REMUNERATION POLICY 2024 OF NURMINEN LOGISTICS PLC

1 Introduction

This is the remuneration policy ("**Remuneration Policy**") of Nurminen Logistics Plc ("**Company**"), which complies with Finnish legislation and the Finnish Corporate Governance Code 2020 for listed companies.

This Remuneration Policy is presented to the Annual General Meeting of the Company to be held on 17 April 2024. The decision of the General Meeting is of an advisory nature. The remuneration of the Board of Directors and CEO as well as a possible Deputy CEO of the Company shall be in accordance with the Company's latest Remuneration Policy. The Remuneration Policy shall be presented to shareholders in the Annual General Meeting at least every four (4) years and always when substantial amendments have been made to the Remuneration Policy.

The Company strives to offer a remuneration that incentivises and engages competent personnel to the Company's service. The Company assesses the remuneration components to ensure that the remuneration is as successful as possible and supports the Company's business strategy and long-term financial interests.

The Remuneration Policy applicable to the CEO and Deputy CEO is based on the same remuneration principles that apply to all employees of the Company. Certain additional criteria can however be applied due to their position to the extent that it is in accordance with the interests of the Company. It is a priority to ensure that the remuneration of the CEO and Deputy CEO support the strategy and business targets of the Company. Stakeholders' opinions, the relation to the remuneration and terms of employment of other personnel of the Company along with market factors of the country where the remunerated person is employed are taken into consideration when determining remuneration.

2 Description of the Decision-Making Process

2.1 Preparation and Approval

The Annual General Meeting annually decides on the remuneration of the Board of Directors. Typically, the shareholders of the Company make a proposal regarding the remuneration to the General Meeting. If such proposal is not made by the shareholders, the Board of Directors will prepare the proposal after consulting the largest shareholders of the Company.

The Board of Directors appoints the CEO and decides upon his or her remuneration. The Board of Directors prepares matters and proposals pertaining to the remuneration of the CEO with purpose to ensure that relevant remuneration practices are in accordance with the Company's targets and shareholders' interests. The Company's CEO and any Deputy CEO does not participate in the consideration of a matter concerning their own remuneration or in the decision-making related thereto.

The Board of Directors reviews and presents the Remuneration Policy and any substantial amendments to the General Meeting when necessary, however at least every four (4) years. The General Meeting makes an advisory decision on whether it supports the presented policy. Shareholders cannot propose changes to the Remuneration Policy presented to the General Meeting. If the majority of the General Meeting does not support the presented Remuneration Policy, a revised Remuneration Policy must be presented to the next Annual General Meeting at the latest. In such a case, the decision on the remuneration of the Board of Directors and the CEO shall be based on the Remuneration Policy presented to the General Meeting until the revised Remuneration Policy has been considered in a General Meeting.

2.2 Monitoring

The Board of Directors will annually present a remuneration report to the Annual General Meeting, in order for the shareholders of the Company to assess the fulfilment of the Remuneration Policy. The General Meeting makes an advisory decision on the approval of the remuneration report.

2.3 Implementation

The Annual General Meeting will annually decide on the remuneration of the Members of the Board of Directors based on the proposal made by the shareholders of the Company or the Board of Directors. The decision on the remuneration of the Members of the Board of Directors is based on the Remuneration Policy presented to the General Meeting.

The Board of Directors decides on the remuneration of the CEO in accordance with the Remuneration Policy presented to the General Meeting.

3 Description of the Remuneration of the Board of Directors

The shareholders of the Company annually decide on the remuneration of the Board of Directors at the Annual General Meeting. Typically, the large shareholders of the Company make a proposal regarding the remuneration to the General Meeting. If such decision proposal is not made by the large shareholders, the Board of Directors will prepare a proposal to the General Meeting.

The purpose of the remuneration of the Board of Directors is to ensure the engagement of the Board of Directors to the Company’s business strategy and long-term financial success. The remuneration of the members of the Board of Directors may be determined based on their position in the Board of Directors. Remuneration can be paid in either cash or cash and shares in accordance with the decision of the Annual General Meeting. The General Meeting may also decide on other forms of remuneration and reimbursement of costs of the Board of Directors as well as shareholding principles.

4 Description of the Remuneration of the CEO

4.1 The components of remuneration and their relative proportions

The remuneration of the CEO consists of fixed and variable remuneration components. In addition to the fixed yearly salary, the components of remuneration may include short-term and long-term incentives, pension benefits, fringe benefits and other financial benefits. The components which are applied to the remuneration of the CEO are also applied as applicable to a possible Deputy CEO. The cash equivalent of deputy CEO’s total remuneration cannot however exceed that of CEO’s.

Variable remuneration shall form a substantial portion of the total remuneration opportunity provided to the CEO. The exact proportion of fixed remuneration in relation to variable remuneration, as well as the exact proportion of short-term remuneration in relation to long-term remuneration is set depending on the business situation and strategic goals of the Company at each time upon a remuneration decision, ensuring that the remuneration structure stays appropriate. The Board of Directors carefully considers the Company’s strategy and long-term targets as well as typical market practices when defining the remuneration components and their weightings and performance criteria and targets. Typically, the long-term incentives shall form a higher proportion of total remuneration, compared to short-term incentives.

Remuneration component	Purpose and connection to the strategy	Practice and maximum remuneration
Monthly salary (fixed salary)	The purpose is to attract and retain competent personnel, who	Fixed salary has no maximum level.

	are able to carry out the most important strategic targets.	The average salary raises for other personnel is considered, as applicable, when determining a raise of the salary. By decision of the Board of Directors, in accordance with certain requirements such as the general development of the business, the financial result, business operations, or when required by market practice, the raises may be higher or made more frequently.
Short-term incentive scheme (for example a yearly bonus)	The purpose is to support the achievement of set objectives and promote engagement by setting clear, measurable yearly goals, which have a direct impact to the financial result of the Company.	The yearly bonus based on a possible short-term bonus scheme aimed at key personnel is determined by the financial success of the Company. Indicators used consist of the result of the group, result of a business unit and personal goals.
Long-term incentive scheme (for example an option plan for key personnel)	The purpose is to act as an incentive for the management and to align the interests of the management with those of the shareholders along with the long-term strategy aiming for sustainability of business operations. The scheme is based on measurable long-term financial targets and encouragement of personal shareholding.	The possible long-term incentive scheme aimed at the key personnel is based on the development of operating profit and shareholder value of the Company. The Board of Directors of the Company sets the targets and boundaries of the scheme and remuneration may be payed as shares and cash.
Long-term benefits (for example pension benefits along with life and incapacity insurances)	The purpose is to be competitive and in line with market practice and to guarantee insurance during the employment relationship and a possibility to retire at the normal retirement age.	May include pension benefits along with life and incapacity insurances, health benefits and possible other insurances.
Other financial benefits (for example fringe benefits)	The purpose is to be competitive and in line with the market practice and to attract and engage capable personnel.	May include fringe benefits i.e. mobile phone or car benefits.

4.2 Other terms applicable to the employment

The CEO and Deputy CEO have notice periods of 3 to 12 months. Severance pay is equivalent to 3 to 12 months' salary, if the party giving the termination notice is the Company. The agreement does not include payments caused by changes in the control of the Company.

If the service relationship of the CEO or the Deputy CEO terminates prior to the share remuneration being paid, the right to the remuneration is determined in accordance to the terms of the share-based incentive scheme.

4.3 Terms for deferral and possible clawback of remuneration

The Board of Directors reserves the right to reconsider all incentive schemes and payments thereto in exceptional business circumstances. In exceptional circumstances the Board of Directors may also use its right to clawback paid remuneration or to cancel the payment of any unpaid remuneration. In addition, possible payments which do not comply with this policy or set objectives, are not justified and shall not be paid. If the payment has already been completed, clawback will be used.

5 Requirements for temporary deviation

The Board of Directors may decide to temporarily deviate wholly or partly from this policy, if it is in accordance to the long-term interests of the Company. Possible deviations will be reported in the next remuneration report.

The Board of Directors may temporarily deviate from this policy in connection with mergers and acquisitions or restructurings, change of control, changes in mandatory applicable law, changes in collective agreements or when appointing a new CEO or their possible deputy. The Board of Directors may also deviate from this policy if the financial position of the Company has substantially deteriorated or the business strategy has substantially changed, and it is therefore necessary to safeguard the Company's financial and long-term interests.

Amendments may be made to all of the remuneration components, agreement terms, structures and mechanisms of the remuneration schemes, timetables, criteria and amount of remuneration, if the amendments are deemed to be necessary to ensure the long-term development of the Company.