



**Lamor Corporation Plc  
Remuneration Report 2021**

**LAMOR**

## LAMOR CORPORATION PLC'S REMUNERATION REPORT 2021

Lamor Corporation Plc's ("Lamor" or "company") Remuneration Report 2021 describes how Lamor's Board of Directors and CEO were remunerated in the financial year 1 January 2021–31 December 2021.

This remuneration report has been prepared in accordance with the reporting requirements of the remuneration reporting part of the Finnish Corporate Governance Code. A remuneration report prepared in accordance with the Finnish Corporate Governance Code has not been presented to the General Meeting earlier. The first remuneration policy will be presented to the Annual General Meeting on 28 April 2022.

### 1. INTRODUCTION AND SUMMARY OF REMUNERATION FOR THE FINANCIAL YEAR 2021

The remuneration has been based on the remuneration principles approved by the company's Board of Directors.

The remuneration of the company consists of the following elements:

- basic salary and employee benefits that comply with local market practices, laws, and regulations
- short-term incentive programme paid in cash to the company's management and some other personnel, which is a key part of Lamor's remuneration policy

The objective of Lamor's short-term incentive programme is to promote the performance of the organisation by rewarding employees by

- a) the performance of the company,
- b) the performance of a certain part or function of the business, and
- c) individual performance.

The combination of basic salary and variable remuneration is dimensioned to a level that corresponds to the responsibilities and requirements associated with a particular role. The company's Board of Directors decides annually on the criteria according to which the incentives of each person participating in the programme are determined.

In connection with the listing, Lamor's Board of Directors has initiated a study on the establishment of a share-based, long-term incentive scheme for key employees of the company, as well as the conditions and contents of a possible share-based incentive scheme, with the aim of rewarding management competitively and increasing their commitment to Lamor.

The following table shows the remuneration of the Board of Directors and the CEO, the average remuneration of the Group's personnel and the Group's financial development over the previous five financial years.

All remuneration of the Board of Directors and the CEO has been paid by the parent company Lamor Corporation Plc.

## Salaries and fees paid and development of Lamor Group's financial performance over a five-year period

EUR thousand, unless otherwise specified	2021	2020	2019	2018	2017
	IFRS	IFRS	IFRS	FAS	FAS
Chairman of the Board of Directors	34	32	29	35	36
Other members of the Board of Directors total	21	27	39	87	82
CEO total remuneration*	229	125	233	232	154
Average Lamor employee remuneration**	26	16	18	14	21
Turnover, EUR million	51,5	45,6	48,1	43,9	41,0
Adjusted EBITDA***, EUR million	6,7	6,4	6,6	2,7	3,6

\* Includes fees paid under consultancy contracts in 2018 and 2019

\*\*The sum of salaries and fees in the consolidated financial statements for the financial year divided by the average number of employees (excluding the CEO and the Board of Directors)

\*\*\* EBITDA in 2017 and 2018

For the company, 2021 represented a significant transition, during which Lamor, which was previously privately owned, arranged a successful share issue to enable its growth strategy and listed on the Nasdaq First North Premier Growth Market Finland marketplace.

In 2021, the company's revenue grew to EUR 52 million. The growth from the previous year was 12.9 per cent. In connection with the listing, the number of members in the company's Board of Directors was increased, and the remuneration level of both the Board of Directors and the CEO was moderately raised.

As part of the IPO, a personnel offering was arranged for the company's employees, Management Team, CEO and Board members. Participation in the personnel offering was made subject to the condition that the persons entitled to participate in it at the same time commit to a transfer restriction, which expires 360 days after the date of the listing. The transfer restrictions also apply to some of the shares owned by the Board of Directors and the members of the Management Team before the IPO was completed.

During the financial year 2021, the company has not had a situation with a need to defer, cancel, fail to pay in whole or in part or recover any fees or incentives paid or unpaid.

## **2. REMUNERATION OF THE BOARD OF DIRECTORS IN 2021**

### **Meeting and annual fees paid for Board work in the financial year 2021**

According to the Finnish Limited Liability Companies Act, the General Meeting resolves on the fees to be paid to the members of the Board of Directors and their rationale. The Board's meeting and annual fees were paid based on two resolutions of General Meetings:

For the period 1 January to 6 December 2021, the meeting and annual fees of the Board of Directors were paid by resolution of the Annual General Meeting of Lamor held on 29 June 2021, so that the members of the Board of Directors were paid an annual fee of EUR 15,000, excluding the Chairman, whose annual fee was EUR 25,000. According to the resolution of the Annual General Meeting, the non-members of the Board of Directors were paid a meeting fee of EUR 1,000 per meeting and EUR 500 per telephone meeting.

For the period 7 December to 31 December 2021, the meeting and annual fees of the Board of Directors were paid by decision of the Extraordinary General Meeting of Lamor held on 1 October 2021, so that, contrary to the decision of the Annual General Meeting held on 29 June 2021 and from the date of the listing, the members of the Board of Directors were paid an annual fee of EUR 20,000, excluding the Chairman, whose annual fee was EUR 30,000. According to the resolution of the Extraordinary General Meeting, the members of the Board of Directors who did not have an employment relationship with the company were paid a meeting fee of EUR 1,000 per meeting and EUR 500 per telephone or remote meeting.

The remuneration of the Board of Directors for the financial year 2021 has been paid in full in cash. The annual remuneration of the Board of Directors has been paid monthly.

In addition, the travel expenses of the members of the Board of Directors have been reimbursed throughout the reporting period in accordance with the company's Travel Regulations and the Tax Administration's tax-exempt travel expenses compensation principles.

In 2021, no separate remuneration for committee work has been paid to the Board committees. In 2021, the Board had one committee, the Audit Committee that started its operations with the company's listing on 7 December 2021.

The following table shows the annual and meeting fees paid to the members of the Board of Directors in the financial year 2021:

Fiscal year 2021, EUR thousand	Annual fee*	Meeting fees**	Total
Esa Ikäheimonen, Chairman	26	8	34
Nina Ehrnrooth (member from 7 December 2021)	1	1	2
Fred Larsen	15	0	15
Kaisa Lipponen (member from 7 December 2021)	1	1	2
Timo Rantanen	1	1	2
<b>Total</b>	<b>44</b>	<b>11</b>	<b>55</b>

\* Timo Rantanen did not exercise his right to the annual or meeting fees of the Board of Directors during the period when his controlled entity had a consultancy relationship with the company. Rantanen started to collect the annual and monthly fees of a member of the Board of Directors, starting with the company's listing, at the same time as the consultancy relationship was terminated.

\*\*Fred Larsen has not exercised his right to collect Board meeting fees during the period when his controlling entity had a valid consultancy relationship with the company in 2021.

### Other financial benefits paid to the members of the Board of Directors in the financial year 2021

None of the members of the Board of Directors have had an employment relationship with the company in the financial year 2021. The members of the Board of Directors have not been covered by the company's performance-based remuneration and do not have any supplementary pension arranged by Lamor or other benefits.

The following table shows the consultancy fees paid to the members of the Board of Directors for other than Board work to them or their controlled entities:

EUR thousand	2021	2020	2019	2018	2017
	IFRS	IFRS	IFRS	FAS	FAS
Total	517	380	212	141	117

\* The consultancy agreements between Esa Ikäheimonen and the company and Timo Rantanen and the company or their controlled entities were terminated in connection with the completion of the listing. In 2021 the consultancy fees of EUR 517 thousand are distributed as follows: Esa Ikäheimonen EUR 40 thousand, Fred Larsen EUR 231 thousand and Timo Rantanen EUR 246 thousand.

### 3. REMUNERATION OF THE CEO IN 2021

Mika Pirneskoski has acted as the company's CEO throughout the financial year 2021. The company has not had a replacement for the CEO. Lamor's Board of Directors has prepared and decided on the remuneration of the CEO in accordance with the company's remuneration practices.

The CEO's remuneration consists of a fixed monthly salary, ordinary fringe benefits and existing incentives. In addition, the CEO has a housing benefit, which, among other usual fringe benefits, is part of the fixed salary. The company does not have valid supplementary pensions or other additional pension plans for the CEO, but pension benefits are determined in accordance with the law and general practice.

The CEO's notice period on both sides is six (6) months. The salary for the notice period is equal to the salary for the notice period in accordance with the agreement. There is no separate severance payment.

The CEO is included in the annual short-term incentive plan approved by the Board of Directors. In accordance with this plan, the remuneration of the CEO included a variable remuneration component based on performance, the criteria of which are decided by the Board of Directors in accordance with the objectives set for the financial year. The Board of Directors decides on annual short-term remuneration based on an assessment of the CEO's personal performance and the level of achievement of the company's key performance indicators.

#### Annual earnings paid to the CEO in the financial year 2021

The earnings paid include short-term remuneration for the financial year 2020 and 2021.

Financial year 2021, EUR thousand	Base salary, including fringe benefits	Short-term incentive	Total
CEO Mika Pirneskoski	154	75	229

Of the short-term incentives paid to the CEO during the reporting period EUR 50 thousand had been earned during 2020 and EUR 25 thousand during 2021. In addition, EUR 52 thousand of the short-term incentives accrued to the CEO based on the financial year 2021 will be due in 2022.

The CEO does not have valid stock options or other special rights related to shares.