

# Remuneration Report for Governing Bodies

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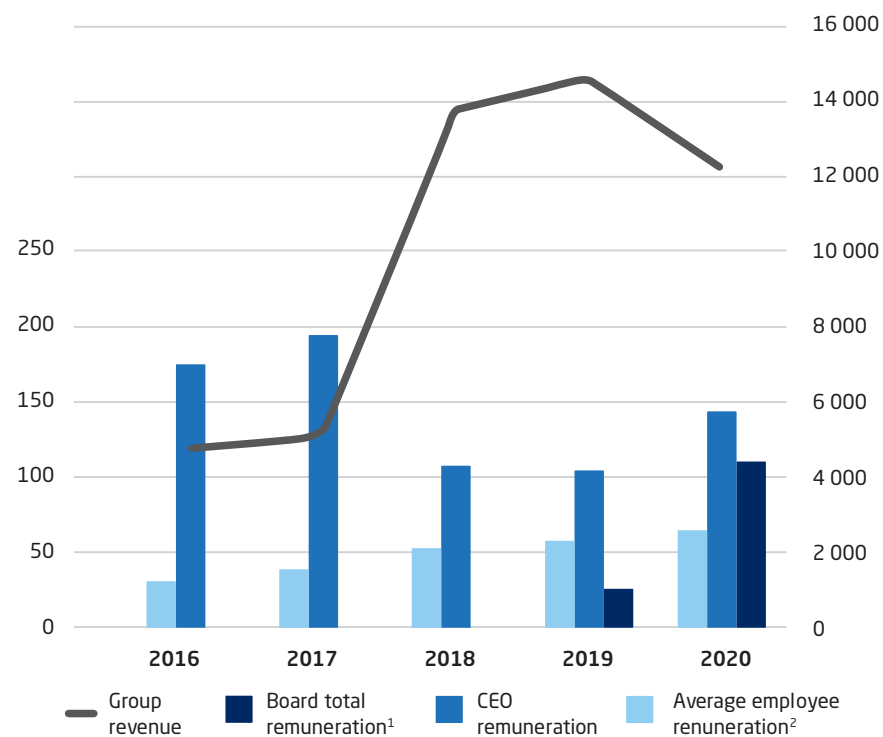
# Remuneration Report for Governing Bodies

This remuneration report for the financial year 2020 has been prepared according to the remuneration reporting section of the Finnish Corporate Governance Code 2020 as well as the provisions of the Finnish Securities Market Act and Limited Liability Companies Act.

The Annual General Meeting of Optomed Plc (“Optomed” or the “Company”) approved Optomed’s remuneration policy on 11 June 2020. The remuneration policy is available on the Company’s website on <https://www.optomed.com/investors/>. 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, including the CEO, currently consists of base salary, short term incentive scheme and long-term incentive scheme 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.



1) Does not include the consultancy fees of Petri Salonen. 2) Optomed’s annual reported personnel costs divided by the number of employees.

In EUR thousand	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Board total remuneration <sup>1</sup>	111	26			
CEO remuneration	144	105	108	195	175
Average employee remuneration <sup>2</sup>	65	58	53	39	31
Group revenue	13,010	14,977	12,733	6,899	6,609
Group EBITDA	-733	-335	1,062	-1,784	-1,865

Name	Position	Yearly fees	Meeting fees	Consulting fees	Total
Petri Salonen	Chairman	36	0	85	121
Seppo Mäkinen	Remuneration Committee Chairman	18	0	0	18
Reijo Tauriainen	Audit Committee Chairman	18	2	0	20
Anna Tenstam	Board member	18	0	0	18
Jun Wu <sup>1</sup>	Board member	0	0	0	0

## 1. Remuneration of the Board of Directors

The 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 of 2020 approved the following Board remuneration:

- EUR 36,000 for the Chairman of the Board of Directors, and
- EUR 18,000 for each member of the Board of Directors.

Further, the Annual General Meeting approved that a meeting fee in the amount of EUR 500 is paid to the Chairman of the Audit Committee for each Audit Committee meeting. 40 percent of the Board of Directors remuneration is paid in Optimed shares and 60 percent in cash.

All in EUR thousand.

1) Jun Wu waived his Board remuneration for the year

In addition to his duties as Board chairman, Petri Salonen also supports the company as consultant with various matters. In this capacity since September 2020 Petri Salonen has been paid a consultancy fee of EUR 8,000 a month in addition to his Board fees. Previously, Petri Salonen has acted as a consultant supporting the Company with, inter alia, listing process, 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 and to EUR 7,000 in November 2018. In 2019, the fees paid to Petri Salonen amounted to EUR 84 thousand. In addition, he has been paid EUR 5 thousand as reimbursement for travel and other expenses in 2020.

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 until 31 August 2020.

## 2. Remuneration of the CEO

The remuneration of the CEO of the Company consists of a monthly fixed salary of EUR 10,000 from March 2020 onwards and EUR 8,250 between January and February 2020, customary fringe benefits and options granted as long-term incentive. The CEO Seppo Kopsala is also a large owner of the Company and therefore the interests of the CEO and the Company are efficiently aligned in terms of the Company's share price development.

The remuneration and benefits paid to the CEO for the financial year 2020 are presented in the following table:

	Fixed Salary	Short Term Incentive	Share-based payments	Total
CEO	114	30	0	144

*All in EUR thousand.*

*1) Includes benefits*

Optomed offers the CEO only 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).

### Short Term Incentive

The short-term incentive paid in 2020 consisted of a one-time separate bonus in connection with the successful listing process. The bonus was EUR 30,000 and it was 21 percent of the total remuneration of the CEO, it was and it was paid in accordance with section 6 of the remuneration policy.

The short-term incentive performance criteria for 2020 were set by the Board in the beginning of the financial year, with a focus on growth and profitability. Based on the achieved performance, no bonus will be paid for year 2020.

### Long Term Incentive

For the financial period 2020, the salaries and benefits have completely consisted short term incentive scheme and fixed remuneration and no separate long term incentive was paid.

In addition, at the end of the year 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, for any reason whatsoever, unless the Board of Directors decides to deviate from the rule.