

**TELESTE – REMUNERATION REPORT FOR THE COMPANY'S GOVERNING BODIES
2024**

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1. Introduction

This Remuneration Report follows the guidelines of the Corporate Governance Code 2025. The remuneration paid or due to the Board members and the CEO for the year 2024 is in line with the Remuneration Policy of the Governing Bodies of Teleste approved at the Annual General Meeting (“the AGM”) 2024. The materialised remuneration of the Board members and the CEO in the year 2024 reflects the targets of remuneration principles which Teleste has set with its Remuneration Policy.

The remuneration paid or due to the Board members and the CEO for the year 2024 promotes the long-term financial performance and success of Teleste Oyj (“Teleste” or “the Company”) as described below.

The purpose of the total compensation of the Board members, consisting of annual remuneration and meeting fees, is to be sufficiently competitive to ensure that sufficiently qualified persons can be recruited to perform the responsibilities of the Board of Directors. The tasks of the Board of Directors include deciding on the Company's strategy and setting and monitoring the implementation of long-term objectives. Thus, the principles for Board remuneration contribute to Teleste's long-term financial performance and success.

The CEO's remuneration is based on Teleste's remuneration principles. The key objective of the remuneration for the CEO of Teleste is to encourage him in increasing the shareholder value by aligning his interests with the interests of Teleste's shareholders. Both fixed and variable salary components are tied to the market situation, strategy and the Company's success. A comparison of the development of the fees of the Board of Directors and the remuneration of the CEO to the development of the average remuneration of the employees and to the Company's net sales and adjusted EBIT is illustrated and compared in the table below.

The Remuneration Policy of the Governing Bodies, which is in line with the Corporate Governance Code, and the Remuneration Report for the Company's Governing Bodies 2023 were presented and approved at the AGM 2024.

Development of remuneration and financial development (EUR) over the past five years

EUR	2024	2023	2022	2021	2020
Board of Directors¹	247,000	247,000	247,000	247,000	247,000
President and CEO²	304,674	325,704	310,260	457,530	396,908
Employees' average remuneration³	49,528	47,594	48,250	46,591	44,808
Financial development:					⁴
Net sales, continuing operations, EUR million	132.5	151.3	165.0	144.0	145.0
Adjusted EBIT, continuing operations, EUR million	4.0	1.2	2.0	5.5	5.1

¹ Values exclude meeting fees.

² Values exclude additional pension payments. The data for 2020–2021 comprises the remuneration of CEO Jukka Rinnevaara. The data for 2022, 2023 and 2024 comprises the remuneration of CEO Esa Harju, who took up his post on 1 January 2022.

³ Average employee: total personnel expenses (including bonuses) without social and pension costs divided by the average number of personnel during the year.

⁴ Teleste divested its services business in Germany in 2020. Sold operations are excluded from continuing operations 2020.

2. Fees of the Board of Directors

Teleste's AGM 2024 decided on the annual remunerations to be paid to the members of the Board of Directors as follows: EUR 66,000 per year for the Chairman and EUR 33,000 per year for each member. The annual remuneration of the Board member who acts as the chairman of the Audit Committee shall be EUR 49,000 per year. Of the annual remuneration to be paid to the Board members, 40 per cent of the total gross remuneration amount will be used to purchase Teleste Corporation's shares for the Board members through trading on the regulated market organised by Nasdaq Helsinki Ltd, and the rest will be paid in cash. No separate meeting fee will be paid to the members of the Board of Directors or the chairmen of the Board of Directors' committees. A meeting fee of EUR 400 per meeting is to be paid to the members of the Board of Directors' committees for those committee meetings that they attend.

In addition, reasonable travel expenses shall be reimbursed to the members of the Board of Directors in accordance with the Company practice applicable at the time, excluding daily allowance. The members of the Board of Directors are not employed by the company and are not covered by the company's incentive or pension schemes.

Remuneration and meeting fees of the Board of Directors paid in 2024 and 2023

EUR	2024				2023			
	Annual remuneration				Annual remuneration			
	Share portion	Cash portion	Meeting fees ¹	Total	Share portion	Cash portion	Meeting fees ¹	Total
Timo Luukkainen, Chairman of the Board	26,400	39,600	1,600	67,600	26,400	39,600		66,000
Jussi Himanen	13,200	19,800	3,600	36,600	13,200	19,800	2,800	35,800
Vesa Korpimies	13,200	19,800	3,600	36,600	13,200	19,800	2,800	35,800
Heikki Mäkijärvi²	0	0		0	13,200	19,800		33,000
Kai Telanne	13,200	19,800		33,000	13,200	19,800		33,000
Mirel Leino-Haltia	19,600	29,400		49,000	19,600	29,400		49,000
Anni Ronkainen³	13,200	19,800	1,600	34,600				
Total	98,800	148,200	10,400	257,400	98,800	148,200	5,600	252,600

¹ Meeting fees have been entered into the table in the year in which they were paid.

² Heikki Mäkijärvi served as a member of Teleste's Board of Directors until 11 April, 2024.

³ Anni Ronkainen joined Teleste's Board of Directors in 11 April, 2024.

There is no remuneration due to be paid to the Board members based on the year 2024.

3. Remuneration of the CEO

The remuneration of the CEO consists of fixed and variable salary components: base salary, fringe benefits, short-term incentives, long-term incentives and additional pension.

Remuneration of the CEO paid in 2024 and 2023

EUR	2024	2023
Base salary	283,540	279,720
Fringe benefits	15,679	12,373
Short-term incentives¹	0	27,255
Long-term incentives (share-based)²	5,455	6,356
Total³	304,674	325,704
Share of fixed pay of total remuneration	98.2%	89.6%
Share of variable pay of total remuneration	1.8%	10.4%
Additional pension payment	74,189	72,450

¹ Amounts have been entered in the table in the year in which they were paid and are based on the performance from the previous year.

² Paid on 28 March 2024 at a share price of EUR 3.14. Paid on 31 March 2023 at a share price of EUR 3.53.

³ The amounts do not include additional pension payments.

A defined contribution supplementary pension is included in the CEO's contract. The payment level of the group pension is 25 per cent of base pay, excluding bonuses, until the age of 65 or termination of employment.

The CEO's variable remuneration earning opportunity and performance measures

The CEO is included in the Company's short-term incentive scheme, which is part of the elements of Teleste's variable salary component. The objective of the short-term incentive scheme is to incentivise the execution of the business plan and to reward the participants accordingly. The Board of Directors decides on the structure, objectives, target levels and prospects of earning of the CEO's incentive scheme.

- In 2023, the earnings were based on the Group's adjusted EBIT (60% weight), the development of net working capital in 2023 (20% weight), the specification of the Group's ESG programme (5% weight) and strategy-linked personal targets (15% weight). The Board of Directors evaluates the achievement of the targets at the end of the earnings period. The CEO's maximum earning opportunity was 78.8% of the annual base salary (ten months' base salary) excluding bonuses. The general financial minimum criterion specified in Teleste's policy concerning the short-term incentive scheme was not met. Consequently, the CEO was paid no bonuses under the short-term incentive scheme for 2023.
- In 2024, the earnings were based on the Group's adjusted EBIT (60% weight), the development of net working capital in 2024 (20% weight), the Group's sustainability-linked performance indicators (5% weight) and strategy-linked personal targets (15% weight). The Board of Directors evaluates the achievement of the targets at the end of the earnings period. The CEO's maximum earning opportunity was 79.4% of the annual base salary (ten months' base salary) excluding bonuses. The general financial minimum criterion specified in Teleste's policy concerning the short-term incentive scheme

was not met. Consequently, the CEO will be paid no bonuses under the short-term incentive scheme for 2024.

The CEO is included in the Company's long-term incentive scheme, which is part of the elements of Teleste's variable salary component. The objective of the long-term incentive scheme is to encourage to execute the long-term strategy and to increase shareholder value and reward accordingly.

- The share-based incentive payment for the CEO during the year 2024 was based on the long-term incentive scheme 2021 (performance period 2021–2023). The CEO participated in this incentive scheme in his role as a head of business unit (SVP) at Teleste at the time. The elements in the scheme included a matching share plan (ratio 2:1) and a performance share plan. The performance criterion for the performance share plan was the Absolute Total Shareholder Return in the measurement period of 2021–2023. The maximum combined earning opportunity for these two elements was 60% (EUR 113,400) of Esa Harju's 2021 annual head of business unit (SVP) base salary, excluding bonuses. The CEO's payout based on a fixed matching element was 2.9% (EUR 5,455) of his 2021 annual SVP base salary. There was no payout based on the performance matching element as the minimum performance threshold was not met.

The CEO is included in the following ongoing long-term incentive schemes

	Performance Share Plan 2022–2024	Performance Share Plan 2023–2025	Performance Share Plan 2024–2026
Earning opportunity: fixed matching shares (matching ratio 2:1)	4,125 shares	6,250 shares	1,950 shares
Earning opportunity: performance shares	66,000 shares	75,000 shares	93,600 shares
Max earning opportunity (% of base pay)	110.3%	105.7%	85.3%
Performance measure (for performance shares)	Absolute Total Shareholder Return and cumulative adjusted EBIT	Absolute Total Shareholder Return and cumulative adjusted EBIT	Absolute Total Shareholder Return and cumulative adjusted EBIT
Pay-out year	2025	2026	2027

Teleste adheres to a shareholding recommendation for the CEO as described in the Teleste Remuneration Policy.