

# Panostaja Oyj's remuneration policy

This remuneration policy determines the principles for rewarding Panostaja Oyj's Board of Directors (hereinafter referred to as "Board") and CEO (hereinafter referred to as "CEO"). Where necessary, the principles applicable to the CEO will also be applied to the Executive Vice President.

## 1. Introduction

Panostaja Oyj's remuneration policy for Panostaja Oyj's operating bodies must serve to secure the long-term benefits of the company and its shareholders as well as encourage and engage the motivated and competent members of the Board and the CEO to operate in accordance with mutual goals. A key principle in the reward policy is, in addition to monetary remunerations, building significant long-term holdings and providing rewards in the form of company shares through various remuneration systems.

The CEO's remuneration share is variable in relation to the company's business strategy and long-term financial success. The CEO's variable remuneration is based on the achievement of both short-term and long-term objectives.

In deciding on the structure and level of rewards for the Board and CEO, the terms of the employees' salaries and employment relationships is taken into account to ensure that the reward schemes are fair and effective as incentives.

In preparing the remuneration policy, the Board has taken into account the Corporate Governance Code 2025 prepared by the Finnish Securities Market Association and the new Corporate Governance Code that will enter into force in June 2026, as well as the provisions of the Finnish Securities Market Act and the Finnish Companies Act. The remuneration policy for 2026 will be presented to the Annual General Meeting of Panostaja Oyj on April 15, 2026. It will replace the 2024 remuneration policy and remain in force until the company's Annual General Meeting in 2030, unless material changes are proposed or the Board otherwise decides that the revised remuneration policy should be submitted to the Annual General Meeting for approval earlier by way of an advisory resolution.

The previous remuneration policy was approved on an advisory basis at the 2024 Annual General Meeting. This remuneration policy has added information on the long-term remuneration of the CEO, further clarified the variable remuneration of the CEO, and made other general improvements. The appendix to this remuneration policy sets out the changes compared to the previous remuneration policy.

## 2. Description of the decision-making process

This reward policy was prepared by Panostaja Oyj's Board for presentation to the Annual General Meeting for an advisory resolution. The Board regularly monitors the compliance of Panostaja Oyj's reward practices with this remuneration policy and the practices of other listed companies. The adoption, evaluation and implementation of the remuneration policy will always take into account potential conflicts of interest on a case-by-case basis. The remuneration of the Board and CEO is conducted within the framework of the remuneration policy submitted to the General Meeting.

Remuneration is decided upon by the body that nominated the person to be remunerated, in accordance with its remuneration policy. Panostaja Oyj's General Meeting decides on rewards to members of the Board. Rewards to Board members are based on an annual proposal submitted by the largest shareholders (at least 10%) to the General Meeting, which then decides the reward level. As regards the CEO, rewards and the key terms and conditions of the service relationship are decided by Panostaja Oyj's Board.

As stated in the Limited Liability Companies Act, the General Meeting, or the company's Board of Directors with the GM's authorization, makes decisions on the issue of shares, options or other special rights entitling to shares. Shares, options or other special rights entitling to shares can be issued to members of Panostaja Oyj's Board and the CEO as part of the reward scheme. In the context of the reward arrangements described above, rewarding decisions are made by the operating body that has appointed the reward recipient.

### 3. Description of rewards to the board

Panostaja Oyj's Annual General Meeting decides on rewards to members of the Board on an annual basis. Rewards to Board members are based on an annual proposal submitted by the largest shareholders (at least 10%) to the General Meeting, which then decides the annual reward level.

According to Panostaja Oyj's operating model, the boards of investment targets (subsidiaries or associated companies) can include other external members, in addition to Panostaja Oyj's employees. As a general rule, members of Panostaja Oyj's Board should not operate in the boards of other Panostaja Group companies or subsidiaries, with the exception of extraordinary circumstances, in which case the decision is made by Panostaja Oyj's Board.

### 4. Description of rewards to the CEO

#### A. REWARD PORTIONS APPLIED, THEIR RELATIVE PROPORTIONS AND THE CRITERIA FOR DETERMINING THE VARIABLE REWARD PORTIONS

As regards the CEO, rewards and the key terms and conditions of the service relationship are decided by Panostaja Oyj's Board. The remuneration policy sets the framework within which the Board decides on the remuneration of the CEO. The CEO has a written CEO's contract, and the pay is fixed according to this and may include fringe benefits. The amount of fixed pay is competitive in that it accounts for the market situation and the demands of the duties. The amount of fixed pay is assessed each year.

In addition to the fixed pay, the reward arrangement for the CEO may include a variable reward portion, such as various short-term and/or long-term remuneration systems. The structure of variable remuneration is decided by the Board. Pension benefits may be included in the overall reward arrangement by decision of the Board.

The Board decides on the proportions of the remuneration components that best support the company's strategic and financial objectives. Short-term objectives are, in principle, measurable objectives related to the development of the company or its investments and financial and/or responsibility-related objectives. In particular, the long-term remuneration criteria measure the return on divested investments in line with the company's business model and their impact on the company's total shareholder return, which also takes into account dividends paid to shareholders. Remuneration based on the long-term remuneration of the CEO may become high relative to the fixed pay if the divestment returns from the company's investments and thus the total return on the company's share develop significantly.

#### Short-term variable remuneration

For short-term remuneration, the Board sets the structure, the proportion of remuneration and the targets required for remuneration on an annual basis. Short-term variable remuneration targets may be based on the financial or productive performance of both the company and its segments, the implementation of measurable projects that increase the shareholder value of the segments, sustainability and responsibility or other measurable objectives decided by the Board that contribute to the achievement of the company's or segments' strategy. Due to the nature of the company's business – particularly the turnover of its investment targets – sustainability and responsibility metrics are generally included in short-term remuneration targets. Objectives are set to create shareholder value either in the company or its segments. Target achievement and relevant indicators are monitored on a regular basis over the course of the calendar year. The short-term remuneration of the CEO can be provided either within the framework of the short-term remuneration scheme for key company employees, where the CEO may nevertheless have higher earning potential than other key employees, or within the framework of a short-term remuneration scheme established separately for the CEO.

The amount of short-term variable remuneration, determined annually by the Board of Directors, may not exceed 50% of the CEO's fixed annual salary at the time of grant. The potential rewards are determined primarily in terms of the number of shares in Panostaja Oyj and the Board may also determine an annual maximum number of shares, which the short-term remuneration cannot exceed. Short-term variable remuneration is paid at the end of the earnings period (usually one year) primarily in a combination of shares and cash, with the cash amount reflecting the taxes and tax-like payments on the share award. Alternatively, the reward for the earnings period can be remitted to the CEO fully in cash, in which case the recipient must purchase the shares earned under the reward system. Shares received through the short-term share remuneration system must be held for the period agreed in advance (at least 2 years) starting from the end of the earnings period in question, and the terms and conditions specify situations where the shares may be reclaimed by Panostaja Oyj.

#### **Long-term variable remuneration**

For long-term remuneration, the Board sets the structure, the proportion of remuneration and the targets required for remuneration in each earnings period. The maximum earning potential for long-term remuneration over the entire duration of the remuneration system may not exceed 150% of the CEO's fixed annual pay at the time of granting. Potential long-term variable remunerations are defined as the number of shares in Panostaja Oyj. The long-term remuneration of the CEO can be provided either under the long-term share-based remuneration system for key employees of the company, where the CEO may nevertheless have higher earning potential than other key employees, or under a long-term remuneration system established separately for the CEO.

The Board sets the performance criteria for the earnings periods of long-term remuneration systems, the targets and the methods for assessing the achievement of the targets, within the framework of the company's remuneration policy. The duration of the earnings periods of long-term remuneration systems must be in line with market practice and at least 3 years, unless the Board considers a shorter period justified for specific reasons. Earnings criteria and their objectives shall be based on Panostaja Oyj's share price performance and total shareholder return and/or long-term strategic objectives or other objectives deemed necessary by the Board to promote the interests of the shareholders in such a way as to promote Panostaja Oyj's business and long-term financial success. The achievement of the targets is monitored during the earnings period and the targets set at the beginning of the earnings period are compared with the actual figures when deciding on remuneration.

The reward paid based on long-term variable remuneration is provided after the end of the earnings period primarily as a combination of shares and cash, where the monetary sum corresponds to the taxes and parafiscal charges resulting from the share reward. Alternatively, the reward for the earnings period can be remitted to the CEO fully in cash, in which case the recipient must purchase the shares earned under the reward system. The CEO must hold any shares received under the long-term share-based remuneration system until they are released from the restriction on transfer under the plan, starting from the end of the earnings period, either in two years in stages or after two years in one go, depending on the terms of the remuneration system.

#### **Share ownership**

A key principle related to the total rewarding of the CEO is ensuring the CEO's persistent and significant share ownership.

Panostaja Oyj's Board may utilize financial and loan arrangements to ensure that the CEO's holding in Panostaja Oyj is at a level that is deemed sufficient. As part of remuneration systems, the CEO may be recommended or required to accumulate or otherwise accumulate shareholdings in the company so that the value of the CEO's shareholdings in the company is at least equal to the fixed annual pay.

## **B. OTHER ESSENTIAL TERMS APPLIED TO THE SERVICE RELATIONSHIP**

Panostaja Oyj's Board decides on the other terms of the CEO's service relationship. The period of notice and amount of severance pay for the CEO are agreed upon in a written CEO contract, and conventional periods of notice for CEOs are applied to the relevant principles and amounts. The CEO contract includes agreement provisions on the non-compete clause applicable to the CEO.

## **C. TERMS REGARDING DELAYS AND POSSIBLE RECLAMATIONS OF REWARDS**

Panostaja Oyj's Board may decide to partially or fully suspend or recover the CEO's remuneration if the CEO's employment with Panostaja Oyj or another Panostaja Group company has ended before the end of the earnings period of the long-term or short-term remuneration system or if the employment is terminated before the end of the pre-agreed period following the end of the earnings period of the short-term remuneration plan. Furthermore, the Board is entitled to reduce, cancel or reclaim paid short-term or long-term rewards if the granting thereof has involved material malfeasance that has influenced the relevant financial reporting or the remuneration scheme itself or there have been effects due to a specific reason in the remuneration system's conditions.

## 5. Preconditions related to temporary deviation

The rewards arrangements of Panostaja Oyj's Board and CEO must be conducted within the framework of the reward policy specified above. However, the remuneration policy may be temporarily deviated from when the deviation is made to ensure the long-term interests of the company and the deviation may, at the full discretion of the Board, concern any element of the remuneration policy and the remuneration payable, such as the amount, type, elements and/or conditions of the remuneration and the terms and conditions applicable to them. As an example, this can be the case in the context of CEO replacements, significant corporate restructurings and notable strategic changes resulting from internal or external factors. Deviations from the reward policy are also permitted in relation to regulatory changes, such as tax revisions.

In these extraordinary situations, Panostaja Oyj's Board decides on the changes to the rewards of all persons involved, with the exception of Board members. In case of deviations, the deviations are to be reported in the next remuneration report and presented to the Annual General Meeting. If the deviation from the reward policy is expected to persist, the company must prepare a new reward policy, which will be addressed in the next possible Annual General Meeting.

## Appendix

### **MATERIAL CHANGES TO THE PREVIOUS POLICY, DISCUSSED AT THE GENERAL MEETING ON FEBRUARY 7, 2024**

- Supplemented the introduction to the remuneration policy
- Supplemented the description of the decision-making process
- Added CEO remuneration as part of long-term variable remuneration
- Added general descriptions of short and long-term remuneration objectives
- Adjusted the maximum amount of short-term variable remuneration, and added the maximum amount of long-term variable remuneration and the minimum length of the earnings period