

Robit Salary and Remuneration Report 2019

Robit Corporation (Robit) complies with the Finnish Corporate Governance Code issued by the Securities Market Association. The code is available on the Securities Market Association's website at www.cgfinland.com. This Salary and Remuneration Report is prepared in accordance with Recommendation applicable in 2019 in the Corporate Governance Code.

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 in 2019

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 27, 2019 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 per board or a committee meeting they attend.

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.

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.

Total 26 614 shares were granted to the Board of Directors in 2019. In general, the board members are not employed by the Robit Group. As payment of board fees 7 258 shares were granted to Harri Sjöholm and Mammu Kaario, Kai Seikku and Kalle Reponen 4 839 shares each.

The board members were paid board and committee fees and other remunerations as follows:

Thousand euros	2019	2018
Harri Sjöholm	57,8	35,0
Tapio Hintikka		34,0
Mammu Kaario	42,8	44,0
Kai Seikku	39,5	40,0
Kalle Reponen	46,5	46,0
Heikki Allonen		40,0
Mikko Kuitunen	41,0	9,0
Matti Kotola		5,0
Total	227,5	253,0

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 2019 to the CEO, Tommi Lehtonen, amounted to EUR 195 thousand. Previous year CEO Mika Virtanen was paid EUR 521 thousand, which included a severance payment of EUR 220 thousand. In addition, based on the current CEO agreement, CEO Tommi Lehtonen was granted 3 226 shares worth of 8 000 euros and an additional voluntary pension payment of EUR 12 thousand during the financial year.

As to the contract of CEO, his term of notice has been specified as six (9) months either the CEO decides to withdraw or 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. Ilkka Miettinen acted as an interim CEO between December t, 2018 and April 30, 2019.

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 2019 and 2018 were as follows:

Remuneration of the management team *

EUR thousand	2019	2018
Salaries and other short-term employee benefits	382	758
Share-based payments	0	28
Total	382	786

*) remuneration of the CEO has been presented separately and comparison year has been amended accordingly.

Management team members do not have additional voluntary pension plans that would be classified as defined contribution plan. The costs related to the plan amounted to EUR 18 thousand in the previous year.

More information about the share-based incentive plan can be found in the financial statements note 2.3 Remunerations

Share-based incentive scheme 2017-2019

The Robit board of Directors decided April 20, 2017 a share-based incentive scheme for group management and key personnel. The share program is a three-year period and comprises the years 2017-2020. The share programme has three components: the key person's own investment company, the company's matching share payment and the performance-based share incentive. In September 2018, the programme paid 18 672 shares and EUR 67 000 as a cash reward to the members of the incentive plan. The incentive scheme consisted of 11 people. In 2019, no remuneration was paid on the basis of this incentive scheme.

Share-based incentive plans

In 2019 no share-based incentives were paid to the management or key persons.

Other benefits

The current management team does not have any loans issued by the company.