



RENUMERATION REPORT  
FOR GOVERNING BODIES **2020**

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## INTRODUCTION

The Biohit Oyj's remuneration report has been prepared according to the remuneration reporting section instructions of the Finnish Corporate Governance Code 2020.

The Biohit presented the remuneration policy to the 2020 Annual General Meeting which unanimously approved it. Biohit Oyj's Remuneration Policy will be presented in the company's annual general meeting at least every fourth year and always if significant changes are proposed to it. In the 2020 financial period existing remuneration policy was complied for both the members of the Board of Directors and the CEO.

Biohit's management remuneration currently consist of fixed salary and bonus. The most recent long-term incentive model ended in May 2019. No new stock option programmes are in effect at Biohit. The remuneration policy is aligned with company's strategy and rewards are consistent with the achieved results. Management and employees are rewarded in a way that encourages and engages them in advancing the company's strategy and creating value for shareholders.

The table below presents the development of the remuneration of the Board of Directors and the CEO compared to the development of the average remuneration of the group's employees and to the group's financial development for the previous five financial years.

| 1 000 eur                      | 2020   | 2019   | 2018  | 2017  | 2016   |
|--------------------------------|--------|--------|-------|-------|--------|
| Board, total remuneration      | 344    | 331    | 323   | 320   | 306    |
| CEO, total remuneration        | 232    | 204    | 288   | 494   | 202    |
| Average employee remuneration* | 41     | 38     | 37    | 37    | 38     |
| Group Net Sales                | 7 123  | 10 052 | 9 931 | 8 979 | 8 195  |
| Group operative EBITDA         | -1 178 | 593    | -157  | -400  | -1 900 |

\*paid salaries in the financial statements divided by the number of full time employees

## REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

The Annual General Meeting approves the fees of Biohit Oyj's Board of Directors. A decision was made at the Annual General Meeting on 16 September 2020 to pay a fee of EUR 1,500 per meeting to the chairman and the other members of the Board of Directors.

The remuneration paid to the other members of Biohit Oyj's Board of Directors is decided by the company's Board of Directors in accordance with the company's rules on related-party transactions.

During the financial period that ended on 31 December 2020, the remuneration paid to members of the parent company's Board of Directors totalled EUR 63,000 (EUR 50,000 in 2019). Osmo Suovaniemi was paid EUR 207,000 (EUR 209,000 in 2019) for his full day work for the company and as a member of the scientific advisory board. Board member Franco Aiolfi is the Managing Director of Biohit Oyj's subsidiary, Biohit Healthcare S.R.L., and he received remuneration of EUR 47,000. (EUR 45,000 in 2019)

| Member of the Board of Directors | Position on the Board of Directors | Board of Directors' fees (1000 EUR) | Other remuneration (1000 EUR) | Total remuneration (1 000 EUR) |
|----------------------------------|------------------------------------|-------------------------------------|-------------------------------|--------------------------------|
| Osmo Suovaniemi                  | Chairman                           | 11                                  | 197                           | 207                            |
| Matti Härkönen                   | Member                             | 11                                  | -                             | 11                             |
| Eero Lehti                       | Member                             | 6                                   | -                             | 6                              |
| Lea Paloheimo                    | Member                             | 11                                  | 1                             | 11                             |
| Franco Aiolfi                    | Member                             | 11                                  | 36                            | 47                             |
| Liu Feng                         | Member                             | 11                                  | -                             | 11                             |
| Timo Joensuu                     | Member                             | 5                                   | -                             | 5                              |
| <b>Total</b>                     |                                    | <b>63</b>                           | <b>233</b>                    | <b>296</b>                     |

## COMPANIES UNDER THE CONTROL OF MEMBERS OF THE BOARD OF DIRECTORS

| 1 000 eur                         | 2020       | 2019       |
|-----------------------------------|------------|------------|
| Franco Aiolfi, Euroclone S.p.A    |            | 77         |
| Franco Aiolfi, BioAir S.p.A       | 69         | -          |
| Matti Härkönen, Oy Tech Know Ltd. | 48         | 46         |
| Franco Aiolfi, Biobrick           | 25         | 25         |
| <b>Total</b>                      | <b>142</b> | <b>148</b> |

Biohit has a consultancy agreement with Oy Tech Know Ltd, a company controlled by Board member Matti Härkönen. On the basis of this agreement, Oy Tech Know Ltd was paid consultancy fees of EUR 48 000 (EUR 46,000 in 2019) based on the work done by Matti Härkönen. Biohit has agreements with BioAir S.p.A:n and Biobrick, a companies controlled by Board member Franco Aiolfi in 2020. Companies deliver finance, IT, quality and premises services to Biohit Oyj's subsidiary Biohit Healthcare S.R.l. On the basis of these agreements, BioAir S.p.A and Biobrick was paid EUR 94,000 during the 2020 financial period (EUR 102,000 in 2019).

## REMUNERATION FOR THE PRESIDENT & CEO

The President and CEO's remuneration consists of EUR 197 000 annual fixed salary, which includes the car benefit. The President & CEO is part of the bonus program which is based on reaching the annual targets set to the President & CEO. For the financial period 2020 the president and CEO was paid bonuses EUR 36 000 based on the 2019 results of the company. For 2020 there are no unpaid bonuses due to president and CEO.

| 1 000 eur             | 2020       | 2019       | 2018       | 2017       | 2016       |
|-----------------------|------------|------------|------------|------------|------------|
| Salaries and benefits | 232        | 204        | 202        | 202        | 202        |
| Share-based payments  | 0          | 0          | 86         | 291        | 0          |
| <b>Total</b>          | <b>232</b> | <b>204</b> | <b>288</b> | <b>494</b> | <b>202</b> |

The most recent long-term incentive model ended in May 2019. No new stock option programmes are in effect at Biohit. No other pension arrangements, beyond those mandated by law, are made with the President & CEO. The current retirement age for the CEO follows the Finnish Employee's Pension Act. The President & CEO's employment contract does not include the notice period or the remuneration during the notice period.



**BIOHIT HealthCare**

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