



MULTITUDE

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REMUNERATION  
REPORT  
2023



# Introduction



## Introduction

The current Remuneration Policy is designed to enhance employee alignment with the primary objective of creating sustainable value for shareholders in the medium to long term. Additionally, it seeks to attract, motivate, and retain talent, crucial for the successful management of the Company.

Multitude's remuneration strategy is built on principles of high performance, competitive compensation, the promotion of value creation behaviour, a commitment to long-term sustainability and scalability.

The Policy adheres to relevant legislation and aligns with the Finnish Corporate Governance Code 2020. The Remuneration Policy is approved from both the Board of Directors and shareholders.

In formulating the Remuneration Policy outlined in the initial section of this report, we considered the most effective international practices. Our objective is to enhance competitiveness, foster long-term financial success, and ultimately contribute to the positive development of shareholder value.

This report is split into two main sections:

### **Section 1 (pages 3-7)**

The opening section outlines Multitude Group's Remuneration Policy for the Board of Directors, CEO, and Executives with strategic responsibilities, specifically pertaining to the financial year 2023.

### **Section 2 (page 8)**

The second section provides details on the compensation disbursed to the Board of Directors and the CEO.



## Remuneration Policy at a glance

Aligned with Multitude Group's Remuneration Policy for the Board of Directors and CEO, the reward approach is integrated across the organisation. This structure aims to mutually generate value for both the Group and the directors, fostering alignment of their long-term interests with those of shareholders and ensuring complete transparency.

Compensation for the Board of Directors is structured independently of the remuneration systems applicable to the Company's Management. Non-executive Board Members do not receive fringe benefits and are excluded from bonus, incentive schemes, or share-based bonus schemes available to Company personnel. The fees allocated to directors are determined by the General Meeting of shareholders and may be paid in cash and/or partially or entirely in shares or other financial instruments.

The Chief Executive Officer's (CEO) remuneration includes a fixed monthly salary and, a matching share plan (up to 10% of annual salary). This matching share plan is designed to incentivise long-term value creation and the successful execution of Multitude's strategic objectives.

The Board reserves the right to temporarily deviate from the Remuneration Policy for governing bodies only in exceptional circumstances, where significant changes to key operating conditions occur after the General Meeting of shareholders. Such deviations are considered necessary to safeguard Multitude's long-term interests. Despite the unpredictable nature of 2023, no deviations or clawbacks from the remuneration policy for governing bodies were implemented during that year.



## Work of the People and Culture Committee

The work of the People and Culture Committee and governance is set out in the committee charter and follows an annual plan.

In 2023, the committee convened four meetings, centred on the performance and succession planning of key executives, corporate governance, and remuneration practices for executive management. The objective was to foster strong alignment between the principles outlined in the Remuneration Policy and the company-wide practices in relation to compensation. Additionally, the People and Culture Committee dedicated time to finalising the Diversity and Inclusion Statement, which subsequently received approval from the Group Board.

The focus of the People and Culture Committee is based on a set of core principles as set out by the committee. These include focusing on:

- Retaining executives who are key to value creation and long-term strategy of the organisation
- Driving synergies between remuneration and our strategy by applying long-term financial and non-financial performance measures to incentive programs

The Remuneration Policy was approved by shareholders at the 2020 Annual General Meeting (AGM) and will remain in effect until 2024 unless material changes are proposed by the Board of Directors for shareholders to approve. The approved policy ensures alignment with evolving market norms for remuneration in an international company.





## 2023 Remuneration at a glance

The Board fees for 2023 have been set at EUR 4,000 per month, with the Chairperson of the Board receiving EUR 8,000, as per the recommendation of the People and Culture Committee. This decision has been officially approved during the Annual General Meeting.

To ensure long-term stability, Multitude is committed to compensating its management competitively in line with external benchmarks. Individual base salaries are determined based on market remuneration levels, skills, and experience. Furthermore, base salary is assessed within the framework of the employee's total remuneration to uphold a balanced approach.

### Short-term incentives

**Bi-annual cash bonus** – Pay for performance is a cornerstone of Multitude's remuneration strategy. Short-term incentives align with critical role bonus schemes, linking to Group and tribe financials and individual OKRs, including organisational topics.

Annually, the bonus scheme is adjusted to emphasise Multitude's focus areas; in 2023, the focus was on Group revenue, Group EBIT, and four main objectives: building a winning team, profitable growth, optimal asset utilisation, and ensuring resilience in macro-economic environment.

Cash bonuses are paid out twice a year in September for the period of January to June and in March of following year for the period covering July to December.

### Long-term incentives

**Matching share plan** – In 2021 the company launched a matching share plan to further align interest of employees and shareholders and provide extra reward to employees and possibility to benefit from increase in share value.

The matching share plan is open for all employees to invest up to 5% of their salary (twice a year – up to a total 10% per year) in Multitude shares. Investments vest after a 2-year holding period after which Multitude provides free shares for participants in relation to the size of the investment, with ratio 1:1.

The matching share program, tied to shares procured in 2021, reached its conclusion, with 1:1 matching over two intervals, one in April and subsequently in October of 2023.

**Performance share plan** – The performance share plan, structured as a conditional right, grants participants shares after a 3-year performance period with no upfront payment. The initial awards targeted selected critical roles, and the shares vest based on continuous service and achieving the set share price target.

In response to the prevailing macroeconomic environment, the Board, upon the People and Culture Committee's recommendation, extended the program period from December 2023 to December 2024.

Simultaneously, share price targets were revised to align with the evolving landscape. In 2023, key roles added after the program's launch were incorporated at a pro-rata level, reinforcing the program's efficacy in retaining talent. There were no further additions to the program after June 2023.

## Remuneration and company performance

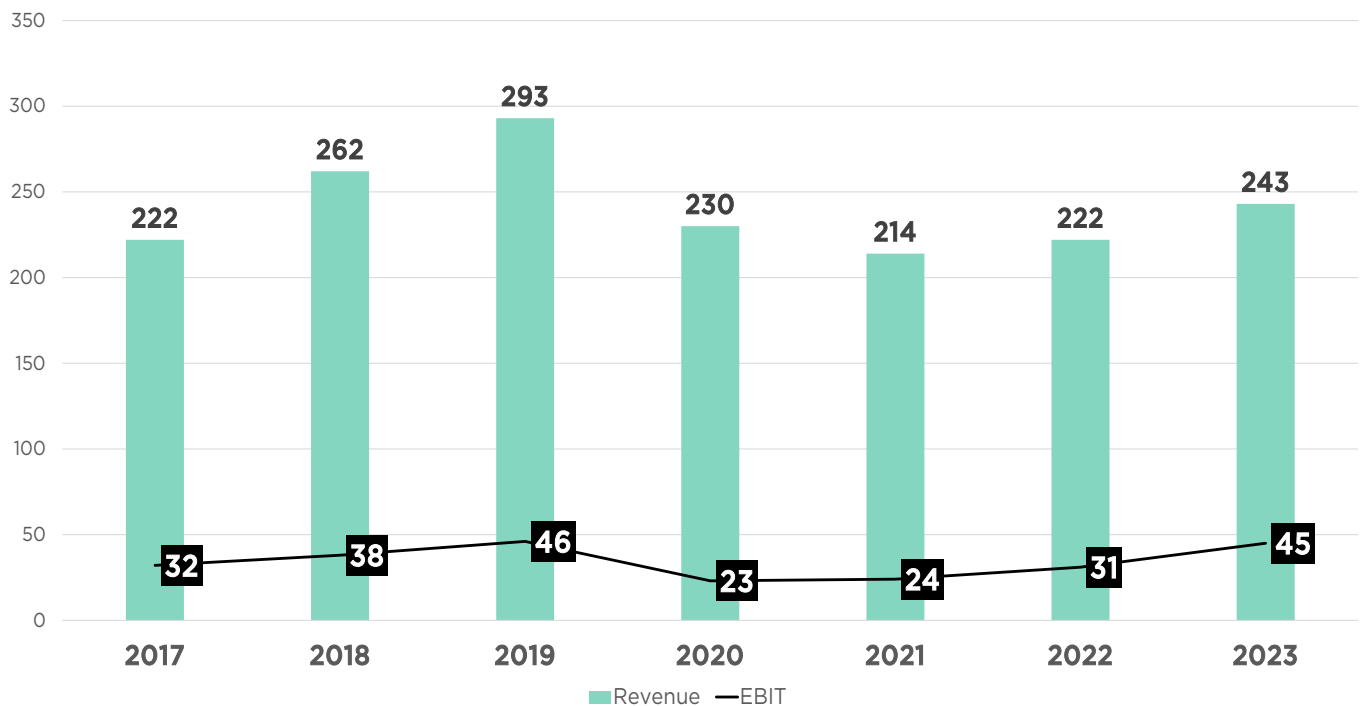
Multitude's remuneration guiding principles, as outlined in the policy, are universally applicable to all employees across all countries and businesses, including the CEO.

The short-term incentive scheme (STI) is crafted to propel the attainment of short-term business plans, consistently emphasising profitability in recent years. In contrast, the long-term incentive (LTI) is strategically structured to align the interests of key employees with those of Multitude's shareholders. By harmonising incentive schemes with the Company's objectives, remuneration becomes a powerful driver for advancing the best interests of the company.

As a global company, Multitude operates in diverse remuneration markets. Recognising this variation, the People and Culture Committee deems the most transparent approach for assessing remuneration evolution over time is by comparing the CEO's remuneration with that of all Multitude employees globally. The figures on the following page, detailing the average employees' remuneration over seven years, are derived from comprehensive data encompassing all Multitude employees.

Employees eligible for short-term incentive schemes are connected to the same performance indicators to different extents. As a result, remuneration for these employees is influenced by the overall performance of the Company.

# Development of Multitude's performance and remuneration



Average compensation	2017	2018	2019	2020	2021	2022	2023
Member of the Board inc. Chairman	17,671	17,100	18,489	31,381	43,333	41,474	36,571
CEO	210,583	208,315	216,302	201,896	221,715	240,192	246,448
*Multitude employee	47,934	48,504	51,076	48,846	49,554	49,716	49,263

\*Average Multitude employee is personnel expenses excluding indirect employee cost divided by the average number of personnel during the year. STI Payouts for second half of year always take place during the year following performance period.

# Remuneration of the Board of Directors for 2023

## Multitude Board remuneration January 1 – December 31 2023

Director	Annual fees	Share-based payments value	Remuneration based on employment	Total
<b>*Ari Tiukkanen</b> Chairperson	€64,000	€3,678.94	-	€67,678.94
<b>Kristiina Leppänen</b> Member	€48,000	-	-	€48,000
<b>Michael A. Cusumano</b> Member	€48,000	-	-	€48,000
<b>Goutam Challagalla</b> Member	€48,000	-	-	€48,000
<b>**Frederik Strange</b> Ex Chairperson	€16,000	-	-	€16,000
<b>**Jussi Mekkonen</b> Ex Member	€16,000	-	-	€16,000
<b>**Juhani Vanhala</b> Ex Member	€16,000	-	-	€16,000
	<b>€256,000</b>			<b>€259,678</b>

\* Ari Tiukkanen transitioned from his operational role, concluding his duties at the end of April. Subsequently, on 27 April 2023, the AGM elected Ari as a new Board Member. On 28 of April 2023, in the first meeting after the AGM, the Board elected Ari as the Chairperson.

\*\* Served as Board Member until 27 April 2023

## Remuneration for CEO for 2023

In 2023 the matching share program, tied to shares procured in 2021, reached its conclusion. The matching phase took place over two intervals, firstly in April and subsequently in October of 2023. This program stipulates that share-based payments are issued at a 1:1 ratio, mirroring the quantity initially acquired by the CEO in 2021.

The CEO is not eligible for supplementary pension contributions or other financial benefits, such as fringe benefits, signing bonus, retention bonuses, or severance packages.

	Base salary	Share-based payments MSP (share units)	Share-based payments MSP (value)	Total
<b>CEO</b>	€246,448	3,906	€14,248	€260,696



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