded in daily business operations. The company's Leadership Team regularly guides and monitors the development of the corporate responsibility program and the achievement of its objectives. Progress in these areas is considered when determining appropriate remuneration.

Safety is also a key criterion affecting remuneration. In the event of a serious safety deviation, the Board may, at its discretion, withhold the payment of short-term incentive scheme rewards, either partially or entirely. This may apply in cases such as an employee or customer's accidental death, or other severe or far-reaching safety deviations in

the company's operations. VR strives for transparency and consistency in remuneration. The remuneration scheme and its fairness, reasonableness and competitiveness are reviewed regularly. These principles guide remuneration throughout the organization.

## Remuneration of the Board of Directors

Members of the Board of Directors receive a fixed monthly monetary fee, while higher fees may be applicable for roles such as Chair or Vice Chair. In addition, members are paid meeting fees for attending Board and committee meetings, and are reimbursed for travel expenses related to these meetings. Members may also be granted a free VR rail pass in Finland.

Board members are not employed by VR and thus are not included in the company's other remuneration schemes or variable incentive schemes.

## Remuneration of the Supervisory Board

Members of the Supervisory Board are paid meeting fees and reimbursed for travel expenses for attending meetings. The fee and reimbursement amounts are determined based on the member's role or position. Members may also be granted a free VR rail pass in Finland.

Supervisory Board members are not employed by VR and thus they are not included in the company's other remuneration schemes or variable incentive schemes.

## Remuneration of the CEO and Leadership Team

The remuneration of VR's CEO and Leadership Team follows the company's compensation principles, supporting its strategic, business, and corporate responsibility objectives. The purpose of management remuneration is to retain key personnel and motivate them to act in a way that ensures VR's goals are achieved.

The Board of Directors decides on the remuneration of the CEO and the Leadership Team. Their total compensation packages include a cash salary and benefits in kind – such as a company vehicle, meals, and a mobile phone – in accordance with company policy.

The CEO and the company's Leadership Team are included in short- and long-term incentive schemes. The purpose of these schemes is to guide the actions of the CEO and other executives towards implementing the company's strategy and increasing its long-term value. Performance indicators are based on financial and strategic criteria and are aligned with the remuneration principles for other managers and the wider organization. The Board decides annually on the launch of any new earning periods within the incentive schemes.

The remuneration of the CEO and Leadership Team complies with applicable guidelines for the remuneration of management in Finnish state-owned companies. These guidelines state that the total variable pay based on achieving objectives shall not exceed 50% of the recipient's fixed annual salary. In the case of exceptionally good performance, total maximum payable rewards can amount to 120% of the fixed annual salary.

The CEO and members of the Leadership Team do not have supplementary pensions.

### Short-term incentive scheme (STI)

The Short-Term Incentive Scheme (STI) is a cash-based incentive scheme with a performance measurement

period of one calendar year. It rewards the achievement of the company's short-term strategic business plans and objectives. The objectives of the CEO and Leadership Team members are based on the company's financial and strategic goals. The company's performance is a key financial metric to ensure VR's profitability. Strategic criteria emphasize the importance of strategic development and business renewal. Safety and employee engagement metrics also form a significant part of the short-term incentive program. The maximum reward for the CEO is 50% of fixed annual salary and for other Leadership Team members the maximum is 40% of fixed annual salary.

The Board decides annually on the structure, performance criteria, and target levels for the CEO and Leadership Team's STI programs. Any reward is paid after the conclusion of the financial year and following the approval of the financial statements. The recipient is required to be in an active employment relationship with the company. The Board makes the final decision on the payment of rewards and may at its discretion cancel, defer, or adjust the payout.

### Long-term incentive scheme (LTI)

The Long-Term Incentive Scheme (LTI) supports the company's long-term success and value growth. It is a cash-based incentive scheme based on the company's performance, rewarding key personnel for achieving long-term objectives. The purpose is to offer a competitive remuneration package and foster the engagement of key personnel. The targets of the CEO and Leadership Team are based on the company's long-term financial and strategic objectives. Return on capital employed serves as the key financial metric to monitor profitability. Measurements of cost efficiency highlight the importance of the company's renewal. Emission targets are an essential part of the corporate responsibility program and thus also form part of VR's long-term incentive program for the CEO and Leadership Team.

Since 2021, the emphasis on variable pay for management has shifted from short-term to long-term incentives. This change has been gradually phased in so that the proportion of short-term incentives in total remuneration decreases and the proportion of long-term incentives increases, while ensuring that the total annual amount of target rewards does not decrease. The target level for the weighting of STI and LTI incentive programs in the total remuneration of the CEO and Leadership Team was achieved in the programs started in 2025.

### Maximum Rewards for Long-Term Incentive Schemes (LTI)

LTI 2023–2025 and LTI 2024–2026	CEO 70%, Leadership Team 40%
LTI 2025–2027 and LTI 2026–2028	CEO 70%, Leadership Team 40% or 50%

The Board decides annually on the structure, performance criteria, and target levels for the CEO's and Leadership Team's long-term incentive programmes. Any reward is paid after the conclusion of the financial year and following the approval of the financial statements. The recipient is required to be in an active employment relationship with the company. The Board makes the final decision on the payment of rewards and may at its discretion cancel, defer, or adjust the payout.

Maximum Potential Variable Pay for the CEO and the members of the Leadership Team, Relative to Fixed Annual Salary for Programmes Starting in 2025 and thereafter:

	STI	LTI	Total
CEO	50%	70%	120%
Leadership Team	40%	40% (50%*)	80% (90%)

\* Effective from 2025 for some Leadership Team members

### CEO's pension and other key terms

The retirement age and pension of the CEO are defined in the Finnish Employees' Pensions Act.

No supplementary pensions are paid. The CEO's service contract defines key conditions, such as the applicable notice period and amount of severance pay. During the notice period, the CEO's salary and severance pay shall not exceed 12 months' fixed salary.

### Purpose and Description of CEO and Leadership Team Remuneration Components

Remuneration Component	Purpose and Link to Strategy	Description and Practice
<b>Fixed Base Salary and Benefits in Kind</b>	Provide competitive and reasonable fixed compensation and benefits that support recruitment, well-being and engagement.	Base salary is determined based on individual skills, experience, work contribution, internal salary structure and external market level. Typical benefits include phone, company vehicle and health insurance. The level of benefits granted is determined by the local market practice in the country of employment.
<b>Pension</b>	The retirement age of the CEO and members of the Leadership Team is defined in accordance with applicable employment pension legislation. Supplementary pensions are not used for remuneration.	
<b>Short-Term Incentive</b>	Short-term incentive schemes support achieving the company's short-term financial and corporate responsibility objectives.	Short-term incentive scheme rewards are paid in cash. The earning period is one year. The board determines the final reward level upon confirmation of the achievement of objectives at the conclusion of the earnings period.
<b>Long-Term Incentive</b>	Long-term incentive schemes responsibly support the company's long-term financial and sustainability objectives, align the interests of management and shareholders, and foster the engagement of key personnel.	Long-term incentive scheme rewards are paid in cash, and no share-based schemes are used. The earnings period is typically three years. The board determines the final reward level upon confirmation of the achievement level of objectives at the conclusion of the earnings period.
<b>Reward Reclaim and Deferral</b>	Ensure that rewards are based on actual achievements.	Rewards can be cancelled, deferred or adjusted by a unilateral decision of the Board if necessary.

All employees, aside from the CEO, may receive a one-time bonus for exceptional performance. For a member of the Leadership Team, the bonus (up to an amount equivalent to two months' salary) is granted by the Chair of the Board upon the CEO's recommendation. The bonus is discretionary.

### Deviation from the remuneration policy

Based on the recommendation of the People and Culture Committee, in the following cases the Board may, at its discretion, temporarily deviate from the Remuneration Policy:

- Change of CEO or other Leadership Team member
- Changes in applicable legislation or ownership policy guidelines
- Significant changes in the Group's structure
- Other circumstances requiring deviation to safeguard the long-term interests and sustainability of the entire VR Group, or to ensure operational capacity

# Remuneration Report 2025

## Introduction

*This Remuneration Report describes the remuneration of VR Group's Board of Directors, Supervisory Board, Chief Executive Officer (CEO), and Leadership Team for 2025. The remuneration practices adhere to the Finnish Government's resolution on the ownership steering policy. This report is prepared under the Finnish Corporate Governance Code 2025 and the EU Shareholder Rights Directive.*

### Remuneration principles in 2025

VR's remuneration framework aims to incentivize individuals and the organization to work in alignment with the company's strategic objectives. The system also aims to foster employee engagement, encourage strong performance, and reward the achievement of set targets.

Remuneration of the Board of Directors, the President and CEO, and the Executive Management Team has complied with the 2025 Remuneration Policy, as well as the current guidelines concerning the remuneration of management in state-owned companies. For the President and CEO, the share of variable pay is below 40%, and for the Executive Management Team, 25%, with the maximum being 120%.

The table below details the remuneration of VR's Board of Directors, CEO, Leadership Team, and other personnel. The company's financial performance from 2021 to 2025 is also listed. The remuneration of the CEO and the Leadership Team includes base salary, benefits in kind, and variable pay based on the previous year's financial and non-financial targets.

Year-on-Year Development	2021	2022	2023	2024	2025
Board of Directors fees paid (EUR)	304,450	345,400	320,697	279,100	<b>265,835</b>
President and CEO remuneration (EUR) *	448,721	787,484	379,177	681,133	<b>685,861</b>
Leadership Team remuneration (EUR)	1,795,270	1,767,514	2,244,003	2,881,792	<b>2,698,803</b>
Personnel remuneration (average in EUR) **	52,879	48,662	54,910	56,119	<b>58,364</b>
Company financial performance					
Revenue (EUR M)	838	1,107	1,224	1,294	<b>1,253</b>
Comparable operating profit (EUR M)	-14	6	60	85	<b>130</b>

\*) In 2022, the CEOs were Lauri Sipponen (until 4 April 2022), Topi Simola (until 29 August 2022), and Elisa Markula (from 30 August 2022). The total amount includes Sipponen's severance pay and pay for the notice period.

\*\*) Salaries and fees paid according to the company's financial statements (excluding pension and other social costs), divided by the average number of person-years.

## Remuneration of the Board of Directors in 2025

The Board of Directors oversees the company's management and ensures the appropriate organization of operations. The remuneration of the Board is determined annually at the Annual General Meeting (AGM). The remuneration consists of a fixed monthly fee, which varies depending on the member's position on the Board, and meeting fees for attending meetings of the Board and its committees. Board members are not included in the company's other remuneration schemes.

### Remuneration in EUR payable to Board members determined at the 2025 AGM

Chair of the Board	EUR 4,400 per month
Vice Chair of the Board	EUR 2,400 per month
Member of the Board	EUR 2,000 per month

In addition, Board members are paid a meeting fee of EUR 600 per meeting for both Board and committee meetings. Board members outside Finland receive double the meeting fee if they travel to a meeting outside their country of residence.

The AGM decided to change the previously applied annual fee to a monthly fee. Meeting fees remained unchanged compared to the previous year. The total remuneration of the Board of Directors in 2025 was EUR 265,835.

The table presents the fees paid to the Chair, Vice Chair, and other Board members in 2025. In addition to these fees, Board members are entitled to a free VR rail pass in Finland.

### Board of Directors Remuneration in 2025

EUR	Annual Fee	Board Meetings	Committee Meetings	In total	Board Meetings Attendance
<b>Chair</b>					
Esa Rautalinko	53,331	10,800	3,000	<b>67,131</b>	16/17
<b>Vice Chair</b>					
Hanna Sievinen**	20,960	9,600	2,400	<b>32,960</b>	14/14
Sari Pohjonen*	7,095	1,800	1,200	<b>10,095</b>	3/3
<b>Jäsenet</b>					
Pekka Hurtola*	6,270	1,800	1,200	<b>9,270</b>	3/3
Nermin Hairedin	23,673	11,400	3,000	<b>38,073</b>	17/17
Matias Knip**	17,760	9,000	1,200	<b>27,960</b>	13/14
Markus Holm	23,673	11,400	3,600	<b>38,673</b>	17/17
Torborg Chetkovich	23,673	13,800	4,200	<b>41,673</b>	16/17

\* Board member until the AGM on 9 April 2025.

\*\* Board member from the AGM on 9 April 2025.

## Remuneration of the Supervisory Board in 2025

The remuneration of the Supervisory Board is determined annually at the Annual General Meeting (AGM). In 2025, the following meeting fees were paid to the members of the Supervisory Board, as decided by the AGM on 9 April 2025:

Chair of the Supervisory Board	EUR 800 per meeting
Vice Chair of the Supervisory Board	EUR 600 per meeting
Member of the Supervisory Board	EUR 500 per meeting

In 2025, the total remuneration paid to the Supervisory Board was EUR 27,200. This includes fees for the Chair, Vice Chair, regular members and staff representatives. In addition to these meeting fees, Supervisory Board members and staff representatives received a free VR rail pass in Finland.

### Supervisory Board Remuneration in 2025

	EUR	Supervisory Board Meetings Attendance
<b>Chair</b>		
Markku Eestilä	2,400	3/3
<b>Vice Chair</b>		
Vilhem Junnila	1,800	3/3
<b>Members</b>		
Kaisa Garedeu	1,500	3/3
Hanna Holopainen	1,500	3/3
Tuomas Kettunen	1,500	3/3
Teemu Kinnari	1,500	3/3
Arto Luukkanen	1,500	3/3
Lauri Lyly	1,500	3/3
Niina Malm	1,000	2/3
Anna Mäkipää	1,500	3/3
Martin Paasi	1,500	3/3
Juha Viitala	1,500	3/3

## CEO Remuneration in 2025

The CEO's remuneration consists of a fixed salary with benefits in kind, as well as variable pay components (STI and LTI schemes).

The CEO's maximum variable pay relative to fixed salary is determined by following the Finnish Government's ownership policy guidelines. The Board considers the company's strategy and long-term objectives when defining performance metrics and targets for short-term and long-term incentives. The incentive schemes aim to guide the CEO's actions towards achieving the company's strategic goals and increasing the company's value over the long term. The performance metrics are based on financial and strategic criteria, aligned with the remuneration criteria for other managers and the broader organization.

In 2025, Elisa Markula served as CEO for the entire year (1 January 2025 – 31 December 2025). The variable component of Ms. Markula's remuneration was 42.6% of her total compensation for 2025.

### The CEO Remuneration in 2025

CEO Elisa Markula	EUR
Base salary (including benefits in kind)	422,934
Short-term incentive scheme (STI), performance period 2024	95,832
Long-term incentive scheme (LTI), performance period 2023–2024	167,095
<b>Total</b>	<b>685,861</b>
<b>Proportion of Fixed and Variable Pay*</b>	<b>61.7% / 38.3%</b>

## Leadership Team Remuneration in 2025

In 2025, the Leadership Team's remuneration consisted of a fixed base salary with benefits in kind and variable pay (STI, LTI). The Board decides annually on the Leadership Team's remuneration, performance metrics, and the criteria for incentive schemes. The criteria for Leadership Team remuneration are aligned with the criteria for the CEO. The company's Leadership Team had twelve (12) members in 2025.

### Leadership Team Remuneration in 2025

Leadership Team	EUR
Base salary (including benefits in kind, holiday pay/ compensation)	2,058,249
Short-term incentive scheme (STI), performance period 2024	371,877
Long-term incentive scheme (LTI), performance period 2023–2024	268,678
<b>Total</b>	<b>2,698,803</b>
<b>Proportion of Fixed and Variable Pay*</b>	<b>76.3% / 23.7%</b>

\* In accordance with the current guidelines for the remuneration of management in state-owned companies, variable pay may not exceed a maximum of 120% of the fixed annual salary paid. This means the maximum ratio is 45.5% fixed annual salary to 54.5% variable pay.



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