

The logo for Kojamo, featuring a stylized 'K' icon followed by the word 'kojamo' in a dark blue, lowercase sans-serif font.

# kojamo



Remuneration Report 2021



# Remuneration Report 2021

## 1. Introduction

Kojamo plc (hereinafter referred to as "Kojamo") complies with the Finnish Corporate Governance Code 2020, which entered into force on 1 January 2020. This Remuneration Report has been prepared in accordance with the guidelines concerning remuneration reports for governing bodies laid out in the Corporate Governance Code 2020. This Remuneration Report includes information on the remuneration of the Board of Directors, CEO and Deputy CEO in 2021.

Kojamo's remuneration policy was addressed by the General Meeting of Shareholders for the first time at the Annual General Meeting of 12 March 2020. The General Meeting resolved to approve the proposed remuneration policy.

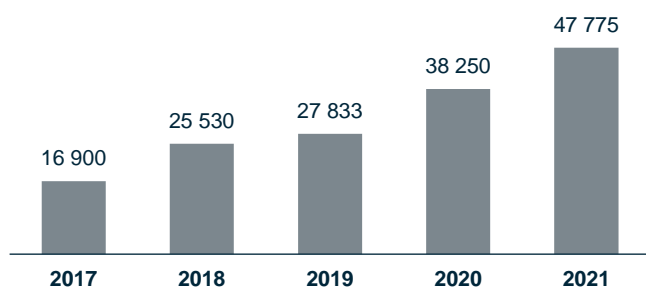
The remuneration of Kojamo's governing bodies has complied with the Company's remuneration policy. Kojamo did not deviate from the remuneration policy in 2021. The Company also did not exercise the option stipulated by the remuneration policy to claw back remuneration in 2021.

Well-functioning and competitive remuneration is an important tool for the recruitment and retention of competent Board members, key personnel and employees to Kojamo which, in turn, promotes the implementation of the Company's business strategy and its long-term financial success. The remuneration principles are intended to ensure the implementation of Kojamo's strategy and the achievement of business goals.

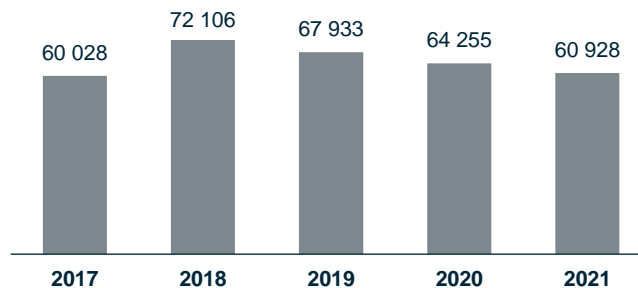
The Annual General Meeting of Kojamo on 17 March 2021 resolved to approve the Remuneration Report 2020. The presentation methods of consecutive years are in line with each other.

The development of the remuneration of the Board members, CEO and employees and the development of the Company's total revenue is shown in the tables below.

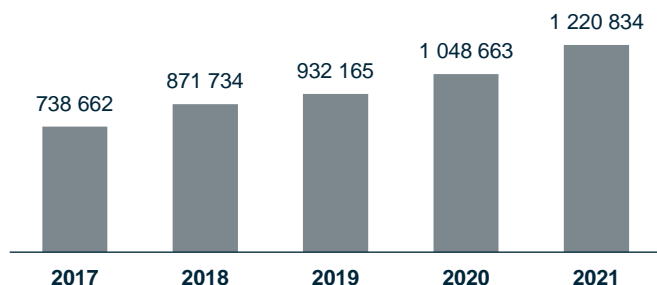
Average annual remuneration of Board members



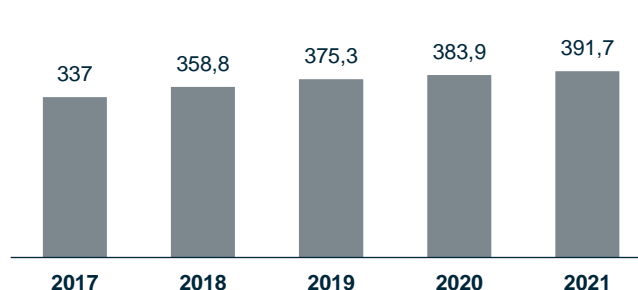
Personnel costs/Number of personnel



The CEO's total annual remuneration



Group total revenue, EUR million









## 2. Remuneration of the Board of Directors

The Annual General Meeting decides on the remuneration of the Board of Directors for their work on the Board and its committees as well as the grounds for determining remuneration. The Annual General Meeting of 17 March 2021 decided that the following annual remuneration will be paid to the members of the Board of Directors for the term ending at the Annual General Meeting of 2022:

Role	Annual remuneration, EUR
Chairman of the Board	67,500
Vice-Chairman of the Board	40,500
Members of the Board	34,000
Chairman of the Audit Committee	40,500

The Members of the Board are paid only one annual fee according to their role, which means that no overlapping fees will be paid. In addition, it was decided that an attendance

allowance of EUR 600 be paid for each meeting and an attendance allowance of EUR 600 be paid for Committee meetings as well.

The Annual General Meeting also decided that the annual fees would be paid as the Company's shares and cash, with approximately 40 per cent of the annual fee paid as Kojamo plc shares and the rest paid in cash.

The shares will be purchased directly on behalf of the members of the Board. The Company will pay any transaction costs and transfer tax related to the purchase of the Company shares. The shares in question cannot be transferred earlier than two years from the transaction or before the term of the member of the Board has ended, whichever date is earlier.

The members of the Board do not have employment or service contracts with Kojamo or its subsidiaries, and they are not covered by the employment-based remuneration schemes. The members of the Board also do not participate in Kojamo's incentive or retirement plans.





The remuneration paid to the members of the Board of Directors and its committees for 2021 were as follows:

Member of the Board	Annual fee Total, EUR <sup>1</sup>	In cash 60%, EUR	In shares 40%, EUR	Transfer taxes on shares, EUR <sup>2</sup>	Number of shares ac- quired <sup>3</sup>	Share purchase date	Share purchase price, EUR	The Board's meeting allowances EUR <sup>4</sup>	Audit Committee meeting al- lowances, EUR	Remuneration Committee meeting allow- ances, EUR	Total remunera- tion, EUR
Mikael Aro	67,500.00	40,515.20	26,984.80	431.76	1,516	14 May 2021	17.80	5,400		1,800	74,075.00
Mikko Mursula	40,500.00	24,302.00	16,198.00	259.17	910	14 May 2021	17.80	5,400	2,400		47,925.00
Matti Harjuniemi	34,000.00	20,400.80	13,599.20	217.59	764	14 May 2021	17.80	5,400	2,400		41,425.00
Anne Leskelä	40,500.00	24,302.00	16,198.00	259.17	910	14 May 2021	17.80	5,400	2,400		47,925.00
Minna Metsälä	34,000.00	20,400.80	13,599.20	217.59	764	14 May 2021	17.80	5,400		1,800	40,825.00
Heli Puura								1,200	600		9,925.00
Reima Rytsölä	34,000.00	20,400.80	13,599.20	217.59	764	14 May 2021	17.80	5,400		1,800	40,825.00
Catharina von Stackelberg-Hammarén	34,000.00	20,400.80	13,599.20	217.59	764	14 May 2021	17.80	4,200	1,800		31,500.00

On 31 December 2021, the members of the Board of Directors or corporations over which they exercise control owned shares and share-based rights in the Company or in companies belonging to the same Group as the Company as follows:

Member of the Board	Share ownership on 31 December 2021
Mikael Aro	30,308
Mikko Mursula	3,185
Matti Harjuniemi	2,659
Anne Leskelä	3,185
Minna Metsälä	2,659
Reima Rytsölä	7,659
Catharina von Stackelberg-Hammarén	1,964

<sup>1</sup> The annual fee is accrued over the financial year.

<sup>2</sup> The transfer taxes have not been accrued over the financial year.

<sup>3</sup> The number of shares acquired has not been accrued over the financial year.

<sup>4</sup> Includes one meeting from 2020



### 3. Remuneration of the CEO

Decisions on the remuneration of the CEO and other fees paid to the CEO are made by the Company's Board of Directors in accordance with the remuneration policy presented to the General Meeting. The Remuneration Committee prepares matters for the Board of Directors pertaining to the remuneration of the CEO and the remuneration principles applied by the Company.

The remuneration of the CEO consists of fixed remuneration components and variable remuneration components. Fixed remuneration consists of a regular total remuneration package consisting of a salary and ordinary benefits in kind (such as phone and car benefits). Variable remuneration components consist of a short-term incentive plan and a long-term incentive plan.

#### Short-term incentive plan

The purpose of the short-term incentive plan is to incentivise the achievement of the Company's annual financial or

operational targets. Short-term remuneration takes place within the framework of the annual performance bonus plan. For the short-term incentive plan to apply, the threshold level set for a Company-level performance target must be achieved. In 2021, the Company-level target was the Group's total revenue.

The Board of Directors decides on the criteria and potential size of short-term remuneration for each year at the end of the previous year. With the help of the Remuneration Committee, the Board of Directors assesses the achievement of the performance criteria for short-term remuneration relative to the targets based on the Company's reporting.

The grounds for determining the short-term remuneration paid to the CEO in 2021 for performance in the year 2020 – and the application of those grounds – is illustrated in the table below.

Weight, %	Performance indicator	Application/result
100	Company-level indicators (the Group's total revenue, the Group's FFO, the Group's administrative expenses relative to total revenue, NPS, the Group's acquisition of investment properties and change in corporate culture)	33%
additionally, 5% at a maximum	Individual performance indicator	100%

The potential remuneration payable for performance in 2021 under the short-term incentive plan will be paid fully in cash in the following year.

#### Long-term incentive plan

The long-term incentive plan is intended to align the interests of Kojamo's shareholders and the CEO in order to increase the Company's value in the long term and engage the CEO's commitment to the implementation of the Company's strategy and offer the CEO a competitive incentive plan based on the earning and accumulation of the Company's shares.

The Board of Directors decides the performance criteria for each earning period and the targets for each criterion as well as the earning opportunity in cash and/or the number of

Kojamo shares before the start of each earning period. The duration of the earning periods in the incentive plans currently in effect is three years each.

With the help of the Audit Committee, the Board of Directors assesses the achievement of the performance criteria of long-term remuneration based on the Company's financial statements figures at the start of each earning period relative to the confirmed target matrices.

The grounds for determining remuneration under the long-term incentive plans currently in effect and the degree to which the criteria were achieved are shown in the table below.



	Earning period 2018–2020	Earning period 2019–2021	Earning period 2020–2022	Earning period 2021–2023
<b>Earning criteria</b>	operative result and ROE %	total revenue, Group ROE % and the Group's FFO per share	total revenue and the Group's FFO per share	total revenue and the Group's FFO per share
<b>Maximum number of shares transferable to the CEO<sup>5</sup></b>	44,963	25,764	35,000	35,000
<b>Percentage of achievement of the earning criteria</b>	100 %	56.23 %	N/A	N/A

Any reward for each earning period will be paid during the year following the expiry of the earning period partially in shares in the Company and partially in cash. The cash component is intended to cover taxes and similar fees incurred by the CEO as a result of the reward. In the event that the CEO's employment or service relationship with the Company is terminated prior to the payment of the reward, no reward will be paid as a rule.

The CEO must hold 50 per cent of the net number of shares paid to him based on the whole incentive plan, until his/her total shareholding in the Company corresponds to the value of his/her annual gross salary. Such number of shares must be held as long as the CEO's employment or service relationship with the Company continues.

## Supplementary pension contributions

The CEO's retirement age is 63 years. The CEO belongs to a defined-contribution pension system for the members of the Management Team, in which an insurance premium corresponding to two months' pay is paid annually into a group pension insurance plan.

## Remuneration paid to the CEO in 2021

The salaries and other benefits paid to the CEO in 2021 are shown in the table below:

Remuneration type	Amount paid	Share of total, %
<b>Fixed remuneration</b>		32.2
Salary, EUR	393,477.49	
Benefits in kind, EUR	24,834.96	
<b>Variable remuneration</b>		67.8
Remuneration based on the short-term incentive plan, EUR <sup>6</sup>	33,188.36	
Remuneration based on the long-term incentive plan (earning period 2018–2020):		
In cash, EUR	384,667.02	
In shares, EUR	384,667.02	
Number of shares purchased	22,482	
Share purchase date	18 February 2021	
Share purchase price, EUR	17.11	
<b>Total remuneration, EUR</b>	1,220,834.85	
<b>Other financial benefits</b>		
Supplementary pension contributions, EUR	66,337.46	

<sup>5</sup> This represents the gross number of shares, including the cash component of the long-term incentive plan. For the 2018–2020 and 2019–2021 earning period, the figure shown is the actual number. For the 2020–2022 and 2021–2023 earning periods, the figure shown is the maximum amount.

<sup>6</sup> Performance bonus paid for 2020.





## 4. Remuneration of the Deputy CEO

The remuneration of the Deputy CEO is subject to the same remuneration principles as described for the CEO in section 3, with the exceptions mentioned below.

The grounds for determining the short-term remuneration paid to the Deputy CEO in 2021 for performance in the year 2020 –

and the application of those grounds – is illustrated in the table below.

### Short-term incentive plan

Weight, %	Performance indicator	Application/result
90	Company-level indicators (the Group's total revenue, the Group's FFO, the Group's administrative expenses relative to total revenue, NPS, the Group's acquisition of investment properties and change in corporate culture)	33%
10	Individual performance indicator	100%

### Long-term incentive plan

The grounds for determining remuneration under the long-term incentive plans currently in effect for the Deputy CEO and the

degree to which the criteria were achieved are shown in the table below.

	Earning period 2018–2020	Earning period 2019–2021	Earning period 2020–2022	Earning period 2021–2023
Earning criteria	operative result and ROE %	total revenue, Group ROE % and the Group's FFO per share	total revenue and the Group's FFO per share	total revenue and the Group's FFO per share
Maximum number of shares transferable to the Deputy CEO <sup>7</sup>	19,434	11,916	16,000	16,000
Percentage of achievement of the earning criteria	100 %	56.23 %	N/A	N/A

The Deputy CEO must hold 50 per cent of the net number of shares paid to them based on the whole incentive plan, until their total shareholding in the Company corresponds to 50 per cent of the value of their annual gross salary. Such number of shares must be held as long as the Deputy CEO's employment or service relationship with the Company continues.

<sup>7</sup> This represents the gross number of shares, including the cash component of the long-term incentive plan. For the 2018–2020 and 2019–2021 earning period, the figure shown is the actual number. For the 2020–2022 and 2021–2023 earning periods, the figure shown is the maximum amount.





## Remuneration paid to the Deputy CEO in 2021

The salaries and other benefits paid to the Deputy CEO in 2021 were as follows:

Remuneration type	Amount paid	Share of total, %
<b>Fixed remuneration</b>		36.5
Salary, EUR	212,836.03	
Benefits in kind, EUR	28,280.48	
<b>Variable remuneration</b>		63.5
Remuneration based on the short-term incentive plan, EUR <sup>8</sup>	9,910.75	
Remuneration based on the long-term incentive plan (earning period 2018–2020):		
In cash, EUR	166,257.87	
In shares, EUR	166,257.87	
Number of shares purchased	9,717	
Share purchase date	18 February 2021	
Share purchase price	17.11	
<b>Total remuneration, EUR</b>	583,543.00	
<b>Other financial benefits</b>		
Supplementary pension contributions, EUR	38,353.94	

<sup>8</sup> Performance bonus paid for 2020.