

REMUNERATION REPORT OF VALOE CORPORATION FOR 2023

INTRODUCTION

Valoe's remuneration policy's key principles are remuneration transparency, market orientation, and rewarding for good performance are the key principles in remuneration.

The objective of the company's remuneration policy is to encourage and reward personnel for operating in accordance with the company's strategy and for achieving the set targets, and to motivate employees to work for Valoe's success. Functioning and competitive remuneration is an essential tool in recruiting capable personnel for the company, which contributes to the company's financial success and the implementation of good governance. Remuneration supports the realization of the company's goals and strategy, as well as long-term profitability.

Remuneration by the company's remuneration policy consists of the following components: basic salary and benefits comply with local market practices, laws, and regulations. The purpose of the short-term incentive scheme is to guide an employee's and the organization's performance and support the rapid implementation of strategic projects. The long-term incentive plan is intended, e.g., to retain key personnel in the company. Long-term incentives are designed to engage personnel.

The comparison of the development of the fees of Valoe Corporation's board of directors and managing director to the development of the average remuneration of employees and to the company's financial development over the preceding five financial years is presented in the following table.

	2019	2020	2021	2022	2023
Fees of Board of Directors	80	97.5	110	110	110
Fees of Managing Director	168	168	168	168	155
Average remuneration of employees/person, EUR 1000	49	51	48	44	47
Net Sales, EUR 1000	324	1,277	2,147	1,305	1,108
Operating profit, EUR 1000	-3,650	-3,206	-2,816	-4,383	-4,715

REMUNERATION OF THE BOARD OF DIRECTORS

The general meeting decides on the remuneration to be paid to the members of the Board of Directors for one term at a time. Under the general meeting decision, the members of the Board of Directors are paid an annual or monthly fee and / or attendance fees. In accordance with the decision of the general meeting, the members of the Board of Directors may be reimbursed for travel expenses and / or other expenses directly incurred by the work in the Board. According to the decision of the general meeting, the fees to be paid to directors and possible committee members can be paid partially or entirely in shares.

The directors can be covered by the short-term performance bonus scheme or the company's stock option plans, or other long-term bonus schemes.

The general meeting or the Board of Directors authorized by the general meeting decides on the issuance of shares, options, or other special rights entitling to shares. Where shares, options, and other special rights entitling to shares are issued to members of the governing bodies as part of remuneration, this shall be done within the remuneration policy framework.

The Annual General Meeting held in spring 2023 decided that an annual remuneration of EUR 40,000 be paid to both the Chairman and the Vice Chairman of the Board of Directors and an annual remuneration of EUR 30,000 be paid to the Board members. In addition, travel expenses are indemnified in accordance with Valoe Corporation’s travel policy. The Board members do not have fringe benefits or other benefits outside their remuneration.

Fees to the Board of Directors in 2023	EUR
Hannu Savisalo, Chairman	40.000
Ville Parpola, Vice Chairman	40.000
Tuomas Honkamäki, Member	30.000
Total	110.000

CEO Iikka Savisalo was a member of the Board of Directors in 2023 but no fee was paid to him for this role.

Stock Options for the Board of Directors

In accordance with the decision and authorisation of the Annual General Meeting of 26 May 2023, the company resolved on the terms of option scheme for the Board of Directors. The terms have been disclosed in a stock exchange release on 20 July 2023.

The amounts and subscription prices mentioned below take into account the reverse split carried out by the company on 31 October 2023, where each of the company's two hundred shares were combined into one share.

The maximum total number of stock options issued was 150,000 and they entitle their owners to subscribe for a maximum total of 150,000 new shares or treasury shares in the Company. The stock options were issued without consideration and are marked with the symbol 2023A.

A total of 75,000 stock options were issued without consideration to the Chairman of the Board of Directors elected on 26 May 2023, and 75,000 stock options were issued to the members of the Board of Directors elected on 26 May 2023, 37,500 options per Board member. The aforesaid stock options issued to the Board members without consideration were decided at Valoe’s general meeting held on 26 May 2023, and the stock options were issued based on the authorisation resolution on options to the Board members adopted at the said general meeting. Iikka Savisalo, CEO and member of the Board of Directors, is not covered by the 2023A stock option plan.

The share subscription period of the shares to be subscribed for under this stock option plan shall be for stock options 2023A from 1 January 2024 to 31 December 2025. The share subscription price shall be EUR 6.00 per share. The subscription price of the Shares may decrease in certain special cases. The Share subscription price, nevertheless, always amounts to at least EUR 2.00.

The eligible recipients of the stock options subscribed for all the stock options offered to them in accordance with the resolution of the general meeting and the terms of the 2023A Stock Option Plan, and the Board of Directors approved all the subscriptions made.

The exercise of options granted to the Board of Directors was conditional on the company's operating cash flow being positive in the fourth quarter of the financial year 2023. However, this condition was not met and the 2023A stock options have lapsed.

REMUNERATION OF THE MANAGING DIRECTOR AND OTHER MANAGEMENT

The company's board of directors decides the remuneration of the company's managing director and the terms of his or her service contract within the limits of the existing remuneration policy presented to the general meeting.

During the financial year 2023, Iikka Savisalo acted as the company's managing director. The notice period for both parties is six months. The managing director's pension security is arranged with statutory pension security.

The monthly salaries to managing director Iikka Savisalo in 2023 totalled EUR 155,318.18. No other fees or remuneration were paid to him in 2023.

In 2023, the salaries, fees and fringe benefits to the management team members totalled EUR 181,887.94.

Valoe Corporation