

Remuneration report



2025

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Introduction

The remuneration policy approved by Honkarakenne's Board of Directors was presented to and approved by the company's Annual General Meeting in 2024. The Remuneration Policy describes the practices and principles associated with remunerating Honkarakenne's Board members and the President & CEO. Honkarakenne's corporate governance is based on recommendations of the Finnish Corporate Governance Code 2025 and the provisions of the Securities Markets Act and Limited Liability Companies Act.

This Remuneration Report discloses the remuneration of the members of the Company's Board of Directors and the President & CEO for the preceding financial year. It also compares the development of the average remuneration of Honkarakenne's employees and of the Company's financial performance to the development of the fees paid to the Company's governing bodies. This Remuneration Report describes how the Remuneration Policy has been implemented over the preceding financial year.

The remuneration of Honkarakenne is based on the following main principles presented in the Remuneration Policy:

- The opportunity for overall remuneration must be sufficiently competitive in relation to the market level.
- Performance-based incentives form part of the CEO's remuneration potential.
- Some of the performance-based incentives emphasize long-term value creation and are linked to shareholder value development and the company's strategy.

Deviations from the Remuneration Policy and exercise of Clawback

The Company has not exercised the right to deviate from the Remuneration Policy nor exercised the option of clawback of remuneration in 2025.

Development of remuneration and fees

Below is a comparable description of how the remuneration paid to the Board members and President & CEO have developed over the previous five financial years in relation to the average remuneration development of the personnel and the Group's financial performance.

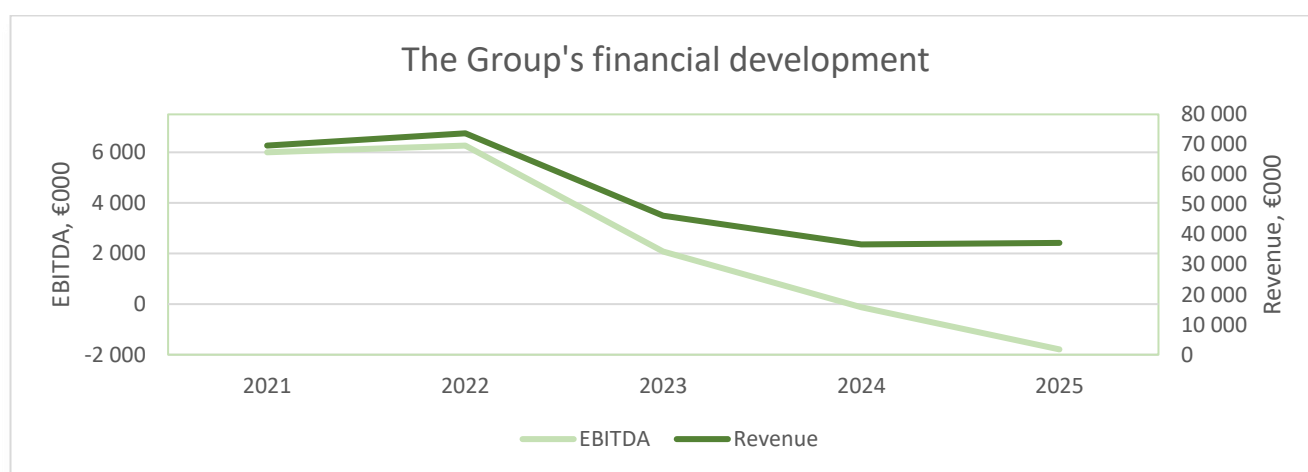
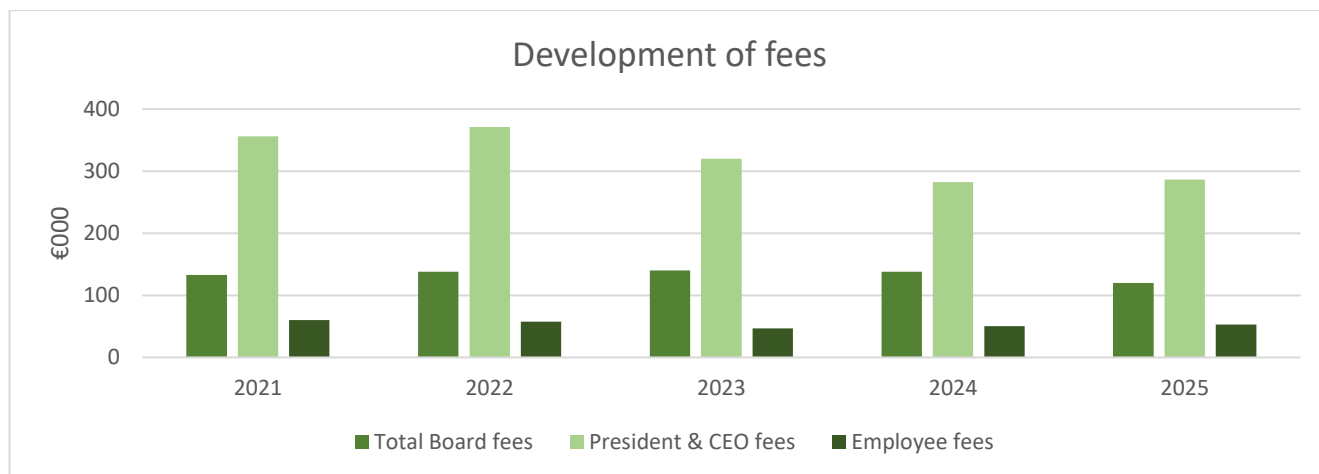
The increase in total remuneration of the Board of Directors in recent years is attributable to changes in the composition of the Board of Directors and an increase in remuneration in 2021. The weak market situation in the sector has led to a decrease in the CEO's remuneration to its lowest level in the five-year review period. The remuneration paid in 2024–2025 did not include short-term performance-based annual incentives, unlike in previous years. The salaries of all employees have been reduced to a lower level due to the economic situation, the decrease in the number of employees and the increase in temporary layoffs.

EUR 1,000	2021	2022	2023	2024	2025
Total Board fees ¹	133	138	140	138	120
President & CEO fees ²	356	371	320	282	287
Employee fees (average) ³	60	58	47	50	53
Revenue	69,652	73,701	46,289	36,713	37,169
EBITDA	6,005	6,267	2,077	-120	-1,790

¹ Total annual fees of Board members.

² The total annual remuneration of the President & CEO.

³ Personnel costs according to the company's financial statements divided by the number of employees (FTE).



Remuneration of the Board of Directors

The General Meeting of Honkarakenne decides on the basis of remuneration for work on the Board. The remuneration of Board members consists of monthly remuneration and possible Board Committee meeting remuneration. At the General Meeting held on 11 April 2025, the following fees were approved to be remunerated to Board members:

	Fee, EUR
Monthly fee of Chairman of the Board	3,500
Monthly fee of member of the Board	2,000
Meeting fee of possible Board Committee	500 / meeting

The Board members do not have an employment relationship with the Company and are not part of any share-based remuneration plan of the Company. The travel costs of permanent Board members will be reimbursed according to the Company's travel policy.

In 2025, the Board of Directors consisted of five members until 11 April 2025 and four members as of that date, and the Board convened a total of 13 times during the year. The Board did not have Committees in 2025 nor paid any Committee meeting fees. The fees to the Board were paid fully in cash once a month. There are no additional financial benefits paid to the Board members in 2025. The payments made in 2025 are described in the table below.

All fees paid to the Company’s Board of Directors are made within the framework of the effective Remuneration Policy for governing bodies presented to the Annual General Meeting.

Paid in 2025	Annual fee, EUR
Kohtamäki Timo , Chairman of the Board	42,000
Saarelainen Kari , Member until 11 April 2025	6,000
Halonen Arto , Member	24,000
Ristola Maria , Member	24,000
Tiitola Antti , Member until 11 April 2025	6,000
Saarelainen Rose-Mari , Member since 11 April 2025	18,000
Total	120,000

Remuneration of the President & CEO

The terms of the President & CEO’s remuneration and contract shall be decided by the Board. President & CEO remuneration has complied with the valid remuneration policy.

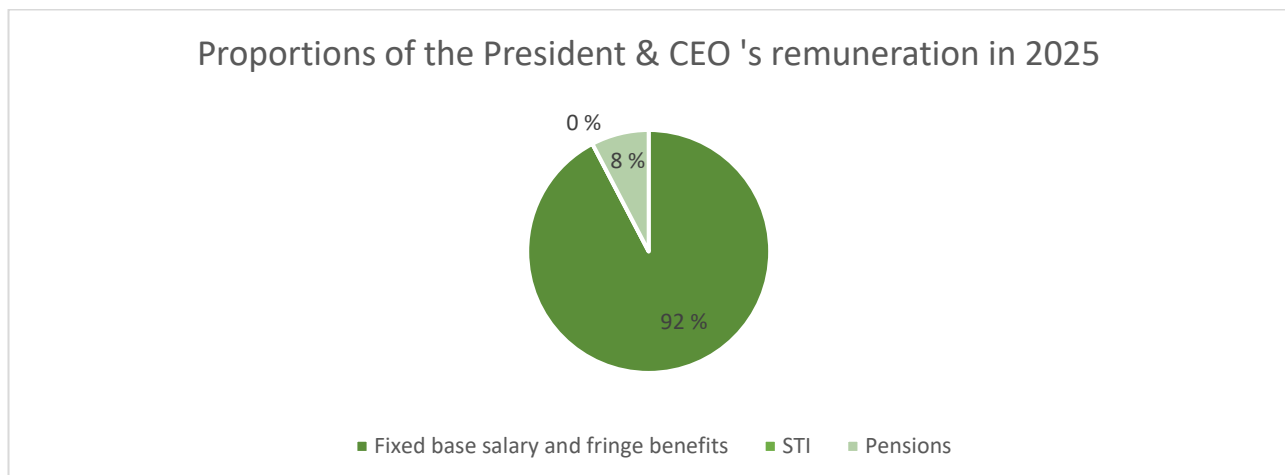
The President & CEO’s remuneration consists of a fixed monthly salary including fringe benefits, variable long- and short-term incentive plans based on performance, and any other elements that may be included in the remuneration policy.

Long- and short-term incentive plans form the performance-based part of the President & CEO’s remuneration.

In 2025 the President & CEO was paid a total fee of EUR 286,599. The President & CEO’s remuneration consisted of the following in 2025:

- fixed base salary,
- fringe benefits (incl. medical expenses insurance) and
- voluntary pension insurance, amount of one month’s salary.

Element, EUR	Paid fees in 2025	Fees due in 2026
Fixed base salary	263,354	-
Fringe benefits	1,245	-
Supplementary pensions based on pension plan	22,000	-



Short-term incentive

Short-term, performance-based incentive (STI) plans are part of the President & CEO's annual remuneration system. Short-term, performance-based incentive plans are paid in cash.

In 2025, no short-term performance-based incentive plan was established for the CEO that would result in the payment of rewards in 2026.

Long-term incentive

The Board of Directors determines the performance criteria for the equity incentive plan and the targets set for each criterion at the beginning of the performance period. The potential rewards under the plan are paid after the end of each performance period.

Under the plan, the CEO has the opportunity to earn Honkarakenne Oyj's Series B shares based on performance and the CEO's personal investment in Series B shares.

The maximum potential reward payable to the CEO under the 2024–2026 plan corresponds to 45,000 Series B shares in Honkarakenne Oyj, part of which may be paid in cash to cover the taxes and tax-related costs arising from the share reward.

The Equity Incentive Plan 2024–2026 consists of one performance period, and the rewards for the period are based on the Group's revenue and operating profit (EBIT). Based on the current assessment of senior management, no reward accrual is expected to arise from the plan's 2024–2026 performance period.

Pension plan

The President & CEO's pension cover has been organized with statutory pension cover that is based on length of service and earnings. The President & CEO's retirement age is determined by the Employees Pensions Act.

As part of the President & CEO's overall remuneration, supplementary pension cover of one month's salary was offered in addition to statutory cover. Supplementary pension cover was implemented as defined contribution plan.

Conditions for termination

If the President & CEO's contract is terminated, the President & CEO's compensation will be determined on the basis of contractual obligations and the incentive plan's terms and conditions.

The executive employment contract specifies the President & CEO's period of notice and any severance pay. The President & CEO's notice period is six months on both sides. If the President & CEO's contract is terminated by the company, the President & CEO will also receive additional severance pay equivalent to six months' salary.