

NOHO PARTNERS PLC

Remuneration statement 2019

Remuneration of the members of the Board of Directors

The Annual General Meeting of NoHo Partners Plc decides on the remuneration paid to the members of the Board of Directors. Persons who have an employment contract or service contract with the company are not paid remuneration for serving on the Board of Directors of a subsidiary. The Annual General Meeting of 2019 set the annual remuneration of the Chairman of the Board of Directors at EUR 25,000, that of the Vice-Chairman of the Board of Directors at EUR 20,000, while the remuneration paid to the members of the Board of Directors was set at EUR 10,000. Separate attendance allowances are not paid. As a rule, the Board of Directors does not have other financial benefits in addition to the fixed annual remuneration.

In accordance with the resolution of the Annual General Meeting of 2019, the members of the Board of Directors of NoHo Partners Plc were paid remuneration for their work on the Board of Directors during the period 1 January–31 December 2019 as follows:

Board member	Remuneration (EUR 1,000)
Timo Laine (Chair)	26.0
Petri Olkinuora	20.0
Mikko Aartio	8.3
Mika Niemi	10.0
Tomi Terho	10.0
Saku Tuominen	10.0
Mia Ahlström	6.7
Mikko Kuusi	2.5

In addition to the remuneration of the members of the Board of Directors confirmed by the Annual General Meeting, the company has paid monthly remuneration of EUR 211,200 to Timo Laine and Mikko Aartio for their full-time business consulting services to the company based on a separate consultancy agreement. In addition, the company has paid a EUR 10,600 consultancy fee to the consultancy company of Mia Ahlström.

Remuneration of the CEO

The Board approves of the level of the CEO's remuneration. In addition to a fixed salary and in line with the company's currently valid practices, the CEO of NoHo Partners Plc, Aku Vikström, receives the following fringe benefits: company car, company housing, company mobile phone and occupational health care in accordance with the company's policies.

As a short-term incentive to the CEO, a performance reward is also paid, which is determined based on the financial result of the company for the earning period, which is the financial year, and also based on the achievement of certain operational goals.

The CEO's contract can be terminated without special grounds by the CEO with a term of notice of three (3) months and by the company with a term of notice of six (6) months. The retirement age of the CEO complies with the applicable legislative provisions.

Remuneration of the Executive Team

The Executive Team receives a total remuneration, which includes monetary salary as well as taxable telephone and other benefits. As a short-term incentive, the Executive Team can also be paid a performance reward, which is based on the financial and operational goals set by the Board of Directors. The Board of Directors of the company decides on the general principles of remuneration, while the CEO makes the decisions on the related details.

Salaries paid to the CEO of the parent company NoHo Partners Plc and other members of the Executive Team in 2019 (2018) (EUR 1,000)

The CEO's salary, including fringe benefits 241.4 (211.7)*

Salaries of other members of the Executive Team, including fringe benefits 1,317.7 (1,010.9).

*CEO Juha Helminen 1 January–31 May 2018, CEO Aku Vikström from 1 June 2018.

Share-based incentive plan of the CEO and the Executive Team

On 28 November 2018, the Board decided on a long-term share-based incentive plan for the Group's key personnel.

The purpose of the share-based incentive plan is to align the goals of shareholders and key employees to increase the company's value and to commit key persons and offer them a competitive reward system based on company share earnings and price development.

The share-based incentive plan consists of three earning periods, the first of which is 13 months between 1 December 2018 and 31 December 2019. The second earning period comprises the calendar years 2020–2021 and the third earning period comprises the calendar years 2022–2023. The Board will confirm the earning criteria, related target levels and individuals included in the plan before the start of each earning period. Any share reward for each earning period can be paid as shares, money or a combination thereof. Rewards can also be paid for an earning period based on reaching the targets set by the Board and the continuation of the employment contract. The Board may decide on including new key employees in the system and on their right to the reward such that the validity of their employment contract is considered when determining the maximum reward. The share reward based on this system will be paid in the spring following the end of the earning period. (On 3 April 2020, the company announced a decision by the Board of Directors to postpone the payment of shares of the earning period that ended on 31 December 2019.)

Based on the decision by the Board of Directors, a maximum amount of 214,282 NoHo Partners Plc's shares may be paid to the key employees during the first earning period based on the achieved target levels of the EBIT percentage of Finnish operations and the EBITDA of foreign business operations. The share incentive scheme will cover 10 key employees of the company's Executive Team in the first earning period. The Board of Directors estimates that, if the reward is fully paid in new shares, the maximum dilutive effect on the number of the company's registered shares for the first earning period will be approximately 1.1% at the time of making the decision.

Based on the decision by the Board of Directors, a maximum amount of 354,668 shares in NoHo Partners Plc may be paid to the key employees during the second earning period (1 January 2020–31 December 2021) based on the achieved target levels of the EBIT margin of Finnish operations, share price development and the EBIT margin of foreign business operations. The share incentive scheme covers 11 key employees of the company's Executive Team in the first earning period. The Board of Directors estimates that, if the reward is fully paid in new shares, the maximum dilutive effect on the number of the company's registered shares for the second earning period will be approximately 1.83%.