

# Apetit Plc's Remuneration Report 2021

## 1. Introduction

The remuneration of Apetit Plc's governing bodies is subject to the company's Remuneration Policy. The decision-making and governance related to the Remuneration Policy adhere to the Finnish Limited Liability Companies Act, other regulations applicable to publicly listed companies, the company's Articles of Association and the rules of procedure of the Supervisory Board, the Board of Directors and its Committees. In addition, the company complies with Nasdaq Helsinki Ltd's rules and guidelines and the Finnish Corporate Governance Code approved by the Securities Market Association, which entered into force on 1 January 2020.

This Remuneration Report is prepared according to the Finnish Corporate Governance Code 2020 and contains information about the remuneration of the company's Supervisory Board, Board of Directors and CEO and the key terms of the CEO's service contract as well as other remuneration reporting information, as defined by the Finnish Corporate Governance Code, for the financial year 2021. The Remuneration Report will be available on Apetit's website for a minimum of ten years.

Remuneration in the company is based on the Remuneration Policy that was handled by the Annual General Meeting of 2020. The Remuneration Policy is re-handled by

the Annual General Meeting at least at the statutory intervals or more frequently, if necessary. The Company observes the following principles in its remuneration: competitiveness, fairness and equality in terms of the level and demands of tasks, and incentivisation, with the aim of guiding the Company's governing bodies towards the achievement of the strategic objectives of the business. With these principles, Apetit aims to support the alignment of the interests of shareholders, the Company and its personnel, and remuneration is aimed at supporting the Company's long-term financial success.

The remuneration of an external Board member is arranged separately from the remuneration schemes applicable to the Company's CEO or personnel. The remuneration of the CEO mainly follows the principles applied in the remuneration of other employees, but the demands and responsibility associated with the CEO's duties, which affect the fixed and variable remuneration as well as fringe benefits and pension benefits, are taken into consideration.

The following table shows the development of the remuneration of the Supervisory Board, the Board of Directors

Remuneration development, EUR 1,000	2021	2020	2019	2018	2017
Supervisory Board's annual, meeting and Committee remuneration	48	51	48	47	48
Board of Directors' annual, meeting and Committee remuneration	165	170	150	163	163
CEO's annual remuneration	350	395	1,039	757	563
Average annual salary per person	47	49	45	42	41
Group's operating profit (EUR million)	2.8	4.1	-3.4	-6.9	-2.5

and the CEO compared to the development of the average remuneration of all Group employees and the Group's financial performance during the last five financial years. Long-term share-based incentive schemes are included in the reporting in the year when the remuneration is irrevocably earned. Other than that, the figures are presented on an accrual basis.

## 2. Description of the remuneration of the Supervisory Board

The meeting allowance for the chairpersons and members of the Supervisory Board is EUR 300. A monthly fee of EUR 1,000 is paid to the Chair of the Supervisory Board and EUR 665 to the Deputy Chair. A meeting allowance is also paid to the members of the Nomination Committee for attending the meetings of the Nomination Committee and to the Chair and Deputy Chair of the Supervisory Board when they attend a Board meeting. Per diem and travel allowances for attending a meeting are paid to the members of the Supervisory Board in accordance with the company's travel policy. The members of the Supervisory Board were paid remuneration for their services as follows:

EUR 1,000	1-12/2021	1-12/2020
Harri Eela, Chair of the Supervisory Board	19	20
Maisa Mikola, Deputy Chair of the Supervisory Board	15	16
Other members of the Supervisory Board, total	14	16
Supervisory board, total	48	51

## 3. Description of the remuneration of the Board of Directors

In accordance with the decision of the Supervisory Board, the Board members will be paid an annual remuneration of EUR 19,560 and the Chair and Deputy Chair will receive an annual remuneration of EUR 39,060 and EUR 24,120, respectively. A total of 60 per cent of the annual remuneration will be paid in cash and 40 per cent in the form of Apetit Plc shares held by the company at the current value of the shares at the time of transfer. The remuneration will be paid in four parts. In addition, the Chair of the Board is paid EUR 510 and Deputy Chairman

of the Board and members of the Board of Directors are paid a meeting allowance of and EUR 300, respectively. Changes in the number of Board members and the number of meetings influence the development of the total remuneration amount of the Board of Directors. The Board of Directors were paid remuneration for their services as follows:

EUR 1,000	1-12/2021	1-12/2020
Simo Palokangas, Chair of the Board of Directors until 17 August 2021	32	50
Lasse Aho, The Deputy Chair of the Board of Directors, Chair of the Board since 17 August 2021	35	30
Niko Simula, member of the Board of Directors, The Deputy of the Board of Directors since 17 August 2021	26	26
Annikka Hurme, member of the Board of Directors	24	23

EUR 1,000	1-12/2021	1-12/2020
Antti Korpinemi, member of the Board of Directors as of 12 August 2020	23	15
Kati Rajala, member of the Board of Directors until 31 May 2021	16	15
Kati Sulin, member of the Board of Directors since 17 August 2021	8	10
The Board, total	165	170

#### 4. Description of the remuneration of the CEO

The remuneration of the CEO consists of a combination of fixed remuneration components (monetary salary, fringe benefits and supplementary defined contribution pension benefit) and short-time and long-time variable remuneration components (performance-related compensation). The performance indicator for the short-time annual performance-related compensation has been the Group's profitability. The maximum amount of the short-time performance-related compensation was 50 per cent of the annual salary and it will be paid in cash. Long-term incentive schemes are share-based schemes, in which remuneration, if any, is paid as a combination of shares and cash. The purpose of the cash contribution is to cover taxes and tax-like charges incurred to the remuneration recipient under the scheme. The amount of remuneration paid from share-based schemes depends on the achievement of the earning criteria. Currently, there are two different schemes in force: the bonus share scheme and the performance-based

share remuneration scheme. In both schemes, one of the earning criteria is the continuous service contract at the time of payment of the remuneration. In the bonus share scheme, one of the criteria is the CEO's own investment in Apetit Plc's shares and, in the performance-based share remuneration scheme, the criteria include the development of Apetit Group's profitability. The earning periods of the schemes started in 2021 and will end in 2023. The Board of Directors has the right to unilaterally change the terms and conditions of variable incentive schemes for a weighty reason. The Board of Directors recommends that the shares purchased and received as remuneration must be held in possession for at least until the value of the shares held equals a minimum 50 per cent of the fixed gross annual salary. The key terms applicable to the CEO's service are defined in the CEO's service contract. The CEO's retirement age is 63 years and the period of notice is 12 months. The CEO has no defined benefit pension.

In the financial year 2021, the CEO was paid remuneration for his services as follows. Long-term share-based incentive schemes are included in the reporting as a separate item in the year when the remuneration is irrevocably earned. Other than that, the figures are presented on an accrual basis. When the performance criteria are fully met, the CEO may earn, from the share-based schemes granted in 2021, up to 5,000 shares as well as cash remuneration corresponding to the same number of shares.

<b>Remuneration paid to the CEO, EUR 1,000</b>	<b>Fixed salary</b>	<b>Pension benefit amount recognised as expense</b>	<b>Short-term performance-related compensation</b>	<b>Share-based payments</b>	<b>Total</b>	<b>Share of variable remuneration</b>
Esa Mäki, CEO as of 1 September 2019	317	33	0	0	350	0%