

Remuneration Report



Remuneration Report

Terveystalo’s remuneration principles are based on performance, fairness and competitiveness. Remuneration supports the achievement of Terveystalo’s strategic goals and the long-term financial success of the Company. The remuneration policy and the decision-making process is described in more detail in the Remuneration Policy for Governing Bodies. In the Annual General Meeting 2022, a clear majority of the votes were given in favour of approving the Remuneration Report 2021 and as no further aspects were presented, the Remuneration Report 2022 is mainly the same.

Terveystalo’s revenue has improved steadily over the last five years, excluding the exceptional year 2020. During 2022, revenue's improvement continued, but profitability did not reach its targets. The weakening of the profitability will be visible in remuneration paid in the beginning of 2023, but does not affect paid remuneration in 2022.

Remuneration development 2018–2022

| Total remuneration, EUR ¹⁾ (rounded to the nearest thousand) | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|---------|---------|---------|---------|---------|
| Chair of the Board | 102,000 | 91,000 | 101,000 | 102,000 | 102,000 |
| Vice Chair of the Board | 54,000 | 62,000 | 67,000 | 69,000 | 59,000 |
| Other members of the Board, on average | 50,000 | 53,000 | 57,000 | 56,000 | 57,000 |
| CEO | 910,000 | 938,000 | 367,000 | 640,000 | 834,000 |
| Salary development of average employees ²⁾ | 55,000 | 62,000 | 62,000 | 62,000 | 68,000 |

¹⁾Total remuneration includes other financial benefits and meeting fees for Board members, and short- and long-term incentives for the CEO in addition to fixed annual fee/salary.

²⁾The salary development of average employees has been calculated by dividing the personnel costs for each year (excluding other social security costs) by the average number of personnel.

The remuneration level of the Board of Directors was reviewed and determined to correspond to the market level by the decision of the AGM in 2020 and in 2022.

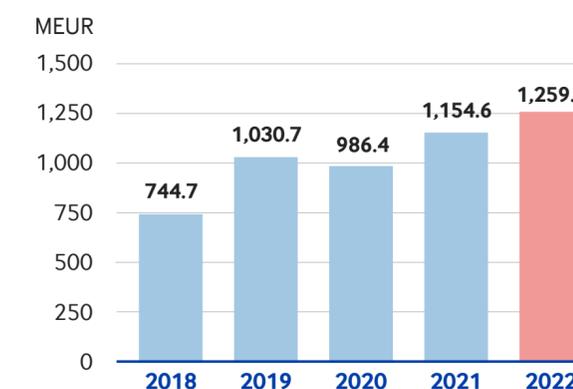
In accordance with the Remuneration Policy, remuneration of the CEO is strongly based on performance, and a significant share of the overall remuneration of the CEO consists of short-term and long-term incentives. The targets of the incentive schemes are directly linked to the Company performance, and the Company’s positive financial development is reflected in the remuneration of the CEO in 2018 and 2019. A CEO change took place at the end of 2019, and in 2020, remuneration of the CEO exceptionally only consisted of the base salary. In 2021,

the CEO's remuneration includes short-term incentives for the year 2020. As a part of the Company’s mitigation measures due to the corona epidemic, the CEO's short-term incentive earning opportunity was also restricted to 50% of the normal level.

The average salary development of employees has shown a rising trend. The larger increase in 2022 salary development originates mainly from the corporate acquisitions made during the past two years. Approximately 65% of the personnel is covered by collective agreements, and the general increases determined in the collective agreements guide the salary development of this personnel group.

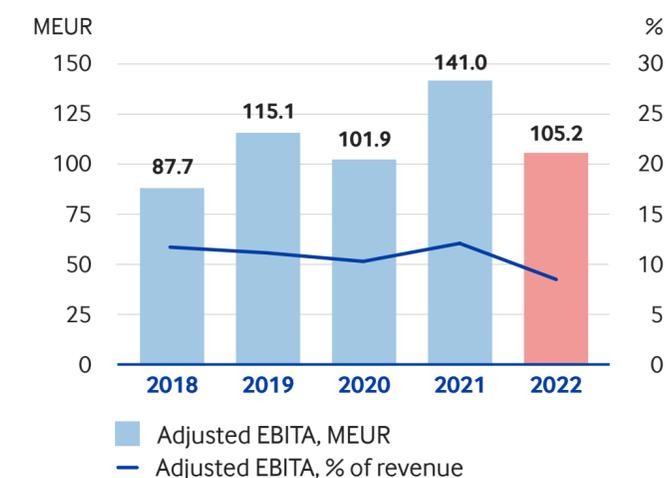
Revenue

Target of at least 5% growth annually



Adjusted EBITA and EBITA-%

Target 12–13% of revenue



Remuneration of the Board of Directors for the financial year 2022

Terveystalo's Annual General Meeting, held on 7 April, 2022, resolved in accordance with the proposal of the Shareholders' Nomination Board that the Chair of the Board of Directors be paid an annual remuneration of EUR 87,500, the Vice Chair an annual remuneration of EUR 52,000, the members an annual remuneration of EUR 41,500, and the Chair of the Audit Committee EUR 52,000. In addition, an attendance fee of EUR 650 will be paid for members of the Board of Directors and Committee members residing in Finland, EUR 1,350 for members residing elsewhere in Europe, and EUR 2,700 for members residing outside of Europe for each Board and Committee meeting

that they attend. For Board and Committee meetings that are held by telephone or other electronic means, the attendance fee is EUR 650. Travel costs are reimbursed based on the company's travel policy.

The annual remuneration of the Board is paid as a combination of company shares (40%) and cash (60%). The Company will reimburse the transaction costs and capital transfer tax related to trading. Attendance fees are paid in cash. In 2022, an exception in paying the annual fee for Dag Andersson was made. Due to Andersson's death, paying the annual remuneration partly in shares was not possible for the company, and therefore the annual fee is paid fully in cash.

The following table presents the remuneration paid to the Board of Directors during the financial year 2022:

| Name | Annual fee, total, EUR ¹⁾ | Annual fee in shares, EUR | Annual fee in cash, EUR | Other financial benefits, EUR ²⁾ | Meeting fees of the board of directors and board's committees, EUR | In total, EUR |
|--|--------------------------------------|---------------------------|-------------------------|---|--|---------------|
| Kari Kauniskangas | 87,500 | 34,997 | 52,503 | 560 | 14,150 | 102,210 |
| Katri Viippola | 41,500 | 16,595 | 24,905 | 266 | 12,750 | 54,516 |
| Dag Andersson ³⁾ | 41,500 | - | 41,500 | - | 18,950 | 60,450 |
| Kristian Pullola | 52,000 | 20,796 | 31,204 | 333 | 12,750 | 65,083 |
| As members of the Board from 7 April, 2022: | | | | | | |
| Carola Lemne | 41,500 | 16,595 | 24,905 | 266 | 7,300 | 49,066 |
| Matts Rosenberg | 52,000 | 20,796 | 31,204 | 333 | 6,500 | 58,833 |
| As members of the Board until 7 April, 2022: | | | | | | |
| Åse Aulie Michelet | - | - | - | - | 8,275 | 8,275 |
| Tomas von Rettig | - | - | - | - | 8,275 | 8,275 |
| Niko Mokka | - | - | - | - | 6,250 | 6,250 |

¹⁾ Total annual compensation consists of stock award (40%) and cash compensation (60%).

²⁾ Other financial benefits include transfer tax fees for the annual fees paid in shares.

³⁾ Dag Andersson served as member of the Board of Directors until he suddenly passed away in fall 2022, with said change to the Board of Directors having been registered to the Trade Register on 10 October 2022.

Remuneration of the CEO for the financial year 2022

The following table presents the remuneration paid to the CEO during the financial year 2022:

| Name | Fixed annual salary (including taxable benefits), eur | Short-term incentives, eur | Remuneration based on long-term incentive schemes, eur | In total, eur |
|----------------|---|----------------------------|--|---------------|
| Ville Iho, CEO | 400,000 | 434,000 | - | 834,000 |

In 2022, the CEO's compensation consisted of the fixed annual salary and the short-term incentive paid for 2021, corresponding to 108 percent of the fixed annual salary. The 2021 short-term incentives were based on Adjusted EBITA, revenue, NPS score, productivity, eNPS score and employee turnover.

In the performance period 2022, the short-term incentives were based on the following indicators: Adjusted EBITA, revenue and eNPS score. Based on the short-term incentive program, the CEO will receive a payment of EUR 105 000 in the spring of 2023, which corresponds to 33% of the target earnings.

Remuneration based on long-term incentive schemes, EUR (the President and CEO Ville Iho):

| Long-term incentive plan | Grant date | Earning opportunity (maximum number of shares granted)* | Pay-out year (subject to the achievement of performance targets) |
|--|------------------|---|--|
| Bridge Plan 2021–2022 | April 28, 2021 | 58,600 | 2023 |
| Performance Share Plan (PSP) 2021–2023 | April 28, 2021 | 88,000 | 2024 |
| Performance Share Plan (PSP) 2022–2024 | February 9, 2022 | 75,086 | 2025 |

In the performance periods 2021–2022 and 2021–2023, the performance criteria for the share-based long-term incentive schemes were based on the Total Shareholder Return (TSR) as well as digital footprint, which consists of productivity and digital sales indicators.

In the performance period 2022–2024, the performance criteria for the share-based long-term Incentive schemes were based on the absolute and relative Total Shareholder Return (TSR).

More information on share-based payment schemes can be found in financial statements as well as on the company website.