



Remuneration Report for Governing Bodies 2025

REMUNERATION REPORT FOR GOVERNING BODIES 2025

1. Introduction

Fondia Plc's ("Fondia" or the "company") Remuneration Report for Governing Bodies 2025 ("Remuneration Report") has been prepared in accordance with the Finnish Corporate Governance Code ("Corporate Governance Code") effective from 1 January 2025 and in accordance with applicable legislation. The Corporate Governance Code is available on the website at www.cgfinland.fi/en.

In this report, Fondia presents the salaries, fees and other financial benefits paid to the company's governing bodies, i.e., the members of the Board of Directors ("Board") and the Chief Executive Officer ("CEO"), during the financial year 2025 and due to be paid based on the financial year 2025. The report also describes the decision-making process and the main principles governing remuneration in Fondia.

The Remuneration Report is prepared and presented to the Annual General Meeting annually. The last Remuneration Report (2024) was presented to the Annual General Meeting in spring 2025. 100% of the shares represented and votes cast at the Annual General Meeting were in favour of the approval of the 2024 Remuneration Report.

Principles of remuneration 2025

Fondia's Remuneration Report for 2025 is in line with the Remuneration Policy of the company's governing bodies as published on 27 February 2024, which was discussed and approved by an advisory resolution at the Annual General Meeting ("Remuneration Policy") held on 20 March 2024. The Remuneration Policy is available on the company's investor website at <https://investors.fondia.com/fi/en/governance/remuneration>.

In line with its Remuneration Policy, Fondia applies the following principles to its remuneration:

- *competitiveness, fairness, and equity, taking into account the level and demands of the tasks; and*
- *incentivising, which guides the company's governing bodies towards the achievement of strategic business objectives; and*
- *sustainability.*

Through its Remuneration Policy, Fondia aims to support the alignment of the interests of shareholders, the Fondia Group and its personnel. It also aims to support the long-term financial success of the Fondia Group and the commitment of Fondia's personnel to their employer.

The share-based employee incentive schemes introduced in previous years continued during the financial year 2025. The CEO has been able to participate in the schemes in accordance with the conditions set.

The fair and incentive-based remuneration of Fondia's management and personnel is the subject of continuous development and evaluation within the company. The Board and the management regularly assess the needs for improving Fondia's overall remuneration. In the context of these evaluations, external experts may be used to assess, among other things, the levels of requirements of the different positions and their impact on remuneration. The Fondia Board also regularly monitors and reviews the company's Remuneration Policy to ensure that it is in line with the company's strategy and remuneration principles.

During the 2025 financial year, the Remuneration Policy approved by Fondia’s General Meeting of Shareholders on 20 March 2024 by advisory resolution was applied in the remuneration of the Board of Directors and the CEO without any deviations. No decision was taken to defer, not to pay or recover all or part of the remuneration of the Board members or the CEO. The company has mistakenly paid additional board fees totalling EUR 26,075 to CEO Timo Lappi, which have been recorded in the company's financial statements as receivables to be recovered.

Remuneration and business development 2021–2025

Below is a description of the relative evolution of the remuneration paid to the members of the Fondia Board and to the CEO over the last five financial years, compared to the average remuneration of Fondia Group employees and the financial evolution of the Fondia Group over the same period. The development is described in terms of compound annual growth rate (CAGR).

	2021	2022	2023	2024	2025	Change 2021– 2025 (CAGR)
Remuneration of the Board members total EUR	154,000 ¹	162,000	162,000	162,000	111,100 ²	-7,8 %
Remuneration of the CEO EUR³	261,181	227,563	301,023	263,974	207,323 ⁴	-5,6 %
Remuneration of the personnel AVG per person/year EUR⁵	81,170	81,659	79,401	81,053	85,687	+1,3 %
Net sales TEUR	21,107	24,580	26,094	25,628	23,929	+3,2 %
Result/Ebit TEUR	637	2,099	1,827	1,361	1,428	+22,4 %

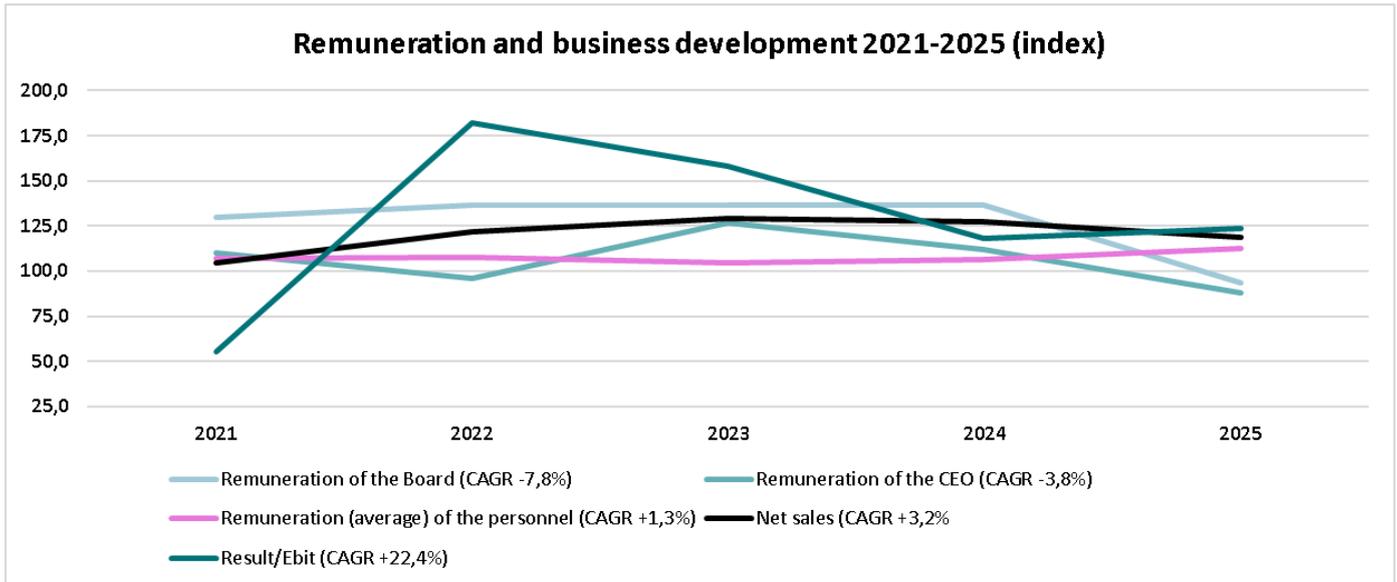
¹ The number of Board members increased from five to six from 2021.

² The number of board members fell from six to three in spring 2025. Does not include board fees incorrectly paid to Timo Lappi and subject to recovery.

³ The CEO's remuneration does not include signing bonuses or severance payments to improve comparability of remuneration trends. The table has been adjusted in this respect in the 2021 report. Previously, the CEO's 2019 remuneration included a signing bonus.

⁴ The CEO's remuneration includes the remuneration of Harri Savolainen (CEO until 22 January 2025) and Timo Lappi (CEO from 19 May 2025, Interim CEO from 22 January 2025–19 May 2025).

⁵ Does not include CEO.



The company's financial development is expressed by presenting the development of the Fondia Group's turnover and operating profit between the financial years 2021–2025. Fondia's medium-term financial targets for 2017–2025 were based on growth in net sales and operating profit margin, which is why the company also describes the Group's financial performance in terms of both factors in its remuneration report. The medium-term financial targets were updated in spring 2025 and will henceforth be based on the organic growth rate of net sales and the adjusted EBITDA margin, but financial performance will continue to be described in the remuneration report using the previous metrics for the time being.

The number of Board members has ranged from three to six over the five-year period under review. The Board has no committees.

During the review period 2021–2025, Fondia has had two full-time CEOs. During 2025, the CEO of Fondia was Timo Lappi. He was appointed to his position as of 19 May 2025, before which he served as interim CEO from 22 January 2025 to 19 May 2025. Previously, Harri Savolainen served as CEO during the review period from 1 December 2021 to 22 January 2025, of which six months as interim CEO, and Leena Hellfors in 2019–2021. The remuneration of the interim CEO is included in the table above, where applicable.

The Fondia Group's employee remuneration development index shows the development of the personnel expenses as reported in the company's financial statements divided by the Group's average FTE (average number of employees converted into full-time equivalents per year).

2. Remuneration of the board of directors for the financial year 2025

The Annual General Meeting of Fondia decided on 20 March 2025 that the Chair of the Board will be paid EUR 3,500 per month and the other members of the Board EUR 2,000 per month. Travel expenses will be reimbursed in accordance with the maximum amount of the current travel allowance base set by the Tax Administration. The Board of Directors' fees were not increased compared to the previous year.

The members of the Board have not been granted any options, share-based payments, or other share-based payments for their work on the Board.

The members of the Board have not been paid meeting fees nor any other financial benefits apart from the monthly remuneration decided by the General Meeting, except for a one-off special fee of EUR 5,000 plus VAT paid to Sami Honkonen as a sole trader for IT consulting services.

Travel expenses for Board meetings are reimbursed in accordance with the company's travel policy. The remuneration of the Board is not subject to pension contributions.

Remuneration paid to members of the Board for board work during the financial period 1 January–31 December 2025

Member of the Board	Annual fees (EUR)	Other financial benefits	Annual fees total (EUR)
Johan Hammarén chair of the board since 19.5.2025, vice chair 22 January 2025–19 May 2025	35,175	-	35,175
Timo Lappi chair of the Board until 19 May 2025	15,925	-	15,925 ⁶
Charlotte Darth member until 20 March 2025	6,000	-	6,000
Sami Honkonen member	24,000	-	24,000
Katariina Lindholm member	24,000	-	24,000
Juha Sarsama member until 20 March 2025	6,000	-	6,000
YHTEENSÄ	111,100	-	111,100

⁶ Does not include incorrectly paid and recoverable board fees.

3. Remuneration of the CEO for the financial year 2025

Remunerations paid in the financial year 2025

Timo Lappi

The company's current CEO is Timo Lappi, who was appointed to the position with effect from 19 May 2025. Prior to this, he served as the company's interim CEO from 22 January 2025 to 19 May 2025.

The Board has approved the key terms of the CEO's employment, including remuneration, in accordance with the remuneration policy confirmed by the general meeting.

Under the current CEO service agreement, the CEO's cash salary is EUR 18,000 per month (gross, from 19 May 2025 onwards). The CEO has access to the company's customary and applicable fringe benefits, such as meal benefits, sports and culture benefits, and occupational healthcare. In addition, the CEO has a short-term performance bonus programme based on the financial year and the opportunity to participate in the company's share-based incentive programmes.

During the interim CEO period from 22 January 2025 to 18 May 2025, the CEO's cash salary was EUR 10,000 per month (gross). As interim CEO, he was not entitled to the company's fringe benefits or to long-term or short-term performance-based or share-based incentive programmes.

The CEO commenced employment with the company in January 2025, and therefore no performance bonuses based on the previous financial year were paid to him during the financial year. The proportion of fixed annual salary (cash salary and fringe benefits) paid to the CEO in 2025 in relation to total remuneration was thus 100 per cent, and the proportion of short-term incentive bonuses paid was zero per cent. No sign-on bonus was paid to the CEO either.

In January–May 2025, the CEO was paid the fees decided by the general meeting for the role of Chair of the Board, totalling EUR 15,925 (gross).

The CEO does not have supplementary pension arrangements. Expense reimbursements were paid to the CEO in accordance with the company's travel policy and other practices.

Remuneration and benefits paid to CEO Timo Lappi for the CEO role during the financial year 2025

Fixed basic salary EUR per year	Fringe benefits		Variable pay components	Share bonus ⁷	
	Telephone benefit EUR year	Lunch benefit EUR year	Performance bonus EUR Year ⁸	Matching shares in cash EUR/year	Matching shares in shares EUR/year
176,010	140	1,279	0	0	0

⁷ CEO Lappi has not participated in the share bonus ESSP program. Possible rewards under the share-based incentive scheme will be paid in 2028.

⁸ CEO Lappi started as Interim CEO on 22 January 2025 and CEO from 19 May 2025 onwards, hence no performance bonus for the year 2024 has been paid.

Harri Savolainen

Harri Savolainen, the company's CFO, served as CEO from 1 January to 22 January 2025. For the CEO role, Savolainen was paid a total cash salary of EUR 20,000 (gross) in 2025. In addition, as CEO he had access to the company's customary fringe benefits and personnel benefits. As CEO, Savolainen had no special agreements regarding retirement age or other pension arrangements. No compensation related to the termination of the CEO agreement was paid.

During the financial year 2025, in accordance with a decision by the Board, Savolainen was not paid a performance bonus under the 2024 performance bonus scheme. The performance bonus paid to Savolainen thus amounted to zero (0) per cent of the maximum performance bonus. The bonus under the 2024 performance bonus scheme could have been a maximum amount equivalent to four months' cash salary (EUR 80,000). Part of the targets for the performance bonus paid to Savolainen based on the financial year 2024 were linked to the Fondia Group's net sales and profit in 2024 (fifty (50) per cent of the total targets) and part to personal targets determined by the Board, which related to the achievement of certain commercial objectives and strategic projects (fifty (50) per cent of the total targets).

The proportion of fixed annual salary (cash salary and fringe benefits) paid to Savolainen in 2025 in relation to total remuneration was hundred (100) per cent, and the proportion of short-term incentive bonuses paid was zero (0) per cent.

Expense reimbursements were paid to Savolainen in accordance with the company's travel policy and other practices.

In spring 2025, Savolainen was also paid a share reward under the employee share savings plan (ESSP) savings period 2022–2023, part of which was paid in shares and part in cash to cover taxes. Savolainen's gross number of additional shares based on these savings was 422.5 shares, of which 208 shares were transferred to Savolainen, and the tax portion was EUR 1,104, corresponding to 211 shares.

Remuneration and benefits paid to Harri Savolainen for the CEO role during the financial year 2025

Fixed basic salary EUR per year	Fringe benefits		Variable pay components	Share bonus ⁹	
	Telephone benefit EUR year	Lunch benefit EUR year	Performance bonus EUR Year ¹⁰	Matching shares in cash EUR/year	Matching shares in shares EUR/year
20,000	20	184	0	1,104	1,086

⁹ Harri Savolainen was paid matching shares under the share savings plan (ESSP) 2022–2023 on 13 March 2025, exercise price EUR 5.22/share. The company did not, however, pay rewards from the first earning period 2022–2024 of the company's share-based incentive scheme (PSP) because the set targets were not achieved.

¹⁰ The performance bonus for 2025 was based on the achievement of targets related to the CEO role in 2024.

Remuneration payable in 2026 based on the 2025 financial year

CEO Timo Lappi had a short-term performance bonus scheme for the 2025 financial year, as decided by the Board of Directors. In accordance with the decision made by the Board of Directors, the CEO will not be paid a performance bonus for the 2025 financial year. The performance bonus payable to the CEO is therefore zero (0) per cent of the maximum performance bonus.

The targets of the CEO's performance bonus scheme for the 2025 financial year were linked to the achievement of the company's medium-term targets on an annual basis, as separately determined by the Board of Directors. The annual performance bonus under the performance bonus scheme could have been a maximum of the CEO's four months' fixed salary (EUR 72,000), but no more than five (5) per cent of the adjusted operating profit (EBIT) after bonuses.

Other benefits and remunerations

Share-based remuneration

The CEO participates in the fourth performance period (2025–2027) of the company's **long-term share-based commitment and incentive plan ("share plan")**. Fondia Plc's share plan gives participants the opportunity to earn company shares if the financial and strategic targets set by the Board are achieved. The purpose of the share plan is to promote the achievement of the company's financial objectives and to provide participants with a competitive long-term incentive plan, thereby increasing the company's shareholder value. The share plan is performance-based and consists of three-year performance periods.

Under the terms of the share plan, personal investment in Fondia Plc shares is no longer required from other Group Management Team members except for the CEO.

For the performance period, rewards will be based on the adjusted average EBITDA percentage and total shareholder return (TSR) for the performance period. Rewards will be paid in full to participants in shares of Fondia Plc. The maximum number of shares that the CEO can earn during the performance period is 20,000 Fondia shares. The bonus shares payable based on the achievement of the targets will be paid in accordance with the terms and conditions of the plan after the end of the performance period, by the end of May 2028.

The CEO does not currently participate in the Fondia Group's **Employee Share Savings Plan (ESSP)** but would be entitled to do so on ordinary terms. Under the plan, an employee saves EUR 50–500 per month for one year to purchase Fondia shares. The company offers one matching share free of charge for every two savings shares, provided that the shares are held for approximately three years and employment continues. The matching shares are granted partly in shares and partly in cash to cover taxes.

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