

Description of the Remuneration of the Governing Bodies of Elo



The description of the remuneration of the governing bodies of Elo Mutual Pension Insurance Company (hereinafter ‘Elo’) is based on the currently valid Governance Code, which Elo complies with to the extent applicable to the operations of a pension insurance company. The Governance Code is available on the website of the Securities Market Association at www.cgfinland.fi.

Elo’s remuneration description includes the procedures and main principles governing the remuneration of the Supervisory Board, the Board of Directors, the CEO, and the Deputy CEO. The fees paid to the Supervisory Board, Board of Directors, CEO, and Deputy CEO follow this remuneration policy.

Introduction

Remuneration at Elo must align with the purpose and objectives of the company and support the company’s long-term interests. Remuneration systems must specifically take into account Elo’s statutory role as a provider of earnings-related pension security.

General principles guiding remuneration at Elo:

1. Remuneration must align with the company’s performance and statutory mission. Remuneration systems must not encourage excessive risk-taking beyond Elo’s risk-bearing capacity or contradict the company’s purpose.
2. Decision-making related to remuneration must be responsible, follow good governance practices, and prevent conflicts of interest.
3. Remuneration systems must promote Elo’s performance and long-term results. They must also be consistent with risk management and support it.

4. Remuneration must consider the company’s overall interest and encourage excellent performance.
5. The overall remuneration package must be sufficiently competitive, following typical market practices.
6. Remuneration must support our values: transparency, active approach, and commitment.
7. Remuneration and remuneration systems must be understandable and consistent. The same principles apply to all personnel.

Remuneration of the Supervisory Board and the Board of Directors is based on market practices and widely accepted remuneration structures for governing bodies.

Remuneration of the CEO and Deputy CEO follows the same principles, taking into account their special role in shaping and executing the company’s strategy, and in achieving short- and long-term objectives.

According to recommendations from the Financial Supervisory Authority, the Board of Directors regularly evaluates the functionality of the company’s remuneration systems. If necessary, the systems and compliance with remuneration principles may also be assessed by an external party.

Decision-Making Regarding the Remuneration of the Governing Bodies

The Annual General Meeting decides annually on the remuneration of Elo’s Supervisory Board members. The Supervisory Board, in turn, decides annually on the remuneration of the Board of Directors. Elo also has a Nomination Committee appointed by the Supervisory Board, responsible for preparing proposals related to the selection and remuneration of Supervisory Board and Board members.

The Board of Directors approves the personnel remuneration policy, including principles, systems, and annual evaluations of these. The Board monitors and supervises the implementation of the systems. The Board determines the

company-level objectives and performance metrics for the performance-related bonus system, including ESG metrics, and decides on the payment or non-payment of bonuses as a whole, based on proposals from the Nomination and Remuneration Committee.

The Board also decides on the salaries, other benefits, and bonuses of the CEO and, based on the CEO’s proposal, the Executive Group members, the Head of Internal Audit, and the persons responsible for risk management and compliance functions.

The Nomination and Remuneration Committee prepares, plans, and develops matters related to remuneration that fall under the Board’s responsibility. It prepares changes, ensures their alignment with developments within the company and regulatory environment, and consists of Board members.

The CEO approves performance-related targets and bonuses except those at company level or otherwise falling under the authority of the Board. The CEO may issue supplementary rules related

to personnel remuneration and may make decisions concerning individuals as permitted by this policy and the personnel remuneration policy.

Remuneration of the Members of the Supervisory Board

The Annual General Meeting of Elo decides each year on the remuneration of the members of the Supervisory Board. Under the Act on Pension Insurance Companies, a pension insurance company must have a Supervisory Board. Members of Elo's Supervisory Board are elected at the Annual General Meeting.

The Chair and the Vice Chairs of the Supervisory Board receive annual fees. All members of the Supervisory Board receive meeting fees as well as daily allowances and travel expense reimbursements, in accordance with the maximum tax-exempt amounts defined by the Finnish Tax Administration and valid at any given time.

Members of the Nomination Committee also receive meeting fees for meetings of the committee.

Members of the Supervisory Board are insured under Section 8 of the Employees Pensions Act (TyEL), which means that the position accrues pension and TyEL contributions are paid on the remuneration paid for the position of trust.

<p>General Meeting</p> <ul style="list-style-type: none"> Decides annually on the remuneration of the members of the Supervisory Board. 	
<p>Supervisory Board</p> <ul style="list-style-type: none"> Decides annually on the remuneration of the Board of Directors. 	<p>Nomination Committee</p> <ul style="list-style-type: none"> Prepares proposals for the election and remuneration of the members of the Supervisory Board and the Board of Directors.
<p>Board of Directors</p> <ul style="list-style-type: none"> Approves the company's remuneration policy for personnel, including the principles and remuneration systems, and reviews them annually. The Board also monitors and oversees their implementation. Approves the company-level targets and metrics of the performance bonus scheme for all personnel, including the ESG-designated metrics and their outcomes, and decides on the payment or non-payment of performance bonuses based on the proposal of the Nomination and Remuneration Committee. Decides on the salary, other benefits, and performance bonuses of the CEO and, based on the CEO's proposal, the members of the Executive Group, the Head of Internal Audit, and the responsible persons for risk management and compliance functions, for those covered by the performance and target bonus scheme. 	<p>Board's Nomination and Remuneration Committee (consists of members of the Board)</p> <ul style="list-style-type: none"> Responsible for preparing, planning, and developing remuneration matters that fall under the Board's authority. Focuses on preparing the remuneration policy and ensuring its effectiveness. Makes necessary amendment proposals and ensures they reflect changes in the company or regulation.
<p>CEO</p> <ul style="list-style-type: none"> Approves targets and metrics of the performance and target bonus scheme other than the company-level ones, as well as their outcomes and the performance bonuses to be paid, insofar as these do not fall under the Board's decision-making authority. Has the right to issue rules related to personnel remuneration systems that complement the remuneration policy. May also make decisions concerning individual employees as specified in this policy and in Elo's personnel remuneration policy. 	

No additional fees or financial or performance-based benefits are paid to the members of the Supervisory Board beyond the meeting fees.

Remuneration of the Members of the Board of Directors

The Supervisory Board of Elo decides annually on the remuneration of the members of the Board of Directors. Members of the Board of Directors receive an annual fee and meeting fees, as well as daily allowances and travel expense reimbursements, in accordance with the maximum tax-exempt amounts defined by the Finnish Tax Administration and valid at any given time. In addition, daily allowances and travel expenses are reimbursed when members of the Board participate — at the company's initiative — in events that relate directly to their role as Board members.

The amount of the annual fee varies: the Chair of the Board, the Deputy Chairs, and the other Board members each receive a different annual remuneration. The same differentiation applies to meeting fees.

Meeting fees are also paid for the meetings of the Nomination and Remuneration Committee and the Audit and Risk Committee. The Chair of each committee receives a higher fee than

the committee members. In addition, the Chair of the Audit and Risk Committee receives an annual fee. Committee meetings follow the same rules for daily allowances and travel reimbursements as Board meetings.

Members of the Board are insured under Section 8 of the Employees Pensions Act (TyEL), meaning that the position accrues pension and TyEL contributions are paid on the remuneration. Board members are also covered by the travel insurance applicable to other travelling personnel.

No additional fees or financial or performance-based benefits are paid to the members of the Board of Directors beyond the annual and meeting fees described above.

Remuneration of the CEO and the Deputy CEO

The remuneration of the CEO and the Deputy CEO consists of base salary, fringe benefits (such as a company car benefit, bicycle benefit, phone benefit, and meal benefit), and performance-related bonuses. The taxable value of fringe benefits is included in the total monthly salary. The CEO and the Deputy CEO are entitled to the personnel benefits available at the company at any given time.

The performance-related bonus for the CEO and Deputy CEO is determined based on the achievement of Elo's strategic targets and especially the personal objectives set for the CEO. Strategic objectives related to company growth, solvency, performance, responsibility, and personnel matters are assigned and weighted accordingly.

As part of the CEO's and management's total remuneration package, Elo uses a long-term incentive scheme approved by the Board of Directors.

The CEO's and Deputy CEO's incentive program consists of both short-term and long-term incentive components. The total maximum bonus opportunity corresponds to 100% of the annual salary of the earning year, excluding bonuses paid from previous years.

The purpose of the weighting of long-term incentives is to support the creation of long-term success factors and the positive development of solvency. The maximum for the short-term incentive program is 66% and for the long-term incentive program 34% of the total bonus opportunity.

A bonus is considered significant if its amount exceeds EUR 50,000 or the amount of two calculated monthly salaries at the time of payment if that exceeds EUR 50,000.

For significant bonuses, 50% is paid during the year following the end of the earning period, and the remaining 50% is paid in equal installments over the following three years.

Performance-related bonuses are primarily paid once a year after the achievement of the agreed objectives has been confirmed. The bonus amounts formed under the applicable incentive schemes may be paid into an employee fund established within the company. The eligibility for payment into an employee fund is determined based on the uniform criteria defined in the Act on Personnel Funds. The payment follows the instructions issued by the Finnish Tax Administration on 23 October 2024, according to which the default method of payment for employee-fund-eligible amounts is allocation to the fund.

Each bonus recipient may annually choose whether to allocate the personnel fund-eligible amount fully, partially, or not at all, in accordance with the options defined by the company.

The notice period for the CEO is six months, whether the termination is initiated by the company or by the CEO. During the notice period, normal salary is paid. In addition, if the company terminates the contract, the CEO is entitled to a severance payment

corresponding to up to six months' total salary.

The notice period for the Deputy CEO is six months when the company terminates the contract, and three months when the Deputy CEO resigns. Normal salary is paid during the notice period.

Elo respects any other terms that were agreed upon in the predecessor company before this remuneration policy was approved.

Conditions for Temporary Deviations

The Board of Directors has the right to decide that a bonus, or part of it, will

not be paid, or to postpone the payment of a bonus in whole or in part to a more appropriate time if, in the Board's assessment, this is necessary or essential for the benefit of the company, or if paying bonuses according to these terms would not be in the company's best interest. Performance-based components take into account the assessment of the performance of the individual and/or function, as well as the company's overall results. All performance bonuses are subject to a solvency condition. If the solvency ratio is below 114%, bonuses for that year will not be paid; instead, the payment will be frozen for up to two years. If the solvency ratio rises above 114% after

the scheduled payment date and remains at least at that level for two consecutive months, the bonuses will be reinstated and paid. If, after two years, the solvency ratio is still below 114%, the bonuses for that year will be cancelled.

If the solvency position falls below Solvency Limit 1.0 at any time between the beginning of the earning year and the scheduled bonus payment date, or remains below 1.2 for more than seven days, the bonuses for that year will be cancelled.

If the cumulative operational expense surplus for the bonus-earning year is negative, or if paying the bonuses

would cause it to become negative, performance bonuses may be reduced, postponed, or not paid at all.

The payment of performance bonuses for the CEO and Deputy CEO follows, where applicable, Elo's personnel remuneration policy and the rules of Elo's long-term incentive scheme, which include more detailed rules and principles concerning temporary deviations.