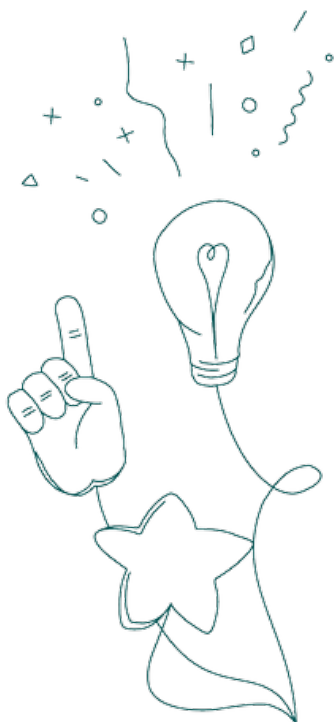


CapMan – Remuneration Report 2022

This Remuneration Report (“Report”) of CapMan Plc (“CapMan” or “Company”) describes the implementation of the Company’s Remuneration Policy and provides information on the remuneration of the Company’s Board of directors (“Board”) and CEO in the financial year 2022. The Report has been prepared in accordance with Finnish legislation and the Finnish Corporate Governance Code 2022. This Report will be presented at the Annual General Meeting (“AGM”) of CapMan on 15 March 2023.



The AGM of the Company held on 11 March 2020 unanimously approved the Remuneration Policy for Company’s governing bodies. The Remuneration Policy is available on the Company’s website (www.capman.com/shareholders/governance/compe nsation/) and the Corporate Governance Code 2020 at cgfinland.fi/en.

In the AGM held on 16 March 2022, the Remuneration Report for 2021 (the “2021 Report”) was approved. The 2021 Report was supported by 98.08 per cent of the votes cast and 95.02 per cent of the shares represented. The 2021 Report was opposed by 1.92 per cent of the votes cast and 1.86 per cent of the shares represented. The shareholders did not give comments on the contents of the 2021 Report.

1. INTRODUCTION

1.1 Implementation of the Remuneration Policy at CapMan in 2022

The AGM held on 16 March 2022 decided on the remuneration of the members of the Board in accordance with the proposal by the Shareholders’ Nomination Board. The Shareholders’ Nomination Board consists of representatives of the largest

shareholders and, thereby, the Board is not involved in the preparation of its own remuneration.

According to the decision of the AGM, the members of the Company’s Board were paid monthly remuneration and meeting fees in 2022. The remuneration decided by the AGM in 2022 remained unchanged compared to the year 2021. According to the decision of the AGM, the monthly fees of the Board members are the following: the Chairman of the Board be paid EUR 5 000 per month, the Vice Chairman be paid EUR 4 000 per month, the Chairman of the Audit Committee of the Board be paid EUR 4 000 per month in case he/she does not simultaneously act as the Chairman or the Vice Chairman of the Board, and other members of the Board be paid EUR 3 250 per month. In addition, the AGM decided that the Chairmen of the Board and Board’s Committees are paid a meeting fee of EUR 800 per meeting and the members of the Board and Board’s Committees are paid a meeting fee of EUR 400 per meeting in addition to the monthly fees. In 2022, as in 2021, all remuneration was paid in cash.

The Remuneration Committee of CapMan’s Board convened twice in 2022 to prepare matters concerning the remuneration of the Company’s CEO and other management. Based on the preparation of the Remuneration Committee the Board decided on short-term incentive rewards to the Company’s management which were paid in March 2022. In addition, the Board decided on the management’s

short-term incentive programme for the financial year of 2022. In accordance with the Board's previous decision in principle, the CEO was not included in the short-term incentives in 2022, nor 2021, 2020 or 2019. Based in the Company's current situation, the Board has outlined that the CEO's variable remuneration is to be based mainly on long-term incentives. In 2022, The Board decided to increase the CEO's monthly salary by 5 000 euros. Prior to this increase, the Board has not made any adjustments to the fixed remuneration or benefits of the CEO during his assignment which started in 2017.

According to the Board's opinion, the decision-making on remuneration complied with the decision-making process described in the Remuneration Policy, and the remuneration components are consistent with the principles set out in the Policy, and there has been no deviation from the Remuneration Policy. No clawback was exercised to the remuneration of the Board or CEO.

1.2 Focus on Long-Term Remuneration with a Share-Based Incentive Programme

The Company aims at maintaining attractive, competitive, fair, and sustainable remuneration which strives to achieving strategic business objectives of the Company in short-term and especially in the long-term. The Board has emphasized the significance of the strategic long-term success by focusing the CEO's variable remuneration entirely to long-term incentive programme and excluding the CEO from the short-term incentive programme.

The Company has two share-based incentive programmes. Both programmes are targeted for the CEO and selected key employees of approximately 20 people in the CapMan Group. The aim of the programmes is to align the objectives of the shareholders and the key employees in order to increase the value of the Company in the long-term. Additionally, the programmes aim to retain the key employees at the Company, and to offer them a competitive reward plan that is based on owning, earning and accumulating their ownership of Company's shares. The contents of the programmes are summarized below. The programmes are described in detail on the Company's website at <https://www.capman.com/shareholders/governance/compensation/>.

1.2.1 Performance Share Plan 2020

The Performance Share Plan 2020 (the "PSP 2020") consists of a performance period based on which the selected key employees, i.e. the participants may earn CapMan's shares as reward based on the key employee's personal investment into CapMan's shares and performance requirements established by the Board. The performance period commenced on 1 April 2020 and ends on 31 March 2023.

The prerequisite for reward payment in the PSP 2020 is that a participant allocates previously owned or newly acquired freely transferable CapMan's shares, in an amount pre-determined by the Board, to the program, and holds these shares until the reward payment.

The performance criterion is based on the Total Shareholder Return of CapMan's shares ("TSR") during the performance period. The programme also

includes one- and two-year vesting periods. From the performance period, a participant shall receive, as a gross reward, a maximum of four and a half (4.5) CapMan's shares for each one (1) CapMan's share allocated to the program subject to the achievement of the required TSR performance levels.

CapMan's shares given as reward on the basis of the PSP 2020 may not be sold, transferred, pledged or otherwise assigned during the lock-up period ending on 30 April 2024. Thereafter, a participant must, as a rule, hold a minimum of 25 per cent of the gross CapMan's shares issued as a reward on the basis of the PSP 2020, until the participant's shareholding in the Company in total corresponds to the value of the participant's annual salary, and the participant's employment or service in the CapMan Group continues.

The CEO participates in the PSP 2020 in full with the contribution allocated to him (300 000 shares). In case the performance criterion of TSR is achieved in full, the CEO shall be entitled to receive as a gross reward 1.5 x the amount of allocated shares, i.e. 450 000 shares in total in March 2023. This gross number of shares will be reduced by the amount of applicable taxes before the shares are delivered to the CEO. The total reward for the CEO of the PSP 2020 during the entire performance period is 4.5 x the amount of allocated shares.

1.2.2 Performance Share Plan 2022-2025

The Board resolved in February 2022 to establish a new Performance Share Plan for 2022-2025 (the "PSP 2022"). The PSP 2022 includes three performance periods. The performance periods commenced on 1 April 2022 and end on 31 March 2023, 2024, and 2025, respectively. The participants may earn a performance-based reward from each of the performance periods and a matching reward from the 2022-2025 period.

The prerequisite for receiving a reward from the PSP 2022 is that a participant acquires Company shares or allocates previously owned Company shares to the

PSP 2022 up to the number determined by the Board of Directors. The performance-based reward from the PSP 2022 is based on the Company share's Total Shareholder Return (TSR), the achievement of sustainability-linked targets, and on a participant's employment or service upon reward payment. The sustainability-linked targets are to be set by CapMan Plc's board by the end of March 2023 and will be described in detail on the Company's website.

The rewards from the PSP 2022 will be paid in the Company's shares in 2024, 2025, and 2026. The Board of Directors shall resolve whether new shares or existing shares held by the Company are given as reward. The shares paid as reward may not be transferred during the lock-up periods established for

the shares. The lock-up periods will end in April 2025, 2026, and 2027.

The CEO participates in the PSP 2022 in full with the contribution allocated to him (250 000 shares).



1.3 Development of Remuneration

The development of remuneration of the Company's Board members and CEO compared to the development of average remuneration of the Company's personnel and the Company's financial development over the past five financial years are presented in the table below.

Key figure / Position	2018	2019	2020	2021	2022
Share price 31.12., € (Nasdaq Helsinki)	1.47	2.36	2.32	3.04	2.71
Distributed dividends, €	0.11	0.12	0.13	0.14	0.15
TSR (Total Shareholder Return), %	- 10%	58%	3%	30%	-5%
Turnover, €	33,482,000	48,972,000	42,989,000	52,784,000	67,532,000
CEO, annual income, € ¹	376,392	376,300	361,974	376,300	453,125
CEO, share rewards, € ²	0	0	2,241,675	0	2,343,150
Board member, € ³	53,400	49,091	49,038	48,552	49,794
Personnel, € ⁴	164,333	159,551	150,664	185,373	171,204
Personnel, share rewards, € ⁵	0	0	4,079,849	0	5,018,246

¹ During years 2018–2019, the CEO has in addition received income from executing options granted to him based on previous positions. The difference of 14 326 EUR in the CEO's annual income between 2020 and 2021 is due to the Company's Covid-19 Policy, according to which no accrued vacation pay was paid in 2020. In 2021 the vacation pay was paid normally. The difference of 76 825 EUR in the CEO's annual income between 2021 and 2022 is due to increase of monthly salary and one-off cost reimbursement due to correction in payroll process. Social costs have not been included in the CEO's income figures.

² Rewards paid from the Performance Share Plans.

³ Average remuneration paid to a Board member (monthly fee and meeting fees in total).

⁴ Personnel costs reported in the financial statements of the Company divided by the annual full-time equivalent (FTE) personnel head count, including e.g. variable remuneration and social costs (excluding share rewards). The figure for 2021 has been adjusted in accordance with employee head count (formerly 204 418 €).

⁵ Rewards paid from the Performance Share Plans.

2. REMUNERATION OF THE BOARD MEMBERS IN 2022

The following table includes the board fees and meeting fees paid to the members of the Board in 2022. Both fees remained unchanged from year 2021.

Board member	Board Service 2022	Board fee 2022, €	Meeting fees 2022, €	Total Remuneration 2022, €
Bygge Johan	1 Jan – 31 Dec	39,000	4,800	43,800
Fagerholm Catarina	1 Jan – 31 Dec	39,000	6,400	45,400
Hammarén Johan	1 Jan – 31 Dec	39,000	3,200	42,200
Heliövaara Eero	1 Jan – 16 Mar	8,197	2,400	10,597
Kaario Mammu	1 Jan – 31 Dec	48,000	7,200	55,200
Liitola Olli	1 Jan – 31 Dec	39,000	3,200	42,200
Tallberg Andreas	1 Jan – 31 Dec	60,000	8,800	68,800
TOTAL		272,197	36,000	308,197

The meeting fees were paid fully in cash. In addition to the fees described above, the members of the Board have been reimbursed for travel expenses in accordance with the Company's travel compensation policy.

3. REMUNERATION OF THE CEO IN 2022

The following table includes the remuneration and other financial benefits paid to the CEO in 2022.

Name	Fixed annual salary, €	Annual bonus, €	Shares, €	Supplementary pensions, €
Frimodig Joakim	453,125	0	2,343,150	45,313

In 2022, an amendment was made to the PSP 2020 pay-out time to facilitate participants investments into the new plan, PSP 2022. The CEO received a payment in correspondence of his vested amount (900 000 shares) in the PSP 2020 after the second vesting of the programme in 2022. The payment is presented in the table above. The taxable value of the shares was determined by the stock exchange rate of CapMan share on Nasdaq Helsinki on the date of the payment, 4 May 2022.

The variable remuneration paid to the CEO in 2022 consisted solely of long-term variable remuneration and corresponds to approximately 5.2 x the fixed annual salary. In the years when rewards based on the Performance Share Plan programmes are realized, the proportional share of the variable remuneration in the total remuneration of the CEO may become very substantial.

The CEO is entitled to an additional defined contribution-based pension plan for which the Company pays an annual premium of 10% of the participant's annual salary. The CEO's entitlement to a paid-up policy increases gradually after three years and after six years covers 100% of the cumulative additional pension saving. The retirement age of the CEO is 63 years.