

Remuneration Report for Governing Bodies 2023

Introduction

This remuneration report for governing bodies has been drafted in accordance with the instructions concerning remuneration in the Finnish Corporate Governance Code 2020 for Finnish listed companies. In 2023, the remuneration for the Board of Directors and the CEO of eQ Plc was in compliance with the company's remuneration policy for governing bodies.

The remuneration systems used in eQ Group are based on the strategy and long-term goals defined by the Board, and they are important tools used for reaching the group's long-term and short-term strategic goals. The remuneration systems contribute to efficient risk management within eQ Group and, above all, preventing detrimental risk-taking. In addition, the remuneration systems take into account the sustainability risks associated with eQ Group and its business. Comprehensive risk management aims at acknowledging i.e. the goals and interests of the group companies, the managed funds and investors.

eQ Group's strong financial performance during the last five years is reflected in the remuneration of the CEO, particularly in the increase of the variable remuneration components. The following table presents the remuneration development for the Board of Directors and CEO in comparison to the average remuneration development for the Group's employees and the Group's economic development for the previous five financial years.

Salary and remuneration – EUR	2023	2022	2021	2020	2019
CEO ¹⁾	1,755,389	1,944,133	1,034,689	851,669	784,613
change, %	-10%	88%	21%	9%	26%
Chair of the Board ²⁾	679,421	702,106	549,489	51,000	46,200
change, %	-3%	28%	977%	10%	3%
Other Board members ³⁾	218,750	212,000	199,500	131,500	112,400
change, %	3%	6%	52%	17%	3%
Board, in total	898,171	914,106	748,989	182,500	158,600
change, %	-2%	22%	310%	15%	3%
Employee, in average ⁴⁾	185,836	207,953	218,726	185,653	176,637
change, %	-11%	-5%	18%	5%	6%
Operating profit – MEUR	39.7	45.7	47.7	30.8	26.3
change, %	-13%	-4%	55%	17%	17%

¹⁾ Paid salaries and remuneration. Due to changes in the remuneration regulations, the variable remunerations in the 2022 bonus payment will no longer be deferred. All reported figures include paid salary, fringe benefits and annual bonus. The year 2021 includes CEO Janne Larma from 1 January to 31 March 2021 and CEO Mikko Koskimies from 1 April to 31 December 2021.

²⁾ The remuneration of the Chair of the Board includes the salary and fringe benefits of the full-time Chair of the Board, Janne Larma, based on the service contract, from 1 April 2021.

³⁾ The number of Board members increased by one in 2021.

⁴⁾ The total amount of salaries, other remuneration, fringe benefits and annual bonuses for the financial year (without option costs and side costs and excluding the CEO) divided by the average number of personnel.

Remuneration of the Board of Directors

Compensation and remuneration of the Board

The Annual General Meeting decides upon the remuneration of the Board of Directors. In 2023, the Annual General Meeting decided that the members of the Board of Directors shall receive remuneration according to following: Chair of the Board 5 000 euros per month, Vice Chair of the Board of Directors receives 4 000 euros per month and the directors 3 000 euros per month. The Annual General Meeting also decided that the directors shall be paid EUR 750 for each Board meeting that they attend. The travel and lodging costs of the Board members are compensated in accordance with the company's expense policy. The remuneration is paid in cash.

The full-time Chair of the Board has entered into a service contract with the company and is paid a fixed salary in cash (monthly salary and fringe benefits) in addition to the remuneration paid on the basis of the Board's membership. The full-time Chair of the Board is not covered by the eQ Group's performance-based annual bonus scheme.

In 2023, the members of the Board of Directors have been paid remuneration as follows:

Remuneration – EUR	Annual remuneration	Meeting fees in total	Other compensation	Total
Päivi Arminen	27,000	4,500	-	31,500
Nicolas Berner	36,000	5,500	-	41,500
Georg Ehrnrooth	48,000	5,500	-	53,500
Timo Kokkila	36,000	4,750	-	40,750
Lotta Kopra	9,000	1,000	-	10,000
Janne Larma*	60,000	5,500	613,921	679,421
Tomas von Rettig	36,000	5,500	-	41,500
Total	252,000	32,250	613,921	898,171

*Other compensation contains the salary and fringe benefits paid to the full-time Chair of the Board Janne Larma based on his service contract with the company.

The full-time Chair of the Board's participation in the option programs

Based on the service contract, the full-time Chair of the Board may be granted shares, options or other share-based rights as part of the long-term commitment scheme. The other members of eQ Plc's Board of Directors have no share-related rights, nor are they covered by any other remuneration system.

eQ Group has two different option programs: option program 2018 and option program 2022. Based on these programs, eQ Group has issued option rights and option subscription rights to key persons, which aim for long-term commitment to the company. The Chair of eQ Plc's Board of Directors is covered by both option programs. In accordance with the terms and conditions of the option programs for 2018 and 2022, the options have an approximately three-year retention period after which they are available for subscription. The terms and conditions contain no other special terms related to ownership.

Option program 2018

As part of the engagement system, the Chair of the Board is covered by the option program 2018 and has initially received 100 000 option rights based on option program 2018. Janne Larma has used all of the option rights granted on the basis of the option program 2018 by 31 December 2023.

The share subscription period for the option program 2018 begun on 1 April 2022 and ends on 1 April 2024.

Option program 2022

As part of the engagement system, the Chair of the Board has initially received 50 000 option rights based on option program 2022. The share subscription price with the option rights 2022 was EUR 22.25 per share at 31 December 2023.

The share subscription period for the option program 2022 begins on 1 April 2025 and ends on 30 April 2027.

Remuneration of the CEO

The salary of the CEO and other benefits

The Board of Directors appoints the CEO and decides on the CEO's salary, benefits and other terms related to the CEO's service. It is important for the company that the salary of the CEO is competitive, as the commitment of the CEO and sufficient incentives are vital with regard to the company's success.

In 2023, the CEO was paid the following salary and other remuneration:

Remuneration paid during 2023 – EUR

Fixed remuneration		Variable remuneration		Total
Annual salary (incl. fringe benefits)	Part of the overall remuneration	Annual bonus*	Part of the overall remuneration	
609,400	34.7%	1,145,989	65.3%	1,755,389

*Represents the aggregate amount of annual bonuses paid in 2023. The earnings periods for the bonuses paid in 2023 are defined in the table below. The annual bonus paid to the CEO is always based on the preceding year's performance.

The remuneration of the CEO consists of a fixed salary in cash (monthly salary and fringe benefits) and an annual performance bonus. The amount of the annual bonus is determined based on achievement of personal goals and the result of the Asset Management segment. Remuneration is not based directly on the realisation of certain metrics, but on the Board's overall assessment. eQ Plc's Board decides on the amount and distribution of the annual bonuses taking into consideration, e.g. the above presented main principles of remuneration.

According to the regulations in force at the time of payment of the variable remuneration accrued before 2020 and paid before 2021, if the variable remuneration component of the CEO exceeded EUR 50 000 annually, 50 per cent of the variable remuneration had to be deferred to be paid during the following three years (even payments each year). 50 per cent of the deferred remuneration had to be linked to the development of eQ Plc's share price during the deferral period. eQ Plc's Board decides annually on the interest possibly payable to the remaining part of the deferred remuneration. Due to changes in the remuneration regulations, the part of the variable remuneration in excess of EUR 50 000 for the variable remuneration accrued after 2021 will no longer be deferred to be paid during the following three years.

The table below presents the earnings periods for the variable remuneration paid to the CEO Mikko Koskimies in 2023 (deferred remuneration falling due for the previous years):

Specification of variable remuneration paid during 2023 – EUR

For year 2022*	For year 2021*	For year 2020*	For year 2019*	Total
833,056	153,372	159,561	1,145,989,	833,056

*The annual bonus of the CEO is always based on the preceding year's performance. Some of the reported remuneration was earned before Mikko Koskimies became CEO.

The following table presents the remuneration to the CEO falling due (including deferred variable remuneration), which has not yet been paid on 31 December 2023. The unpaid deferred variable remuneration for each earnings period:

Deferred variable remuneration* – EUR

For year 2020
120,854

*Including changes in stock prices and dividend consideration. Some of the reported remuneration was earned before Mikko Koskimies became CEO.

The variable remuneration of the CEO Mikko Koskimies that has been earned during 2023 and that has not yet been paid out by the date of this report was EUR 631,739 in aggregate.

The terms of the CEO's service are specified in the CEO's service contract. Both parties may give notice on the CEO's service contract with a period of notice of six months. When notice is given by the company for whatever reason or if the contract is terminated through mutual agreement by the company and the CEO, the CEO is entitled to a severance pay corresponding to his or her overall remuneration for six months preceding the termination of the contract, which is paid on the day when the contract is terminated.

The retirement age and pension of the CEO are determined in accordance with the Finnish Employees Pensions Act. The CEO does not have a supplementary pension scheme.

The CEO's participation in the option programs

eQ Group has two different option programs: option program 2018 and option program 2022. Based on these programs, eQ Group has issued option rights and option subscription rights to key persons, which aim for long-term commitment to the company. The CEO of eQ Plc is covered by both option programs. In accordance with the terms and conditions of the option programs for 2018 and 2022, the options have an approximately three-year retention period after which they are available for subscription. The terms and conditions contain no other special terms related to ownership.

Option program 2018

As part of the engagement system, the CEO is covered by the option program 2018 and has initially received 100 000 option rights based on option program 2018. Mikko Koskimies has used 75 000 of the option rights granted on the basis of the option program 2018 by 31 December 2023.

The share subscription period for the option program 2018 begun on 1 April 2022 and ends on 1 April 2024.

Option program 2022

As part of the engagement system, the CEO has initially received 50 000 option rights based on option program 2022. The share subscription price with the option rights was EUR 22.25 per share at 31 December 2022.

The share subscription period for the option program 2022 begins on 1 April 2025 and ends on 30 April 2027.