

REMUNERATION STATEMENT 2017

Information on the remuneration and other financial benefits of the Board of Directors as well as the total number of shares and stock options held by the President and CEO and the Management Team are published in the Annual Report and on the company's website.

The main criteria concerning the compensation system covering the President and CEO and other executives are decided upon by the Board of Directors and they are disclosed in the Annual Report and on the company's website.

Remuneration and other benefits of the Members of the Board

Annual General Meeting will decide on the remuneration for the Board members. The Annual General Meeting held on 18 April 2017 decided that the annual fee to be paid for Chairman of the Board is EUR 15,000 and for the Board members EUR 10,000. No fee will be paid for each meeting. Eventual travel expenses are compensated according to the travel regulations of the company.

In 2017, the fees paid to the Board members amounted to EUR 48,333 (2016: EUR 55,000). The Board members have no other financial benefits.

Remuneration of the President and CEO and the members of the management team

The Board of Directors decides on the President and CEO's salary and other benefits.

Until 15 October 2017, the position of the President and CEO was held by Ville Vuori, B.Sc. (Eng.), eMBA (b. 1973) and after that Vesa Mäkelä, M.Sc. (Eng.), MBA (b 1964).

The period of notice of the President and CEO is six months and the retirement age is determined in accordance with the Employees' Pensions Act. If the executive contract is terminated by the company, the period of notice is nine months and the CEO will be paid the salary during the period of notice.

The wages and salaries paid to the President and CEOs in 2017 amounted to EUR 238,927 (2016: EUR 235,119). Ville Vuori was paid in 2017 a salary of EUR 169,240 and a performance bonus of EUR 31,454. The maximum amount of bonus was 30% of annual salary. Vesa Mäkelä was in 2017 paid a salary of EUR 38,232 for his duty as President and CEO. He was paid no bonus in 2017.

The Management Team's terms of employment and pay are approved by the Board of Directors, which is also deciding on the Group's performance bonus system. The retirement age of the Management Team members is determined in accordance with the Employees' Pension Act.

The Management Team is paid a fixed salary, which is determined in the management contracts. In 2017, salaries and other employee benefits paid to the President and CEOs and Management Team members amounted to EUR 538,999 (2016: 445,615). Of the salary and remuneration paid to the President and CEOs and the Management team during the financial year 2017, 93% fell for the fixed salary (2016: 89%).

At the end of the financial year 2017, the Board members and their interest parties, the President and CEO and the Management Team members held a total of 40,604 shares of the company (2016: 1,289,737).