

# **Remuneration Report for Governing Bodies 2019**



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This remuneration report has been prepared according to the remuneration reporting section of the Finnish Corporate Governance Code 2020. Optomed Plc (“Optomed” or the “Company”) has not had a defined remuneration policy in force during 2019. The Company’s share was listed in the official list of Nasdaq Helsinki only in December 2019 and as per the applicable regulations, the remuneration policy is to be presented for the first time to the Annual General Meeting 2020. Optomed intends to comply with the presented remuneration policy over a period of four years, unless a revised policy is presented to the general meeting before that.

Optomed’s management remuneration currently consists of base salary and long-term incentive schemes in the form of option programs. The aim of the long-term incentive schemes is to align the objectives of the shareholders and the management in order to increase the value of the Company in the long term, to commit the key employees, and to offer them competitive remuneration schemes based on their earning and accumulating the Company’s shares. The alignment promotes the Company’s long-term financial success.

The following table presents the development of the remuneration of the board of directors and the CEO compared to the development of the average remuneration of employees and to the group’s financial development over the preceding five financial years.

EUR, thousand	2019	2018	2017	2016	2015 <sup>2</sup>
Board, total remuneration <sup>1</sup>	26				
CEO, total remuneration	105	108	195	175	106
Average employee remuneration <sup>3</sup>	58	53	39	31	30
Group revenue	14,977	12,733	6,899	6,609	6,108
Group EBITDA	-335	1,062	-1,784	-1,865	-712

<sup>1)</sup> Does not include the consultancy fees of Petri Salonen.

<sup>2)</sup> FY 2015 is not presented in accordance with IFRS but the Finnish accounting standards (FAS).

<sup>3)</sup> Optomed’s annual reported personnel costs divided by the number of employees.

## 1. Remuneration of the Board of Directors

The Annual General Meeting of Shareholders determines the remuneration payable to the members of the Board of Directors. Save for what is mentioned below for Petri Salonen, no remuneration was paid to the members of the Board of Directors for the financial years 2018, 2017 and 2016. The Annual General Meeting held on 10 May 2019 resolved that Reijo Tauriainen and Seppo Mäkinen be paid a monthly remuneration of EUR 1,500 and that no remuneration is paid to the other members of the Board of Directors. In addition, the Annual General Meeting resolved that the Chairman of the Audit Committee shall receive a meeting fee of EUR 500 per Audit Committee meeting.

Petri Salonen has been appointed by the Company as a consultant to support the Company with certain M&A related matters and the listing process. In this capacity, Petri Salonen has been paid a monthly consultancy fee of EUR 7,000 starting from November 2018. Previously, Petri Salonen has acted as a consultant supporting the Company with, inter alia, M&A, financing, company processes and sales development, for which he has received a monthly consultancy fee of EUR 1,500 between 1 January 2017 and 17 August 2017, after which the remuneration was increased to EUR 5,000 until November of 2018. In 2019, the fees paid to Petri Salonen amounted to EUR 84,000. In addition, he has been paid EUR 14,000 as reimbursement for travel and other expenses.

The members of the Board of Directors are not included in the incentive schemes of the Company and no shares, option rights or other special rights have been given or granted as remuneration to the members of the Board of the Directors.

No pension benefits have been granted in favor of the members of the Board of Directors. However, Petri Salonen is entitled to the statutory Finnish TyEL pension with respect to his capacity as a consultant to the Company.

## 2. Remuneration of the CEO

For the financial period 2019, the salaries and benefits have completely consisted of fixed remuneration. In addition, Seppo Kopsala has a total of 60,000 options of which 40,000 under the 2015 option program and 20,000 under the 2017 option program. The subscription prices of the options are EUR 3.50 and the exercise periods are 1 July 2020–1 July 2024 for both programs. The options are forfeited and automatically transferred to the Company without consideration if the employment or service relationship to the Group is terminated, for any reason whatsoever, or if the consultancy agreement with the Group is terminated,

EUR, thousand	2019	2018	2017	2016
Salaries and benefits	105	108	109	127
Share-based payments			86	48
Pension costs				
<b>Total</b>	<b>105</b>	<b>108</b>	<b>195</b>	<b>175</b>

for any reason whatsoever, unless the Board of Directors decides to deviate from the rule.

Optomed offers the CEO the statutory Finnish TyEL pension. The current retirement age for the CEO follows the Finnish Employee's Pension Act. The CEO's contract may be terminated by either the CEO or Optomed with six months' notice. If the Company terminates the CEO's contract, the CEO is entitled to receive a severance pay corresponding to six month's salary. The severance pay is not payable in case of a material breach by the CEO or when the contract is terminated on grounds equal to those under Chapter 7 Section 2 or Chapter 8 Section 1 or 3 of the Finnish Employment Contracts Act (55/2001, as amended).