

ROBIT SALARY AND REMUNERATION REPORT 2017

Robit Corporation (Robit) complies with the Finnish Corporate Governance Code issued by the Securities Market Association in 2015. The code is available on the Securities Market Association's website at www.cgfinland.com.

Basis of the Remuneration

The objective of Robit's remuneration policy is, that it should be consistent, result-oriented and rewarding. The consistency and competitiveness of remuneration is ensured by systematic internal and external comparisons, which also takes into account the local market conditions. Robit's remuneration model aims to ensure that the fixed part of the salary is set individually and is actively monitored. The objective of the active remuneration model is to ensure that the company is an attractive employer for both current and new key personnel. Clear performance indicators and emphasizing results ensure that rewarding is justified, result-oriented and motivating. Defining the targets for the variable part of the remuneration they should be supporting the implementation of Robit's strategy and achieving its financial goals. The adoption of long and short-term performance incentives is intended to reward good performance and to promote the company's financial success and the favourable development of its shareholder value.

Remuneration of the Board

The remuneration of the board members is resolved annually by the Annual General Meeting (AGM) for the reporting year. The Nomination Committee prepared a proposal for the AGM. AGM convened March 28, 2017 resolved the remunerations as follows: Chairman of the Board of Directors EUR 45 thousand per year and to each member of the Board of Directors EUR 30 thousand per year. In addition, members of the board receive EUR 500 for each meeting they attend and members of the working committee EUR 750 per month. Remuneration for the members of the Board of Directors will be paid as follows: 60% will be paid in cash and 40 % will be paid as granting Robit treasury shares. Expenses relating to board assignments will be paid as normal travel and other expenses.

In general, the board members are not employed by the Robit Group. To carry out acting Chief Executive Officer tasks Robit has purchased CEO services from a company belonging to Harri Sjöholm influence during January 1st, - April 30th, 2017 totalling EUR 80.000.

Total 8 354 shares were granted to the Board of Directors in 2017 (2016 4 893 shares). The members of the board do not belong to the share based incentive plans of Robit and the do not have pension arrangements through Robit. The shares granted based on the board fee resolutions by AGM are not limited by any restrictions.

Member of the Board	Board reward	Board meeting reward	Nomination Committee reward	Remuneration Committee reward	Working Committee reward	Total 2017
Harri Sjöholm	45 000	9 000				54 000
Tapio Hintikka	30 000	9 000	1 000	1 000		41 000
Matti Kotola	30 000	8 000			9 000	47 000
Kalle Reponen *	30 000	8 750			15 400	54 150
Mammu Kaario	30 000	7 000	1 000			38 000
In total	165 000	41 750	2 000	1 000	24 400	234 150

**) Kalle Reponen has been paid and additional 6.400 for services relating to M&A of Halco companies. This has been shown as part of the working committee column in the table.*

During the reporting year Kai Öistämö has paid EUR 1.000 for his services as member of the Remuneration Committee and EUR 5.200 for his services as a board advisor.

The Remuneration of the CEO

The Board of Directors decides on the salary, remuneration and other benefits received by the CEO. The salary, remuneration and other fringe benefits paid in 2017 to the CEO, Mika Virtanen, amounted to EUR 206 thousand (2016: former CEO, Mikko Mattila EUR 183 thousand). In addition, there was an additional voluntary pension payment of EUR 8 thousand during the financial year. This has been reported as defined contribution plan. There were no share-based benefits in the financial year.

As to the contract of CEO, his term of notice has been specified as six (6) months in case the CEO decides to withdraw, and six (6) months should the contract be terminated by the company. Upon termination of contract of the CEO by the company, the CEO will be paid an additional compensation corresponding to three (3) months without fringe benefits.

The Remuneration of the Management Team

Decisions concerning incentive and remuneration system for management are made by the Board of Directors based on the proposal made by the CEO. The salary for all members of the management team consists of a fixed basic salary and a results-based bonus. The bonus is determined based on the company performance, the business area in question and other key operative objectives. Remuneration of the management team members in 2017 and 2016 were as follows:

EUR thousand	1 Jan - 31 Dec 2017	1 Jan - 31 Dec 2016
Salaries and other short-term employee benefits	-1 472	-593
Other long-term benefits	0	-10
Share-based payments	0	0
Total	-1 472	-603

Some of the management team members had additional voluntary pension plan that is classified as defined contribution plan. The costs related to the plan amounted to EUR 6 thousand for the year ended 31 December 2017.

Share-based Payments and Shareholder Loans

The current management does not have any loans granted by Robit.

Long-term Incentives: Share-based Incentive Plan

In April 2017 The Board of Directors of Robit decided on new share-based incentive plan for the Group management and Group key employees. The intension of the Share Plan is to align the long-term targets of the shareholders, employees participating into the plan and company to increase the shareholder value and to commit employees to Robit as well as offer the participating employees a competitive way of rewarding, which is based on increasing the profits of the company and increasing share value. The main elements of the pan are; Matching Share Plan and Performance Share Plan. The board decides each year the employees who are offered to participate into the share plan. The precondition to participate into the plan is that the participant shareholding of Robit shares defined by the board.

Matching Share Plan

The prerequisite for receiving reward, on the basis of this plan, is that a person participating in the plan owns or acquires the company's shares up to the number determined by the Board of Directors. Furthermore, receiving of reward is tied to the continuance of participant's employment or service upon reward payment. Global Management Team members and some other key employees belong to the target group of the Matching Share Plan. The rewards are to be paid on the basis of the Matching Share Plan correspond to the value of an approximate maximum total of 28.000 Robit Group shares, of which the maximum portion of the Chairman of the Board & CEO would be the value of 5.000 shares, Global Management Team members 3.000 shares and other Key employees 1.000 shares. The taxes and other expenses related to the granted shares will be covered by Robit Group. The management has acquired the shares from the public trading or used current shareholdings.

Performance Share Plan

The Performance Share Plan includes currently one vesting period, calendar year 2017. The Board of Directors will decide separately on new vesting periods. In addition, the Board of Directors will decide on the Plan's performance criteria and required performance levels for each criterion as well as the participating persons at the beginning of an earnings period. The Performance Share Plan is directed to approximately 24 people. The potential reward of the Plan from the performance period 2017 will be based on the Robit Group's net sales and earnings per share. If the set criteria are reached, person participating will receive the original investment at maximum in fivefold.

Share Holdings of the Board of Directors and the Management

The total number of shares was 21 083 900 as at 31 December 2017. The shareholding of the management was as follows:

Shareholding of management as at 31.12.2017	Shares	Percentages of shares
Members of the Board of directors	4 436 661	21,0 %*
CEO	4 000	0,02 %
Other members of the management team	9 272	0,05 %
Total	4 450 433	21,11 %

**20,9 owned by Harri Sjöholm through Five Alliance Oy*