

## Remuneration Statement 2018

### A. Decision-Making Procedure Concerning Remuneration

The Annual General Meeting decides annually on the remuneration of the members of the Board of Directors for one term of office at a time. According to the Charter of the Board of Directors, the Board of Directors is in charge of matters relating to remuneration of the management and personnel and nomination of the management as well as makes the related decisions.

The Board's responsibilities include monitoring the effectiveness of the remuneration and incentive schemes to ensure that they promote the achievement of the Company's short term and long-term goals.

The Board of Directors appoints and dismisses the group's CEO and decides on the terms of the CEO's employment. In addition, the Board of Directors appoints the members of the Corporate Leadership Team.

The Board of Directors decides on the salaries, remuneration and short-term incentive schemes, i.e. bonus systems paid to the CEO and the management team.

### B. Main Principles of Remuneration

#### Compensation of the Board of Directors

The members of the Board of Directors are paid a monthly fee. A separate meeting fee is not paid for board and committee meetings. The Annual General Meeting on 25 April 2018 decided on the remuneration of the members of the Board of Directors. The Chairman of the Board of Directors: EUR 3,000 per month, the Deputy Chairman: EUR 2,250 per month, and other Members of the Board: EUR 1,500 per month.

For the work of the Audit Committee, the Chair of the Committee will be paid an annual remuneration of EUR 2,000 and each Member will be paid an annual remuneration of EUR 1,000. Travel expenses will be reimbursed in accordance with the Company's travel policy.

The members of the Board of Directors do not participate in the Company's share-based incentive schemes and the compensation for the Board is not paid in shares.

The total compensation paid to the members of the Board of Directors in 2018 as well as their shareholding in the Company on 31 December 2018 is presented in the note to the consolidated financial statements on the company's website at [www.nixu.com/investors](http://www.nixu.com/investors) and in the Remuneration Report available at [www.nixu.com/investors/governance](http://www.nixu.com/investors/governance).

#### Main Principles of Remuneration of the CEO and the Management

The remuneration of the CEO and other members of the management team includes fixed salary, fringe benefits as well as short-term incentive plans and an annual bonus. The objective of the incentive schemes is to motivate the management of the Company to develop the Company and secure the long-term financial performance of the Company. The Company's development phase and business strategy are taken into account in compensation principles. In Finland, part of the annual bonus (25-100 %) is paid to the personnel fund, pursuant to the Act on Personnel Funds, which is owned and governed by the personnel.

The Board of Directors evaluates and decides annually the salary, remuneration and other benefits of the CEO and other management team members as well as the compensation principles. The Board of Directors decides annually on reward targets and earning criteria. The amount of bonuses paid to the CEO and other management team members depends on the Group's financial performance and achievement of personal goals.

## Remuneration Elements of Nixu's Management Team

Remuneration element	Description
Base salary	Fixed salary including taxable fringe benefits.
<b>Short-term incentives:</b>	
Performance-based incentive plan	<p>Incentive plan performance targets:</p> <ul style="list-style-type: none"> <li>• Financial targets</li> <li>• Strategic individual targets</li> <li>• Threshold, target and maximum performance levels defined</li> </ul> <p>Target (maximum) incentive levels as a % of annual base salary (1 January 2018):            CEO: 24 % (48 %)            Other members of the Management Team: 11-25 % (22-50 %)            On average the target level was 16 %</p>
Annual bonus	The CEO and the Management Team are included in the market area based annual bonus systems. The bonus is paid half-yearly on a basis of EBITDA in Finland and on a basis of revenue in Sweden. The whole personnel is included in the annual bonus system and the bonus is paid pro rata with the salary.
Personnel fund (Finland)	In Finland, the CEO and the management team are members of the personnel fund, in which part of the annual bonus can be paid, at least 25 %. The proceeds, i.e. fund units, can be withdrawn maximum 15 % once in a year.
Pensions	Statutory pension, defined contribution plan.

## Financial Benefits Related to the CEO's Employment Relationship

### Base Salary

Remuneration of the CEO comprises a fixed salary, benefits and performance-based incentive plans.

The performance-based incentive paid to the CEO is based on the financial targets determined by the Company's Board of Directors. Target period of this short-term incentive scheme is half a year and the award is paid half-yearly. The CEO's performance-based incentive can be maximum 48 per cent of the fixed annual salary. In addition, the CEO is covered by the company's annual bonus.

### Pension benefits and terms relating to the termination of service relationship

The CEO is covered by the statutory pension scheme and no additional pension schemes or pension age is agreed.

The notice period for terminating the service contract of the CEO is six months if the company terminates the contract and three months if the CEO terminates the contract. If contract is terminated by the company's fault, the CEO is entitled to an additional severance pay of an amount equaling his or her monthly salary for six months including holiday pay without work obligation.

## C. Remuneration Report 2018

### Board of Directors

The table below describes the annual remuneration paid to the members of the Board of Directors.

Name	Position	Annual remuneration
Kimmo Rasila	Chairman	35,200 €
Marko Kauppi	Deputy Chairman	26,400 €
Kati Hagros	Member	17,600 €
Juhani Kaskeala	Member	17,600 €
Tuija Soanjärvi	Member	17,600 €
Teemu Tunkelo	Member	12,300 €

The table below describes the remuneration paid to the CEO and the Management Team during financial year 2018.

As of 1 January 2018 the Management Team have consisted of, in addition to the CEO, Janne Kärkkäinen, Katja Müller, Valtteri Peltomäki, Jesper Svegby and Kim Westerlund.

	CEO Petri Kairinen	Other management team members in total *
Fixed salary including fringe benefits	152,572 €	563,049 €
Short-term incentives (performance-based incentives based on the performance and results of H2/2017 and H1/2018)	30,909 €	91,787 €
In total	183,481 €	654,836 €

\*Janne Kärkkäinen, Katja Müller, Valtteri Peltomäki, Jesper Svegby and Kim Westerlund