

Remuneration report 2023

1. Introduction

The Tulikivi Corporation Remuneration Policy sets out the principles and decision-making processes for the remuneration of the Board of Directors and the Managing Director and the key terms of the service contract of the Managing Director. The company's remuneration principles apply to all employees of the company. Transparency in remuneration, market orientation and rewarding good performance are key principles in the remuneration process.

The company's remuneration policy applies to the company's Board of Directors and the Managing Director. The purpose of the company's remuneration policy is to encourage and reward management for operating in accordance with the company's current strategy and for compliance with current rules, and to motivate them to strive for Tulikivi's success.

Effective and competitive remuneration is an essential tool for recruiting capable management for the company, which in turn contributes to the company's financial success and good governance. Remuneration supports the achievement of the company's goals, strategy and long-term profitability.

Remuneration in accordance with the remuneration policy is based on the following elements. Basic salary and employee benefits must comply with local market practices, laws and regulations. The purpose of the short-term incentive plan is to steer the performance of individuals and the organisation and to support the rapid implementation of strategic projects. The long-term incentive plan is designed to engage key people. Long-term incentives aim to engage management and align their interests with those of the company's shareholders.

The table below shows the development in the fees paid to the Board of Directors and Managing Director compared with the development of the average remuneration of the Group's employees and the Group's financial performance over the previous five financial years.

Development of remuneration (EUR 1000)				2017	2018	2019	2020	2021	2022	2023
Annual fees of the Board of Directors				191	190	191	189	190	186	186
Annual fees of the Managing Director				221	226	230	235	238	256	257
Development of average remuneration/person				49,4	50,0	49,2	50,9	51,7	55,6	55,9
Tulikivi's net sales				29 281	28 583	28 681	29 164	33 517	44 287	45 320
Tulikivi's operating profit				- 367	- 1 025	- 772	1 171	2 697	4 700	5 543
Tulikivi's comparable operating profit				- 367	- 517	33	1 171	2 697	4 700	5 543
* The development of average remuneration has been calculated by dividing the salaries and fees by the average number of employees during the financial year.										

2. Remuneration of the Board of Directors

The Annual General Meeting of Tulikivi Corporation decides on the fees paid to the members of the Board of Directors. As of 27 April 2023, the annual fees of the Board members were EUR 21,000, which was paid in full in cash. In addition, the part-time Chairman of the Board of Directors was paid a monthly fee of EUR 4,500 (4,500) and the member serving as the secretary of the Board of Directors was paid a monthly fee of EUR 1,400 (1,400). The members of the Board's Audit Committee and the Nomination Committee were paid a meeting attendance allowance of EUR 330 (330) per meeting. The Chairman of the Board's Audit Committee was paid a meeting attendance allowance of EUR 660 per meeting. The travel expenses of the Board of Directors are reimbursed in accordance with the company's travel rules. In 2023, no other fees than those related to their duties on the Board and the committees were paid to the members of the Board of Directors.

Annual fees paid to members of the Board of Directors in 2023 for their Board and committee work (EUR):

	Annual fees	Audit Committee	Nomination Committee	Total
Aspara Jaakko, member of the Board	21,000		0,330	21,330
Haavisto Niko, member	21,000	2,640		23,640
Niemi Ljudmila, member	21,000	1,320		22,320
Tähtinen Jyrki, member, part-time Chairman of the Board	75,000		0,330	75,330
Tuominen Tarmo, member	21,000	1,320		22,320
Vauhkonen Heikki, member	21,000		0,330	21,330
Total	180,000	5,280	0,990	186,270

3. Salaries of the Managing Director and other management

The remuneration of the Managing Director and of the other members of the Management Group is composed of a fixed basic salary and, as determined in the incentive plan, annual incentive pay (variable) and a share-based payment.

The Board of Directors decides the Managing Director's salary, fees and other terms of his service contract. The incentive plan for the other members of the Management Group and for the managing directors of foreign subsidiaries is determined by the Board of Directors, and their fixed salaries by the Managing Director together with the Board Chairman.

The fixed salary of the Managing Director was EUR 203,799 (197,455) in 2023. The total salary includes the Managing Director's car and mobile phone benefits, and travel expenses are reimbursed in accordance with the company's travel rules. The Managing Director was paid incentive payments of EUR 6,527 (13,555) for the year 2023. The Managing Director's period of dismissal is three months. If the company terminates his service contract, the period of dismissal is 12 months. A separate severance payment will not be paid at the termination of the service contract.

The Managing Director's pension cover is arranged through a statutory pension insurance (YEL). Pension payments totalled EUR 46,948 (45,288).

The fixed salaries of the other members of the Management Group and of the managing directors of foreign subsidiaries were EUR 632,667 (622,257) in 2023. Incentive payments were paid EUR 21,871 (55,497) to the Management Group or the managing directors of foreign subsidiaries in 2023.

Stock options for management and key personnel

In 2022 and 2023, the company did not have a stock option programme.

Incentive pay scheme

The principles of the incentive pay scheme have been defined for the entire personnel of Tulikivi Corporation. The Board of Directors determines the scheme's earnings criteria and the amount of the incentive pay. The incentive scheme is in force for one year at a time. The Board of Directors approves the payment of incentive scheme payments to the Managing Director, members of the Management Group and the managing directors of foreign subsidiaries, and the Managing Director approves the payments to others after relevant calculations have been prepared.