

Remuneration Report 2020

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.

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

	2016	2017	2018	2019	2020
Total board remuneration, TEUR	416	264	246	317	270
Change compared to previous year,%		-36,5 %	-6,8 %	28,9 %	-14,8 %
CEO total remuneration, TEUR	265	306	430	276	319
Change compared to previous year,%		15,3 %	40,5 %	-35,8 %	15,6 %
Deputy CEO total remuneration, TEUR	0	0	5	8	0
Change compared to previous year,%				65,2 %	-100,0 %
Average employee remuneration, TEUR*)	36 824	38 670	42 045	44 223	43 926
Change compared to previous year,%		5,0 %	8,7 %	5,2 %	-0,7 %
Operating result, TEUR	-948	1 691	-6 046	-8 517	-206
Cash flow from operating activities, TEUR	-479	3 461	-830	458	3 540
*) includes wages and salaries					

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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, with the exception of the Chairman of the Board, 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 with the exception of the Chairman of the Board.

Fees of the members of the Board of Directors for 2020

The Annual General Meeting on 12 June 2020 decided that the members of the Board of Directors elected at the Annual General Meeting for the term ending at the close of the Annual General Meeting in 2021 shall be paid the following fees: EUR 40,000 for the Chairman and EUR 20,000 for each, In addition, each Board member resident in Finland are paid a meeting fee of EUR 1,000 for each meeting of the Board of Directors and its committees and EUR 1,500 per meeting for non-Finnish members. 50 percent of the annual fee will be paid in Nurminen Logistics Plc shares and the rest in cash. A member of the Board of Directors may not transfer the shares received as an annual remuneration for three years from the date of receipt. In addition, the Chairman of the Board is paid the following remuneration: A monthly fee of EUR 7,500 and a car benefit of up to EUR 1,600 per month and a telephone benefit.

In 2020 the members of the Board of Directors were remunerated as follows:

Olli Pohjanvirta *	85,967.93 EUR	Shares worth EUR 20,000 (47 847 shares), transferred in October 2020 (Board of Directors 4/2020-3/2021)
Irmeli Rytönen	26,000EUR	Shares worth EUR 10,000 (23 923 shares), transferred in October 2020 (Board of Directors 4/2020-3/2021)
Juha Nurminen	25,000EUR	Shares worth EUR 10,000 (23 923 shares), transferred in October 2020 (Board of Directors 4/2020-3/2021)
Jukka Nurminen	29,000EUR	Shares worth EUR 10,000 (23 923 shares), transferred in October 2020 (Board of Directors 4/2020-3/2021)
Alexey Grom	19,000EUR	Shares worth EUR 10,000 (23 923 shares), transferred in October 2020 (Board of Directors 4/2020-3/2021)
Hannu Leinonen**	25,000 EUR	

* The Chairman of the Board was paid a monthly fee of EUR 7,500 for the period prior to the CEO.

** Member of the Board until April 22, 2020

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 a semi-annual bonus scheme.

In addition, the CEO has a share-based incentive plan, the purpose of which is to combine the goals of the company's owners and the CEO to increase the company's value in the long term and to commit the CEO to the company. The earning period of the share-based incentive plan is January 1-December 31, 2021, and the reward will be paid after the end of the earning period partly in company shares and partly in cash. The cash portion is intended to cover taxes and tax-like payments incurred by the reward to the CEO.

The potential reward of the plan is based on Nurminen Logistics Group's operating result (EBIT) for the financial year 2021 and the total return on Nurminen Logistics Plc's share. The fees to be paid on the basis of the plan correspond to a maximum total value of 1,700,000 Nurminen Logistics Plc shares, including the portion to be paid in cash. The fee paid on the basis of the plan can be reduced by reducing the number of shares to be issued if the limit value set for the company's share price is exceeded.

Salaries and fees

Tero Vauraste has served as the company's President and CEO from January 1, 2020, to May 25, 2020. In 2020, Tero Vauraste was paid a salary of EUR 117,193 (fixed salary component 100 %) for performing the duties of the President and CEO.

Olli Pohjanvirta has served as the company's interim President and CEO from May 25, 2020, to November 12, 2020, and as the company's President and CEO from November 13, 2020. In 2020, Olli Pohjanvirta was paid a salary of EUR 201 723 (fixed salary component 100 %) for performing the duties of interim CEO and CEO. 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 in 2020 and 2021. For 2020, this cost the company EUR 9,052.

The salaries and other benefits of the members of the Group Management Team other than the President and CEO in 2020 totaled EUR 553,575.