kojamo

Remuneration Report 23

Remuneration Report 2023

1. Introduction

Kojamo plc (hereinafter referred to as “Kojamo”) complies with the Finnish Corporate Governance Code 2020, which entered into force on 1 January 2020. This Remuneration Report has been prepared in accordance with the guidelines concerning remuneration reports for governing bodies laid out in the Corporate Governance Code 2020. This Remuneration Report includes information on the remuneration of the Board of Directors, CEO and Deputy CEO in 2023.

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

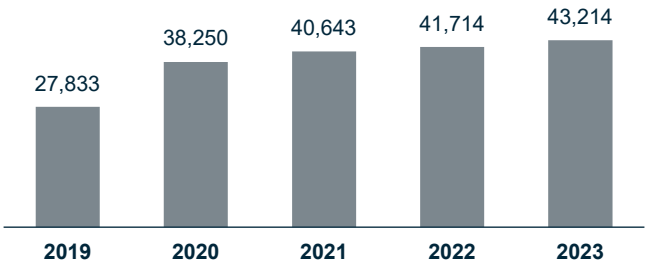
The remuneration of Kojamo’s governing bodies has complied with the Company’s remuneration policy. Kojamo did not deviate from the remuneration policy in 2023. The Company also did not exercise the option stipulated by the remuneration policy to claw back remuneration in 2023.

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

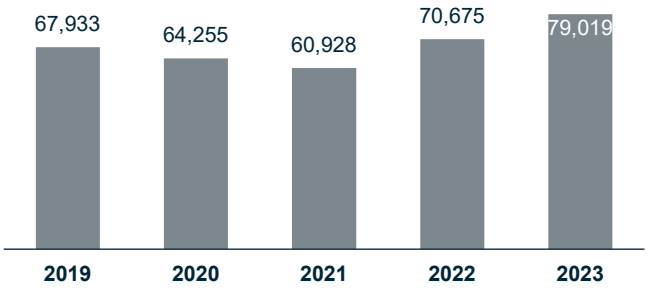
The Annual General Meeting of Kojamo on 16 March 2023 resolved to approve the Remuneration Report 2022. The presentation methods of consecutive years are in line with each other.

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

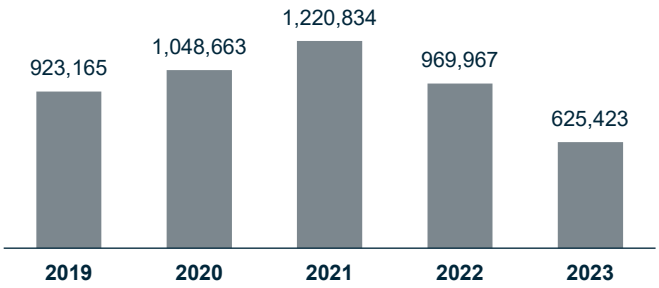
Average annual remuneration of Board members



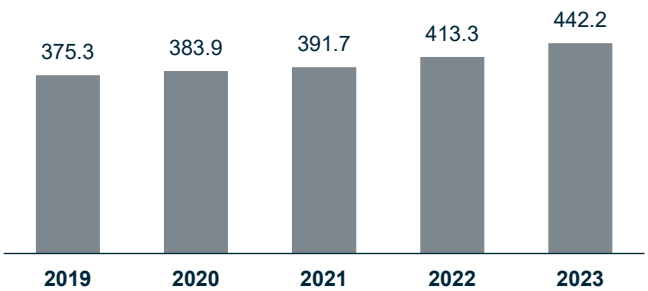
Personnel costs/Number of personnel



The CEO’s total annual remuneration



Group total revenue, EUR million



2. Remuneration of the Board of Directors

The Annual General Meeting decides on the remuneration of the Board of Directors for their work on the Board and its committees as well as the grounds for determining remuneration. The Annual General Meeting of 16 March 2023 decided that the following annual remuneration will be paid to the members of the Board of Directors for the term ending at the Annual General Meeting of 2024:

Role	Annual remuneration, EUR
Chairman of the Board	72,500
Vice-Chairman of the Board	43,000
Members of the Board	36,000
Chairman of the Audit Committee	43,000

The Members of the Board are paid only one annual fee according to their role, which means that no overlapping fees will be paid. In addition, it was decided that an attendance allowance of EUR 700 be paid for each meeting and an attendance allowance of EUR 700 be paid for Committee meetings as well. For the members of the Board of Directors or the members of the Committees who reside abroad and do not have a permanent address in Finland, the attendance allowance will be multiplied by two (EUR 1,400), if attending the meeting requires travelling to Finland.

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

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

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

The remuneration paid to the members of the Board of Directors and its committees for 2023 were as follows:

Member of the Board	Annual fee Total, EUR[1]	In cash 60%, EUR	In shares 40%, EUR	Transfer taxes on shares, EUR[2]	Number of shares acquired[3]	Share purchase date	Share purchase price, EUR	The Board's meeting allowances EUR	Audit Committee meeting allowances, EUR	Remuneration Committee meeting allowances, EUR	Total remuneration, EUR[4]
Mikael Aro	72,500.00	43,502.90	28,997.10	436.95	2,871	16.5.2023	10.10	6,900		2,700	80,525.00
Mikko Mursula	43,000.00	25,809.80	17,190.20	275.04	1,702	16.5.2023	10.10	6,900	3,300		52,125.00
Matti Harjuniemi								600		600	8,750.00
Kari Kauniskangas	36,000.00	21,607.50	14,392.50	230.28	1,425	16.5.2023	10.10	6,900	3,300		47,050.00
Anne Koutonen	43,000.00	25,809.80	17,190.20	275.04	1,702	16.5.2023	10.10	6,900	3,300		52,125.00
Reima Rytsölä								600		600	9,950.00
Catharina von Stackelberg-Hammarén	36,000.00	21,607.50	14,392.50	230.28	1,425	16.5.2023	10.10	6,900	1,200	2,100	45,250.00
Andreas Segal	36,000.00	21,607.50	14,392.50	230.28	1,425	16.5.2023	10.10	9,100		3,500	38,200.00
Annica Ånäs	36,000.00	21,607.50	14,392.50	230.28	1,425	16.5.2023	10.10	7,700	2,100		36,100.00

On 31 December 2023, the members of the Board of Directors or corporations over which they exercise control owned shares and share-based rights in the Company or in companies belonging to the same Group as the Company as follows:

Member of the Board	Share ownership on 31 December 2023
Mikael Aro	34,785
Mikko Mursula	5,853
Annica Ånäs	1,425
Kari Kauniskangas	2,239
Anne Koutonen	5,853
Catharina von Stackelberg-Hammarén	6,203
Andreas Segal	1,425

[1] The annual fee is accrued over the financial year.
[2] The transfer taxes have not been accrued over the financial year.
[3] The number of shares acquired has not been accrued over the financial year.
[4] Total remuneration is accrued over the financial year.

3. Remuneration of the CEO

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

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

Short-term incentive plan

The purpose of the short-term incentive plan is to incentivise the achievement of the Company's annual financial or operational targets. Short-term remuneration takes place within the framework of the annual performance bonus plan.

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

The grounds for determining the short-term remuneration paid to the CEO in 2023 for performance in the year 2022 – and the application of those grounds – is illustrated in the table below.

Weight, %	Performance indicator	Application/result
100	Company-level indicators (the Group's total revenue, the Group's FFO, the Group's administrative expenses relative to total revenue, NPS and the Group's acquisition of investment properties)	87%
additionally, 5% at a maximum	Individual performance indicator	100%[5]

The potential remuneration payable for performance in 2023 under the short-term incentive plan will be paid fully in cash in the following year.

Long-term incentive plan

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

The Board of Directors decides the performance criteria for each earning period and the targets for each criterion as well as the earning opportunity in cash and/or the number of Kojamo shares before the start of each earning period. The duration of the earning periods in the incentive plans currently in effect is three years each.

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

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

	Earning period 2020–2022	Earning period 2021–2023	Earning period 2022-2024	Earning period 2023-2025
Earning criteria (weight)	Total revenue (50%) Group's FFO per share (50%)	Total revenue (50%) Group's FFO per share (50%)	Total revenue (40%) Group's FFO per share (50%) Deduction in CO2 emissions, kg (10%) (min 96 / target 141 / max 186)	Total revenue (30%) Group's FFO per share (30%) Group's LTV% (30%) Deduction in CO_2 emissions, kg (10%) (min 96 / target 141 / max 186)
Maximum number of shares transferable to the CEO[6]	5,716	0	35,000	40,000
Percentage of achievement of the earning criteria	16.33%	0.00%	N/A	N/A

[5] Based on separate evaluation by the Board of Directors

[6] This represents the gross number of shares, including the cash component of the long-term incentive plan. For the 2020-2022 and 2021-2023 earning period, the figure shown is the actual number. For the 2022-2024 and 2023-2025 earning periods, the figure shown is the maximum amount.

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

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

Supplementary pension contributions

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

Remuneration paid to the CEO in 2023

The salaries and other benefits paid to the CEO in 2023 are shown in the table below:

Remuneration type	Amount paid	Share of total, %
Fixed remuneration		69.5
Salary, EUR	409,016.04	
Benefits in kind, EUR	25,946.68	
Variable remuneration		30.5
Remuneration based on the short-term incentive plan, EUR[7]	115,098.21	
Remuneration based on the long-term incentive plan (earning period 2019–2021):		
In cash, EUR	37,411.22	
In shares, EUR	37,411.22	
Number of shares purchased	2,858	
Share purchase date	17.2.2023	
Share purchase price, EUR	13.09	
Total remuneration, EUR	625,423.37	
Other financial benefits		
Supplementary pension contributions, EUR	69,554.50	

[7] Performance bonus for 2022.

4. Remuneration of the Deputy CEO

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

The grounds for determining the short-term remuneration paid to the Deputy CEO in 2023 for performance in the year 2022 – and the application of those grounds – is illustrated in the table below.

Short-term incentive plan

Weight, %	Performance indicator	Application/result
70	Company-level indicators (the Group's total revenue, the Group's FFO, the Group's administrative expenses relative to total revenue, NPS and the Group's acquisition of investment properties)	87%
10	Personnel costs	100%
10	Digital employee experience	0%
10	Individual performance indicator	100%

Long-term incentive plan

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

	Earning period 2020–2022	Earning period 2021–2023	Earning period 2022–2024	Earning period 2023–2025
Earning criteria (weight)	Total revenue (50%) Group's FFO per share (50%)	Total revenue (50%) Group's FFO per share (50%)	Total revenue (40%) Group's FFO per share (50%) Deduction in CO_2 emissions, kg (10%) (min 93 / target 140 / max 186)	Total revenue (40%) Group's FFO per share (50%) Group's LTV% (30%) Deduction in CO_2 emissions, kg (10%) (min 96 / target 141 / max 186)
Maximum number of shares transferable to the Deputy CEO[8]	2,613	0	16,000	20,000
Percentage of achievement of the earning criteria	16.33%	0.00 %	N/A	N/A

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

[8] This represents the gross number of shares, including the cash component of the long-term incentive plan. For the 2020-2022 and 2021-2023 earning period, the figure shown is the actual number. For the 2022-2024 and 2023-2025 earning periods, the figure shown is the maximum amount.

Remuneration paid to the Deputy CEO in 2023

The salaries and other benefits paid to the Deputy CEO in 2023 were as follows:

Remuneration type	Amount paid	Share of total, %
Fixed remuneration		76.9
Salary, EUR	225,512.45	
Benefits in kind, EUR	25,972.44	
Variable remuneration		23.1
Remuneration based on the short-term incentive plan, EUR[9]	41,623.14	
Remuneration based on the long-term incentive plan (earning period 2019–2021):		
In cash, EUR	17,108.63	
In shares, EUR	17,108.63	
Number of shares purchased	1,307	
Share purchase date	17.2.2023	
Share purchase price	13.09	
Total remuneration, EUR	327,865.29	
Other financial benefits		
Supplementary pension contributions, EUR	40,213.90	

[9] Performance bonus for 2022.