

## REMUNERATION REPORT OF VALOE CORPORATION

### 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 management for operating in accordance with the company's current strategy and compliance with the set rules. The policy is also aiming at motivating them to strive for Valoe's success. Functioning and competitive remuneration is an essential tool in recruiting capable management 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 to retain key personnel in the company. Long-term incentives are designed to engage management and align the management's and the company's shareholders' interests.

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.

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Fees of Board of Directors	80	80	80	80	97.5
Fees of Managing Director	169	168	168	168	168
Average remuneration of employees/person, EUR 1000	46	55	51	49	51
Net Sales, EUR 1000	553	554	1,328	324	1,277
Operating profit, EUR 1000	-3,196	-3,837	-2,205	-3,650	-3,206

### 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 based on a proposal made by the Board of Directors. 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, or 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 2020 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 2020	EUR
Hannu Savisalo, Chairman	40.000
Ville Parpola, Vice Chairman	40.000
Tuomas Honkamäki, Member	17.500
Total	97.500

CEO Iikka Savisalo was a member of the Board of Directors in 2020 but no fee was paid to him for this role.

In 2015 the Board of Directors of Valoe resolved the terms and conditions of a stock option scheme. The last subscription term of the options expired 31 December 2020, and no subscriptions were made.

#### 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 2020 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 2020 totalled EUR 168,060.00. No other fees or remuneration were paid to him in 2020.

In 2020, the salaries, fees and fringe benefits to the management team members totalled EUR 243,424.00. No remuneration was paid to the members of the management team under the bonus scheme in 2020.

Valoe Corporation