



**Remuneration Report 2025**  
Lassila & Tikanoja Plc

**We unleash the  
potential of the  
circular economy**



# Remuneration Report 2025

This Remuneration Report has been prepared in accordance with the applicable legislation and the Securities Market Association's Finnish Corporate Governance Code for Finnish listed companies, which entered into force on 1 January 2025. This report describes the remuneration of the Company's governing bodies, namely the Board of Directors and the President and CEO, for the financial year 2025. The Personnel and Sustainability Committee of the Board of Directors has discussed this report, and it will be presented to the 2026 Annual General Meeting of Lassila & Tikanoja Plc (hereinafter referred to as "L&T" or "the company"). The resolution of the Annual General Meeting concerning the Remuneration Report is advisory.

Lassila & Tikanoja Plc commenced its operations in connection with the partial demerger that took effect on 31 December 2025, and as a result, this remuneration report contains a limited description of remuneration for the financial year 2025, during which the length of the Company's financial period was one (1) day. This Remuneration Report, other information disclosed in accordance with the Corporate Governance Code and information on the remuneration of the members of the Group Executive Board are available on the company's website.

## Introduction

Lassila & Tikanoja Plc's Personnel and Sustainability Committee has drafted and the Board of Directors has approved the Remuneration Policy, presented to the 2025 Extraordinary General Meeting preceding the demerger. The Remuneration Policy describes the remuneration principles concerning the company's governing bodies, namely the Board of Directors and the President and CEO. During the financial year 2025, Lassila & Tikanoja Plc complied with the Remuneration Policy presented to the Annual General Meeting.

There were no deviations from the Remuneration Policy and no clawback of remuneration. In accordance with the Remuneration Policy, the aim of the remuneration scheme of the Board of Directors and the President and CEO is to contribute to the positive development of shareholder value, as well as to enhance the company's competitiveness, long-term financial success, and fulfilment of the strategy and goals set by the company.

The key principle of the Remuneration Policy is that remuneration of the Board of Directors and the President and CEO shall contribute to the achievement of the above-mentioned goals and provide – in terms of both level and structure – a fair and competitive package that promotes commitment and retention and is in line with market practices. The aim of all remuneration throughout Lassila & Tikanoja Group is to promote good performance and to motivate personnel to engage in long-term efforts to promote the achievement of the company's goals.

Remuneration is one factor through which the company strives to ensure the availability of skilled and motivated persons for all positions at all levels of the organisation. These principles also apply to the remuneration of the members of the Board of Directors and the President and CEO, and thereby they receive no salary, pension benefits, other financial benefits associated with employment or service, or other emoluments or fees not associated with Board work from the company.

The members of the Board are not included in the company's share-based incentive schemes and they do not have any pension contracts with the company. The company was registered on 31 December 2025 and the Board of Directors did not meet during the 31 December 2025 financial year, so no annual fees or meeting fees were paid to the Board of Directors for the financial year 2025.

## Fees paid to the Board of Directors for the financial year 2025

The Annual General Meeting annually determines the annual fees and meeting fees payable to the members of the Board of Directors for Board and committee work. The Shareholders' Nomination Board prepares proposals on remuneration for the Annual General Meeting to be held in the spring 2026.

### Annual fees, meeting fees for Board and committee meetings, and other financial benefits

The Extraordinary General Meeting preceding the demerger decided on the remuneration of the Board of Directors on 4 December 2025 as follows:

- Chair of the Board EUR 70,000
- Vice Chair of the Board EUR 47,000
- members EUR 35,000.

However, if a member of the Board of Directors of Lassila & Tikanoja Plc who is not the Chair or Vice Chair of the Board of Directors of Lassila & Tikanoja Plc serves as the Chair of the Audit Committee or the Personnel and Sustainability Committee, their annual remuneration is EUR 47,000.

The fees are paid so that 40% of the annual fee is paid in Lassila & Tikanoja Plc shares held by the company or, if this is not feasible, shares acquired from the market, and 60% is paid in cash.

In addition, meeting fees are paid to the members of the Board of Directors as follows: EUR 1,000 to the Chair, EUR 700 to the Vice Chair, and EUR 500 to each member for each meeting. Meeting fees are also paid to the Chairs and members

of committees established by the Board of Directors: EUR 700 to the Chair of a committee and EUR 500 to each member for each meeting.

None of the members of the Board of the Directors is employed by the company or a company belonging to the same group of companies as the company or acts as the company's adviser, and thereby they receive no salary, pension benefits, other financial benefits associated with employment or service, or other emoluments or fees not associated with Board work from the company.

## Remuneration of the President and CEO for the financial year 2025

The Board of Directors decides on the remuneration and financial benefits payable to the President and CEO. Before decision-making by the Board of Directors, the matter is prepared by the Personnel and Sustainability Committee of the Board. Eero Hautaniemi has served as the company's President and CEO since 31 December 2025. The company did not have a Deputy CEO.

### Key remuneration principles

The remuneration of the President and CEO consists of a fixed monthly salary and benefits, and a separate annually decided short-term incentive. In addition, the President and CEO is included in the share-based incentive scheme, which serves as a long-term incentive scheme. The short-term incentive scheme and the share-based incentive scheme that serves as a long-term incentive scheme constitute the variable components of the President and CEO's remuneration.

### Short-term incentive scheme

The short-term incentive bonus for the President and CEO corresponds to seven months' salary at maximum. The objectives of the short-term incentive scheme are set – and their achievement assessed – annually. Any incentive bonus will be paid as soon as possible after the bonus has been confirmed, but in any event no later than by the end of May of the calendar year following the relevant performance period. The precondition for payment is that the President and CEO is employed by the company at the time.

As the company was registered on 31 December 2025 due to a partial demerger, the incentive scheme for the President and CEO for 2025 preceding the demerger, according to which the remuneration will be paid by the company in 2026, is described here. The President and CEO's incentive bonus for the earnings period that corresponds to the financial year 2025 was based on the Group's profit performance and strategic targets defined by the Board of Directors as fol-

lows: consolidated operating profit (70% weight), improving working capital (20% weight), and the employee Net Promoter Score (eNPS, 10% weight). Based on the achievement of the earnings criteria for the earnings period that corresponded to the financial year 2025, the incentive bonus was earned at 37.97% of the maximum amount, which represents, by criteria, consolidated operating profit at 33.97%, improving net working capital at 0%, and employee Net Promoter Score at 4%. The President and CEO will be paid EUR 103,658 in the financial year 2026 for the earnings period that corresponds to the financial year 2025.

#### Long-term incentive scheme

The President and CEO's long-term incentive scheme is the company's share-based incentive scheme. The Board of Directors decides on the share-based incentive scheme as part of the overall incentive and retention scheme. As a rule, the earnings period of the plan is three calendar years. The Board of Directors decides on the earning criteria for each earnings period based on the Personnel and Sustainability Committee's proposal. The final numbers of shares issued based on meeting the earnings criteria are decided by the Board of Directors at the beginning of the year following the earnings period.

Rewards are paid to the participants as soon as possible after confirming the reward, but at the latests by the end of May of the calendar year following the earnings period. The rewards are paid partly as shares and partly in cash. The cash component is intended to cover the taxes and tax-like payments incurred from the share-based reward.

The precondition for payment is that the President and CEO is employed by the company at the time of the payment. Any shares earned through the one-year incentive scheme must be held for a minimum period of two years following payment (retention period). After the two-year retention period, shares must continue to be held at a value corresponding to the President and CEO's gross salary for six months, as long as the President and CEO is employed by the company. If the President and CEO resigns during the retention period at his own initiative, he is obligated to return the received shares without compensation.

The company was established due to a partial demerger on 31 December 2025, and the following share-based incentive schemes for the President and CEO and the executive management were transferred to the company:

The share-based incentive schemes with the three three-year earnings periods of 2023–2025, 2024–2026 and 2025–2027 are described below:

- The share-based incentive scheme with the financial years 2023–2025 as the earnings period. The reward is based on the Group's average return on capital employed (ROCE) for 2023–2025 (50% weight), the total shareholder return (TSR) of the Lassila & Tikanoja Plc share relative to the stock market index for the Helsinki Stock Exchange (30% weight), and carbon footprint reduction (20% weight). Payment of the rewards under the share-based incentive scheme in question will take place after the three-year earnings period, in 2026.
- The share-based incentive scheme with the financial years 2024–2026 as the earnings period. The reward is based on the Group's average return on capital employed (ROCE) for 2024–2026 (50% weight), the total shareholder

return (TSR) of the Lassila & Tikanoja Plc share relative to the stock market index for the Helsinki Stock Exchange (30% weight), and carbon footprint reduction (20% weight). Payment of the rewards under the share-based incentive scheme in question will take place after the three-year earnings period, in 2027.

- The share-based incentive scheme with the financial years 2025–2027 as the earnings period. The reward is based on the Group's average return on capital employed (ROCE) for 2025–2027 (30% weight), the total shareholder return (TSR) of the Lassila & Tikanoja Plc share relative to the stock market index for the Helsinki Stock Exchange (30% weight), carbon footprint reduction (20% weight), and revenue during the period 2025–2027 (20% weight). Payment of the rewards under the share-based incentive scheme in question will take place after the three-year earnings period, in 2028.

#### Other key terms and conditions

A written service contract has been drawn up for the President and CEO. According to the contract, the period of notice is six months should the company terminate the contract, and six months should the President and CEO terminate the contract. In the event that the company terminates the contract, the President and CEO will be paid compensation amounting to twelve (12) months' salary. Separate rewards are not paid to the President and CEO for memberships of the Boards of Directors of the company's subsidiaries, and the President and CEO receives no remuneration from L&T Group companies other than the parent company. The President and CEO's pension is determined according to the Employees Pensions Act.

#### Remuneration paid to the President and CEO

As the company was established due to a partial demerger on 31 December 2025, no incentive bonuses were paid to the President and CEO during the financial year in question. The President and CEO has EUR 103,658 incentive bonuses due for the financial year 2025. No supplementary pensions were paid.