

# Remuneration Report

## Letter from the Chair of the Remuneration and Nomination Committee



Dear shareholders,

As Chair of the Remuneration and Nomination Committee, I am pleased to present Kempower's Remuneration Report for 2023. The report has been reviewed by the Remuneration and Nomination Committee and approved by the Board of Directors. Shareholders will make an advisory decision on the adoption of the remuneration report at the company's Annual General Meeting in 2024.

Remuneration at Kempower is based on the remuneration policy, which was presented for an advisory decision at the Annual General Meeting on April 13, 2022. The company's remuneration is guided by fairness, competitiveness and the implementation of the company's growth strategy. The aim is to offer all Kempowerians an inspiring workplace and give everyone the opportunity to develop their competences and do meaningful work in promoting the green transition.

The main tasks of the Remuneration and Nomination Committee in 2023 were market benchmarking of the company's overall remuneration, remuneration for the Management Team, setting the targets and remuneration levels for short- and long-

term incentive schemes for 2024, Board and Management Team appointments and succession planning, and the design of the employee share savings plan. The Committee also started the planning of the organization's diversity, equity, inclusion and belonging (DEIB) together with the management and continued the corporate culture program launched two years ago as part of the company's growth strategy. We hope that each Kempowerian will contribute to building a corporate culture that supports growth and needs of the growing company. We also want to combine the interests of shareholders and staff in the long-term development of the company. In December 2023, we announced plans to launch a new period 2024–2027 for the share savings plan established in 2023. The aim of the employee share savings plan is to encourage Kempowerians to acquire and own shares in the company.

Kempower continued its profitable growth in 2023. The short-term incentive scheme's return to staff for 2023 was very good, as the scheme's performance metrics focused on profitable growth. In 2023, the company recorded a revenue of EUR 284 million, an increase of 174 percent on the previous year. The operative EBIT margin grew to EUR 40.7 million, compared to

EUR 6.7 million in the previous year. Kempower has strengthened its market position as a leading player in the Nordic DC charging market and has rapidly increased its market share in the rest of Europe, where year-on-year revenue growth was 354 percent. Our North American operations in North Carolina were started on schedule. In 2024, the company will continue to expand its business in Europe and North America and support the growth of sales partners in other regions.

Our rapidly growing and increasingly international operations place new demands on the company's remuneration. Our aim is to ensure Kempower's attractiveness as an employer in the international market. We need the best resources in the sector to implement our growth strategy. We will also consider environmental, social and governance (ESG) issues in the new long-term incentive scheme.

I want to thank all Kempowerians for the excellent results and the implementation of our growth strategy in 2023. We are at the forefront of the green transition in e-mobility.

**Vesa Laisi**  
Chair of the Remuneration and Nomination Committee

# 1. Introduction

This remuneration report for 2023 is prepared in accordance with the Finnish Corporate Governance Code 2020 (the "Corporate Governance Code"). In this report, Kempower presents the salaries, fees and other financial benefits paid to the members of the Company's Board of Directors and the CEO during the financial year 2023 and due on the basis of the financial year 2023. In addition, the report describes the decision-making on remuneration and the key principles governing it at Kempower.

## Description of the decision-making process

The Annual General Meeting makes the final decision on the remuneration of the Board of Directors annually. Kempower's Remuneration and Nomination Committee prepares the remuneration policy and any material changes to it, and the Board of Directors approves it for presentation to the Annual General Meeting.

The remuneration policy was presented for the first time at the 2022 Annual General Meeting. Kempower's remuneration policy is presented at the Company's Annual General Meeting at least every four years and whenever significant changes are proposed.

Kempower's Remuneration and Nomination Committee prepares proposals for the remuneration of all members of the Board of

Directors, and the Annual General Meeting makes the final decision on the remuneration of the Board of Directors annually.

The Board of Directors decides on the remuneration of the CEO and other members of the Management Team and the grounds for it. The remuneration of the CEO and the members of the Management Team consists of a monthly salary, benefits, a yearly bonus and long-term share-based incentive program. In addition, all Kempower employees are included in a yearly bonus program (short-term incentive) that includes company-level targets as well as personal targets. In addition, both the management and all employees can participate in Kempower's long-term share savings program.

## Remuneration principles 2023

In accordance with its remuneration policy, Kempower strives to reward its management in a way that provides an incentive and engages them in executing the Company's strategy and creating value for the shareholders. Remuneration and remuneration development are assessed on the basis of the Company's success, general economic development and the industry's remuneration practices. In addition to a fixed salary, the key remuneration principle is performance-based remuneration. In addition, the overall remuneration of the management is central to the remuneration. Kempower's remuneration consists of the following:

- Annual basic salary
- Short-term incentive (STI)
- Long-term incentive scheme (LTI)
- Other financial benefits

During the financial year 2023, the remuneration policy was followed in the remuneration of the Board of Directors and the CEO. With regard to the performance bonus paid to the CEO during 2023, which was however based on the 2022 financial period, the terms of the previous bonus system based on the achievement of 2022 goals were followed. The matter is also discussed in more detail below in section 3. It was not resolved to defer, deny, or recover all or part of the remuneration of the members of the Board of Directors or the CEO.

## Remuneration and business development 2019–2023

The table below describes how the remuneration paid to the members of Kempower's Board of Directors and CEO has developed proportionally during its previous financial years compared to the development of the average remuneration of the Kempower Group's employees and the

financial development of the Kempower Group during the same period.

The Company's financial development is expressed by presenting the development of the Kempower Group's revenue and order intake between the financial years 2019–2023. Kempower was listed on the First North Growth Market Finland in December 2021.

In the beginning of the review period the number of Board members was seven (7) and the Board was supplemented by one Board member in August making the number eight (8) at the end of the year. The Board has two committees, the Audit Committee and the Remuneration and Nomination Committee. The number of members of the committees was four (4) in the Audit Committee and at the beginning of the review period five (5) in the Remuneration and Nomination Committee. After a new Board member joined the Remuneration and Nomination Committee in September-August, the number of committee members at the end of the period was six (6).

	2023	2022	2021	2020	2019
Board fees EUR	327,674	245,375	217,792	12,000	0
CEO fees EUR	493,456	361,085	192,792	135,384	86,105
Remuneration of employees (average)* EUR	70,845	68,196	74,431	64,758	68,724
Revenue TEUR	283,614	103,644	27,400	3,252	327
Order intake TEUR	275,305	208,891	37,388	7,092	483

\* Wages, salaries and bonuses paid according to the financial statements divided by the number of full-time employees.

## 2. Board remuneration during the financial year 2023

Kempower Corporation's Annual General Meeting decided on March 30, 2023 that the Chair of the Board will be paid EUR 45,000 per year, the Deputy Chair EUR 35,000 per year and the other members of the Board EUR 35,000 per year. Entitlement to the Board's annual fee accrues over time and is paid in equal monthly installments (annual fee / 12). In addition, a separate meeting fee is paid to the members of the Board of Directors for attending a meeting as follows:

- the meeting fee is EUR 500 per meeting if the meeting is held in the home country of the member of the Board of Directors or if the meeting is a virtual meeting,
- the meeting fee is EUR 1,000 per meeting if the meeting is held on the same continent as where the home country of the member of the Board of Directors is located but not in his or her home country, and
- the meeting fee is EUR 1,500 per meeting if the meeting is held on a different continent from where the home country of the member of the Board of Directors is located.

Travel expenses are reimbursed in accordance with Kempower's travel policy.

### Remuneration paid to members of the Board of Directors during the financial year January 1–December 31, 2023

Board Member	Annual fees (EUR)	Other financial benefits	Total annual fees (EUR)
Antti Kemppe, Chair of the Board	51,500	0	51,500
Tero Era, Board member	41,500	0	41,500
Juha-Pekka Helminen*, Board member	11,750	0	11,750
Kimmo Kemppe, Board member	41,000	0	41,000
Teresa Kemppe-Vasama, Board member	41,500	0	41,500
Vesa Laisi, Board member	44,000	0	44,000
Eriikka Söderström, Board member	46,500	0	35,750
Olli Laurén, Board member	35,750	0	46,500
Tuula Ryttilä, Board member	14,174	0	14,174
<b>Total</b>	<b>327,674</b>	<b>0</b>	<b>327,674</b>

\* Member of the Board until March 2023.

In addition, the Chair of the Audit Committee is paid EUR 5,000 per year in addition to the Board fee and the Chair of the Remuneration and Nomination Committee is paid EUR 2,500 per year.

No options, shares or other share-based remunerations have been granted to the members of the Board of Directors for their work as Board members.

No other financial benefits have been paid to the members of the Board of Directors in addition to the annual fee and meeting fees decided by the Annual General Meeting. There are no pension contributions related to the remuneration of the Company's Board of Directors.

## 3. Remuneration of the CEO during the financial year 2023

### Fees paid during the financial year 2023

The remuneration of Kempower Corporation's CEO Tomi Ristimäki in the financial year January 1, 2023–December 31, 2023 consisted of a base salary, fringe benefits and a yearly bonus related to the fulfillment of business objectives.

The CEO is part of Kempower's general annual bonus program. In the financial year 2023, the CEO was paid a performance bonus based on the achievement of the targets under the 2022

bonus program, in accordance with the Board's assessment and decision.

The targets of the yearly bonus paid to the CEO on the basis of the financial year 2022 were partly based on the Kempower Group's revenue and order backlog and partly on personal targets decided by the Board of Directors relating to the management system and profitability. Achieving company-level financial targets had a weight of 70% and personal targets a weight of 30%. The performance bonus of EUR 118,068 paid to the CEO during 2023, tied to the achievement of the 2022 targets, corresponded to 5.3 months' basic salary.

According to the remuneration policy, the Board has the right to increase or decrease the amount of the remuneration in certain situations. In addition to the above bonus, the Board decided to grant an additional performance bonus to the CEO and the whole Kempower personnel for strong performance in 2022, considering that the additional performance bonus will support the achievement of targets and the execution of the growth strategy in the future as well. The CEO's additional bonus of EUR 93,387 was based on company-level targets and was paid in spring 2023 in Kempower shares through the Employee Share Savings Plan. When combining both the 2022 bonus program and the additional performance bonus for the year 2022 a total amount of EUR 211,455 was paid in spring 2023 which corresponded to a fixed base salary of 9.4 months in 2023.

### Remuneration and benefits paid to the CEO during the financial year January 1–December 31, 2023

Fixed basic salary EUR/year	Fringe benefits, EUR/year		Changing components of remuneration, EUR/year		CEO remuneration EUR/year
	Car benefit	Phone benefit	Performance bonus based on the year 2022	Share savings plan additional bonus	
267,675	14,086	240	118,068	93,387	493,456

The fixed annual salary and fringe benefits paid to the CEO in 2023 accounted for 57% of the total remuneration, the short-term incentive bonuses paid accounted for 24% and the share savings plan additional bonus accounted for 19%.

Reimbursements are made to the CEO in accordance with the company’s travel policy and other policies.

The CEO’s annual fixed basic salary for 2024 is EUR 325,380. The new salary is based on a comparative study of the remuneration of CEOs in similar stock-listed companies.

### Fees payable in the financial year 2024 based on the financial year 2023

The CEO was part of Kempower’s short-term incentive (STI) plan, under which the performance bonus will be paid in April 2024. Based on the 2023 bonus program, a total amount of approximately EUR 163,260 will be paid to the CEO as a bonus, which corresponds to a fixed base salary of 6 months.

The targets of the performance bonus to be paid to the CEO on the basis of the financial year 2023 were partly based on the Kempower Group’s revenue, order backlog (total 70% of total targets) and gross profit margin (total 30% of total targets).

The performance bonus to be paid to the CEO for the financial year 2023 is based on the Board’s assessment and decision on the achievement of targets.

### Other benefits

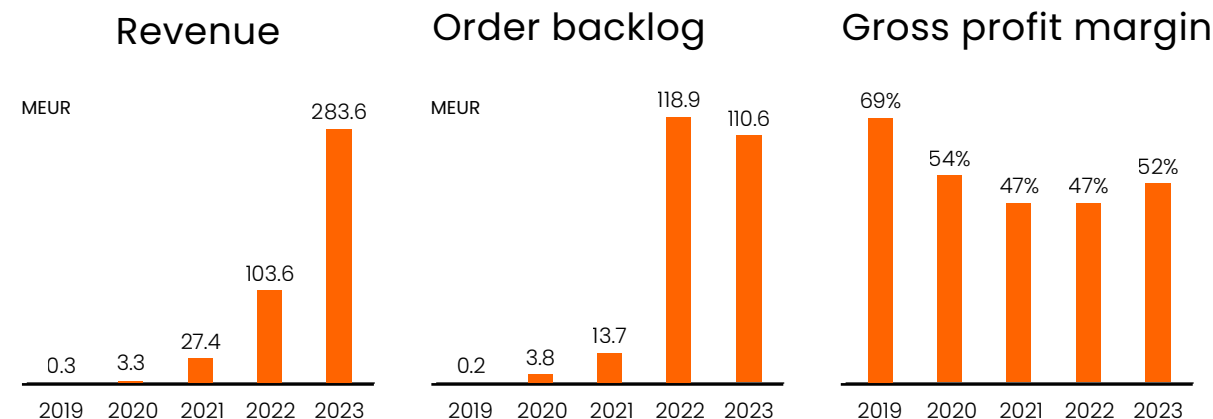
#### Personnel offering

In October 2021, the company carried out a directed share issue made in deviation from the shareholders’ pre-emptive subscription rights to engage personnel of Kempower by issuing 5,789 new shares in a Personnel Offering. The subscription price in the personnel offering was EUR 100.00 per share before the share issue without consideration registered on 26 November, 2021, in which for each existing share, 53 new shares were given. The number of shares to which the CEO subscribed, after the share issue without consideration, was 15,768. The members of Kempower’s personnel including the CEO who participated in the personnel offering have signed a shareholder agreement in which they have, among other things, committed to sell their shares to the

company if their employment with Kempower ends in certain situations and committed to a lock-up period based on which they cannot sell, transfer, donate or pledge the shares subscribed by them without a permission granted by the Board of Directors of the company until 31 December, 2024.

#### Share-based incentive plan (2022–2024)

In 2022 the Board of Directors of Kempower decided to establish a new share-based incentive plan for the Group’s key employees including the CEO. The aim was to align the objectives of the shareholders and key employees for increasing the value of the company in the long-term, to commit the key employees to working for the Company and to offer them a competitive incentive scheme that is based on earning and accumulating shares.



The Performance Share Plan 2022–2024 consists of a three (3) year performance period, covering the financial years 2022–2024.

During the performance period 2022–2024, the rewards are based on the Total Shareholder Return of the Kempower share in 2022–2024 and Group Revenue in 2024. The value of the maximum rewards to be paid to the CEO will correspond to a total of approximately 14,000 Kempower’s shares including also the cash proportion. However, if the targeted performance criteria will be significantly exceeded the ultimate maximum of the rewards to be paid will correspond to a total of approximately 17,500 Kempower’s shares.

The CEO does not have any other personal compensation plan based on shares or stock options or other special rights entitling to shares.

**Share-based incentive plan (2023–2025)**

In 2023 the Board of Directors of Kempower decided continue the share-based incentive plan with new three-year period in 2023–2025. The aim is to align the objectives of the shareholders and key employees for increasing the value of the company in the long-term, to commit the key employees to work for the Company and to offer them a competitive incentive scheme that is based on earning and accumulating shares. The program is for Company’s management and key employees.

The Performance Share Plan 2023–2025 consists of a three (3) year performance period, covering the financial years 2023–2025. During the performance period, the rewards are based on the Total Shareholder Return of the Kempower share in 2023–2025 and Group Revenue in 2023–2025. The value of the maximum rewards to be paid to the CEO will correspond to a total of approximately 12,400 Kempower’s shares including also the cash proportion.

**Employee Share Savings Plan**

In 2023 the Board of Directors of Kempower decided to establish an Employee Share Savings Plan for all Kempower and its subsidiaries’ employees. The objective of the Employee Share Savings Plan is to offer the employees of Kempower Group an opportunity to invest a part of their regular salary in Kempower shares. By encouraging the employees to purchase and own the Company’s shares the Company is pursuing to strengthen the connection of interests between the employees and the shareholders, and to increase the employees’ motivation and commitment to the company.

The Employee Share Savings Plan consists of annually commencing plan periods, each one comprising of a 12-month savings period and a holding period following the savings period. The ESSP is offered to all Kempower employees and management in countries where there are no legal or administrative constraints for participation. The employees will have an opportunity to save a proportion

of their salaries consistently and invest those savings in Kempower shares. After a three-year savings period the Company rewards for the commitment by granting the participating employees a gross award of one matching share for every two (2) savings shares acquired with their savings.

**Termination, severance pay and pension**

The CEO has been elected until further notice. The period of mutual notice of Kempower’s CEO contract is three months, and the CEO has an obligation to work during the notice period, unless otherwise agreed in writing.

If the CEO is terminated at the initiative of Kempower, the CEO is entitled to a lump sum equal to six months’ monthly salary under certain conditions.

The CEO’s retirement age is determined by the Pensions Act. No special supplementary pension benefits have been agreed with the CEO.

**Share price development**

