



RELAIS

RELAIS GROUP PLC
REMUNERATION REPORT 2022

Relais Group Plc Remuneration Report 2022

The Remuneration Report of Relais Group Plc's governing bodies is in accordance with applicable legislation and Finnish Corporate Governance Code issued by the Securities Markets Association, which entered into force on 1 January 2020. The Remuneration Report concerns the reporting of the remuneration of Relais Group Plc's Board of Directors and CEO for the year 2022.

Relais Group Plc's 2022 Remuneration Report complies with the Remuneration Policy published on 14 March 2023. The Remuneration Policy will be reviewed by the Annual General Meeting to be held on 5 April 2023, which will be the first following the company's main list transition on 1 December 2022. The shareholders, who represent a total of 51.88% of all the company's shares and votes on the date of the general meeting to convene on 14 March 2023, have announced to support the Board's proposals for the Annual General Meeting, including the Remuneration Policy.

The Remuneration Policy is presented to the Annual General Meeting every four years. The Board of Directors reviews the Remuneration Policy regularly to ensure its compliance with Relais Group Plc's strategic targets and long-term targets before its next presentation at the 2027 Annual General Meeting, unless the Board of Directors deems it necessary to make substantial changes to the Remuneration Policy before 2027 and presents it at an earlier general meeting for advisory decision-making. In accordance with the Remuneration Policy, Relais Group Plc's Board supervises the implementation of the Remuneration Policy and ensures that the remuneration of the company's governing bodies takes place within the framework of the Remuneration Policy presented to the general meeting. Relais Group Plc's Annual General Meeting decides annually on the remuneration of the Board members based on the proposal prepared by the company's largest shareholders.

The Remuneration Report will be reviewed at the Annual General Meeting of Relais Group Plc in 2023. The purpose of the Remuneration Report is to describe how the Remuneration Policy has been applied in 2022 regarding the payment of remuneration and to align remuneration with the successful achievement of the long-term strategy. The Remuneration Policy and Remuneration Report are available on Relais Group Plc's website at www.relais.fi

Remuneration principles

The remuneration principles defined in the company's Remuneration Policy guide the company's incentive structure and performance metrics. The company's remuneration principles are designed to align the interests of directors, officers, employees and shareholders while supporting the incentive paid for the company's performance. The target of the company's incentive programs is to promote the implementation of its strategy and create long-term, sustainable performance while increasing shareholder value. The Board regularly monitors the implementation of the company's incentive programs to ensure that the selected measures promote the company's business strategy and long-term financial success.

The company's Remuneration Policy has been designed to align the interests of Relais Group's management with the interests of the company's shareholders and thus promote the creation of shareholder value in the long term and support the implementation of the company's strategy. In addition, incentive programs aim to bind key personnel to the company and create long-term commitment to achieve common targets.

Every part of the remuneration is balanced to promote the company's continuous positive development in both the short and long term. The Policy is consistent with the company's strategic plan, especially as far as the short- and long-term reward targets chosen to encourage the management and the weighting of these targets are concerned.

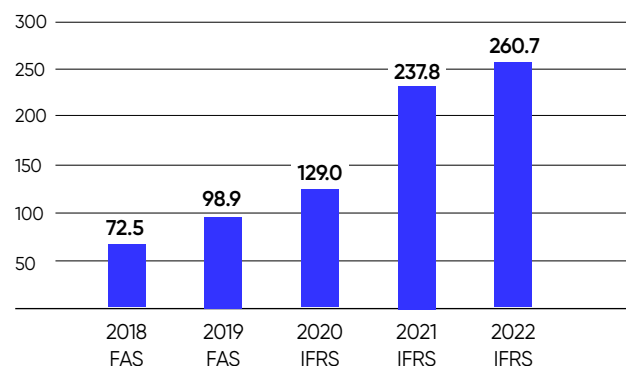
Remuneration in 2022

The information on actual remuneration presented in this Remuneration Report concerns the Group CEO. Remuneration information about the Board of Directors is not presented because, according to the resolutions by the general meetings, no remuneration for Board membership has been paid to the members of the Board in any of the periods covered by this report. Board members are also not paid benefits in kind, and they are not covered by short- or long-term performance incentive programs.

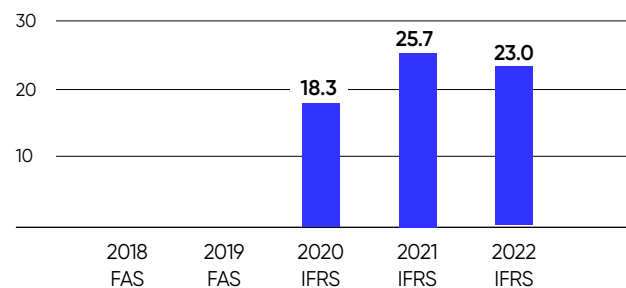
Remuneration in relation to Relais Group Plc's financial performance

In accordance with Relais Group Plc's Remuneration Policy, the CEO's remuneration is based on a fixed annual salary and a performance-based bonus (Short-Term Incentive Program, STIP). In addition to this, the CEO is involved in a long-term incentive program (LTIP), where the payment of possible rewards is based on the creation of long-term shareholder value, which is reflected in this incentive program by the actual price development of Relais Group Plc's shares in the years 2021–2025. Rewards from the LTIP system will be paid for the first time in 2023 at the earliest.

Group Net sales, MEUR



Group EBITA, MEUR*)



Average remuneration in thousand EUR

	2018	2019	2020	2021	2022
CEO	201	218	224	276	305
Group personnel average	49	44	44	44	42

Since the targets of Relais Group Plc's short-term incentive system are connected to the achievement of the company's profitability targets and other financial targets, the company's business development is also reflected in the remuneration paid to the CEO. The changes in total remuneration have mainly resulted from changes in realized STIP bonuses and minor revisions to the CEO's fixed annual salary.

The implementation of the group's acquisition strategy has approximately quintupled the number of employees in the group during the review period and changed the group's personnel structure, as the acquired companies represent different type of businesses. Due to the changes in the personnel structure, the change in the average remuneration of the personnel average is not fully comparable between the years.

During 2022, Relais Group Plc's Board of Directors did not decide to postpone, fully or partially not pay the variable fees or collect them back.

Remuneration and shareholding of the Board of Directors

Relais Group Plc's Annual General Meetings on 30 March 2021 and 13 April 2022 decided that Board members will not be paid any remuneration for the membership of the Board or potential committees. The Board members are also not employed or assigned by the company and therefore have not received any financial compensation from the company in 2021–2022, except for travel expenses reimbursed in accordance with the principles adopted by the aforementioned general meetings.

The members of the Board owned Relais Group Plc shares directly, and through companies directly or indirectly in their control on 31 December 2022 as follows:

	pcs	% of shares and votes
Jesper Otterbeck	3,024,450	16.68%
Anders Borg	60,000	0.33%
Olli-Pekka Kallasvuo	84,300	0.46%
Katri Nygård	106,050	0.58%
Lars Wilsby	30,000	0.17%
Total	3,304,800	18.23%

On 31 December 2022, the members of the Board owned Relais Group Plc's option rights as follows:

Katri Nygård 383,450 option rights

Remuneration and shareholding of the Group CEO

Arni Ekholm has served as Group CEO throughout the 2022 financial year.

Total remuneration of the Group CEO in 2022

	Fixed annual salary	Performance-based bonuses*)	Total
CEO Arni Ekholm	227,574.70	77,001.08	304,575.78

*) Bonus accrued from 2021 paid out in 2022

The Board of Directors prepares and approves the principles of different remuneration systems and salary components, and decides on the CEO's salary, bonuses and key terms of employment within the framework of the Remuneration Policy of the governing bodies presented to the general meeting.

In accordance with Relais' Remuneration Policy, the CEO's remuneration is based on a fixed annual salary and variable salary components. Variable salary components, i.e. short-term and long-term incentive programs, are part of the CEO's remuneration. The targets of the short-term incentive plan are based on the annual development of the company's business. The outcome of the long-term incentive plan is based on the development of the company's share price.

The share of the fixed annual salary paid to the CEO in 2022 was 74.7% of the total amount of remuneration, and the share of short-term incentive bonuses was 25.3%.

The CEO has life insurance initiated by the company, which cost the company EUR 6,601.56 in the fiscal year 2022. The CEO had a company car and mobile phone benefit and lunch benefit.

Short-term performance-based bonus

In the 2021 and 2022 performance bonus program, the maximum amount of the cash bonus that may be paid to the CEO based on the short-term incentive plan was 50% of the fixed annual salary. The outcome paid for the incentive system is based on the targets related to the development of the group's EBITA and business development.

The weight of the group's EBITA in the targets of the incentive system was 50% and the weight of other targets was 50%. In 2021, the success rate in achieving the targets of the CEO's short-term incentive plan was 71.3% of the maximum reward, so the monetary reward accumulated was 36.0% of the 2021 fixed annual salary. The amount to be paid in cash was EUR 77,001.08, and the bonus was paid in 2022. In 2022, the success rate in achieving the targets of the CEO's short-term incentive plan was 0.0% of the maximum bonus, so the cash bonus accrued was 0.0% of the 2022 fixed annual salary.

Long-term incentive plan

The CEO is involved in the share-based long-term incentive plan decided by the company's Board on 25 February 2021. The target of the program is to align the interests of Relais Group's management with the interests of the company's shareholders and thus promote the increase of shareholder value in the long term, as well as reward and commit the company's management.

The rewards payable under the plan will be paid in cash based on the value of a specific number of incentive units included in the plan. The maximum aggregate number of incentive units to be settled in cash based on the Plan is 258,000 units, of which the CEO holds 58,000 incentive units. The incentive units are allocated to the participants free of charge. The value of each incentive unit is linked to Relais Group's share price development during the plan period. The earned reward represents a gross earning, from which the applicable payroll tax is withheld.

The incentive units allocated to the participants are divided into three separate tranches. The potential rewards payable under these tranches will be paid during the first half of the years 2023, 2024 and 2025 respectively.

The threshold price of each incentive unit in each of the three tranches is the trade volume weighted average price of Relais Group's share on the First North Growth Market Finland marketplace of Nasdaq Helsinki Ltd during the last twenty-five trading days preceding March 16, 2021 i.e. 16.36 euros. The end price of each incentive unit is the trade volume weighted average price of Relais Group's share on the main list of Nasdaq Helsinki Ltd during the twenty-five trading days following the publication date of Relais Group's annual results for the year immediately preceding the year of payment, i.e., for the years 2022, 2023 and 2024 respectively. The threshold price of the incentive unit is deducted with the dividends paid between the start and end price determination periods.

The amount of the reward payable based on the Plan is limited by a maximum cap linked to the company's share price development.

CEO's shareholding on 31 December 2022

On 31 December 2022, CEO Arni Ekholm owned 67,450 Relais Group Plc shares.

Benefits to be paid upon termination

If the company gives notice to the CEO, he will have the right to receive compensation corresponding to six months' total pay.

Other financial benefits

No other financial benefits in addition to those described above were paid to the CEO in 2022.

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