

Question posed by a shareholder:

I would like to ask from the Board of Directors, on what grounds you decided to introduce an incentive programme for Finnair's 70 key persons for the years 2021–2023 in a situation where the State of Finland is injecting funds into the company to keep it viable? At the same time, you have achieved significant savings in the CLA negotiation rounds and part of these savings is allocated to these so-called key managers after two years? Based on the incentive programme rules, the Board of Directors could also cancel the programme or amend it as seen relevant. In my view, that is the least that should be done given the current circumstances.

Further, for the sake of transparency, the employees' side would be willing to hear the names of the persons included in the programme as in my view, a company of this size would manage with a significantly smaller number of key managers.

Finnair aims to be an attractive and competitive employer, and as part of this, we operate a long-term incentive plan to retain key employees in the same way as other publicly listed companies do. In addition to the Executive Board, the plan covers some 60 key employees from different units within Finnair. Participating employees can change for each annually commencing plan. The remuneration of individuals participating in the plan are confidential, and participants' names are not published, except for the Executive Board members.

The long-term incentive plan in question is part of a long-term incentive arrangement decided in 2016, consisting of annually commencing three-year earning periods. The plan yields a reward only if challenging targets set by the Board of Directors have been achieved. Achieving those targets is critically important in coping with the effects of the pandemic, and incentive payments for reaching the targets are in the interests of Finnair and its shareholders. The plan's potential share reward would be paid to the participants in the spring of 2024.

The plan is aligned with the relevant rules and with Finnair's established practices, and it follows both Finnair's Remuneration Policy and the State of Finland's guidelines on remuneration. Other incentive plans for the Executive Board members have been cancelled (short and long-term incentives 2020–2022), except for the rebuild incentive plan which is based on the same targets as the rebuild incentive plan for the personnel. Additionally, the 2020 short-term incentive plan was cancelled retroactively and almost all key employees have been subject to temporary layoffs. For Finnair, it is very important in these uncertain times to retain key employees to the rebuild phase and to utilise typical retention tools for this purpose.