

Remuneration Report 2023

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

	2019	2020	2021	2022	2023
Total board remuneration, TEUR	317	270	253	311	258
Change compared to previous year,%	28,9 %	-14,8 %	-6,5 %	23,2 %	-17,2 %
CEO total remuneration, TEUR	276	319	414	355	755
Change compared to previous year,%	-35,8 %	15,6 %	29,8 %	-14,4 %	112,8 %
Deputy CEO total remuneration, TEUR	8	0	0	0	0
Change compared to previous year,%	65,2 %	-100,0 %	0,0 %	0,0 %	0,0 %
Average employee remuneration, TEUR*)	44 223	43 926	45 943	49 078	57 755
Change compared to previous year,%	5,2 %	-0,7 %	4,6 %	6,8 %	17,7 %
Operating result, TEUR	-8 517	-206	9 625	3 408	33 091
Cash flow from operating activities, TEUR	458	3 540	7 870	5 232	25 373

*) 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 2023

The Annual General Meeting decided on 12 April 2023 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 2023 the members of the Board of Directors were remunerated as follows:

Irmeli Rytkönen	47 500	EUR	Shares worth EUR 30 000 (30 488 shares), transferred in July 2023 (Board of Directors 4/2023-3/2024)
Olli Pohjanvirta	15 000	EUR	Shares worth EUR 15 000 (15 243 shares), transferred in July 2023 (Board of Directors 4/2023-3/2024)
Juha Nurminen	24 000	EUR	Shares worth EUR 15 000 (15 244 shares), transferred in July 2023 (Board of Directors 4/2023-3/2024)
Karri Koskela	23 000	EUR	Shares worth EUR 15 000 (15 244 shares), transferred in July 2023 (Board of Directors 4/2023-3/2024)
Erja Sankari	28 000	EUR	Shares worth EUR 15 000 (15 244 shares), transferred in July 2023 (Board of Directors 4/2023-3/2024)
Victor Hartwall *)	30 000	EUR	
*) board member until 12.4.2023			

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.

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.

Earning period 2023–2025 of the Performance Share Plan 2022–2026

On 22 November 2023, the company's Board of Directors decided on a new earning period for the plan, covering the financial years 2023–2025.

The target group of the plan during the earning period 2023–2025 includes the company's CEO and all members of the Management Team. In the earning period 2023–2025, the rewards are based on the total shareholder return (TSR) on Nurminen Logistics Plc's share and the ratio of net debt to EBITDA at the end of the financial year 2025.

The gross bonuses to be paid for the earning period are equal to a maximum total of 376,000 Nurminen Logistics Plc shares, including the cash share. Any rewards for the earning period 2023–2025 will be paid by the end of May 2026, partly in Nurminen Logistics Plc shares and partly in cash. The cash share is intended to cover the taxes and statutory social security contributions resulting to the participant from the remuneration.

The amount of remuneration paid based on the plan will be cut if the maximum value for remuneration paid for the earning period 2023–2025 set by the Board of Directors is reached.

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.

CEO Performance Share Plan

On 21 November 2023, the Board of Directors of Nurminen Logistics Plc resolved to establish a new Performance Share Plan for the CEO of the company. The purpose of the plan is to align the objectives of the company's shareholders and the CEO for increasing the value of the company in the long term.

The CEO Performance Share Plan consists of one earning period, which begins on 21 November 2023 and ends at the end of the financial year 2025.

In the plan, the CEO has an opportunity to earn Nurminen Logistics Plc shares as a reward based on the Total Shareholder Return (TSR) of the company. The potential rewards from the plan will be paid in three instalments during the financial years 2026–2027.

The value of the gross rewards to be paid on the basis of the plan corresponds to an approximate maximum total of 608,000 Nurminen Logistics Plc shares, also including the proportion to be paid in cash. The potential rewards from the plan will be paid partly in Nurminen Logistics Plc shares and partly in cash. The cash proportion of the reward is intended to cover taxes and statutory social security contributions arising from the reward to the CEO.

Salaries and fees

Olli Pohjanvirta has served as the company's President and CEO from 1 January 2023 to 31 December 2023. In 2023, Olli Pohjanvirta was paid a salary of EUR 754,531 (of which fixed salary component 59 %).

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 2023, 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 2023 totaled EUR 1,060,531.