



Verkkokauppa.com Oyj

**CORPORATE GOVERNANCE STATEMENT 2023
AND REMUNERATION REPORT 2023**

VERKKOKAUPPA.COM'S ANNUAL REPORTING 2023

Verkkokauppa.com has published its annual reporting package for 2023. The reporting components are: the Company brochure, the Report of the Board of Directors and the Financial Statements, including the Non-Financial Statement, and the Corporate Governance Statement including the Remuneration Report. The reports are available in Finnish and English, and they can be read and downloaded separately from Verkkokauppa.com's [investor site](#) as separate pdf files. In addition, the company will publish a separate sustainability report during spring 2024.



CORPORATE GOVERNANCE STATEMENT 2023 AND REMUNERATION REPORT 2023

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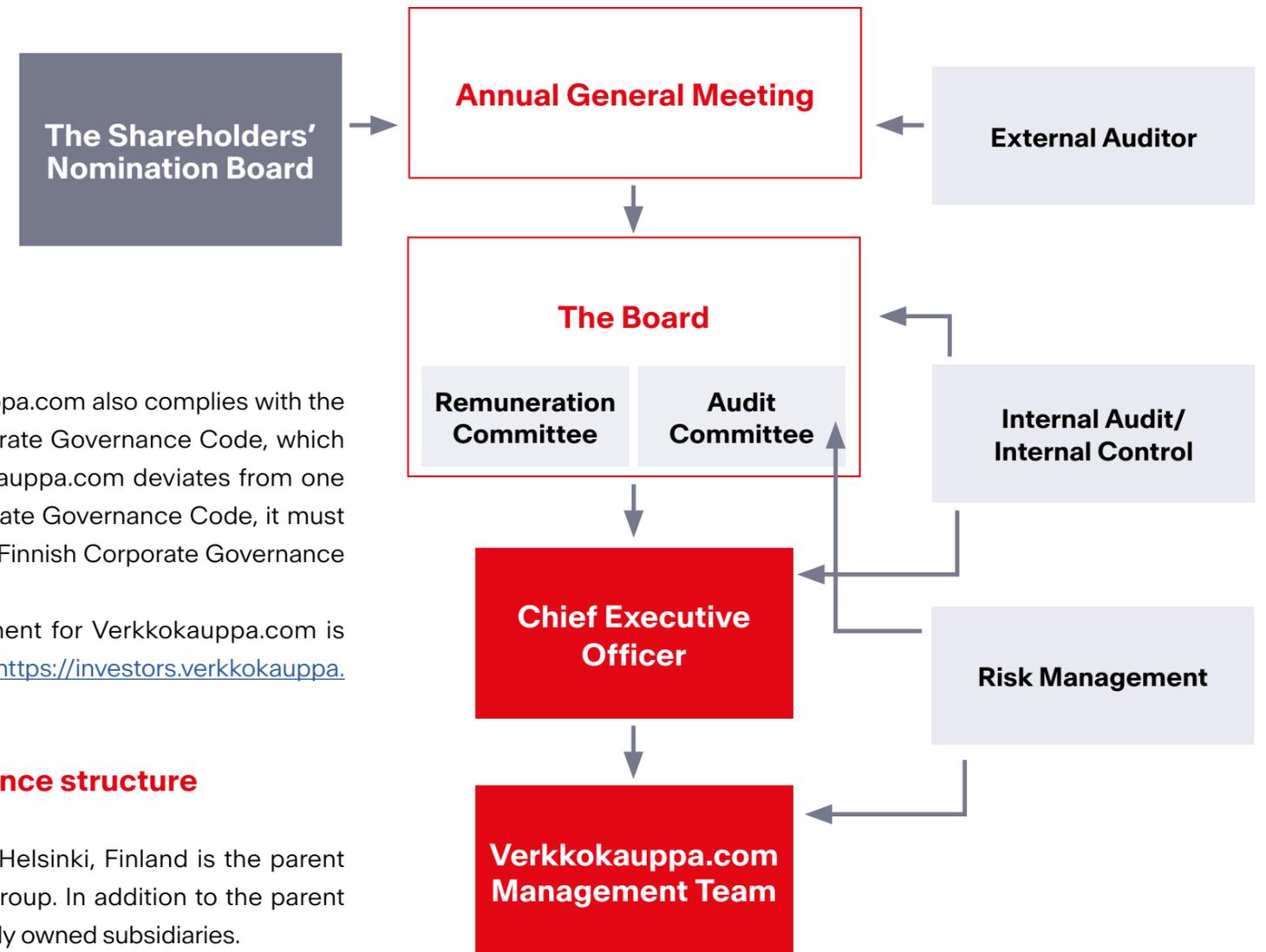
CORPORATE GOVERNANCE STATEMENT 2023

The Corporate Governance Statement of Verkkokauppa.com has been prepared in accordance with the current regulations and is published separately from the Report of the Board of Directors. The Audit Committee of the Board has considered this Report.

Verkkokauppa.com Oyj is a Finnish public limited company whose shares have been traded on the Nasdaq Helsinki Oy stock exchange since June 5, 2020. Verkkokauppa.com adheres to the corporate governance principles and complies in all its activities with the relevant laws and regulations and implements the corporate governance recommendations. Verkkokauppa.com’s governance is subject to the Company’s Articles of Association and the laws of Finland, in particular the Companies Act, the Accounting Act, securities markets legislation, and other regulations and provisions related to the governance of a public limited liability company. Furthermore, Verkkokauppa.com’s operations are guided by the Company’s values, its Code of Conduct, and its policies and internal operating guidelines.

Verkkokauppa.com prepares financial statements, half-yearly financial statements and interim financial reports in accordance with International Financial Reporting Standards (IFRS) adopted by the EU for the group and Finnish Accounting Standards (FAS) for the parent company, the Securities Markets Act and applicable Financial Supervisory Regulations and Guidelines, and Nasdaq Helsinki Regulations. The Company’s Annual Report and financial statements have been prepared in accordance with the Finnish Companies Act, the Accounting Act, the Securities Markets Act and the guidelines and statements of the Accounting Board. In accordance with the Finnish Accounting Act, Verkkokauppa.com publishes a statement of non-financial information, including information on the taxonomy of sustainable finance, as part of the Board’s Report. The Audit Report covers the Group’s financial statements.

Governance of Verkkokauppa.com



Through its governance, Verkkokauppa.com also complies with the Securities Market Association’s Corporate Governance Code, which entered into force in 2020. If Verkkokauppa.com deviates from one of the recommendations in the Corporate Governance Code, it must explain and justify the derogation. The Finnish Corporate Governance Code is available at www.cgfinland.fi.

The Corporate Governance Statement for Verkkokauppa.com is available on the Company’s website at <https://investors.verkkokauppa.com/fi/governance>.

Verkkokauppa.com’s governance structure

Verkkokauppa.com Oyj, domiciled in Helsinki, Finland is the parent company of the Verkkokauppa.com Group. In addition to the parent company, the Group consists of its wholly owned subsidiaries.

The Company’s governance is organized through the Annual General Meeting, the Shareholders’ Nomination Board, the Board, and the CEO. In addition, the Company has a Management Team led by the CEO. The Company has one reporting segment.

Annual General Meeting

The highest decision-making power in Verkkokauppa.com is exercised by the Company's shareholders at the Annual General Meeting, where they can speak, ask questions and vote. The Annual General Meeting is held by the end of June each year and deals with the matters specified in the Articles of Association, and the matters proposed to it.

In general, the Annual General Meeting addresses matters on the agenda of the Board and its committees, as well as the Shareholders' Nomination Board. In addition, shareholders may request that the Board add items to the agenda of the next Annual General Meeting, in accordance with the Companies Act. Verkkokauppa.com will publish, in due time, the date by which shareholders must notify their request for proceedings to be held at the Annual General Meeting on its investor website at <https://investors.verkkokauppa.com>.

Key matters subject to the decision-making power of an Annual General Meeting include:

- The adoption of the financial statements;
- The decision on the use of profit, such as dividends;
- The decisions on the number, election, and remuneration of members of the Board;
- The discharging the members of the Board and the CEO from liability;
- The election of the Auditor and the decision on the Auditor's remuneration; and
- Other proposals made by the Board or a shareholder, such as:
 - Amendments to the Articles of Association; and
 - Special authorizations given to the Board (e.g. the authorization to decide on the payment of an additional dividend, on a share issue or on the repurchase of the company's own shares)

As a rule, decisions by the Annual General Meeting are made with a simple majority of votes. The Annual General Meeting is attended by the CEO, the Chairperson of the Board and the members of the Board. The Auditor also attends the Annual General Meeting. The candidates

proposed for election to the Board attend the Annual General Meeting, which decides on their election.

Annual General Meeting notice and documents

Notice of the Annual General Meeting is published as a stock exchange release no earlier than three months and no later than three weeks before the meeting. The agenda, proposed resolutions, and other meeting materials will then be available on the Company's investor [website](#).

Voting

Shareholders entered in the shareholders' register maintained by Euroclear Finland Oy on the recorded date of the Annual General Meeting are entitled to participate in the Annual General Meeting and exercise voting rights. Each share has one vote. Instructions on the participation of nominee registered shareholders in the General Meeting can be found in the notice of the meeting.

Annual General Meeting in 2023

The Annual General Meeting was held in Helsinki on March 30, 2023 as a so called hybrid meeting. A total of 47 shareholders were represented at the Annual General Meeting, representing 66.1% of the Company's shares.

The Annual General Meeting approved the 2022 financial statements, made an advisory resolution on the Remuneration Report and granted discharge to the members of the Board and the CEO for the financial year 2022. The Annual General Meeting resolved to deviate from the dividend distribution policy and that no dividend be distributed from the profit of the 2022 financial year.

In accordance with the proposal of the Shareholders' Nomination Board, the number of Board members was set at seven, and the following members of the Board were re-elected: **Arja Talma** (Chairperson), **Johan Ryding**, **Kai Seikku** and **Samuli Seppälä**. As new members of the Board were elected: **Robin Bade**, **Henrik Pankakoski** and **Kati Riikonen**.

PricewaterhouseCoopers Oy, the firm of auditors, was elected as the Company's Auditor, and **Mikko Nieminen**, Authorized Public Accountant, acts as the Principal Auditor.

The Annual General Meeting approved Board authorizations to decide on the repurchase of own shares and on a share issue.

Verkkokauppa.com published a stock exchange release on the decisions of the Annual General Meeting and the Board's organizational meeting on March 30, 2023. The stock exchange release is available on the Company's investor [website](#).

Shareholders' Nomination Board

The Company's Annual General Meeting held on March 31, 2020 decided to establish a Shareholders' Nomination Board (the "**Nomination Board**") consisting of the Company's largest shareholders, or persons nominated by them, to prepare annually and otherwise, if necessary, proposals regarding the composition of the Board and the election and remuneration of its members. The Nomination Board functions, and its rules of procedure remain in force, until the Annual General Meeting decides otherwise.

The Nomination Board consists of three members, the Company's three largest shareholders, or representatives appointed by these shareholders. Shareholders' nomination rights are based on the number of votes cast on the last working day of May, preceding the Annual General Meeting. The Chairperson of the Board is an expert member of the Nomination Board.

Further information on the Nomination Board and its full rules of procedure are available on the Company's investor [website](#).

Composition of the Shareholders' Nomination Board

On June 27, 2023, the three largest shareholders of Verkkokauppa.com, as of May 31, 2023, appointed the representatives of the Nomination Board as follows:

Shareholder	Ownership as of May 31, 2023	A representative on the Nomination Board	Status on the Nomination Board	Presence during 2023–2024
Samuli Seppälä , Verkkokauppa.com's founder and principal owner	34.2%	Samuli Seppälä	Member	5/5
Varma Mutual Pension Insurance Company	8.5%	Erkka Korhonen , Senior Portfolio Manager	Chairperson	5/5
Mandatum Life Insurance Company	4.9%	Jukka Järvelä , Head of Equities, Mandatum Asset Management	Member	5/5

The Nomination Board also includes **Arja Talma**, Chairperson of the Board of Verkkokauppa.com, as an expert member.

Nomination Board Proposals for the 2024 Annual General Meeting

The Nomination Board convened five times before publication of its proposal. The ratio of attendance at the meetings was 100 per cent. The Nomination Board discussed on the size of the Board, its composition and diversity, and the key areas of expertise that are seen as benefitting the company the most. The Nomination Board also examined the remuneration of Board, noting it to be in line with market practice. On 18 January 2024, the Nomination Board announced its proposal to the Board for the notice of the Annual General Meeting. The Nomination Board resolved to propose to the Annual General Meeting that:

- the Board consists of seven members
- the following persons be elected to the Board for a term ending at the close of the Annual General Meeting 2025:
 - Proposed to be re-elected as members: **Robin Bade, Henrik Pankakoski, Kati Riikonen, Samuli Seppälä** and **Arja Talma**
 - Proposed to be elected as new members: **Irmeli Rytönen** and **Enel Sintonen**
- the Board elects a Chairperson of the Board amongst themselves.

Of the current members, **Johan Ryding** and **Kai Seikku** have informed that they are not available for re-election to the Board.

The nominees to the Board have indicated to the Shareholders' Nomination Board that if elected, they will elect **Arja Talma** as the Chairperson of the Board.

All nominees have given their consent to the election. All nominees are deemed independent of the company and its major shareholders, except for **Samuli Seppälä**.

The annual fee to be paid to the members of the Board to be elected at the Annual General Meeting for the term of office ending at the close of the Annual General Meeting in 2025 is proposed to be as follows:

- EUR 70,000 for the Chairperson of the Board, and
- EUR 35,000 for each member of the Board.

As a rule, 50 % of the annual fee will be paid in Verkkokauppa.com Oyj shares in four equal instalments, each instalment being purchased or transferred within the two-week period beginning on the date following the announcement of each of the company's interim reports and the company's financial statements bulletin for 2024. The rest of the annual

fee is proposed to be paid in cash, which is used to cover taxes arising from the fees.

The annual fees payable to members of the committees of the Board for the term of office ending at the close of the Annual General Meeting in 2025 are proposed to be the following:

- EUR 12,000 for the Chairperson of the Audit Committee,
- EUR 10,000 for the Vice Chairperson of the Audit Committee,
- EUR 6,000 for each member of the Audit Committee,
- EUR 8,000 for the Chairperson of the Remuneration Committee, and
- EUR 4,000 for each member of the Remuneration Committee.

The fees of the committees are proposed to be paid in cash. It is additionally proposed that the members of the shall be compensated for reasonable accrued travel and lodging expenses as well as other potential costs related to Board and Committee work.

The proposed fees correspond to previous fees payable to Board members.

The Board

The Board supervises the management of the Company and its operations. It also decides on important issues relating to strategy, investment, model of action, and financing.

The Board of Directors has two committees that report to the Board: The Audit Committee and the Remuneration Committee. The Board elects the members of the committees from among its members at the organizational meeting of the Board held after the Annual General Meeting. The Board of Directors has established written rules of procedure for both committees.

Composition and term

According to the Articles of Association, the Board consists of at least four (4) and no more than eight (8) members. The members of the Board are elected at the Annual General Meeting and their term of office expires at the end of the Annual General Meeting following their election.

The Articles of Association do not impose any restrictions on the number of terms of office of Board members, nor do they in any way limit the discretion of the Annual General Meeting in the election of Board members. However, the Annual General Meeting may take into account the recommendations of the Corporate Governance Code governing the composition of the Board, in particular independence requirements and other requirements applicable to companies listed on a regulated market in Finland. The Board elects one of its members as Chairperson and may also elect a Vice Chairperson.

Duties of the Board

The duties of the Board come from the Companies Act and other applicable legislation. The Board is responsible for the Company's administration. Its tasks include:

- Deliberating and deciding on the Company's strategy;
- Verifying the business plan and budget, as well as financing transactions (as far as not falling under the responsibility of the shareholders);

- Deliberating on and approving interim reports and/or interim management statements, the annual accounts and reports by the Board;
- Verifying internal controls, risk management systems and reporting procedures;
- Deciding on possible bonus and incentive schemes for management and possible general or special pension schemes, profit sharing schemes, or bonus schemes for employees of the Company;
- Deciding on any contracts which, given the scope and nature of the Company's activities, are of unusual nature or significant importance, such as long-term lease contracts;
- Monitoring related party transactions; and
- Appointing or dismissing the CEO. The CEO appoints other employees who are members of the Company's Management Team. Appointments are approved by the Company's Board.

Duties of the Board Committees

The Board of Verkkokauppa.com has established two committees: the Audit Committee and the Remuneration Committee.

The **Audit Committee** is responsible for preparing the Board's monitoring and control tasks in relation to the Company's financial reporting system, the effectiveness of internal controls and audit and risk management systems, and the independence of the Auditor. The majority of the members of the Audit Committee are independent of the Company and its significant shareholders. The criteria for the qualification of members of the committee have been taken into account.

The role of the **Remuneration Committee** is to prepare the Company's Remuneration Policy and Remuneration Report to be presented to the Annual General Meetings, and to ensure the effective preparation of remuneration matters in relation to the election of the CEO and other senior management. The majority of the members of the Remuneration Committee are independent of the Company and its significant shareholders.

Decision-making and meeting practice

The Chairperson convenes the Board. The Board of Directors has a quorum when at least half of its members are present at the meeting. Through voting, the majority opinion constitutes the Board's decision. In the event of a tie, the Chairperson has the casting vote.

The Board is always obliged to act in the Company's interests, and in such a way that its actions or measures are not likely to produce unjustified benefit to any shareholder or other third party at the cost of the Company or another shareholder.

The Board meets as often as necessary to fulfill its responsibilities. The CEO ensures that the Board has access to sufficient information to assess the Company's operations and financial situation. **Robert Tallberg**, the Company's lawyer in charge of legal affairs, acts as Secretary to the Board. The Board of Directors reviews its own operations annually, and after each longer meeting the Board organizes a short feedback session.

Independence of the Board

According to the Corporate Governance Code, the majority of the Board members must be independent of the Company. At least two members of the Board who are independent of the Company must also be independent of the Company's significant shareholders.

The Board assesses the independence of its members. The members of the Board confirm the information necessary to assess their independence annually and undertake to inform the Company, without delay, of any changes that may occur during the year of activity.

In 2023, all members of the Board of Directors were assessed as independent of the Company and its significant shareholders, except **Samuli Seppälä**. He is Verkkokauppa.com's founder and a significant shareholder, with a 34.2% share ownership, and a member of the Shareholders' Nomination Board.

Principles concerning the diversity of the Board

The Company has defined the principles concerning the diversity of the Board in accordance with recommendation nine of the CG Code.

It is in the interests of the Company and its shareholders that the members of the Board have broad expertise in different fields and areas of business. The Board's diversity supports the Company's business and development, open debate, and independent decision-making.

The Shareholders' Nomination Board shall consider the Company's strategy, the requirements of the Company's operations and its stage of development, as well as the necessary diversity of the Board, when preparing the proposal for the composition of the Board. The diversity of the Board is examined from different perspectives. The key factors for the Company are educational and professional background, strong, diverse and complementary skills, experience and knowledge of the business areas of importance to the Company, and age and gender balance.

The Company's Shareholders' Nomination Board prepares a proposal for the number and composition of the Board. The Shareholders' Nomination Board's proposal to the Annual General Meeting for the composition of the Board is based on the qualifications of each candidate, and the Company seeks to select Board members whose experience and profile match the Company's current and future business needs. The members of the Board are elected annually at the Annual General Meeting.

The Company's objective is to have both genders represented on the Board of Directors and to achieve a more balanced gender distribution in the long term on the Board of Directors. In order to achieve this goal, the process of seeking and evaluating new Board members is linked to candidates from both genders and the goal is actively communicated to shareholders.

Board diversity in 2023

The Board members had the necessary skills, experience and know-how of Verkkokauppa.com's most important business, social and market conditions, taking into account the Company's current and future needs. Strong industry expertise, stock exchange company experience, development and implementation skills for growth strategy, and knowledge of the economy were found among the members of the Board. In 2023, two members of the Board were female and five were

male. One member of the Board was a Swedish citizen and six were Finnish citizens. Five Board members live in Finland and two live abroad.

Principles concerning related party transactions

The Company's Board has adopted a policy on related party transactions. According to the Company's policy on related party transactions, the Board's Audit Committee is responsible for monitoring and supervising the Company's related party transactions. The Audit Committee monitors and assesses how contracts and other legal actions between the Company and its related parties meet the requirements of normal business and market conditions. The Audit Committee processes related party transactions to be reported in the financial statements. The Audit Committee reports regularly to the Board. The Board keeps a list of parties related to the Company.

Under the Company's policy on related party transactions, a member of the Company's Management Team has a responsibility to investigate, assess, and determine in advance whether a transaction within the scope of that member's responsibility is a potential related party transaction. Given the Company's business model in retail, the nature of its daily activities, and the use of general terms, related party activities are mainly concerned with the purchase of services or potentially significant one-off offers or tender processes. According to the Company's assessment, related party transactions that are not part of normal business activities, or are carried out on a non-market basis, are both relatively rare and limited in scope.

If a director or other relevant person identifies, or has reason to believe, that a transaction would be entered into with a related party, that person must notify the Secretary to the Board and the Company's financial administration. The Secretary to the Board of Directors assesses the nature of the business together with the financial management, i.e. whether the transaction was made as part of the Company's normal business and on market terms, the materiality of the transaction, and whether the transaction requires a decision by the Board of Directors. The Audit Committee prepares such related party transactions for decision by the Board.



The Board of Directors and its committees in 2023

On March 30, 2023, the Annual General Meeting elected the following seven members to the Board for a term of office ending at the close of the next Annual General Meeting: **Robin Bade, Henrik Pankakoski, Kati Riikonen, Johan Ryding, Kai Seikku, Samuli Seppälä** and **Arja Talma**. At the organizational meeting of the Board following the Annual General Meeting, **Arja Talma** was elected Chairperson of the Board. The composition of the Board committees was decided as follows; **Arja Talma** (Chairperson), **Robin Bade, Johan Ryding** and **Kai Seikku** were elected as members of the Remuneration Committee, and **Kai Seikku** (Chairperson), **Arja Talma** (Vice Chairperson), **Henrik Pankakoski** and **Kati Riikonen** were elected as members of the Audit Committee.

The Board has assessed **Robin Bade, Henrik Pankakoski, Kati Riikonen, Johan Ryding, Kai Seikku** and **Arja Talma** to be independent of the Company and its significant shareholders. The overall assessment of independence shows that **Kai Seikku's** independence is not compromised, despite his continuous membership on the Board for more than 10 years. The Board has not identified any other factors or factor that would undermine **Kai Seikku's** independence. **Samuli Seppälä** is not independent of the Company or its significant shareholders, as he has been a member of the Company's Board for more than 20 consecutive years, he is the founder of the Company and has served as its long-term CEO, and is himself a significant shareholder of the Company.

Number of Board and committee meetings, and attendance of members at meetings 2023

Name	Position	Board	Audit Committee	Remuneration Committee
Arja Talma	Chairperson, Chairperson of the Remuneration Committee, Vice Chairperson of the Audit Committee	21/21	4/4	4/4
Robin Bade (Board member as of 30 March 2023)	Member of Remuneration Committee	15/15		3/3
Christoffer Häggblom (Board member until 30 March 2023)	Vice Chairperson, member of the Remuneration Committee, member of the Audit Committee	6/6	1/1	1/1
Mikko Kärkkäinen (Board member until 30 March 2023)	Member	6/6	-	-
Henrik Pankakoski (Board member as of 30 March 2023)	Member of Audit Committee	15/15	3/3	
Kati Riikonen (Board member as of 30 March 2023)	Member of Audit Committee	14/15	3/3	
Frida Ridderstolpe (Board member until 30 March 2023)	Member	5/6	-	-
Johan Ryding	Member of Remuneration Committee	21/21	-	4/4
Kai Seikku	Chairperson of the Audit Committee, member of the Remuneration Committee	20/21	4/4	4/4
Samuli Seppälä	Member	21/21	-	-

In 2023, the Board of Directors convened 21 times (2022: 23 times). The average attendance rate was 98% (2022: 98%).

In 2023, in addition to its tasks as defined in its charter, the Board focused on the shifting macroeconomic environment and the update of the strategy. The work of the Remuneration Committee focused on its tasks defined in its charter as well as the preparation of the appointment of new management team members and incentive schemes. The work of the Audit Committee focused on the development of financial reporting and preparation for the corporate sustainability reporting directive.

Members of the Board of Verkkokauppa.com as of December 31, 2023

Johan Ryding

Henrik Pankakoski

Kati Riikonen

Arja Talma

Samuli Seppälä

Kai Seikku

Robin Bade



Members of the Board of Verkkokauppa.com as of December 31, 2023

Arja Talma

Chairperson, Chairperson of Remuneration Committee, Vice Chairperson of Audit Committee, Board member since 2018

Born in 1962, Finnish citizen
Education: Master of Science (Econ.), eMBA
Main occupation: Board professional

Positions of trust

Board member, Nordea Bank Abp, 2022–
Board member, Glaston Oyj 2021–
Board member, Metso Oyj, 2016–

Work experience

Senior Vice President, Store Sites and Investments, Kesko Corporation, 2013–2015
President, Rautakesko Oy, 2011–2013
Senior Vice President, CFO, Kesko Corporation, 2005–2011
Vice President, Corporate Controller, Kesko Corporation, 2004–2005
Executive Vice President, Oy Radiolinja Ab, 2001–2003
Partner, APA, Auditor, KPMG Wideri Oy Ab, 1987–2001

Shareholding in Verkkokauppa.com as of December 31, 2023: 37,853 shares

Independent of the Company and its significant shareholders

Robin Bade

Member of Remuneration Committee, Board member since 2023

Born in 1979, Finnish citizen
Education: BBA, studies in economics
Main occupation: CEO and founder, eBrands

Positions of trust

Board member, eBrands Holdings Oy 2020–
Board member, Tulos Group 2020–
Board member, Liwlig Group Oy 2018–

Work experience

CEO Europe, Mirum Agency (WPP Plc), 2012–2019
CEO and Founder, Activeark Oy, 2003–2012

Shareholding in Verkkokauppa.com as of December 31, 2023: 5,347 shares

Independent of the Company and its significant shareholders

Henrik Pankakoski

Member of Audit Committee, Board member since 2023

Born in 1984, Finnish citizen
Education: M.Sc. (Econ)
Main occupation: Regional General Manager Nordics, Wolt 2022–

Work experience

General Manager Finland, Wolt 2017–2022
Several roles in management consulting, The Boston Consulting Group 2008–2017

Shareholding in Verkkokauppa.com as of December 31, 2023: 5,347 shares

Independent of the Company and significant shareholders

Kati Riikonen

Member of Audit Committee, Board member since 2023

Born in 1971, Finnish citizen
Education: M.Sc. (Econ)
Main occupation: Vice President, Telia Finland Oyj, Online, Marketing and Analytics

Positions of trust

Board member, Nooa Säästöpankki Oy 2021–

Working experience

Google Finland Oy, Business Director 2017–2020
Isobar Finland Oy, CEO 2015–2017
DNA Oy, Marketing Director and Online Director 2011–2015
KRi Marketing Tmi, Entrepreneur, 2006–2011
Motorola Inc, Marketing Director, 2003–2006

Shareholding in Verkkokauppa.com as of December 31, 2023: 5,347 shares

Independent of the Company and significant shareholders

Johan Ryding

Member of Remuneration Committee, Board member since 2021

Born in 1979, Swedish citizen
Education: Master of Science in Business and Economics
Main occupation: Entrepreneur

Positions of trust

Board member, Wesports Scandinavia AB, 2021–
Board member, Pamica Group AB, 2022–

Work experience

Managing Director and Founder, Sportamore AB, 2009–2020
Several retail management positions, Nike EMEA, 2003–2010

Shareholding in Verkkokauppa.com as of December 31, 2023: 12,918 shares

Independent of the Company and its significant shareholders

Kai Seikku

Chairperson of the Audit Committee,
Member of Remuneration Committee,
Board member since 2013

Born in 1965, Finnish citizen

Education: Master of Science

Main occupation: President and CEO,
Okmetic Oyj

Executive Vice President, National
Silicon Industry Group (Shanghai, China)

Positions of trust

Board member, Noho Partners Plc,
2022–

Board member, Soitec S.A., 2019–

Board member, Inderes Oyj, 2016–

Work experience

CEO, HKScan Oyj, 2005–2009

CEO, Hasan & Partners Oy, 1999–2004

Shareholding in Verkkokauppa.com
as of December 31, 2023: 157,845 shares

Independent of the Company and its
significant shareholders

Samuli Seppälä

Board Member since 1998

Born in 1975, Finnish citizen

Education: High School Graduate

Main occupation: Entrepreneur

Positions of trust

Board member, F. Sergejeff's Beer
Factory Corporation, 2014–

Work experience

Founder, CEO, Verkkokauppa.com Oyj,
1992–2018

Shareholding in Verkkokauppa.com
as of December 31, 2023: 15,527,000
shares

Christoffer Häggblom

Vice Chairperson of the Board, member
of Remuneration Committee and Audit
Committee, Board member 2009–
2023.

Born in 1981, Finnish citizen

Education: Master of Science
(Economics)

Main occupation: Managing Partner, Rite
Internet Ventures Holding AB

Positions of trust

Chairperson of the Board, Lemonsoft
Oyj, 2020–

Board member, Rite Internet Ventures
Holding AB (including subsidiaries),
2007–

Work experience

Founder and Managing Partner,
Rite Internet Ventures Holding AB, 2007–

Shareholding in Verkkokauppa.com
as of December 31, 2023: N/A

Independent of the Company and its
significant shareholders

Mikko Kärkkäinen

Board Member 2021–2023

Born in 1975, Finnish citizen

Education: Dr. of Technology, M.Sc.
(Tech)

Main occupation: CEO, RELEX Solutions

Positions of trust

Board member, Retail Logistics
Excellence – RELEX Oy, 2005–

Work experience

CEO and Founder, RELEX Solutions,
2006–

Project Director, Helsinki University of
Technology, 2004–2005

Researcher, Helsinki University of
Technology, 2000–2004

Production Chain Consultant, Sedeco
Consulting, 1998–2001

Shareholding in Verkkokauppa.com
as of December 31, 2023: N/A

Independent of the Company and its
significant shareholders.

Frida Ridderstolpe

Board Member 2021–2023

Born in 1978, Swedish citizen

Education: Studies in Commerce,
Human Geography and Archeology

Main occupation: Head of Digital
Development and eCommerce, Axfood

Positions of trust

Board member, Middagsfrid AB, 2019–

Work experience

Director of several online and business
development tasks, Axfood, 2018–

Director of several network and retail
related tasks, H&M, 2014–2018

Several retail management positions,
Gant Sweden AB, 2008–2014

Shareholding in Verkkokauppa.com
as of December 31, 2023: N/A

Independent of the Company and its
significant shareholders

Chief Executive Officer

The Board elects the CEO and decides on the remuneration, and the other terms of the CEO's contract. The CEO is responsible for the management and development of the Company in accordance with the instructions and regulations issued by the Board, and implements the Board's decisions. The CEO is responsible for the day-to-day management of the Company in accordance with the instructions and orders issued by the Board. The CEO also ensures that the Company's accounts are legal and that the Company's financial and treasury management is reliably organized. The CEO reports to the Board on the Company's financial condition, business environment, and other important matters. The CEO also acts as Chairperson of the Group's Management Team.

The CEO primarily presents the issues on the agenda to the Board, and drafts the Board's proposals for decisions.

Verkkokauppa.com Oyj's CEO is **Panu Porkka**. The CEO, and his related parties, do not have essential business relationships with the Company. Details of the CEO can be found in the management and ownership information section below. The financial benefits awarded to the CEO's employment are described in the Remuneration Report.

Management Team

The Management Team is an institution composed of the Company's executive management, the activities of which are not regulated by law. The Management Team is responsible for the long-term strategic development of the Company.

The members of the Management Team deal with matters relating to the management of the Company in their respective areas, in accordance with the instructions given by the Board. The Management Team assists the CEO in the management of the Company. The members of the Management Team prepare matters to be submitted to the Board for decision, such as the Company's strategy, budget and policies, as well as major acquisitions, investments, and divestments. In

addition, the Management Team will address issues related to reporting, internal and external communication, personnel development, recruitment and the working conditions of employees, and investor relations.

Verkkokauppa.com's Management Team consists of the CEO, **Panu Porkka**, **Mikko Forsell** (CFO), **Nina Anttila** (Chief Supply Chain Officer), **Tatu Kaleva** (Chief Commercial Officer), **Pekka Litmanen** (Chief Experience Officer), **Satu Berlin** (Chief Human Resources Officer, beginning 1.3.2024), **Jyrki Tulokas** (Chief Strategy and Technology officer) and **Suvituuli Tuukkanen** (Marketing and Communications Director).

Management of the Company

Members and shareholdings of the Management Team during 2023

Name	Position	Time period (if not a full year)	Ownership of Verkkokauppa.com shares as of December 31, 2023
Panu Porkka	Chief Executive Officer		119,000
Mikko Forsell	CFO		61,000
Nina Anttila	Chief Supply Chain Officer		10,000
Tatu Kaleva	Chief Commercial Officer	Since October 2, 2023	5,000
Pekka Litmanen	Chief Experience Officer (CXO)		10,002
Jyrki Tulokas	Chief strategy and technology officer		12,550
Suvituuli Tuukkanen	Marketing and Communications Director		5,000
Vesa Järveläinen	Commercial Director	Until October 2, 2023	N/A
Perttu Meldo	Chief Strategy and Innovation Officer	Until August 18, 2023	N/A
Saara Tikkanen	HR Director	Until December 31, 2023	N/A

The Management Team is chaired by the CEO, who appoints the Secretary to the Management Team. In 2023, **Marja Mäkinen**, responsible for the Company's Investor Relations and Corporate communications, acted as the Secretary to the Management Team. The personal and share ownership information about, and responsibilities of the members of the Management Team are described in the corporate management section. The decision-making order and key principles for the remuneration of the members of the Management Team, other than the CEO, are described on the Company's investor [website](#).

CEO and members of the Management Team as of December 31, 2023

Jyrki Tulokas

Nina Anttila

Pekka Litmanen

Panu Porkka

Suvituuli Tuukkanen

Mikko Forsell

Tatu Kaleva



CEO and members of the Management Team as of December 31, 2023

Panu Porkka

CEO
Born in 1977, Finnish citizen
Business studies
Member of the Management Team since 2018

Positions of trust

Board member, Finnish Commerce Federation, 2023–
Board member, Solteq Oyj, 2019–

Work experience

CEO, Suomalainen Kirjakauppa, 2017–2018
Sales Director, Tokmanni, 2013–2016
COO, Lidl Switzerland, 2009–2010

Mikko Forsell

CFO
Born in 1974, Finnish citizen
M.Sc. (Econ.), M.Sc. Engineering
Member of the Management Team since 2019

Positions of trust

Board member, Alko Inc, 2022–

Work experience

CFO, HKScan Oyj, 2018–2019
CFO, Metsä Tissue Oyj (Metsä Group), 2014–2017
Vice President Purchasing, Metsä Tissue Oyj (Metsä Group), 2012–2013
Vice President Finance Projects, Metsä Tissue Oyj (Metsä Group), 2009–2012
Group Controller, Metsä Tissue Oyj (Metsä Group), 2005–2009

Nina Anttila

Chief Supply Chain Officer
Born 1971, Finnish citizen
M.Sc. Econ., M. Eng. of Logistics and Supply Chain Management
Member of the management team since 2022

Positions of trust

Board member, Dimex Oy, 2021–

Work experience

Vice President, Sourcing, Fiskars Oyj, 2018–2022
Chief Supply Chain Officer, Reima Oy, 2015–2018
Different logistics and supply chain managerial positions at Konecranes Plc, 2010–2014
Director, Mobile Solution Operations Material Management, Nokia Oyj, 2010
Senior Manager, Supplier Collaboration, Nokia Oyj, 2006–2010

Tatu Kaleva

Chief Commercial Officer
Born in 1979, Finnish citizen
Master of Business Administration
Member of the management team since 2023

Work experience

Director Category Management, Verkkokauppa.com Oyj 04/2023–10/2023
Purchasing Manager, Verkkokauppa.com Oyj 2014–2023
Purchasing Manager, Lidl Suomi 2007–2014

Pekka Litmanen

Chief Experience Officer (CXO)
Born in 1980, Finnish citizen
BBA, MBA
Member of the Management Team since 2021

Work experience

SVP, Head of Customer Relationships and Loyalty, SOK Corporation, 2019–2021
Vice President, Customer Experience, Alko Inc., 2016–2018
Director of Development, Elisa Corporation, 2014–2016
Head of Customer service process, Elisa Corporation, 2008–2014

Jyrki Tulokas

Chief Strategy and Technology Officer
 Born in 1975, Finnish citizen
 M.Sc (Econ)
 Member of the Management Team
 since 2021

Work experience

Technology Director, F-Secure Oyj,
 2019–2021
 Director, Cybersecurity Products and
 Services, F-Secure Oyj, 2017–2019
 Director, Strategy and Business
 Development, F-Secure Oyj, 2015–2017
 Director, Business Development and
 Product Management, F-Secure Oyj,
 2008–2015
 Director, Business Development,
 Suunto Oy, 2005–2008

Suvituuli Tuukkanen

Marketing and Communications Director,
 Born 1974, Finnish citizen
 M.Sc. (Econ.)
 Member of the management team
 since 2022

Work experience

SVP, corporate brand & sustainability,
 Veikkaus, 2021–2022
 VP, brand, marketing and customer
 loyalty, Veikkaus, 2017–2021
 Strategy director, hasan & partners,
 2016–2017
 Account director, Strategist, hasan &
 partners 2013–2016
 Marketing Architect, Toinen Helsinki,
 2011–2013
 Strategy director, partner,
 TBWA\Helsinki 2011
 Account director, partner,
 TBWA\Helsinki, 2006–2011

Vesa Järveläinen

Commercial Director
 Born in 1983, Finnish citizen
 High School Graduate
 Member of the Management Team
 2017–2023

Work experience

Purchasing Director,
 Verkkokauppa.com Oyj, 2018
 Vice Purchasing Director,
 Verkkokauppa.com Oyj, 2015–2017

Perttu Meldo

Chief Strategy and Innovation Officer,
 Born 1991, Finnish citizen
 M.Sc. IEM
 Member of the management team
 2022–2023

Work experience

Associate Partner, McKinsey & Company,
 2014–2022

Saara Tikkanen

HR Director
 Born in 1982, Finnish citizen
 M.Sc (Econ)
 Member of the Management Team
 2021–2023

Work experience

HR director, Edenred Finland Oy,
 2017–2021
 HR manager, ISS Palvelut Oy,
 2013–2017

Remuneration Policy and Remuneration Report

In accordance with the Corporate Governance Code, Verkkokauppa.com's Remuneration Report and Remuneration Policy was presented to the Annual General Meeting on March 30, 2023.

Internal control, risk management and internal audit

Internal control

Internal control policies are in line with the risk management process. The aim of risk management is to support strategy and the achievement of objectives by anticipating and responding to potential business threats and opportunities. Internal control and risk management related to financial reporting seek sufficient certainty as to the reliability of financial reporting, and that the financial statements have been prepared in accordance with the laws and regulations in force, the accounting principles (IFRS), and other requirements imposed on listed companies. The internal control components are the control environment (COSO), risk assessment, supervisory functions, communication, and monitoring. The Board and the CEO have overall responsibility for the organization of internal control and risk management systems.

Overview of risk management

The Company's Board has approved a risk management approach for the Company based on the ISO 31000 standard. The purpose of the Company's risk management is according to the risk management model:

- To increase the organization's risk awareness and proactive risk management
- To increase the competitiveness of the organization by reducing negative risks and increasing positive risks
- To ensure a sufficient level of risk management for the whole organization
- To manage risks as part of business activities and define responsibilities of risk management in the organization

Risk management is managed operationally by the risk manager. Risk management has its own steering group, whose purpose is to review the status of risk management on a quarterly basis and to guide the work of the organization. Risk management functions as a means of control and monitoring within the Company, as one of the components of internal control.

In accordance with the risk management model, risks at Company level and risks at each department level are assessed. In addition, risk assessments are targeted at different objects based on compliance or risk criteria.

The Risk Management Policy is supported by internal risk management principles and guidelines for the implementation of risk management. The risk management model guides risk management in accordance with the annual clock and is based on the continuous improvement model.

Risk management is reported to different stakeholders according to pre-defined criteria. An annual plan is created for the following year based on the Annual Report and development feedback.

The Audit Committee regularly monitors and assesses the implementation of the Company's risk management system. The Company's operational management is responsible for the practical actions of risk management within the framework of the Risk Management Policy and principles.

Main features of the internal control and risk management systems pertaining to the financial reporting process

Financial reporting is carried out by Verkkokauppa.com's CFO and finance department. The reporting is based on information provided by commercial and administrative processes and financial management systems. The financial reporting process is monitored by the Company's financial department, including different guidelines, process descriptions, reconciliations, and analyses, to ensure the accuracy of the information used in reporting.

The results of financial reporting are monitored, and deviations from forecasts and from the previous year are analyzed on a regular basis. The analyses are used to identify possible errors in reporting

and to provide materially correct information about the Company's finances. The Company's financial department is responsible for the efficiency and completeness of the internal control. The internal audit is responsible for evaluating financial reporting processes. Risks related to financial reporting are assessed in accordance with the Company's risk management principles. The deficiencies identified in the internal audit and risk assessment are addressed according to the risk classification.

Inspection activities

Overview of internal audit

The internal audit will enhance the performance of the supervisory responsibilities of Verkkokauppa.com's Board. The objective of the internal audit is to contribute to ensuring that the Company operates efficiently and effectively, that information is up to date and reliable, and that policies and practices are followed.

Internal audits help an organization to achieve its objectives by assessing and examining its activities and monitoring compliance with guidelines.

The internal audit function provides recommendations for the development of systems and processes in its audit reports. The Board's Audit Committee approves the annual internal audit plan, which selects audit targets in accordance with the Company's strategic objectives, the assessed risks, the priorities defined by the Board and the Company's executive management, and the rotation principle. The internal audit function reports to the Board's Audit Committee. In addition, the CEO, the Management Team, and the management of the audited entity are informed of the results of the audit.

Audits are carried out by external partners. Before performing field work at the internal audit site, the internal audit collects pre-material and focuses on the information and materials relevant to the audit site. During the course of the field work, additional observations about the object of inspection are recorded.

The internal audit reports contain key findings, conclusions, and recommendations for the development of controls. The site management must establish an action plan to manage the identified

risks and develop controls to address the deficiencies identified during the audit. The person responsible for the internal audit of the Company regularly follows the implementation of the action plan.

Audit

The main task of the statutory audit is to ensure that the financial statements provide correct, accurate and adequate information on the Company's activities and financial situation during the financial year. The Auditor reports to the Board of Directors at least once a year, and quarterly to the Board's Audit Committee. The remuneration of the Auditor is disclosed to Verkkokauppa.com's shareholders.

According to the Articles of Association, the Auditor must be an audit firm approved by the National Board of Patents and Registration. The Annual General Meeting elects an Auditor whose term of office expires at the end of the Annual General Meeting following the election. The Board's proposal for the Auditor will be included in the notice of the Annual General Meeting. The Auditor's audit fees in 2023 were approximately EUR 216,000 (approximately EUR 155,000 in 2022). In 2023, the Auditor was paid approximately EUR 39,000 for non-audit services related to assurance on the ESEF-reporting and preparation of CSRD-reporting (in 2022 approximately 20,000 relating to assurance on the ESEF-reporting and an auditor's statement for a share issue).

PricewaterhouseCoopers Oy, a firm of Authorized Public Accountants, has acted as the Auditor of the Company since 2016, with **Mikko Nieminen**, Authorized Public Accountant, being the Principal Auditor since 2023.

Code of Conduct

Verkkokauppa.com introduced an updated Code of Conduct approved by the Board in 2021. The Code of Conduct is based on the Company's common values, which lay the foundations for all activities. An online training program on the Code of Conduct for all staff was implemented and will form part of the new employee orientation. During the 2023, 93 per cent (2022: 92 per cent) of all employees had completed the training.

Whistleblowing channel for reporting suspected wrongdoing

The Company has a reporting channel through which employees and other stakeholders can report suspicions of misuse or of policy breaches. If necessary, the channel can be used anonymously, and all reports made through the reporting channel become subject to internal investigation and are examined in accordance with the notification procedure. No notifications were made in 2023 through the reporting channel (2022 no notifications).

Disclosure

The key principles of the communication and disclosure of the Company are timeliness, consistency, impartiality, and transparency.

The purpose of the Company's investor relations function is to support the correct valuation of Verkkokauppa.com's financial instruments by providing consistent, correct, relevant, and reliable information about the Company to the financial markets to ensure that parties to the capital markets have a transparent and clear view of the Company, its activities, objectives, strategy, and financial situation. The aim is to ensure that all market participants receive the information communicated by the Company at the same time.

Verkkokauppa.com's website (www.verkkokauppa.com and <https://investors.verkkokauppa.com>) is the main communication channel for communicating up-to-date information to all stakeholders. Verkkokauppa.com's aim is to provide reliable and comprehensive information on its website, enabling investors to form the right picture of the Company.

Verkkokauppa.com's official reporting language is Finnish. Stock exchange releases and financial reports subject to reporting obligation are published in both Finnish and English.

Verkkokauppa.com's Disclosure Policy has been approved by the Company's Board and is available on the Company's investor [website](#).

Insider administration

Coordination and control of insider issues

Verkkokauppa.com complies with the insider rules published by Nasdaq Helsinki Oy, which apply to companies whose shares are traded on Nasdaq Helsinki. The Insider Guidelines approved by Verkkokauppa.com's Board complement other insider regulations and define the procedures for insiders and insider management. Verkkokauppa.com's insider guidelines are regularly updated and their compliance is continuously monitored. Verkkokauppa.com's Head of Legal, **Robert Tallberg**, acts as the Insider Officer.

Related party activities

Persons in management positions

The Market Abuse Regulation (MAR) contains, in particular, provisions relating to the Company's duty to disclose information, the management of inside information, the reporting and disclosure of transactions by managers and their related parties, and insider lists.

Obligation to notify

Executives and their related parties must report their transactions in the Company's financial instruments to the insider guidelines within two days, and to the Financial Supervisory Authority within three days of the transaction. The Company is obliged to report transactions with stock exchange releases within two days of receipt of the notification. Persons holding managerial positions must inform the related parties in writing of the existence of such a duty.

Closed period

The closed period under the Market Abuse Regulation, during which transactions in the Company's financial instruments are prohibited, is 30 calendar days before the publication of the issuer's interim or annual financial statements, and applies to persons holding managerial positions. The Company applies the closed period after the end of each quarter of the calendar year until the day following the publication of the financial statement or annual financial statements. However, the closed period must always include at least 30 calendar days preceding the publication of the financial statement or annual financial statements. In certain specific cases, the issuer may allow transactions in a closed period on a case-by-case basis.

Shareholders' agreements

The Company is not aware of any shareholders' agreements regarding the shares of the Company.





Verkkokauppa.com Oyj

REMUNERATION REPORT 2023

Verkkokauppa.com Oyj Remuneration Report 2023

This Remuneration Report sets out how Verkkokauppa.com Oyj has implemented its Remuneration Policy in the financial year 2023. The Remuneration Report provides information concerning the remuneration of the company's Board of Directors and CEO during 2023. The Remuneration Report has been prepared in accordance with the requirements of the Second Shareholders' Rights Directive (EU 2017/828). In Finland, the requirements of the directive have mainly been implemented in the Limited Liability Companies Act (624/2006, as amended), the Securities Markets Act (746/2012, as amended), the Decree of the Ministry of Finance (608/2019) and the Finnish Corporate Governance Code 2020.

The Board's Remuneration committee has prepared the Remuneration Report for review by the Board, and the Board has approved it for submission to the General Meeting. The shareholders will make an advisory decision on the approval of the Remuneration Report at the Annual General Meeting 2024.

Introduction

Overview of remuneration in the financial year 2023

The remuneration of Verkkokauppa.com's governing bodies is based on the company's remuneration policy that was presented for an advisory decision at the Annual General Meeting held on 25 March 2021. In 2023, the company's remuneration decision-making process as defined in the Remuneration Policy has been followed in the decision-making related to Verkkokauppa.com's remuneration. The Board has not applied the possibility to deviate from the remuneration policy temporarily during 2023 and the Board has not identified a need to apply any clawback provisions to variable remuneration paid.

The remuneration applied in accordance with the current remuneration policy in 2023 has supported the company's long-term financial success and shareholder value creation. The CEO's overall earning opportunity has been set as competitive, and the performance-based short-term and long-term incentive plans have emphasized the importance of operative and financial performance as well as shareholder value creation in the CEO's remuneration. In addition, the long-term incentive plan has promoted the alignment of the CEO's and shareholders' interests.

In 2023, Verkkokauppa.com had long-term and short-term incentive plans in place for the CEO. Under the long-term incentive plans, the Performance Matching Share Plan 2023-2027 decided by the Board on 10 May 2023 was in place in 2023. In the Performance Matching Share Plan, the reward is based on the Company's total shareholder return (TSR), including dividends. The Performance Matching Share Plan is based on the participants' own investment in the Verkkokauppa.com share and on matching shares earnable against the own investment. The features of long-term incentive plans are described in more detail in the section "CEO Remuneration" on page [25](#).

In 2023, the short-term incentive's focus was on improved net working capital and profitability, and the CEO's performance criteria were set to 25% net working capital improvement and 75% improvement in profitability. The CEO did achieved partly the criteria of the net working capital and profitability improvement set by the Board and earned an equivalent of approximately 29 per cent of the maximum reward of six (6) months fixed salary. See more detail in the section "CEO Remuneration" on page [25](#).



Development of financial performance and remuneration in Verkkokauppa.com

Development of financial performance 2019–2023

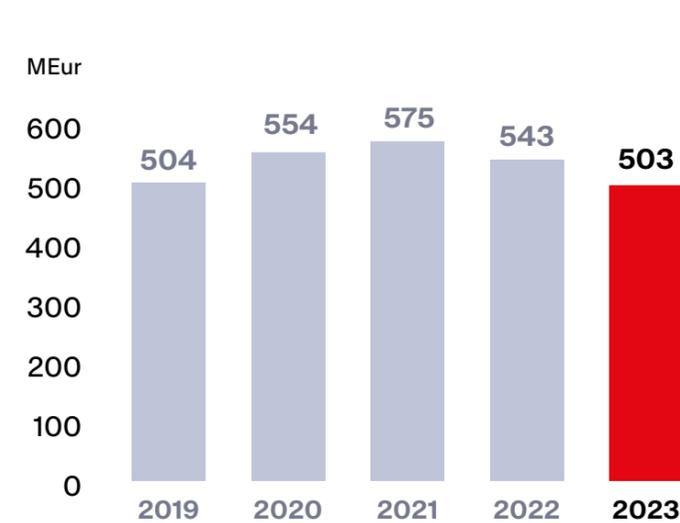
From 2019 to 2023, Verkkokauppa.com’s revenue has stayed on the same level; the revenue as a whole has declined by 0.2%, meaning the annual decline has averaged 0.1%. Over the same period, the operating profit (EBIT) has sunk by 46%, or an average of 14.3% per year.

As the revenue has grown relatively steadily until 2021, the comparable operating profit (EBIT) has reflected the rigorous competitive environment that prevailed. The operating profit (EBIT)

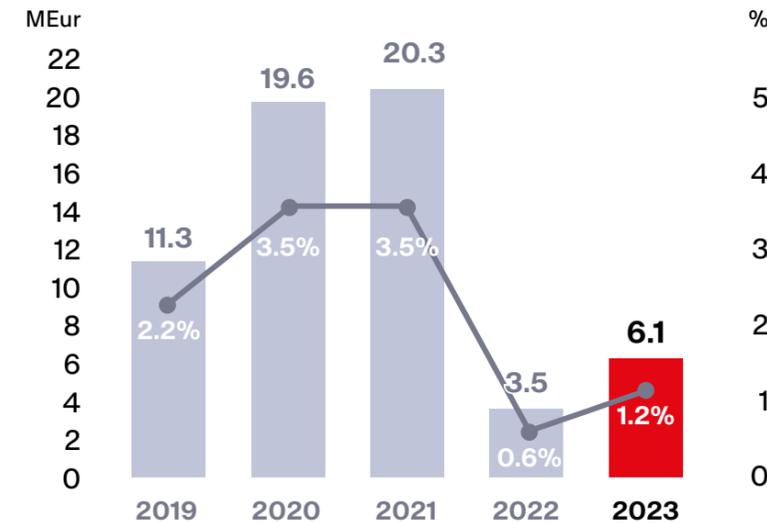
increased significantly in 2020 and 2021, due to strong demand in the online sales channel resulting from the COVID-19 pandemic. The Ukraine crisis with the resulting inflation and weakening of the purchase power has affected profitability 2022 onward with the adverse trend continuing in 2023. The emphasis on profitability and net working capital is reflected in the CEO’s short-term incentive performance criteria, as described on page 25.

Including dividends, the return in 2019–2023 totaled -42.3 %.

Revenue



Comparable operating profit



Share Price development

Dividends per share 2019–2023 EUR 1.29 in total



Verkkokauppa.com’s share price graph does not reflect the dividends paid in 2019–2023.

Development of remuneration in 2019–2023

Remuneration paid to the CEO, EUR

	2019	2020	2021	2022	2023
Fixed base salary + fringe benefits	419,390	454,068	441,544	409,167	393,957
Short-term incentive	109,320	0	120,000	10,224	0
Long-term incentive			96,910	55,660	124,073
Total remuneration	528,710	454,068	658,454	475,051	518,030
Development					
Fixed base salary + benefits	32%	8%	-3%	-7%	-4%
Total remuneration	30%	-14%	45%	-28%	-9%

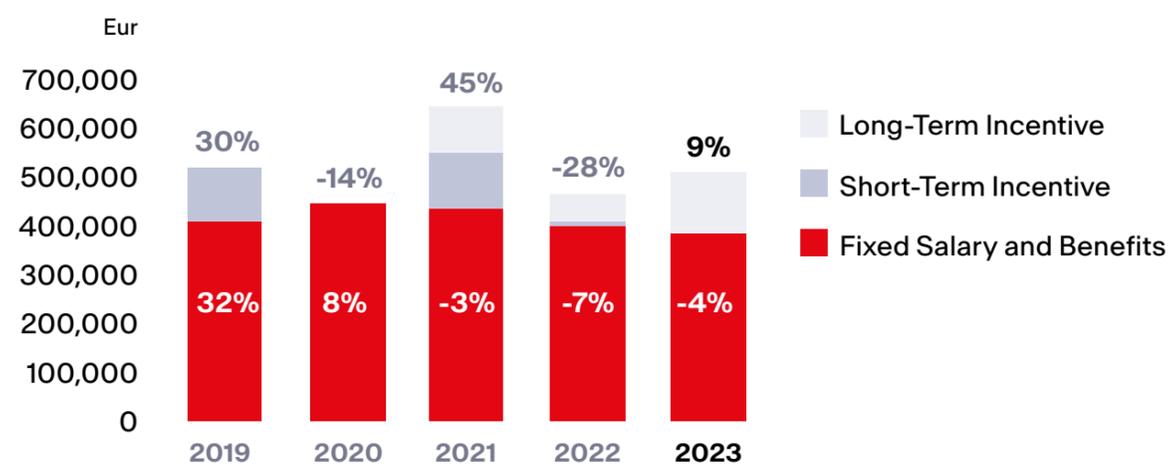
Board annual fees

	2019	2020	2021	2022	2023
Chairperson, EUR	70,000	70,000	70,000	70,000	70,000
Development from previous year	0%	0%	0%	0%	0%
Vice chairperson (Position 2021-2023)	-	-	55,000	55,000	-
Development from previous year				0%	-
Member, EUR	35,000	35,000	35,000	35,000	35,000
Development from previous year	0%	0%	0%	0%	0%

Average employee remuneration

	2019	2020	2021	2022	2023
Average salary per employee, euros	37,147	39,529	37,885	41,345	44,102

Remuneration paid to the CEO by elements



Average employee remuneration is calculated based on the average number of employees as part of the salaries recorded in the income statement. The salaries are reported on a cash basis.

Board remuneration in 2023

Remuneration paid to Verkkokauppa.com Board Members during 1 January 2023 – 31 December 2023

(Remuneration paid during 1 January 2022–31 December 2022 in brackets)

Member	Committee Membership	Board Annual Fee in Total, EUR	Portion of annual fee paid in shares (Number of shares)	Committee fee, EUR	Other fees, EUR	Total, EUR
Arja Talma , Chairperson	Chairperson of Remuneration Committee Vice Chairperson of Audit Committee	70,000 (70,000)	14 073 (8,490)	18,000 (18,000)	-	88,000 (88,000)
Robin Bade (since 30 March 2023)	Member of Remuneration Committee	26,250 (-)	5,347 (-)	4,000 (-)	-	30,250 (-)
Henrik Pankakoski (since 30 March 2023)	Member of Audit Committee	26,250 (-)	5,347 (-)	6,000 (-)	-	32,250 (-)
Kati Riikonen (since 30 March 2023)	Member of Audit Committee	26,250 (-)	5,347 (-)	6,000 (-)	-	32,250 (-)
Johan Ryding	Member of Remuneration Committee	35,000 (35,000)	7,036 (4,245)	4,000 (4,000)	-	39,000 (35,000)
Kai Seikku	Chairperson of Audit Committee Member of Remuneration Committee	35,000 (35,000)	7,036 (4,245)	16,000 (16,000)	-	51,000 (51,000)
Samuli Seppälä		35,000 (35,000)	0 (0)	-	-	35,000 (35,000)
Christoffer Häggblom (Vice Chairperson until 30 March 2023)	Member of Remuneration Committee Member of Audit Committee	13,750 (55,000)	2,654 (6,670)	-(10,000)	-	13,750 (65,000)
Mikko Kärkkäinen (until 30 March 2023)		8,750 (35,000)	1,689 (4,245)	-	-	8,750 (35,000)
Frida Ridderstolpe (until 30 March 2023)		8,750 (35,000)	1,689 (4,245)	-	-	8,750 (35,000)

In accordance with the decision of the Annual General Meeting held on 30 March 2023, the remuneration payable to Verkkokauppa.com Board members is the following:

- Chairperson, annual fee, EUR 70,000
- Member, annual fee, EUR 35,000

Half of the annual fees of the Board members is intended to be paid in the company's shares after each quarterly release and the remaining part of the annual fee is paid in cash, which is used to cover taxes arising from the fees. The shares delivered as remuneration to the Board members are not subject to any ownership or transfer restrictions.

Annual fees for the members of the Board Committees for the term ending at the close of the Annual General Meeting 2024 are the following:

- Chairperson of Audit Committee, 12,000 euros
- Vice Chairperson of Audit Committee, 10,000 euros
- Each member of Audit Committee, 6,000 euros
- Chairperson of Remuneration Committee, 8,000 euros
- Each member of Remuneration Committee, 4,000 euros

Committee fees are paid in cash. In addition, reasonable accrued travel and lodging expenses as well as other potential costs related to Board and Committee work are compensated.

CEO remuneration in 2023

Application of performance criteria and payable rewards

In 2023, the CEO of Verkkokauppa.com had a performance-based short-term incentive and a long-term performance matching share plan 2020–2022 launched on 10 May 2023 in place. The aim of the short-term incentive is to guide towards achieving short-term financial and operative targets and to award for the achievements in accordance with the Company’s business strategy. The aim of the long-term incentive plan is to award for the achievement of strategic and financial targets and for the long-term shareholder value creation, to align the interests of the CEO and the Company’s shareholders as well as to accumulate the CEO’s ownership in the Company in accordance with the share ownership guidance.

In 2023, the performance criteria for the short-term incentive plan were based on the net working capital improvement of 25% and on the comparable operating profit (comparable EBIT) growth of 75%. The maximum CEO remuneration under the short-term incentive plan in the financial year 2023 was equivalent to six months’ fixed salary. The targets set by the Board for the financial year 2023 were achieved in part, to approximately 29 per cent.

Share-Based Incentive Plans in place in 2023

During 2023, the Performance Matching Share Plan 2023–2027 launched by the Board on 10 May 2023 was in place.

In the Performance Matching Share Plan 2023–2027, the prerequisite for participating and receiving reward is that a person participating in the plan allocates freely transferable Company’s shares they own to the plan or acquires the Company’s shares up to the number confirmed by the Board. In addition, the reward payment is based on the participant’s valid employment or service at the time of the reward payment. The rewards are paid partly in the Company’s shares and partly in cash. The cash portion is intended to cover taxes and tax-related costs arising from the reward to the participant. No reward will be paid, if the participant’s employment or service terminates before the reward payment, unless deemed to be a so-called good leaver.

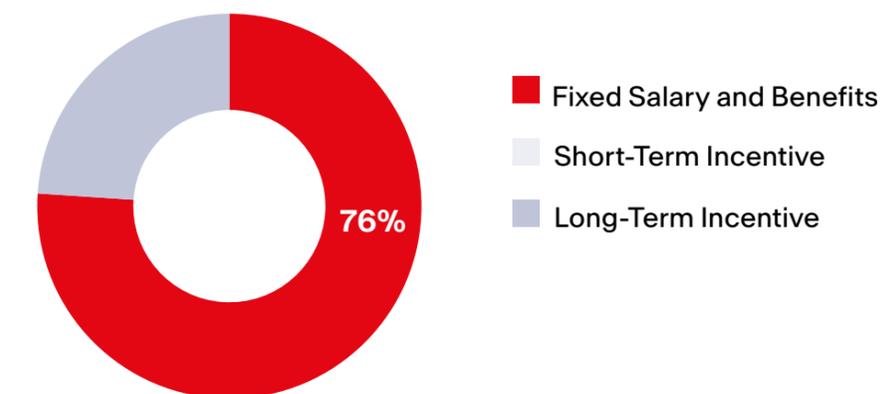
In the Performance Matching Share Plan 2023–2027, the CEO has a possibility to earn 1–4 matching shares for each share allocated to the plan up to a certain number of shares after a three-year matching period. The number of earnable matching shares is based on the Company’s total shareholder return (TSR) in 2023–2025.

Remuneration paid to CEO in 2023

Fixed base salary and fringe benefits	Short-term incentive	Long-term incentive ¹	Total remuneration paid 2023
EUR 393,957	EUR 0	EUR 124,073	EUR 518,030

¹ Payment of net 24,000 shares based on the Performance Matching Share Plan 2020–2022.

Structure of Remuneration Paid to the CEO in 2023



Overview of share-based incentive plans in place for the CEO in 2023

Plan	Board decision on the plan	Share price on the decision date	Performance criteria	Maximum reward as a number of gross shares	Reward outcome, % of maximum level	Reward earned, as a number of gross shares	Reward payment date	Net shares paid	Share price on the payment date
Matching Share Plan 2020–2022	13 February 2020	EUR 4.064	Personal investment, continuing share ownership and TSR	120,000	40%	48,000	April 2023	24,000	2.589
Performance Matching Share Plan 2023–2027, performance period 2023–2025	10 May 2023	EUR 2.501	Personal investment, continuing share ownership and TSR	64,000	To be confirmed in spring 2027	To be confirmed in spring 2027	Confirmed in spring 2027	Confirmed in spring 2027	Confirmed in spring 2027



Verkkokauppa.com is an e-commerce pioneer that stands passionately on the customer's side.

Verkkokauppa.com accelerates the transition of commerce to online with Finland's fastest deliveries and ultimate convenience. The company leads the way by offering one-hour deliveries to almost 700,000 customers, a winning assortment and probably always cheaper prices. Everyday, the company strives to find more streamlined ways to surpass its customer's expectations and to create a new norm for buying and owning.

Verkkokauppa.com was founded in 1992 and has been online since day one. The company's revenue in 2023 was EUR 503 million and it employs around 700 people. Verkkokauppa.com is listed on the Nasdaq Helsinki stock exchange.



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