



PUUILO

PUUILO PLC

Remuneration Report

1 February 2023 – 31 January 2024

I INTRODUCTION

Puilo Plc's (hereinafter referred to as "Puilo" or "the company") corporate governance complies with the Finnish Limited Liability Companies Act and the Finnish Corporate Governance Code for Finnish listed companies published by Securities Market Association in 2020.

Puilo's Remuneration Report for 2023 complies with the Remuneration Policy published on 17 May 2022. The Remuneration Policy was approved by the Annual General Meeting held on 17 May 2022. It is available on Puilo's investor website at <https://www.investors.puilo.fi/en/>.

The Remuneration Policy is presented to the shareholders every four years and whenever there is a need for significant amendments. The Audit Committee regularly reviews the Remuneration Policy to ensure its compliance with Puilo's strategic goals and long-term financial targets before its presentation at the 2026 Annual General Meeting.

This remuneration report covers Puilo's financial period 1 February 2023 – 31 January 2024 ("the 2023 financial period"). This remuneration report has been reviewed by The Audit Committee and approved by the Board of Directors. An external auditor has ensured that the report contains the information required and that it is consistent with the financial statements. The remuneration report will be reviewed at the Annual General Meeting 2024. The remuneration report provides information on the remuneration paid to the Board of Directors and the CEO. The remuneration and other financial benefits have been reported on an accrual basis. The company will publish the remuneration report on its investor website.

The objective of remuneration at Puilo is to promote the company's competitiveness and to support strategy implementation. In addition, remuneration aims to commit key employees and the entire personnel to the company in the long term in order to achieve the shared objectives and to create value for the shareholders. The Annual General Meeting decides on the remuneration of the Board of Directors. The Board decides on the terms and conditions of the employment of the CEO, in a written agreement. The Board also decides on the terms and conditions of the long-term incentive programs (Performance matching share plans), which the CEO is entitled to participate in.

II DEVELOPMENT OF PUULO'S REMUNERATION AND FINANCIAL PERFORMANCE

The table below presents the remuneration development of the Board and the CEO compared to the development of the average remuneration of Puilo's employees and Puilo's financial development during the last five years.

Puilo's business has grown significantly over the past five years. Prior to the stock exchange listing in June 2021, only the Chair of the Board was paid a fee for working on the board and the Board did not have any committees.

Remuneration (EUR)	1 Feb. 2023 - 31 Jan. 2024	1 Feb. 2022 - 31 Jan. 2023	1 Feb. 2021 - 31 Jan. 2022	1 Feb. 2020 - 31 Jan. 2021	1 Feb. 2019 - 31 Jan. 2020
Chair of the Board	60,000	60,000	47,500	30,000	30,000
Other members of the Board (average)	32,000	32,000	20,417	-	-
CEO	182,940	182,940	171,000	137,280	126,280
Average Puilo employee*	37 158	34,562	32,754	32,082	32,073
Development of financial performance (EUR million)					
Net sales	338,4	296.4	270.1	238.7	170.5
Adj. EBITA	54,1	48.8	48.4	43.2	24.7
Adj. EBITA margin (%)	16,0%	16.5%	17.9%	18.1%	14.5%
EBIT	52,8	47.0	44.5	41.5	22.9
EBIT margin (%)	15,6%	15.9%	16.5%	17.4%	13.5%

The figures are reported on a cash basis and do not include social or pension costs.

*) Puilo Group personnel expenses divided by the number of full-time employees at the end of the reporting period

III REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

The Annual General Meeting held on 16 May 2023 confirmed the following annual fees for the members of the Board of Directors:

	EUR
Chair of the Board	60,000
Other members of the Board	30,000

The remuneration of the Board of Directors is monetary. The Board of Directors' remuneration is based on an annual fee, and the members are not paid separate meeting fees in addition to this. Travel expenses incurred by the Board meetings are reimbursed in accordance with the company's travel expense policy. Pension payments are not included in the remuneration of the Board of Directors. Members of the Board of Directors are not included in Puuilo's long-term incentive programs.

The Annual General Meeting held on 16 May 2023 confirmed the following annual fees for the members of the Audit Committee:

	EUR
Chair of the audit Committee	5,000
Other members of the audit Committee	2,500

Fees paid to the members of the Board 1 February 2023 - 31 January 2024 (EUR)

Name	Position	Board annual fee	Audit committee fee	Total
Lasse Aho	Chair of the Board (from 16 May 2023)	40,000		40,000
Timo Mänty	Chair of the Board (until 16 May 2023)	20,000		20,000
Tomas Franzén	Member of the Board (until 16 May 2023)	10,000		10,000
Bent Holm	Member of the Board	30,000		30,000
Mammu Kaario	Member of the Board, chair of the audit committee	30,000	5,000	35,000
Rasmus Molander	Member of the Board, member of the audit committee	30,000	2,500	32,500
Tuomas Piirtola	Member of the Board (from 16 May 2023)	20,000		20,000
Markku Tuomaala	Member of the Board, member of the audit committee	30,000	2,500	32,500
Total		210,000	10,000	220,000

IV REMUNERATION OF CEO

The salary of the CEO consists of a fixed monthly salary and customary fringe benefits. The CEO is entitled to participate in the company's long-term incentive plan, the CEO does not have a short-term incentive plan. The company's CEO is entitled to a statutory pension benefit. The company does not have in place any additional pensions or collateral arrangements. The retirement age of the company's CEO is determined in accordance with the legislation in effect.

In the financial period 1 February 2023 – 31 January 2024 the total remuneration including fixed monthly salary and fringe benefits paid to the CEO was EUR 182,940. The CEO was not paid any performance bonus, additional pensions or other additional benefits.

Each Performance Matching Share Plan covers has one performance period, spanning three financial years. The performance criteria are the Total Shareholder Return of the Puuilo share (TSR) and the Adjusted EBITA of the Puuilo Group. The achievement of the targets set for the performance criteria will determine the proportion out of the maximum reward that will be paid as reward to participants. The prerequisite for participation in the plan and receiving reward on the basis of the plan is that a participant personally has

acquired Puuilo shares up to the number determined by the Board of Directors. Furthermore, payment of reward is based on the participant's valid employment or service upon reward payment.

Primarily, the rewards from the plan will be paid partly in the company's shares and partly in cash after the end of the performance period of each plan. The cash proportion is intended to cover taxes and tax-related costs arising from the reward to the participant. As a rule, no reward will be paid, if a participant's employment or service terminates before the reward payment. The CEO is obliged to keep the shares paid as a reward for twelve months after the reward payment.

Long-term incentive plans effective in the financial year 2023

	PSP 2022 – 2024	PSP 2023 – 2025
Performance period	Financial years 2022 – 2024	Financial years 2023 – 2025
Grant date	3 June 2022	12 May 2023
Grant date share price (EUR)	5.34	7.29
Performance criteria	Total Shareholder Return of the Puuilo share (TSR) and Adjusted EBITA	Total Shareholder Return of the Puuilo share (TSR) and Adjusted EBITA
Criteria outcome (out of maximum level)	To be confirmed after the end of financial year 2024	To be confirmed after the end of financial year 2025
Maximum number of share awards to be granted (pcs)*	15,474	7,605
Number of shares received	-	-
Payment in cash (EUR)	-	-
Payment date	By the end of May 2025	By the end of May 2026
Share price on payment date, EUR	-	-
Commitment period end date	By the end of May 2025	By the end of May 2026

* Gross number of shares netted with the applicable withholding tax. The net amount will be paid in shares.