

ROBIT PLC REMUNERATION REPORT 2020

Robit Plc adheres to the Securities Market Association's Corporate Governance Code for listed companies. The code is available on the Association's website at www.cgfinland.fi. This Remuneration Report has been prepared in accordance with the recommendation of the Corporate Governance Code with effect from 1 January 2020.

1. INTRODUCTION

A key principle of Robit Plc's remuneration policy is to support Robit Plc's long-term financial success. Its aim is to ensure the long-term common interests of the company and its shareholders by hiring, committing and encouraging the senior management to implement Robit Plc's strategy.

The remuneration policy was not deviated from in the previous financial year.

The table below presents the evolution of the remuneration of the Board of Directors and the CEO and the evolution of the average remuneration of the company's employees for the previous five financial years.

	2016	2017	2018	2019	2020
Board fees 1)					
- Chairman of the Board, EUR thousand	35	45	45	45	35
- Member of the Board, EUR thousand	20	30	30	30	30
Remuneration of the CEO, EUR thousand 2)	183	206	289	203	213
Wages and salaries on average per employee, EUR thousand 3)	46	52	52	53	51
Turnover, EUR thousand	42,901	88,222	82,683	86,482	91,631
Profit for the financial year, EUR thousand	3,461	-5,190	-31,384	-7,265	-2,894

1) amounts do not include meeting fees

2) amounts do not include supplementary pension contributions

3) total personnel costs excluding add-on and pension costs divided by the average number of personnel during the year

2. REMUNERATION OF THE BOARD OF DIRECTORS FOR THE PREVIOUS FINANCIAL YEAR

The Annual General Meeting decides in advance on the remuneration of the Board members for one year at a time. The Nomination Committee prepares a draft of fees for the Annual General Meeting. On 22 April 2020, the Annual General Meeting of Robit Plc decided on the remuneration of the members of the Board of Directors as follows:

The annual remuneration for the Chairman of the Board is EUR 35,000 and the annual remuneration for a Board member is EUR 30,000. The remuneration is paid as 40% shares, and the remaining 60% is an advance tax withheld and paid to the Finnish Tax Administration by the company. Board members are also paid a meeting fee of EUR 500 per meeting. Meeting fees of the Board and committees are paid in cash. Compensation for expenses is paid in accordance with the company's current travel regulations. Members of the Board are not covered by share-based incentive schemes and do not have pension agreements with the company. Robit Plc's shares received as remuneration are not subject to any restrictions or ownership obligations imposed by the company.

A total of 19,893 shares were transferred to the members of the Board of Directors of Robit Plc as Board fees in 2020. Members of the Board are not in an employment or service relationship with the company. Shares were transferred as Board fees as follows: 3,763 shares to Harri Sjöholm, and 3,226 shares each to Mammu Kaario, Anne Leskelä, Kim Gran, Kalle Reponen and Mikko Kuitunen.

Annual and meeting fees were paid to the members of the Board of Directors in the financial years 2020 and 2019 as follows:

EUR thousand	1 January 2020–31 December 2020			1 January 2019–31 December 2019		
	Annual fee	Meeting fees	Total	Annual fee	Meeting fees	Total
Harri Sjöholm	35	10	45	45	13	58
Anne Leskelä	30	6	36			
Mammu Kaario	30	11	41	30	13	43
Kim Gran	30	8	38			
Kalle Reponen	30	12	42	30	17	47
Mikko Kuitunen	30	8	38	30	11	41
Kai Seikku		2	2	30	10	40
Total	185	57	242	165	63	228

No other financial benefits were paid.

3. CEO'S REMUNERATION

The Board of Directors decides on the CEO's salary, bonuses and other benefits. The CEO has a written CEO's service contract under which the fixed remuneration is the monthly basic salary, including benefits in kind. In addition, the CEO's remuneration includes a short and long-term variable component and a contributory supplementary pension benefit. A part of the fixed salary is paid as Robit Plc's shares within the framework of the authorisation given to the Board of Directors by the General Meeting of Robit Plc. In addition to the above, the remuneration package includes employee benefits in accordance with the company's current policy (e.g., telephone benefit, sports benefit and travel, accident and medical expense insurance).

The objectives of the short-term variable compensation scheme are defined by the Board of Directors for each earning period (typically a calendar year). The objectives are based Robit Plc's financial and/or other operational objectives such as to promote the company's business and financial success.

In 2019, the CEO's short-term incentive was based on the Group's strategic and operational objectives. The possible incentive amounted to a maximum of three months' cash salary of the CEO. The Board of Directors evaluates the achievement of the objectives after the end of the earning period. In 2019, the minimum performance level was exceeded and the CEO's short-term incentive scheme bonus for 2019 was EUR 19,425.

In 2020, the CEO's short-term incentive was based on the company's financial profitability (70% weighting) and the growth of turnover in a particular focus area (30% weighting). The possible incentive amounted to a maximum of 33.3% of the annual cash salary of the CEO. In 2020, the minimum performance level was not met, and the CEO's short-term incentive scheme fee bonus for 2020 was EUR 0.

On 24 September 2019, the Board of Directors of Robit Plc decided on a long-term share-based incentive scheme for the CEO. The purpose of the variable long-term incentive scheme is to encourage the CEO to manage the company in such a way that its strategically important objectives are achieved. The scheme has three earning periods and covers the period from 1 January 2019 to 31 December 2024. The Board of Directors of Robit Plc sets objectives for the two-year earning periods starting from 2019. The earning periods end on 31 December 2020, 31 December 2022 and 31 December 2024 respectively. The objective set for the earning period 2019–2020 was based on the growth of the company's turnover. The remuneration payable to the CEO on the basis of this scheme may at maximum correspond to

the value of a total of 160,000 Robit Plc shares, also including the amount of money used for taxes and tax-related payments. The objective for the earning period ending on 31 December 2020 was not met.

In addition, the CEO is part of Robit Group's long-term incentive scheme 2017–2019, on the basis of which he will be paid 3,000 additional shares in May 2021 based on the number of qualifying shares he owns. The criteria for the payment of additional performance-based shares were not met during the earning period 2018–2020.

In the financial year 2020, salaries, bonuses and other benefits totalling EUR 213,000 were paid to CEO Tommi Lehtonen. In addition, during the financial year, shares worth EUR 12,000, i.e. a total of 3,226 shares, were transferred to him based on the fixed remuneration agreed in the CEO's service contract. In addition, a contribution of EUR 8,000 related to the CEO's voluntary supplementary pension was paid.

EUR thousand	2020	2019
Fixed salary	169	174
Benefits in kind	13	13
Part paid in shares in EUR	12	8
Total	194	195
Short-term incentive bonus	19	0
Long-term incentive bonus	0	0
Total 1)	213	195
Fixed part of total remuneration	91%	100%
Share of the variable pay component of total remuneration	9%	0%
Supplementary pension contribution	8	8

1) amounts shown in the table by payment

The CEO's period of notice is defined in the contract as six months on both sides if the contract is terminated. If the company terminates the CEO's contract, the CEO will be compensated with an amount equal to three months' salary without benefits.