

# Remuneration Report 2022

Nurminen Logistics Plc complies with the Finnish Corporate Governance Code 2020 adopted by the Securities Market Association and effective from 1 January 2020. The remuneration report is updated annually and is published on company's internet pages according to company's reporting timetable for financial information.

The Code is publicly available on [www.cgfinland.fi](http://www.cgfinland.fi).

In accordance with the company's remuneration policy, remuneration must support the company's business strategy and long-term financial interests. Remuneration elements are assessed to ensure that the remuneration is as effective as possible and supports long-term financial benefits. Remuneration also takes into account the views of stakeholders, remuneration in relation to other salaries and working conditions of the Company's employees, and market factors in the person's place of employment.

Development of remuneration and company performance over a five-year period

	2018	2019	2020	2021	2022
Total board remuneration, TEUR	246	317	270	253	311
Change compared to previous year,%	-6,8 %	28,9 %	-14,8 %	-6,5 %	23,2 %
CEO total remuneration, TEUR	430	276	319	414	355
Change compared to previous year,%	40,5 %	-35,8 %	15,6 %	29,8 %	-14,4 %
Deputy CEO total remuneration, TEUR	5	8	0	0	0
Change compared to previous year,%		65,2 %	-100,0 %	0,0 %	0,0 %
Average employee remuneration, TEUR*)	42 045	44 223	43 926	45 943	49 078
Change compared to previous year,%	8,7 %	5,2 %	-0,7 %	4,6 %	6,8 %
Operating result, TEUR	-6 046	-8 517	-206	9 625	3 408
Cash flow from operating activities, TEUR	-830	458	3 540	7 870	5 232
*) includes wages and salaries					

## Board of Directors

### Decision-making process and main principles of remuneration

The Annual General Meeting decides on the remuneration of the Board members. The members of the Board of Directors, except for the CEO, are not employed by the Company and thus do not receive any non-executive compensation from the Company without a separate agreement.

The company does not have a stock option scheme for Board members and does not receive any retirement benefits from the company except for the CEO.

## Fees of the members of the Board of Directors for 2022

The Annual General Meeting decided on 11 April 2022 that the members of the Board of Directors elected at the Annual General Meeting shall be paid the following annual fees: EUR 60,000 to the Chairman and EUR 30,000 to each other member of the board. In addition, the chairman of the board is paid EUR 1,500 per meeting as a meeting fee for the meetings of the board and its committees, and the other members of the board are paid EUR 1,000 per meeting as a meeting fee for the meetings of the board and its committees. 50 percent of the annual fee is paid in Nurminen Logistics Plc shares and the rest in cash. A member of the Board of Directors may not hand over the shares received as an annual remuneration within three years of receiving them.

In 2022 the members of the Board of Directors were remunerated as follows:

Irmeli Rytkönen	52 500	EUR	Shares worth EUR 30 000 (38 023 shares), transferred in July 2022 (Board of Directors 4/2022-3/2023)
Olli Pohjanvirta	11 000	EUR	Shares worth EUR 15 000 (19 011 shares), transferred in July 2022 (Board of Directors 4/2022-3/2023)
Juha Nurminen	26 000	EUR	Shares worth EUR 15 000 (19 011 shares), transferred in July 2022 (Board of Directors 4/2022-3/2023)
Victor Hartwall	35 000	EUR	Shares worth EUR 15 000 (19 011 shares), transferred in July 2022 (Board of Directors 4/2022-3/2023)
Karri Koskela	26 000	EUR	Shares worth EUR 15 000 (19 011 shares), transferred in July 2022 (Board of Directors 4/2022-3/2023)
Erja Sankari	32 000	EUR	Shares worth EUR 15 000 (19 011 shares), transferred in July 2022 (Board of Directors 4/2022-3/2023)
Alexey Grom *)	23 500	EUR	

\* Member of the Board until April 11, 2022

## President and CEO and Group Management Team

### Decision-making process and main principles of remuneration

The Board of Directors decides on the remuneration of the CEO and other members of the Group Management Team and the grounds for the remuneration. The Board also decides on incentive programs for senior management and key personnel, unless they are legally required to be decided by the General Meeting.

The remuneration of the CEO and other members of the Group Executive Team consists of a monthly salary and an either annual or semi-annual bonus scheme.

Nurminen Logistics announced on 1 February 2022 that pursuant to the authorization granted to it by the Annual General Meeting held on 12 April 2021, the Board resolved to issue 774 386 new shares in the Company to the Company itself without consideration in accordance with Chapter 9, Section 20 of the Finnish Companies Act (624/2006, as amended). The shares were registered with the Trade

Register on 15 February 2022 and were transferred to the CEO on 16 February 2022. The cash portion, EUR 1,246,669 related to the incentive, paid in February 2022, covered taxes and tax-like payments incurred by the reward to the CEO. Performance criteria were applied to the share bonus paid to the CEO, based on Nurminen Logistics Group's operating profit for the fiscal year 2021 and the total return on Nurminen Logistics Oyj's share.

On 4 July 2022, the Board of Directors of Nurminen Logistics Plc decided to create two new share-based incentive programs for the company's key personnel: a performance-based share bonus plan 2022–2026 and a share bonus plan to encourage commitment 2022–2026.

The aim of the programs is to harmonize the goals of key personnel and the shareholders of Nurminen Logistics Plc and, thus, increase the company's value in the long term, promote economic and efficient performance, as well as encourage commitment of key personnel to the company by offering them a competitive, performance-based earnings opportunity.

### **Performance Share Plan 2022–2026**

The Performance Share Plan 2022–2026 consists of three performance periods, covering the financial years of 2022–2024, 2023–2025 and 2024–2026 respectively.

In the plan, the target group is given an opportunity to earn Nurminen Logistics shares based on achieving performance targets set by the Board of Directors. The Board of Directors decides on the plan's performance criteria and targets to be set for each criterion at the beginning of a performance period. The potential rewards based on the plan will be paid after the end of each performance period.

During the performance period 2022–2024, the following performance criteria are used as the basis for the reward:

- Total Shareholder Return (TSR), weight 50%
- Operative Cash Flow and Change in Net Working Capital, weight 50%
- employee satisfaction (eNPS), a variable that can vary between 0.9 and 1.1.

The gross rewards to be paid based on the performance period 2022–2024 correspond to the value of an approximate maximum total of 500,000 Nurminen Logistics Plc shares. The Board of Directors has approved approximately 10 key employees as eligible for participating in the performance period 2022–2024.

### **Restricted Share Plan 2022–2026**

The Restricted Share Plan is intended to be used as a tool in specific situations seen necessary by the Board of Directors, for example ensuring retention of key talents, attracting new talent or other specific situations determined by the Board.

The reward from the Restricted Share Plan 2022–2026 is based on a valid employment or director contract and the continuity of the employment or service. The plan is intended for selected key employees only, based on the decision by the Board of Directors.

The rewards to be earned based on the plan will be paid by the end of May 2024, 2025 or 2026 but in any event a minimum twelve (12) months after the determination of the Reward.

The gross rewards to be allocated during 2022–2026 based on the restricted share plan correspond to the value of maximum 500,000 Nurminen Logistics Plc shares.

## **Salaries and fees**

Olli Pohjanvirta has served as the company's President and CEO from 1 January 2022 to 31 December 2022. In 2022, Olli Pohjanvirta was paid a salary of EUR 354,572 (fixed salary component 100 %).

In addition, 774,386 shares were handed over to the CEO as a share bonus on February 16, 2022 in connection with the 2021 share bonus system. The cash portion paid in February 2022 related to the bonus (1,246,669 euros) covered the taxes and tax-related payments incurred by the CEO from the share bonus.

In addition to the fixed salary, the CEO has a car benefit, a telephone and lunch benefit, a statutory pension security and retirement age, as well as a voluntary individual pension insurance of a maximum of EUR 10,000 to be paid annually. For 2022, this cost the company EUR 9,052.

The CEO belongs to the share-based long-term incentive program, in which the first earning period (2022-2024) started in 2022.

The salaries and other benefits of the members of the Group Management Team other than the President and CEO in 2022 totaled EUR 572,160.