



# REVENIO

ENABLING EASY & EFFICIENT DIAGNOSIS

SALARY AND REMUNERATION REPORT

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# Salary and remuneration report 2019

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## 1. Introduction

Revenio Group Corporation's ("Company", "Revenio") governance is based on legislation and the Company's Articles of Association. Revenio complies with all recommendations of the Finnish Corporate Governance Code 2019 issued by the Securities Market Association ("Governance Code"). The Company will comply with the new Governance Code, adopted on 19 September 2019, in the stipulated schedule. The Corporate Governance Code is available to the public on the website of the Securities Market Association at [www.cgfinland.fi/en/](http://www.cgfinland.fi/en/).

The Board of Directors has approved this Salary and Remuneration Report at its meeting on 22 January 2020, and it is publicly available on the Company's website at [www.reveniogroup.fi/en/investors/corporance-governance-statement](http://www.reveniogroup.fi/en/investors/corporance-governance-statement). In addition, the Company's website provides information on the current remuneration schemes of the Board of Directors and the President & CEO as well information on the remuneration of the Group Management Team on an aggregate level.

In the future, the Company will publish a Remuneration Report in accordance with the new Governance Code instead of a Salary and Remuneration Report.

## 2. Decision-making procedure for remuneration

The Company's statutory governing bodies are the Annual General Meeting, Board of Directors, President & CEO and Deputy President & CEO. The statutory governing bodies are supported by the Company's Chief Financial Officer. The Company's Board of Directors has instituted an Audit Committee from its membership.

The remunerations paid to the Board of Directors are decided by the Annual General Meeting. The Board prepares the remuneration proposal for the Annual General Meeting.

Revenio's Board of Directors decides on the remuneration, other financial benefits and the basis for the performance-based bonus schemes of the President & CEO, Managing Directors of subsidiaries and Group Management Team, including possible stock options and share-based incentives, within limits set by the Annual General Meeting and, in future, the Remuneration Policy presented to the Annual General Meeting in accordance with the new Governance Code. The Company's President & CEO decides on the salaries and remuneration of employees other than members of the Group Management Team and the basis for their performance-based bonus schemes. The Board prepares proposals for the overall remuneration of the President & CEO, Managing Directors of subsidiaries, and members of the Group Management Team. The fixed salaries of the Managing Directors of subsidiaries and members of the Group Management Team are nevertheless decided on the basis of a proposal made by the President & CEO. The Board of Directors may appoint one or more of its members or nominate a committee to investigate the justifications for proposed performance-based pay systems and other benefits and to coordinate the use of possible outside experts. The Company periodically assesses the competitiveness of the Company's remuneration in relation to other international listed companies with a similar market value.

## 3. Key principles of remuneration

### 3.1 Key principles of remuneration of the Board of Directors

The ordinary Annual General Meeting decides on the remuneration of Board members. The Board prepares the remuneration proposal.

On March 20, 2019, the Annual General Meeting decided on the payment of the following annual remunerations to Board members for the term ending at the end of the following Annual General Meeting:

- the Chair of the Board of Directors, EUR 48,000; and
- the members of the Board, EUR 24,000.

In accordance with the proposal of the Board of Directors, the Annual General Meeting decided that 40% of the annual remuneration should be paid in Company shares and 60% in cash. The shares given as remuneration do not include any restrictions on conveyance.

The Annual General Meeting also decided that the travel costs of permanent Board members will be reimbursed according to the Company's travel policy.

The Board decided to establish an Audit Committee after the acquisition concluded in the spring and decided that members of the Committee will be paid a fee of EUR 500 per meeting.

### 3.2 Key principles of remuneration of the President & CEO and other management

The Board of Directors decides on the President & CEO's remuneration within the framework of the Remuneration Policy for governing bodies presented to the Annual General Meeting.

The remuneration system of the President & CEO, Group Management Team and Managing Directors of subsidiaries consists of a fixed monthly salary, an annual performance-based bonus system based on the achievement of targets set by the Board and a discretionary portion, an option scheme, and a share plan.

As of January 1, 2012, the CEO and Group Management Team have benefited from group pension insurance and medical expenses insurance. The financial impact of this insurance is insignificant to the Company.

### Performance-based bonus scheme

The maximum annual amount of the performance-based bonus of the President & CEO of Revenio Group Corporation is equal to the fixed salary for nine months and that of other management equal to the fixed salary for four months. The maximum amount of the performance-based bonus of other employees is equal to the fixed salary for two months. The criteria for the performance-based bonus scheme are growth and profitability requirements at both Group level and one's own area of responsibility, along with a discretionary portion. As at December 31, 2019, the performance-based bonus scheme applied to a total of seven people in managerial posts at Group companies.

## Option scheme

The Company has an option scheme for Group key personnel, dating from 2015. Revenio Group Corporation's Board of Directors decides on the distribution of option rights within the framework of the Remuneration Policy presented to the Annual General Meeting. At the time of drawing up the financial statements on December 31, 2019, the President & CEO and members of the Group Management Team held 14,850 option rights in total, of which 2,000 were held by the President & CEO.

Based on the share issue authorization granted by the Annual General Meeting of March 19, 2015, the Revenio Group Corporation's Board of Directors decided, on August 10, 2015, to implement a new option scheme comprising a maximum of 150,000 option rights. One option right entitles its holder to subscribe to three shares. New shares subscribed for via the option program entitle the holder to a dividend from the year of subscription onwards. The option rights will be allocated, as determined by the Board of Directors, to key personnel employed or to be employed by the Revenio Group in accordance with the terms and conditions of the option scheme.

These option rights are divided into three series: Series A (50,000), Series B (50,000), and Series C (50,000). The subscription periods for options were as follows: Series A: May 31, 2017–May 31, 2019; Series B: May 31, 2018–May 31, 2020; and Series C: May 31, 2019–May 31, 2021. The share subscription price for Series B options will be the trade-weighted average price of Revenio share quoted on Nasdaq Helsinki Ltd during the period September 1–October 15, 2016 plus 15 per cent, and for Series C options the trade-weighted average price of Revenio share quoted on Nasdaq Helsinki Ltd during the period September 1–October 15, 2017 plus 15 per cent. The subscription price for Series B options was EUR 9.84 and for Series C options EUR 12.78 on December 31, 2019.

A total of 178,266 shares were subscribed under the 2015 option scheme.

## Share plan

### Performance share plans for 2018–2020 and 2019–2021

On March 20, 2018 and June 20, 2019 the Board of Directors of Revenio Group Corporation decided on a long-term incentive scheme directed towards the President & CEO and other Management Team of Revenio Group. Long-term incentive schemes form part of the Company's remuneration program for key personnel and are aimed at supporting the implementation of the Company's strategy and harmonizing the objectives of key personnel and Company shareholders in order to grow the Company's value.

The performance-based incentive schemes have a three-year earning period. The Board of Directors shall decide separately on the minimum, target and maximum bonus of each participant, as well as performance criteria and the related targets.

The amount of bonus payable to the participants depends on the achievement of the pre-set targets. No bonus will be paid if the targets are not met, or if the participant's work or employment relationship ends before the bonus is paid. The performance share plan shall cover a maximum of 10 persons and the objectives of the plan shall be related to the absolute total yield of the Company's share and the cumulative operating result over a period of three years.

If the targets of the incentive scheme are met, the bonuses will be paid in the spring of 2021, in the year following the earning period, and in 2022. The total amount of share bonus to be paid on the basis of the program earning periods shall not exceed around 100,000 shares in Revenio Group Corporation. The number of shares in question is gross earnings minus the amount of cash required to cover taxes due on the share bonus and any other tax-like payments, after which the remaining net bonus shall be paid in shares. However, in certain circumstances the Company has the right to pay the entire bonus in cash. The Company's Board of Directors can decide on new share-based remuneration schemes within limits of the authorization granted by the Annual General Meeting.

The personnel fund established by the Company is open to the Company's entire personnel in Finland. Employees can transfer an

amount equal to a maximum of two months' salary from their annual bonus into the personnel fund. Participation in the fund is at the sole discretion of the employee. Alternatively, bonuses can be taken out as salary. The Company will contribute an additional 25% on top of the assets in the fund, corresponding to the statutory costs payable by the Company if the bonus was paid as salary. The fund invests assets in Revenio Group Corporation shares.

## 4. Remuneration report

### 4.1 Board of directors

#### FEES PAID TO THE BOARD OF DIRECTORS IN 2019

| NAME                  | POSITION IN THE COMPANY | ANNUAL FEE (EUR) | MEETING FEE* (EUR) | SALARY (EUR) | TOTAL (EUR)   |
|-----------------------|-------------------------|------------------|--------------------|--------------|---------------|
| Rönkä Pekka           | Chair of the Board      | 48,000           | 1,500*             | -            | <b>49,500</b> |
| Kakkonen Kyösti       | Board member            | 24,000           | -                  | -            | <b>24,000</b> |
| Kohonen Ari           | Board member            | 24,000           | -                  | -            | <b>24,000</b> |
| Sundell Ann-Christine | Board member            | 24,000           | 1,500*             | -            | <b>25,500</b> |
| Tammela Pekka         | Board member            | 24,000           | 1,500*             | -            | <b>25,500</b> |

\* Fee for meetings of the Audit Committee

The members of the Company's Board of Directors elected by the Annual General Meeting of 2019 do not have an employment relationship with the Company.

The Company has no share-based remuneration schemes in place for Board members apart from the part of the annual fee paid in shares.

### 4.2 President & CEO

| NAME           | POSITION IN THE COMPANY                                     | MONETARY SALARY (EUR) | PERFORMANCE-BASED BONUSES (EUR) | FRINGE BENEFITS (EUR) | EMPLOYEE STOCK OPTIONS, EUR | TOTAL (EUR)       |
|----------------|---|-----------------------|---------------------------------|-----------------------|-----------------------------|-------------------|
| Timo Hildén    | President & CEO Jan 1– Aug 4, 2019 and Nov 25– Dec 31, 2019 | 156,398               | 77,361                          | 160                   | 265,891                     | <b>499,809</b>    |
| Mikko Moilanen | President & CEO Aug 5– Nov 25, 2019                         | 344,964.61*           | -                               | 3,945.30              | -                           | <b>348,909.91</b> |

\*Includes costs for 12 months' period of notice, part of which will be paid in 2020

Timo Hildén served as President & CEO of the Company from January 1 to August 4, 2019, and as temporary President & CEO from November 25, 2019. Mikko Moilanen was President & CEO of the Company from August 5 to November 25, 2019.

In 2019, the President & CEOs received a total of EUR 848,718.91 in salaries and fees, fringe benefits included. Of this total sum, EUR 77,361 consisted of variable fees in the form of an annual bonus earned for the period January 1 to December 31, 2019.

At the time of drawing up the financial statements on December 31, 2019, Timo Hildén held 2,000 option rights. A total of 10,500 new option rights were granted to him in 2019. A total of 3,000 new option rights were granted to Mikko Moilanen in 2019.

### 4.3 Remuneration of other management

| NAME  | POSITION IN THE COMPANY        | MONETARY SALARY (EUR) | PERFORMANCE-BASED BONUSES (EUR) | FRINGE BENEFITS (EUR) | EMPLOYEE STOCK OPTIONS, EUR | TOTAL (EUR)      |
|---|--------------------------------|-----------------------|---------------------------------|-----------------------|-----------------------------|------------------|
| <b>Other members of the Group Management Team</b> | Members of the Management Team | 997,292               | 90,468                          | 38,546                | 610,762                     | <b>1,737,067</b> |

In 2019, the other members of the Group Management Team; i.e. the CFO, Sales and Marketing Director, R&D Director of Tonometers, Operations Director, QA Director, and R&D Director of Imaging Devices, received a total of EUR 1,737,067 in salaries and fees, fringe benefits included. Of this total sum, EUR 90,468 consisted of variable fees in the form of an annual bonus earned for the period January 1 to December 31, 2019.

At the time of drawing up the financial statements, the Management Team held a total of 12,850 option rights. A total of 28,000 new option rights were granted to the Management Team in 2019.

On December 31, 2019, the performance-based share plan covered a total of five Management Team members.

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The statements and estimates regarding markets and the future presented in this Annual Report are based on the best knowledge of the management of the Group and its subsidiaries at the time they were made. Due to their nature, they contain a certain amount of uncertainty and may change in the event of developments in the general economic situation or conditions within the industry.

[WWW.REVENIOGROUP.FI](http://WWW.REVENIOGROUP.FI)