

A close-up photograph of a car's interior, focusing on the steering wheel and the gear shift. The steering wheel is dark with a silver emblem on the left side. The gear shift is a manual shifter with a hand resting on it. The image has a greenish tint and is overlaid with a semi-transparent white box containing the title. Two horizontal bars, one green and one black, are positioned above and below the title respectively.

# REMUNERATION REPORT 2020

## DEAR KAMUX CORPORATION SHAREHOLDER

**THIS REMUNERATION REPORT** for the year 2020 is Kamux's first remuneration report drafted in line with the Securities Market Association's Corporate Governance Code 2020. In accordance with statutory requirements and the renewed Corporate Governance Code, Kamux's Board of Directors formulated a remuneration policy for the company in spring 2020, which was presented to the Annual General Meeting on 21 April 2020. The Annual General Meeting approved the remuneration policy with an advisory resolution.

### Key principles of remuneration

Kamux's remuneration policy defines the remuneration practices that encourage the Board of Directors and CEO to promote the company's growth strategy, long-term economic success and shareholder value creation. Likewise, an objective is to recruit a competent Board of Directors and Management Team to the company and to ensure their commitment.

The aim of the remuneration of the Board of Directors is that it is aligned with similar companies in terms of market value, and that it on the other hand corresponds to

the competence and workload required from each member of the Board of Directors.

In the remuneration of the CEO, economic development and long-term shareholder value creation are significant factors, which aligns the interests of the CEO and shareholders in a sustainable way. Competitive overall remuneration also has to enforce Kamux's entrepreneurial mindset.

In defining the remuneration policy, the Board of Directors also takes into consideration the remuneration criteria applicable to the entire personnel of Kamux. This is evident in our variable remuneration arrangements, which are based on the company's strategy: the aim is to support the profitable growth of Kamux.

### Remuneration in 2020

Kamux's Board of Directors supervises and assesses the remuneration policy in order to ensure adherence to the company's strategy and principles of remuneration. In 2020, the remuneration of the Board of Directors and the CEO complied with the remuneration policy, and there were no deviations.

The 2020 Annual General Meeting resolved to increase the remuneration of the

Board of Directors to correspond to the remuneration of Board members in similar companies in terms of market value. The Annual General Meeting also resolved to pay a part of the annual remuneration of Board members in shares. This is in line with the remuneration policy, which encourages Board members to hold shares of Kamux.

The overall remuneration of the CEO in 2020 was 364 096 euros, of which variable remuneration constituted 25 percent.

### Remuneration in 2021

This year, we continue to comply with the principles outlined in the Kamux remuneration policy. Remuneration components that are in alignment with the remuneration policy support Kamux's growth strategy and long-term shareholder value creation.

### HARRI SIVULA

Chairperson  
Kamux Board of Directors

**Long-term remuneration development**

Kamux has implemented its growth strategy in a consistent manner during the five-year period reviewed. The company has increased its revenue from EUR 404.8 million in 2016 to EUR 724.1 million in 2020. During the corresponding period, operating profit increased from EUR 15.7 million to EUR 31.2 million.

Based on a resolution of the 2020 Annual General Meeting, the remuneration of the Board of Directors was reviewed to align it with the current level of remuneration in listed companies of similar size. The Annual General Meeting also resolved to pay 40 percent of the annual remuneration of the Chairperson and members of the Board of Directors as Kamux shares.

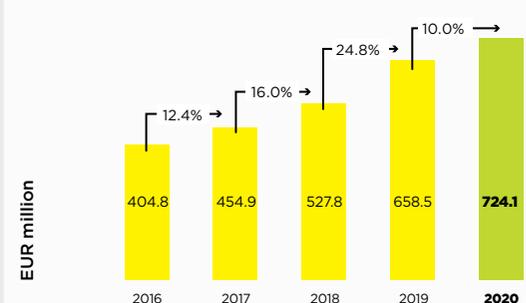
**ADJUSTED OPERATING PROFIT GROWTH**

→ adjusted operating profit growth, % from previous year



**REVENUE AND REVENUE GROWTH**

→ Increase of revenue, % from previous year

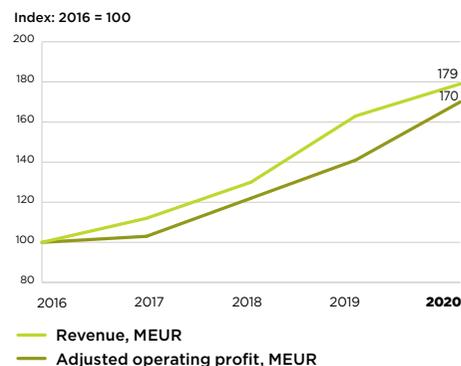


**AVERAGE REMUNERATION (EUR)**

	2016	2017	2018	2019	2020
Chairperson of the Board of Directors	20,000	32,000	36,000	36,000	60,000
Other Board members on average	11,750	15,833	21,167	20,400	34,080
CEO	310,576	290,154	299,184	353,005	364,096
Kamux employee salary on average <sup>1)</sup>	53,251	48,177	52,429	53,641	50,895

<sup>1)</sup> The average salary of Kamux employees was calculated as follows: (Group salaries and bonuses + defined contribution pension costs + share-based incentive)/average number of personnel within the Group during the financial year converted to full-time equivalent (FTE) employees

**FINANCIAL PERFORMANCE OVER A FIVE-YEAR PERIOD**



**RELATIVE REMUNERATION DEVELOPMENT OVER A FIVE-YEAR PERIOD**



The chart Relative remuneration development over a five-year period presents the average remuneration development of the CEO, Chairperson of the Board, other Board Members and employees from 2016 to 2020. The sums are indexed at 100 in 2016 to illustrate relative development in 2016-2020.

**Remuneration of the Board of Directors in 2020**

Kamux Corporation's Annual General Meeting resolves on the remuneration paid to the Board of Directors and the principles for the compensation of expenses annually.

The Annual General Meeting 2020 resolved on the following annual remuneration for members of the Board of Directors for the term ending after the 2021 Annual General Meeting: Chairperson of the Board

EUR 60,000, Member of the Board EUR 30,000, Chairperson of the Audit Committee EUR 5,000, and Member of the Audit Committee EUR 2,500. Of the remuneration of the Chairperson and members of the Board, the Annual General Meeting resolved to pay 40 percent in Kamux shares and 60 percent in cash. Remuneration for Audit Committee membership shall be paid in cash.

The share of annual remuneration of the members of the Board of Directors paid in

shares in May 2020 was paid in own shares held by the company. There are no special terms or conditions associated with owning the shares received as remuneration.

Until the Annual General Meeting 2020, Board members were remunerated in accordance with the resolution of the Annual General Meeting 2019: Chairperson of the Board EUR 3,000 per month and Member of the Board EUR 1,700 per month. Members of the Audit Committee were paid EUR 1,500 per year.

The remuneration was paid in cash.

Board members are not compensated separately for Board or committee meetings. Travel expenses resulting from Board meetings are reimbursed in accordance with the company's travel policy. 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.

Kamux and Virtanen Consulting GmbH (consultancy firm under Matti Virtanen's authority) signed a consultancy agreement on 1 February 2016, under which Virtanen Consulting GmbH was paid a separate contractual fee of EUR 9,000 per month for consultancy services related to Kamux's internationalization. In 2020, Virtanen Consulting GmbH was paid EUR 45,150 based on the consultancy agreement. The contract is no longer in effect.

**REMUNERATION OF THE BOARD OF DIRECTORS IN 2020**

Member	Annual and monthly remuneration in total (EUR) <sup>1)</sup>	Shares received as annual remuneration, pcs	Shares received as annual remuneration (EUR)	Share of monetary remuneration (monthly and annual) (EUR)	Remuneration for Audit Committee membership (EUR) <sup>2)</sup>	Total (EUR)
Harri Sivula	66,800	3,333	24,024	42,776	-	66,800
Reija Laaksonen	36,800	1,667	12,016	24,784	-	36,800
David Nuutinen	36,800	1,667	12,016	24,784	-	36,800
Jokke Paananen	36,800	1,667	12,016	24,784	-	36,800
Antti Mäkelä (from 21 April 2020)	30,000	1,667	12,016	17,984	-	30,000
Tuomo Vähäpassi (from 21 April 2020)	30,000	1,667	12,016	17,984	-	30,000
Matti Virtanen (until 21 April 2020)	12,000	-	-	12,000	-	12,000
<b>Total</b>	<b>249,200</b>	<b>11,668</b>	<b>84,103</b>	<b>165,097</b>	<b>-</b>	<b>249,200</b>

1) The annual and monthly remuneration paid in 2020 includes the portion of the annual remuneration paid in shares of the company in accordance with the Annual General Meeting's resolution in 2020, as well as cash remuneration in accordance with the Annual General Meeting's resolutions in 2019 and 2020.

2) The remuneration for Audit Committee membership will be paid in spring 2021 in accordance with the resolution of the 2020 Annual General Meeting.

**CEO Remuneration in 2020**

The Board of Directors decides on the remuneration of Kamux's CEO and the criteria thereof. The remuneration of the CEO consists of a monthly salary, a bonus and a share-based incentive scheme. The objective of the bonus and the 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.

**Bonus**

The terms of the CEO's bonus are decided by the company's Board of Directors each year. The bonuses paid are based on achieving the personal targets and profit targets set for the financial year.

The bonus payable based on performance in 2019 can be up to 40 percent of the fixed salary for the CEO. The 2019 bonus, paid in 2020, was 19 percent of the 2019 fixed salary.

The CEO's bonus in 2020 can be up to 40 percent of the fixed salary. The bonus estimated to be paid in March 2021 is approximately 18 percent of the CEO's fixed salary in 2020.

**Share-based incentive scheme**

The remuneration paid to the CEO in 2020 according to the share-based incentive scheme was based on the share-based incentive program established in 2017 by Kamux's Board of Directors for Kamux's key personnel. The earning period for the scheme was the 2019 calendar year. 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 that is based on earning and accruing shares in the company.

The amount of gross remuneration paid pursuant to the plan for the earning period 2019 was determined by the achievement of the earning targets. According to the decision by the Board of Directors, the earning criterion applicable for the 2019 earning period was achieving the EBIT target for 2019 set by the Board of Directors. The CEO achieved the set target.

The share remuneration based on the program was paid to the CEO on 17 April 2020. The 3,929 shares paid was the net remuneration payable after deducting the cash proportion to cover the taxes for the confirmed overall remuneration. The net shares paid as remuneration will be subject to a transfer limitation during the commitment period. The commitment period

began at the payment of the remuneration and ends on 31 December 2021.

During the earning period of the 2020 calendar year, the applicable earning criteria were equivalent to the 2019 earning period. The gross remuneration paid to the CEO pursuant to the plan for the earning period 2020 was determined by the achievement of targets set as the earning criteria. The applicable earning criterion was achieving the EBIT target for 2020 set by the Board of Directors. The CEO achieved the target only in part. The reward resulting from the plan will be paid to the CEO by the end of May 2021 in the company's shares unless the Board of Directors decides to pay the reward partly or fully in cash. The net shares paid as remuneration will be subject

to a transfer limitation during the commitment period. The commitment period begins when the remuneration is paid and ends on 31 December 2022.

Variable remuneration, which includes the bonus and the long-term share-based incentives, is an integral part of the remuneration of Kamux's CEO. Of overall remuneration in 2020, variable remuneration constituted 25 percent and fixed salary 75 percent.

The CEO does not have a supplementary pension plan. The CEO's retirement age is determined by the statutory pension system and is 63 years under the applicable legislation.

The CEO was not paid other financial benefits in 2020.

**REMUNERATION PAID TO THE CEO  
IN THE FINANCIAL YEAR 2020 AND PAYMENTS OUTSTANDING, EUR**

Salaries and remuneration paid			Remuneration outstanding		
Fixed salary <sup>1)</sup>	Bonus paid for 2019	Share-based incentive for 2019	Bonus for 2020 <sup>2)</sup>	Share-based incentive for 2020 <sup>2)</sup>	Total
271,533	42,357	50,206	40,656	10,771	415,523

<sup>1)</sup> Including fringe benefits and defined contribution pension costs  
<sup>2)</sup> To be paid in financial year 2021



**KAMUX CORPORATION**

PAROLANTIE 66A

13130 HÄMEENLINNA, FINLAND

[WWW.KAMUX.COM](http://WWW.KAMUX.COM)