



**REMUNERATION
REPORT 2019**

REMUNERATION REPORT 2019

Kamux Corporation's ("the Company" or "Kamux") Remuneration Report 2019 complies with the Finnish Corporate Governance Code for Listed Companies (2015).

The objective of remuneration at Kamux is to promote the company's competitiveness and long-term success. The objective of remuneration programs is to encourage key employees and the entire personnel to commit to sustained work towards reaching their personal and shared goals and to create shareholder value.

Remuneration of the Board of Directors

Kamux Corporation's Annual General Meeting annually decides on remuneration paid to the Board of Directors and the principles for the compensation of expenses based on a proposal made by the major shareholders.

Remuneration for members of Kamux's Board of Directors and its committees is monetary. Board members are not compensated separately for Board or committee meetings. Travel expenses resulting from Board meetings will be compensated against reasonable invoices. Remuneration for the company's Board members does not include pension payments.

Members of the Board of Directors are not included in Kamux's short- or long-term incentive programs.

Remuneration of the CEO and Management Team

The company's Board of Directors decides on the remuneration of the CEO and members of the Management Team and the terms of the remuneration. The remuneration of Kamux's CEO and members of the Management Team consists of an annual salary, a bonus and a share-based incentive scheme. The terms of the bonus are decided by the company's Board of Directors each year. The objective of the bonus- and share-based incentive scheme is to support the realization of the company's short- and long-term objectives and to ensure that management is committed to the company.

The bonuses of Kamux's CEO and Management Team are based on personal targets and certain profitability targets set for the financial year. The share of the result-based remuneration can be up to 40 percent of the fixed salary for the CEO and other Management Team members for 2019. The Board of Directors monitors the realization of the targets of the bonus scheme regularly.

The CEO and other members of the Management Team are entitled to a mobile phone benefit. Other members than the CEO are entitled to a car benefit. One Management Team member has a home internet connection as a fringe benefit.

CEO's and Management Team's terms of service

Kamux's CEO Juha Kalliokoski is entitled to a statutory pension. The CEO's retirement age is determined by the statutory pension system and is 63 years under the applicable legislation. The CEO's period of notice determined by the CEO contract is six months, with a right to receive salary during the notice period. If the company terminates the contract of employment, the CEO is, under certain conditions, entitled to a severance payment corresponding to 12 months' full salary.

The notice period of other Management Team members is three months excluding one member of the Management Team whose notice period is six months. The members of the Management Team are entitled to salary during their notice period. The retirement age of the members of the Management Team is determined by the statutory pension system and is 63 years under the applicable legislation.

Share-based incentive programs Share-based incentive scheme 2019

On 27 April 2017, Kamux's Board of Directors decided to establish a share-based incentive program for Kamux's key personnel. The objective of the share-based incentive program is to align the targets of shareholders

and key personnel in order to increase the long-term value of Kamux as well as to strengthen the commitment of key personnel to Kamux and offer them a competitive incentive program based on earning and accruing of shares in the company.

As part of a share-based incentive program, the Board of Directors of Kamux Corporation decided on 23 January 2019, to approve the detailed terms and conditions of the share-based incentive plan for the Group's key personnel for 2019. The earnings period for the share-based incentive plan is the 2019 calendar year. The amount of any gross reward paid pursuant to the plan for the earnings period will be determined by the achievement of goals set as the earnings criteria. According to the decision by the Board of Directors, the earnings criterion applicable for the 2019 earnings period is achieving the EBIT target for 2019 set by the Board of Directors. Any reward resulting from the plan will be paid after the end of the earnings period by the end of May 2020, in the company's shares unless the Board of Directors decides to pay the reward partly or fully in cash. The reward to be paid will consist of the net number of shares that remain after deducting the monetary sum required to cover the taxes for the confirmed reward. If a key person's employment or service relationship ends before

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the payment of the reward, no reward will normally be paid.

The Board of Directors selects key persons, who are eligible to participate in the incentive plan. According to the terms and conditions of the share-based incentive program, the Board of Directors may decide to accept new participants in the scheme during the earnings period. Persons eligible to participate in the incentive plan do not include those whose employment ended during 2019. By the decision of Kamux's Board of Directors, the incentive plan included a total of 27 people at the end of 2019.

If the maximum target level set for the earnings criterion is achieved, the total amount of rewards paid under the 2019 share-based remuneration plan would be up to approximately EUR 1.0 million (gross), which is estimated to correspond to up to approximately 180,000 Kamux shares, calculated on the basis of the average price of the Kamux share in December 2018.

The net shares paid as a reward will be subject to a transfer restriction during the commitment period. The commitment period begins when the reward is paid and ends on 31 December 2021. A member of the Group's Management Team shall own at least half of the net shares received as a reward based on the plan until their shareholding in the company corresponds to the value of their annual salary (ownership obligation). The ownership obligation remains valid as long as the person remains a

member of the Group's Management Team.

The issuance of shares in accordance with the terms and conditions of the share-based incentive program is based on the authorization given to the Board of Directors of Kamux on 26 April 2018 by the shareholders of the company by a unanimous decision. The Board of Directors of Kamux is authorized to decide on issuing a maximum of 400,000 new and/or existing shares to reward Kamux's key personnel in accordance with the share-based incentive program. The intention is to extend the share-based incentive program with corresponding new earnings periods beginning annually at the discretion of the Board of Directors.

The incentive scheme now approved for 2019 is the second scheme approved on the basis of the decision made by the Board of Directors on 27 April 2017 to establish an incentive scheme. The plan of 2018 included 22 Kamux's key persons and the terms of the program were the same as in the 2019 program.

Additional information on Kamux's share-based incentive programs can be found on the company's website at <https://www.kamux.com/en/corporate-governance/remuneration/>

Remuneration Report 2019 Remuneration of the Board of Directors in 2019

By unanimous decision made by the shareholders on 12 April 2019, it was decided that

the Chairperson of the Board of Directors will be paid EUR 3,000 monthly and the members of the Board EUR 1,700 monthly. In addition, committee members will be paid EUR 1,500 annually. Travel expenses are paid according to the company's travel policy.

Kamux and Virtanen Consulting GmbH (consultancy firm under Chairperson of the Board Matti Virtanen's authority) signed a consultancy agreement on 1 February 2016, under which Virtanen Consulting GmbH

will be paid a separate contractual fee of EUR 9,000 per month for consultancy services related to Kamux's internationalization. In addition to the remuneration for Board membership described above, Kamux paid Virtanen Consulting GmbH EUR 108,360 in 2019 based on the consultancy agreement.

A total of EUR 142,500 was paid to the Board of Directors of Kamux as rewards for the accounting period ending on 31 December 2019.

DURING THE FINANCIAL YEAR THAT ENDED ON 31 DECEMBER 2019, THE MEMBERS OF THE BOARD OF DIRECTORS WERE PAID THE FOLLOWING REMUNERATION

EUR	Monthly remuneration	Committee membership	Total
Matti Virtanen	36,000	-	36,000
Reija Laaksonen	20,400	1,500	21,900
David Nuutinen	20,400	-	20,400
Jokke Paananen	20,400	-	20,400
Vesa Uotila	20,400	1,500	21,900
Harri Sivula	20,400	1,500	21,900
Total	138,000	4,500	142,500

Remuneration of the CEO and Management Team members in 2019

The fixed salary of CEO Juha Kalliokoski, including benefits, totaled EUR 220,740 in 2019. Pension costs totaled EUR 62,458 and in addition, a total of EUR 31,920 was paid as a bonus, based on the targets set for 2018 and as shares EUR 37,888.

DURING THE FINANCIAL YEAR THAT ENDED ON 31 DECEMBER 2019, THE CEO WAS PAID THE FOLLOWING REMUNERATION

EUR	2019	2018
Salary, including benefits	220,740	220,740
Pension costs (defined contribution plans)	62,458	59,898
Bonuses	31,920	18,546
Shares	37,888	-
Total	353,006	299,184

DURING THE FINANCIAL YEAR THAT ENDED ON DECEMBER 31, 2019, OTHER MEM- BERS OF THE MANAGEMENT TEAM WERE PAID THE FOLLOWING REMUNERATION

EUR	2019	2018
Salary, including benefits	1,151,869	887,011
Pension costs (defined contribution plans)	324,472	235,030
Bonuses	163,108	53,341
Shares	112,793	-
Total	1,589,134	1,175,382

In 2019, members of the Management Team of Kamux were Tapio Arimo (until 12 April 2019), Tommi Iiskonmäki, Mikko-Heikki Inkeroinen (from 24 February 2018), Olli Kilpi, Marko Lehtonen (from 17 June 2019), Satu Otala, Jennie Stenbom (until 19 September 2019), Tero Törmänen, Ilkka Virtanen and Milla Kärpänen during her post as acting CFO (13 April - 16 June 2019). The figures in the table are rounded.



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