

**TELESTE - REMUNERATION REPORT FOR
THE COMPANY'S GOVERNING BODIES
2025**

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1. Introduction

This Remuneration Report follows the guidelines of the Corporate Governance Code 2025. The remuneration paid or due to the Board members and the CEO for the year 2025 is in line with the Remuneration Policy of the Governing Bodies of Teleste approved at the Annual General Meeting (“the AGM”) 2024. The materialized remuneration of the Board members and the CEO in the year 2025 reflects the targets of remuneration principles which Teleste has set with its Remuneration Policy.

The remuneration paid or due to the Board members and the CEO for the year 2025 promotes the long-term financial performance and success of Teleste Oyj (“Teleste” or “the Company”) as described below.

The purpose of the total compensation of the Board members, consisting of annual remuneration and meeting fees, is to be sufficiently competitive to ensure that sufficiently qualified persons can be obtained to perform the responsibilities of the Board of Directors. The tasks of the Board of Directors include deciding on the Company's strategy and setting and monitoring the implementation of long-term objectives. Thus, the principles for Board remuneration contribute to Teleste's long-term financial performance and success.

The CEO's remuneration is based on Teleste's remuneration principles. The key objective of the remuneration for the CEO of Teleste is to encourage him in increasing the shareholder value by aligning his interests with the interests of Teleste's shareholders. Both fixed and variable salary components are tied to the market situation, strategy and the Company's success. A comparison of the development of the fees of the Board of Directors and the remuneration of the CEO to the development of the average remuneration of the employees and to the Company's net sales and adjusted EBIT is illustrated and compared in the table below.

The Remuneration Report for the Company's Governing Bodies 2024, which is in line with the Corporate Governance Code, was presented at the AGM 2025.

Development of remuneration and financial development (EUR) over the past five years

EUR	2025	2024	2023	2022	2021
Board of Directors¹	247,000	247,000	247,000	247,000	247,000
President and CEO²	326,332	304,674	325,704	310,260	457,530
Employees' average remuneration³	57,971	49,528	47,594	48,250	46,591
Financial development:					
Net sales, continuing operations, EUR million	138.6	132.5	151.3	165.0	144.0
Adjusted EBIT, continuing operations, EUR million	7.1	4.2	1.2	2.0	5.5

¹ Values exclude meeting fees.

² Values exclude additional pension payments. The data for 2020–2021 comprises the remuneration of CEO Jukka Rinnevaara. The data for 2022, 2023, 2024 and 2025 comprises the remuneration of CEO Esa Harju, who took up his post on January 1, 2022.

³ Average employee: total personnel expenses without social and pension costs divided by the average number of personnel during the year.

2. Fees of the Board of Directors

Teleste's AGM 2025 decided on the annual remunerations to be paid to the members of the Board of Directors as follows: EUR 66,000 per year for the Chairman and EUR 33,000 per year for each member. The annual remuneration of the Board member who acts as the chairman of the Audit Committee shall be EUR 49,000 per year. Of the

annual remuneration to be paid to the Board members, 40 percent of the total gross remuneration amount will be used to purchase Teleste Corporation's shares for the Board members through trading on the regulated market organized by Nasdaq Helsinki Ltd, and the rest will be paid in cash. No separate meeting fee will be paid to the members of the Board of Directors or the chairmen of the Audit committee. A meeting fee of EUR 400 per meeting is to be paid to the members of the Board of Directors' committees for those committee meetings that they attend.

In addition, reasonable travel expenses shall be reimbursed to the members of the Board of Directors in accordance with the Company practice applicable at the time, excluding daily allowance. The members of the Board of Directors are not employed by the company and are not covered by the company's incentive or pension schemes.

Remuneration and meeting fees of the Board of Directors paid in 2025 and 2024

EUR	2025				2024			
	Annual remuneration				Annual remuneration			
	Share portion	Cash portion	Meeting fees ¹	Total	Share portion	Cash portion	Meeting fees ¹	Total
Timo Luukkainen, Chairman of the Board	26,400	39,600	1,200	67,200	26,400	39,600	1,600	67,600
Jussi Himanen	13,200	19,800	3,200	36,200	13,200	19,800	3,600	36,600
Vesa Korpimies	13,200	19,800	3,200	36,200	13,200	19,800	3,600	36,600
Kai Telanne	13,200	19,800	1,600	34,600	13,200	19,800		33,000
Mirel Leino-Haltia	19,600	29,400		49,000	19,600	29,400		49,000
Anni Ronkainen²	13,200	19,800	2,000	35,000	13,200	19,800	1,600	34,600
Total	98,800	148,200	11,200	258,200	98,800	148,200	10,400	257,400

¹ Meeting fees have been entered into the table in the year in which they were paid.

² Anni Ronkainen joined Teleste's Board of Directors on April 11, 2024.

There is no remuneration due to be paid to the Board members based on the year 2025.

3. Remuneration of the CEO

The remuneration of the CEO consists of fixed and variable salary components: base salary, fringe benefits, short-term incentives, long-term incentives and additional pension.

Remuneration of the CEO paid in 2025 and 2024

EUR	2025	2024
Base salary ¹	311,850	296,755
Fringe benefits	2,909	2,464
Short-term incentives ¹	0	0
Long-term incentives (share-based) ²	11,573	5,455
Total ⁴	326,332	304,674
Share of fixed pay of total remuneration	96.5%	98.2%
Share of variable pay of total remuneration	3.5%	1.8%
Additional pension payment	77,963	74,189

¹Includes holiday pay and fringe benefits that are part of base pay.

²Amounts have been entered in the table in the year in which they were paid and are based on the performance from the previous year.

³ Paid on March 31, 2025, at a share price of EUR 2.92. Paid on March 28, 2024, at a share price of EUR 3.14.

⁴ The amounts do not include additional pension payments.

A defined contribution supplementary pension is included in the CEO's contract. The payment level of the group pension is 25 percent of base pay, excluding bonuses, until the age of 65 or termination of employment.

The CEO's variable remuneration earning opportunity and performance measures

The CEO is included in the Company's short-term incentive scheme, which is part of the elements of Teleste's variable salary component. The objective of the short-term incentive scheme is to incentivize the execution of the business plan and to reward the participants accordingly. The Board of Directors decides on the structure, objectives, target levels and prospects of earning of the CEO's incentive scheme.

- In 2024, the earnings were based on the Group's adjusted EBIT (60% weight), the development of net working capital in 2024 (20% weight), the Group's sustainability-linked performance indicators (5% weight) and strategy-linked personal targets (15% weight). The Board of Directors evaluates the achievement of the targets at the end of the earnings period. The CEO's maximum earning opportunity was 79.4% of the annual base salary (ten months' base salary) excluding bonuses. The general financial minimum criterion specified in Teleste's policy concerning the short-term incentive scheme was not met. Consequently, the CEO was paid no bonuses under the short-term incentive scheme for 2024.
- In 2025, the earnings were based on the Group's adjusted EBIT (60% weight), the development of net working capital in 2025 (20% weight), the Group's sustainability-linked performance indicators (5% weight) and strategy-linked personal targets (15% weight). The CEO's maximum earning opportunity was 95.2% of the annual base salary (twelve months' base salary) excluding bonuses. The Board of Directors evaluates the achievement of the targets at the end of the earnings period. For 2025, the CEO's bonus under the short-term incentive scheme is EUR 179,091, or 60.3% of the maximum earning opportunity under the incentive scheme (57.4% of the annual base salary). The achievement levels of the performance criteria were as follows (target level 50% and maximum level 100%):
 - The achievement level for the Group's adjusted EBIT was 56.3% of the criterion-specific maximum level
 - The achievement level for the development of net working capital was 75% of the criterion-specific maximum level
 - The achievement level for the performance indicator related to the Group's sustainability was 50% of the criterion-specific maximum level

- The achievement level for the strategy-linked personal target was 60% of the criterion-specific maximum level

The short-term incentive bonus will be paid in spring 2026.

The CEO is included in the Company's long-term incentive scheme, which is part of the elements of Teleste's variable salary component. The objective of the long-term incentive scheme is to encourage the CEO to execute the long-term strategy and to increase shareholder value and reward the CEO accordingly.

- The share-based incentive payment for the CEO during the year 2025 was based on the long-term incentive scheme 2022-2024. The elements in the scheme included a matching share plan (ratio 2:1) and a performance share plan. The performance criteria of the performance matching plan were the development of Absolute Total Shareholder Return during the performance period 2022-2024 and the cumulative adjusted EBIT during the performance period 2022-2024. The maximum combined earning opportunity for these two elements was 110.3% (EUR 308,821) of the CEO's 2022 annual base salary excluding bonuses. The CEO's payout based on a fixed matching element was 3.7% (EUR 11,573) of his 2022 annual base salary. There was no payout based on the performance matching element as the minimum performance threshold was not met.

The CEO is included in the following ongoing long-term incentive schemes

	Performance Share Plan 2023-2025	Performance Share Plan 2024-2026	Performance Share Plan 2025-2027
Earning opportunity: fixed matching shares ¹	6,250 shares	1,950 shares	17,000 shares
Earning opportunity: performance shares	75,000 shares	93,600 shares	102,000 shares
Max earning opportunity (% of base pay)	105.7%	85.3%	84%
Performance measure (for performance shares)	Absolute Total Shareholder Return and cumulative adjusted EBIT	Absolute Total Shareholder Return and cumulative adjusted EBIT	Absolute Total Shareholder Return and cumulative earnings per share
Payout year	2026	2027	2028

¹The matching ratio is 2:1 for the 2023-2025 and 2024-2026 schemes and 1:1 for the 2025-2027 scheme.

In 2025, a two-part retention plan was created for the CEO as a long-term incentive scheme. Its purpose is to provide incentives to the CEO for executing the Company's strategy and to further strengthen the CEO's commitment to the Company. The condition for receiving the retention bonus is that the CEO's service contract remains in effect until December 31, 2026, and further until December 31, 2027. The retention plan is in line with Teleste's Remuneration Policy for the Company's Governing Bodies, which was approved by the AGM 2024, and the rewards will be paid in the form of the Company's shares for each year separately, based on an authorization granted to the Board of Directors by the AGM. The annual amounts of the reward are:

- For 2026, a maximum of 37,500 shares
- For 2027, a maximum of 37,500 shares

Teleste adheres to a shareholding recommendation for the CEO as described in the Teleste Remuneration Policy.