



## REMUNERATION STATEMENT 2017

### DECISION-MAKING PROCEDURE CONCERNING THE REMUNERATION

#### THE BOARD OF DIRECTORS

The Nomination Committee - or, if no such a committee is established, Aspocomp's entire Board of Directors - prepares the proposals for the composition of the Board and the remuneration of its members to be presented to the Annual General Meeting. The proposals for the composition and remuneration of the Board of Directors shall be published in the notice of the Annual General Meeting and on the company's Internet site. Aspocomp's Annual General Meeting decides on the remuneration and the principles of remuneration for the Board members for one term of office at a time.

#### CEO

The Remuneration Committee prepares the proposals for the remuneration of the CEO to the Board. If no Remuneration Committee has been set up, the Board itself also takes care of the preparatory tasks concerning remuneration. The Board of Directors decides on the compensation and other terms of employment of the CEO. In addition, the Board of Directors also decides on the other compensation payable upon termination of the CEO's service contract. The Board also decides on incentive and bonus plans for the CEO as well as the financial performance objectives and the payout under such plans.

#### THE MANAGEMENT TEAM

The CEO makes proposals for the remuneration of the other Management Team members. The Board of Directors decides on the compensation and other terms of employment of the other members of the Management Team who report directly to the CEO. The Board also decides on incentive and bonus plans for the Management Team members as well as the financial performance objectives and the payout under such plans.

### MAIN PRINCIPLES OF REMUNERATION

#### REMUNERATION AND SHAREHOLDINGS OF THE BOARD OF DIRECTORS

The Annual General Meeting held on March 23, 2017 decided that the chairman of the Board of Directors will be paid EUR 30,000 and the other members will be paid EUR 15,000 each in remuneration for their term of office. The Annual General Meeting further decided that EUR 1,000 will be paid as remuneration per meeting to the Chairman and EUR 500 per meeting will be paid to other members of the Board. In addition, the members of the Board of Directors will be reimbursed for reasonable travel costs. Annual fees are not paid to the Board of Directors in the form of shares; instead all remunerations are paid in money.

The members of the Board are not employed by the company. They are only paid compensation for their Board and committee membership and work. They do not participate in the company's incentive systems.

## CEO

The key terms and conditions of the CEO's service are set out in a written President's contract, which the Board of Directors has approved. In 2017, the remuneration of the CEO consisted of a fixed monthly salary and customary fringe benefits (such as phone, meal and car benefits). In addition, he is included in the CEO's Stock Option program 2014 and the Annual Profit Sharing plan covering all employees.

The CEO has no special retirement arrangements; the CEO's retirement age is determined by the Employees Pensions Act. The CEO's service contract does not define either an early retirement age or resigning age. If the CEO's contract is terminated by either the CEO or the company, the notice period is six (6) months. In addition, six (6) months' severance pay shall be paid.

### Stock Option Program 2014 of the CEO

The Board of Directors of Aspocomp Group Plc decided on May 15, 2014 to issue in total a maximum of 390,000 stock options to the company's CEO in accordance with the terms and conditions of the Stock Option plan. The issue, which has been made in deviation from the shareholders' pre-emptive subscription rights, is based on the authorization by the Annual General Meeting held on April 23, 2013. The stock options are issued free of charge. Each stock option shall entitle its holder to subscribe for one new share in Aspocomp Group Plc.

130,000 of the issued stock options will be marked with the letter "A", 130,000 with the letter "B" and 130,000 with the letter "C". The share subscription price of the stock options A is the trade volume weighted average quotation of the company's share on Nasdaq Helsinki Oy during March 1 - March 31, 2014 (EUR 0.99), of the stock options B the trade volume weighted average quotation of the share during March 1 - March 31, 2015 (EUR 1.24) and of the stock options C the trade volume weighted average quotation of the share during March 1 - March 31, 2016 (EUR 1.26). The share subscription periods for the stock options are for Stock Options A: May 1, 2016 - April 30, 2018, Stock Options B: May 1, 2017 - April 30, 2019 and Stock Options C: May 1, 2018 - April 30, 2020.

Further information on the Stock Option Plan 2014 is available on the company's Internet Site at [www.aspocomp.com/remuneration](http://www.aspocomp.com/remuneration).

### Annual profit sharing plan

Aspocomp has an annual profit sharing plan covering all employees, including the CEO. The plan pays cash bonuses based on pre-set targets for net sales, operating income and operating cash flow. The Board determines the targets and criteria for bonus payment annually.

## THE MANAGEMENT TEAM, EXCLUDING THE CEO

In addition to the CEO, Aspocomp's Management Team includes four people: COO, CFO, VP, Business Development and VP, Sales. The remuneration of the Management Team members consists of a fixed base salary and customary fringe benefits (such as phone, meal and car benefits). The members of the Management Team, excluding the CEO, are included in the share reward plan 2016-2019. In addition, they are all included in the annual profit sharing plan covering all employees.

None of the Management Team members has any special retirement arrangements. The retirement age of each member is determined by the Employees Pensions Act.

### Share reward plan for key personnel 2016-2019

The share reward plan 2016 offers the members of the Management Team (except for the CEO) and other key employees a possibility to receive the company's shares based on achieved targets to be set by the Board of Directors for four earning periods. The CEO of Aspocomp Group Plc is not included in this share reward plan. The CEO has a separate incentive scheme, the Stock Option Plan 2014, described earlier in this document.

On February 25, 2016, the Board of Directors of Aspocomp Group Plc decided on a new share-based incentive and commitment plan for the company's key personnel. The aim of the reward plan is to combine the goals of the owners and the key personnel for increasing the value of the company on a permanent basis, to commit the key personnel to the company on a long-term basis and to offer the

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key personnel a competitive reward plan based on entrepreneurship. The four earning periods each comprise a 12-month financial year during the period 1/2016 through 12/2019

The target group for the plan consisted of approximately 15 persons on December 31, 2017. The Board of Directors may decide on including new key employees and their annual maximum reward. The maximum reward is expressed as a number of shares of which one half (1/2) is paid in shares and one half (1/2) consists of a cash payment, the amount of which is determined on the basis of the value of the share reward at the time of the payment. The cash payment aims at covering taxes and similar charges arising from the reward. Achievement of targets set for the earning periods determines the portion of the maximum reward to be paid to a person.

The approximately 15 persons who are included in the plan may, based on the achievement of targets, annually be rewarded with a maximum of 90,000 shares of Aspocomp Group Plc, corresponding to approximately 1.6 percent of the current total amount of outstanding shares. Of this amount, a maximum of 10,000 shares may be granted annually to each of the members of the Management Team and a maximum of 4,000-6,000 shares to each key employee. The annual maximum amount of shares to be granted will increase if the Board of Directors decides to include new persons in the plan.

Shares received on the basis of the share reward plan shall be held at least 36 months calculated from their entry on the book-entry account of the recipient. Should a target person's employment or service relationship with a group company end during such commitment period, he or she is, according to the main rule, required to return the shares to the company without compensation.

## **Annual profit sharing plan**

Aspocomp has an annual profit sharing plan covering all employees, including the CEO and Management Team. The plan pays cash bonuses based on pre-set targets for net sales, operating income and operating cash flow. The Board determines the targets and criteria for bonus payment annually.

## REMUNERATION REPORT 2017

### THE BOARD OF DIRECTORS

The Annual General Meeting held on March 23, 2017 decided that the chairman of the Board of Directors will be paid EUR 30,000 and the other members will be paid EUR 15,000 each in remuneration for their term of office. The Annual General Meeting further decided that EUR 1,000 will be paid as remuneration per meeting to the Chairman and EUR 500 per meeting will be paid to other members of the Board.

During 2017 the Board assembled 15 times. The overall meeting participation rate was 98%. No committees were established in 2017.

### The Board of Directors' annual fees 2017

The Board of Directors	Annual fees, 2017 *	2016
Päivi Marttila, Chairman	30,000	30,000
Kaarina Muurinen, Vice Chairman	15,000	15,000
Julianna Borsos (as of March 23, 2017)	15,000	
Matti Lahdenperä	15,000	15,000
Juha Putkiranta	15,000	15,000
Total, EUR	90,000	60,000

\* In 2017, annual fees corresponding to an eight-month period were paid to each Board member, totaling EUR 60,000. Annual fees were not paid to the Board of Directors in the form of shares; instead all remunerations were paid in money.

### The Board of Directors' meeting fees 2017

The Board of Directors	Meeting fees, 2017
Päivi Marttila, Chairman	7,000
Kaarina Muurinen, Vice Chairman	3,500
Julianna Borsos (as of March 23, 2017)	3,000
Matti Lahdenperä	3,500
Juha Putkiranta	3,500
Total, EUR	20,500

Meeting fees are not paid for telephone meetings.

Members of the Board have not received any other benefits and they are not covered by the company's incentive schemes.

### Authorizations for the Board of Directors

The Annual General Meeting decided on March 23, 2017 to authorize the Board of Directors, in one or more installments, to decide on the issuance of shares and the issuance of options and other special rights entitling to shares referred to in Chapter 10 Section 1 of the Companies Act as follows: The number of shares to be issued based on the authorization may in total amount to a maximum of 649,650 shares. The Board of Directors decides on all the terms and conditions of the issuances of

shares and of options and other special rights entitling to shares. The authorization concerns both the issuance of new shares as well as own shares possibly held by the company. The issuance of shares and of options and other special rights entitling to shares referred to in Chapter 10 Section 1 of the Companies Act may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorization cancels the authorization given by the General Meeting on April 7, 2016 to decide on the issuance of shares as well as the issuance of special rights entitling to shares. The authorization is valid until June 30, 2018.

## REMUNERATION OF THE CEO

Mr. Mikko Montonen, M.Sc. (Tech.) has served as the company's President and CEO as well as the Chairman of the Management team from May 15, 2014. The remuneration of the President and CEO consisted of a fixed monthly salary and customary fringe benefits (such as phone, meal and car benefits). During the financial year ending on December 31, 2017, the company paid to the CEO a salary of EUR 260,080 (EUR 241,080 in 2016).

Remuneration of the President and CEO	2017	2016
Salary and fringe benefits	260,080	241,080
Options	236,100	34,200
<b>Total</b>	<b>496,180 *</b>	<b>275,280 *</b>

\* In addition to the total salary, the remuneration includes the CEO's stock options.

The CEO subscribed a total of 170,000 new Aspocomp shares under the company's 1/2014 stock option terms on August 23, 2017: 40,000 with the 2014A options and 130,000 with the 2014B options. The new shares were registered in the Trade Register on September 19, 2017. The new shares were incorporated into the book-entry system and admitted to trading on Nasdaq Helsinki in the same class with the company's other shares on September 25, 2017. After the registration of the new shares, the total number of Aspocomp Group Plc's shares increased to 6,666,505.

## Option rights granted based on Stock Option Program 2014 (A-C) for CEO

	Option A	Option B	Option C
Date of issue	May 14, 2014	May 14, 2014	May 14, 2014
Issued number of options	130,000	130,000	130,000
Subscription price	0.99	1.24	1.26
Share price on the date of issue	1.45	1.45	1.45
Fair value	0.63	0.45	0.48
Subscription period	May 1, 2016- Dec. 31, 2018	May 1, 2017- Dec. 31, 2019	May 1, 2018- Dec. 31, 2020
Number of options			
Outstanding on January 1	130,000	130,000	
Exercised	-130,000	-130,000	
Outstanding on December 31	0	0	

## REMUNERATION OF THE MANAGEMENT TEAM (EXCLUDING THE CEO)

<u>Management Team members (excluding the CEO)</u>	<u>EUR</u>	<u>2017</u>	<u>2016</u>
Salary and fringe benefits		445,400	420,429

The remuneration of Management Team members other than the CEO consists of a fixed monthly salary and customary fringe benefits (such as phone, meal and car benefits).

In 2017, in addition to the CEO, Aspocomp's Management Team consisted of:

- Jari Isoaho, Chief Operational Officer, deputy to the CEO
- Jouni Kinnunen, Chief Financial Officer
- Antti Ojala, Vice President, Business Development
- Tero Päärni, Vice President, Sales

### Share reward plan for key personnel 2016-2019

During the 2017 earning period, the criteria set for the plan were not fulfilled and thus no reward was paid to the other members of the Management Team.