

Statement on Salaries and Fees for the Financial Period 2014

Statement

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1 Fees of the members of the Board of Directors

The Annual General Meeting decides annually the fees and compensation for costs to be paid to the members of the Board of Directors. Fees to the Board members are paid in the form of money and company's shares, based on the decision of the Annual General Meeting.

The Annual General Meeting of Innofactor Plc on March 26, 2013, decided that the members of the Board of Directors shall be paid a monthly fee with the Chairman's fees totaling EUR 36,000 per year and the other members' fees totaling EUR 24,000 per year. No separate fees for meetings shall be paid. Half of the fee (50%) shall be paid in cash and the other half (50%) as shares of Innofactor Plc. The shares shall be handed over to the members of the Board of Directors and, if necessary, shall be acquired from public trading directly on behalf of the members within two weeks of publishing the interim report of Innofactor Plc for January 1–March 31, 2013. Innofactor Plc requires the members of the Board of Directors to keep the shares, which they have received as part of the fees, for the duration of their membership in the Board of Directors. Fees for January–March 2014 were paid according to this decision.

The Annual General Meeting of Innofactor Plc on March 20, 2014, decided that the members of the Board of Directors shall be paid a monthly fee with the Chairman's fees totaling EUR 36,000 per year and the other members' fees totaling EUR 24,000 per year. No separate fees for meetings shall be paid. Half of the fee (50%) shall be paid in cash and the other half (50%) as shares of Innofactor Plc. The shares shall be handed over to the members of the Board of Directors and, if necessary, shall be acquired from public trading directly on behalf of the members within two weeks of publishing the interim report of Innofactor Plc for January 1–March 31, 2014. Innofactor Plc requires the members of the Board of Directors to keep the shares, which they have received as part of the fees, for the duration of their membership in the Board of Directors. Fees for April–December 2014 were paid according to this decision.

The members of the Board of Directors have not been given options as a fee for their work in the Innofactor Plc's Board of Directors.

No fees have been paid to members of the Boards of Directors of other companies in the Innofactor group.

The members of the Board of Directors receive no other financial benefits.

The members of the Board of Directors of Innofactor Plc were paid a total of EUR 155 thousand in fees in 2014, of which EUR 77 thousand was paid in cash and EUR 78 thousand in shares.

Detailed fees for 2014 are as follows:

- Pyry Lautsuo EUR 33 thousand (Board member until 9 November 2014)
- Sami Ensio EUR 26 thousand (additionally paid salary for the work as the CEO, see section 2)
- J.T. Bergqvist 21 thousand (Board member since 20 March 2014)
- Jukka Mäkinen EUR 24 thousand
- Juha Koponen EUR 3 thousand (Board member until 20 March 2014)
- Ilari Nurmi EUR 24 thousand
- Pekka Puolakka EUR 3 thousand (Board member until 20 March 2014)
- Tiia Tuovinen EUR 21 thousand (Board member since 20 March 2014)

2 Financial benefits included in the position of the CEO and CEO's fees

The Board of Directors decides annually on the fees and other rewards paid to the CEO.

The CEO is paid a fixed monthly salary of EUR 21,500.

The CEO is entitled to a total of five weeks of vacation per year. The CEO is paid annually a holiday bonus, which is 50% of the amount corresponding to the salary for the vacation period.

The CEO is paid salary for a maximum of three months annually when he/she is prevented from working by an illness or an accident.

The CEO is entitled to a result-based bonus defined by the Board of Directors annually and, at the maximum, the bonus can equal the annual total of the fixed monthly salary. In 2014, the bonus was based on the growth of the company's net sales, profitability, customer satisfaction, employee satisfaction, and earning per share (EPS). Only business profit can be used for paying the bonus.

The CEO has the right to participate in the reward and incentive systems created by the company for the personnel in general or for the management in particular, such as share-based systems or option systems.

The CEO has the lunch benefit, health care in accordance with the company policy, mobile phone benefit, health insurance, life insurance, and pension insurance. Currently, the CEO has no other fringe benefits.

When the CEO is a member of the company's Board of Directors, he/she is entitled to the fee defined to be paid for the work in the Board, but no right to fees from any other governing bodies of the group.

The CEO's retirement age and the basis for calculating the pension are determined according to the effective Employee Pensions Act.

The term of notice for CEO's employment is 6 months on either side. If the company terminates the CEO's contract, the CEO will be paid the salary for the period of notice and also, as a compensation for the termination, a one-time payment equaling to the CEO's salary for 12 months.

In 2014, the CEO was paid a total of EUR 478 thousand in CEO's fees and Board fees. Of the fees, EUR 466 thousand was paid in cash and EUR 12 thousand in company's shares.

3 Financial benefits and rewards for other management

The Executive Board members are paid a total salary, which includes the monetary salary and a taxable mobile phone benefit.

The members of the Executive Board are entitled to a result-based bonus defined by the Board of Directors annually and, at the maximum, the bonus can equal the annual total of the fixed monthly salary. In 2014, the bonus was based on the growth of the company's net sales, profitability, customer satisfaction, and employee satisfaction. Only business profit can be used for paying the bonuses.

The Executive Board has no additional pension system.

The members of the Executive Board (in addition to the CEO) in 2014 were

- Andersen Christian
- Jekunen Heikki
- Jokinen Elina
- Karvinen Mikko (until 30 April 2014)
- Lampi Mikko
- Martola Janne
- Peura Ingrid (until 1 October 2014)
- Pulli Tiina (1 May–8 July 2014)
- Rokkanen Juha

In 2014, the Executive Board of Innofactor Plc was paid a total of EUR 1,107 thousand in fees. The Finland-based Group Executive Board members have each agreed on voluntarily relinquishing the worth of one month's salary in the fall 2014 in connection with the personnel negotiations. This action generated cost savings of approximately EUR 0.1 million in 2014

The Board of Directors defines the principles for the salary and incentive systems for other management. The goals are set based on the company's result, sales goals and customer satisfaction.

4 Financial benefits included in the possible work or position in the company of the Chairman of the Board and Board members

The Chairman of the Board or the Board members, other than the CEO, are not employees of the company nor do they have any position in the company. The financial benefits of the CEO are described in section 2.

5 Fees of possible members of a Supervisory Board

Innofactor Plc has no Supervisory Board.