



EAB Group Plc's
Remuneration
Report 2021



This remuneration report has been prepared in accordance with the 2020 Finnish Corporate Governance Code recommendations published by the Securities Market Association and remuneration regulations, including special regulations on financial services. The Corporate Governance Code is available on the website of the Securities Market Association at www.cgfinland.fi.

Introduction

This remuneration report presents the remuneration paid to the members of the Board of Directors and the CEO for the financial year 2021, overdue remunerations and other financial benefits. Remunerations and other financial benefits are reported on a payment basis, and they cover payments made by all Group companies. The remuneration report will be presented to the annual general meeting on 7 April 2022, and it will be available on the company's website for ten years.

Information on the remuneration of other members of the Management Group is presented, to the extent required by regulations, in Finnish on the company's website at www.eabgroup.fi/sijoita-meihin/hallinnointi/palkitseminen/palkka-ja-palkkioselvitykset.

Goals of remuneration

The goal of remuneration is to support the achievement of the strategic goals of EAB Group Plc and other Group companies, as well as their growth and financial success over the long term. Remuneration is linked to the company's profitability in the short and long term, and through this link, remuneration promotes the company's business strategy and its long-term financial success.

Remuneration policy

The remuneration of the governing bodies of EAB Group Plc is guided by the remuneration policy, which determines remuneration principles for the CEO and the Board of Directors. The company's remuneration policy was approved by the annual general meeting on

22 September 2020. The remuneration policy is available on the company’s website at www.eabgroup.fi/sijoita-meihin/hallinnointi/palkitseminen.

Deviations from the remuneration policy

Based on a proposal from the Remuneration Committee, EAB Group Plc’s Board of Directors decided at its meeting on 4 December 2020 on a temporary deviation from the remuneration policy ratified by the annual general meeting to secure the company’s long-term interests. The CEO was given the opportunity to participate in an arrangement where he can receive performance-based fees from private equity funds through a team company he owns. In a team company arrangement, the key employees of a fund’s investment teams establish a team company that invests in the fund as a special silent partner, receiving part of any performance-based fee.

The said arrangement supports the company’s strategic goals, which are closely connected to the boosting of the company’s private equity fund business. Through this arrangement, the key employees in the investment teams are committed to the fund’s long-term value generation. The team company arrangement allows the company to attract new key employees and commit them as part of the operations. Such an arrangement is commonly used in private equity fund business. The temporary deviation is valid for a maximum of 18 months.

The Board of Directors of EAB Group Plc decided, in accordance with the proposal of the Remuneration Committee, at its meeting on 1 July 2021 to temporarily deviate from the remuneration policy adopted by the Annual General Meeting to secure the interests of the company’s long-term interests. The temporary deviation was related to changes in remuneration regulation regarding the new investment firm solvency regime that took effective on 27 June 2021.

In the future, investment firms will be able to define themselves the ratio between fixed and variable remuneration. The obligation to pay variable remuneration in non-monetary form and the deferral of payment was waived for small investment firms. As a result of the above-mentioned changes, the practice of limiting the variable remuneration up to 200 per cent of the total fixed monetary salary of the CEO was waived. At the same time, the obligation to pay the variable remuneration partly in non-monetary form and the provisions on the deferral of variable remuneration were removed.

Development of the financial result and remuneration

EAB Group Plc’s comparable operating income has developed favourably over the past five years, showing an average increase of 5.4% per year. Meanwhile, the average remuneration paid to the company’s employees has increased by 8.8% per year on average; on the other hand, the fees paid to the Board and the CEO have decreased on average by 10.5% and 4.2% per year respectively.

Average annual change in remuneration over the past five years

Board’s fees	-10.5 %
CEO’s fees	-4.2 %
Employee remuneration (on average) *	8.8 %
Financial development of the company, comparable operating income	5.4 %

*The average employee remuneration has been calculated by dividing the personnel expenses for the period by the average number of personnel during the accounting period.

Remuneration and fees of the Board members

According to the remuneration policy, the remuneration paid to EAB Group Plc's Board of Directors can consist of one or several elements. Annual fees, monthly fees and meeting fees, or combinations of these, may be paid to the Board members. The fees may vary in accordance with position, workload and responsibilities. The company may choose not to pay fees to Board members who are employed by the company or a Group company or is not independent of the company or its major shareholders. In addition, fixed-rate fees may be paid to Board members who also serve as committee members.

EAB Group Plc's annual general meeting made decisions on the fees payable to the Board members on 25 March 2021. In 2021, Board members received fixed annual fees. The annual fee for the chair of the Board was EUR 30,000 and the annual fee for other Board members

was EUR 22,500. No meeting fees were paid to Board members who are dependent on the company. The annual fee paid to the audit committee was EUR 2,500.

According to the remuneration policy, fees to the company's governing bodies can be paid in shares or other share-linked instruments, in part or in full, in accordance with current legislation and other regulations within the authorisation granted by the annual general meeting to the Board.

A total of 60% of the fees to the Board members was paid in cash and 40% as shares in the company. The company published the statutory information on the Board's share rewards.

Fees paid to Board members

Board member's name	Fee paid in cash (EUR)	Fee paid in shares (EUR)	Fees total (EUR)
Therese Cedercreutz (chair, member of the Audit Committee and the Remuneration Committee)	17,810.56	12,189.44	30,000.00
Pasi Kohmo (member of the Audit Committee)	15,856.41	9,143.59	25,000.00
Janne Nieminen (member of the Remuneration Committee, Executive Director) *	142,500.00	0	142,500.00
Topi Piela (member of the Audit Committee)	15,856.41	9,143.59	25,000.00
Vincent Trouillard-Perrot	0	0	0
Juha Tynkkynen (member of the Remuneration Committee)	15,856.41	9,143.59	25,000.00
Helge S Arnesen	0	0	0
Julianna Borsos	13,356.41	9,143.59	22,500.00
Total	221,236.20	48,763.80	270,000.00

* Janne Nieminen did not receive any fees for his work on the Board. The fees paid to Nieminen consist of a consulting fee paid by a Group company.

Remuneration and fees of the CEO

According to the remuneration policy, the CEO's remuneration may consist of the following elements:

- Fixed monthly salary
- Performance fee
- Short-term incentive scheme (bonus)
- Long-term incentive scheme
- Employee benefits (e.g. company housing and car)
- Other financial benefits (e.g. additional pension arrangements, insurance coverage)

In 2021, the CEO received only fixed monthly salary. The CEO also used company housing. In addition, the CEO is included in the scope of a long-term share-based bonus system that was established in 2020. The CEO's maximum reward for the performance period 2020–2022 is 175,000 EAB Group Plc shares and for the performance period 2021–2023 60,000 EAB Group Plc shares. Both performance periods are ongoing, and no rewards have been paid yet.

Fees paid to the CEO

Element of remuneration	Annual fee 2021 (EUR)
Fixed annual salary	194,942.00
Employee benefits	15,318.00
Short-term incentive fees	0
Performance fees	0
Long-term incentive fees	0
Total	210,260.00
Ratio between fixed and variable remuneration	0%

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