

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.

Terveystalo’s revenue and profitability have improved steadily over the last five years, excluding the exceptional year 2020. The positive business development is also reflected in remuneration levels. In remuneration development, the figures for 2017 are not fully comparable due to a change in the ownership structure and listing in the stock exchange in 2017.

Remuneration development 2017–2021:

Total remuneration, EUR (rounded to the nearest thousand)	2017 ²⁾	2018	2019	2020	2021
Chair of the Board	50,000	102,000	91,000	101,000	102,000
Vice Chair of the Board	25,000	54,000	62,000	67,000	69,000
Other members of the Board, on average	25,000	50,000	53,000	57,000	56,000
CEO	675,000	910,000	938,000	367,000	640,000
Salary development of average employees ¹⁾	58,000	55,000	62,000	62,000	65,000

¹⁾ 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.

²⁾ Not comparable due to a change in the ownership structure and listing in the stock exchange in 2017.

Changes in the remuneration of the Board after 2017 are due to a change in the ownership structure and listing in the stock exchange, and the Board remuneration was determined to correspond to the market level by the decision of the AGM 2018. The remuneration level was reviewed in 2020.

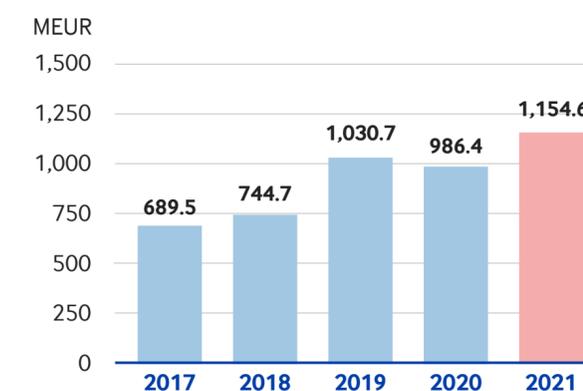
In accordance with the remuneration policy, remuneration of the CEO is strongly based on performance, and a significant share of the overall remuneration of the CEO consists of short-term and long-term incentives. The targets of the incentive schemes are directly linked to the Company performance, and the Company’s positive financial development in 2017-2018 is reflected in the remuneration of the CEO. 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 company’s mitigation measures due to the corona epidemic, the CEO's short-term incentive earning opportunity was restricted to 50 percent of the normal.

The average salary development of employees has shown a rising trend with the exception of year 2018, when the number of personnel increased, and the structure changed due to acquisitions. Approximately 65 percent 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.

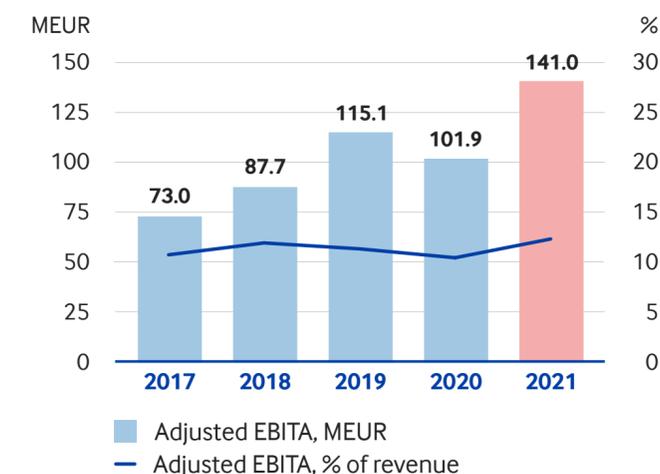
Revenue

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 2021

Terveystalo's Annual General Meeting, held on 25 March, 2021, resolved in accordance with the proposal of the Shareholders' Nomination Board that the Chair of the Board of Directors will be paid an annual remuneration of EUR 85,000, the Vice Chair an annual remuneration of EUR 50,500, the members an annual remuneration of EUR 40,250, and the Chair of the Audit Committee EUR 50,500. In addition, an attendance fee of EUR 625 will be paid for members of the Board of Directors and Committee members residing in Finland, EUR 1,300 for members residing elsewhere in Europe, and EUR 2,600 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 625. 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.

The following table presents the remuneration paid to the Board of Directors during the financial year 2021:

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	85,000	33,993	50,464	544	16,875	101,875
Tomas von Rettig	50,500	20,189	29,988	323	18,900	69,400
Åse Aulie Michelet	40,250	16,090	23,902	257	16,925	57,175
Katri Viippola	40,250	16,090	23,902	257	16,875	57,125
Dag Andersson	40,250	16,090	23,902	257	13,800	54,050
Niko Mokka	40,250	16,090	23,902	257	16,250	56,500
Kristian Pullola (from 25 March, 2021)	50,500	20,189	29,988	323	10,000	60,500
As members of the Board until 25 March, 2021:						
Lasse Heinonen	-	-	-	-	6,875	6,875

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.

Remuneration of the CEO for the financial year 2021

The following table presents the remuneration paid to the CEO during the financial year 2021:

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	240,000	-	640,000

In 2021, the CEO's compensation consisted of the fixed annual salary and the short-term incentives paid for 2020. The 2020 short-term incentives were based on Adjusted EBITA as well as eNPS and NPS scores.

In the performance period 2021, the short-term incentives were based on the following indicators: Adjusted

EBITA, revenue, NPS score, productivity, eNPS score and employee turnover. Based on the short-term incentive program, the CEO will receive a payment of EUR 434,000 in the spring 2022, which corresponds to 136 percent of the target earnings.

The CEO's allocated earning opportunity in the long-term incentive schemes (the President and CEO Ville Iho):

Long-term incentive plan	Grant date	Earning opportunity (maximum number of shares granted)*	Vesting date (end of performance period)	Pay-out year (subject to the achievement of performance targets)	Number of shares vested*
Bridge Plan 2021–2022	April 28, 2021	58,600	December 31, 2022	2023	Plan ongoing
Performance Share Plan (PSP) 2021–2023	April 28, 2021	88,000	December 31, 2023	2024	Plan ongoing

* Gross number of shares from which the applicable payroll tax will be withheld upon payment and the remaining net amount paid in shares

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