

REMUNERATION STATEMENT 2018

MEMBERS OF SATO'S BOARD OF DIRECTORS

Decision-making procedure

Remuneration payable to the members of the Board of Directors of SATO Corporation (hereinafter "SATO") is resolved by the SATO's shareholders at the Annual General Meeting. The proposal for the remuneration is prepared, together with a proposal for the election of board members, by the Shareholders' Nomination Committee. The Nomination Committee consists of representatives of SATO's four largest shareholders registered in the book-entry system on 1 October, which shareholders have approved the assignment.

SATO's Annual General Meeting ("AGM") held on 23 March 2018 made the resolution that the following annual remuneration be paid for the term starting at the close of the AGM and ending at the close of the AGM in year 2019:

- Chair of the Board of Directors: EUR 36,000
- Deputy chair of the Board of Directors: EUR 22,000
- Other members of the Board of Directors: EUR 18,000 each.

In addition, the AGM resolved that a meeting fee of EUR 500 per meeting be paid to the chair, deputy chair and members of the Board of Directors for meetings of the Board of Directors and its committees. These fees correspond to the fees paid to members of the Board of Directors during the previous term of office.

Fees paid to members of the Board of Directors in 2018

The following fees were paid to members of SATO's Board of Directors during the financial period of 1 January–31 December 2018:

Erik Selin, chairman of the Board of Directors	EUR 42,000
Jukka Hienonen, deputy chairman of the Board of Directors	EUR 27,500
Marcus Hansson	EUR 25,000
Esa Lager	EUR 24,000
Tarja Pääkkönen	EUR 24,000
Johannus (Hans) Spikker	EUR 23,500
Timo Stenius	EUR 25,000

A total of EUR 191,000 was paid in fees to members of the Board of Directors in 2018. During the financial period, no shares or share-based rights were issued to members of the Board of Directors as fees.

THE PRESIDENT AND CEO AND OTHER MANAGERS OF THE GROUP

Decision-making procedure

On the basis of proposals presented by the Nomination and Remuneration Committee, SATO's Board of Directors makes resolution on the terms and conditions of the term of office of SATO's President and CEO and employment of the members of the Group's management team. Board of Directors also makes resolution on their salaries, the criteria of annual bonus schemes

and long-term incentive schemes, as well as the amount of bonuses payable based on the schemes, the payment method and date.

Individuals employed by SATO Group do not receive any separate compensation for acting as a member of the Board of Directors or as CEO in the subsidiaries of the Group.

The President and CEO's service contract

A written service contract has been signed between SATO and its President and CEO Saku Sipola, according to which the President and CEO receives a monthly salary divided into a monetary component and customary fringe benefits. The President and CEO is within the scope of the annual bonus and long-term incentive schemes in accordance with SATO's policies valid at the time, following the terms and conditions defined by SATO's Board of Directors.

The period of notice for the President and CEO is six months if the service contract is terminated by SATO. If SATO terminates the service contract, the President and CEO will receive compensation corresponding to 12 months' salary in addition to the regular salary payable for the period of notice.

REMUNERATION SCHEMES

The objective of incentive schemes is to combine the targets of shareholders and key individuals to increase the company's value, improve the Group's competitiveness and ensure the long-term financial success.

In 2018, the following incentive schemes were effective in SATO:

a. Long-term scheme applicable to years 2016–2018

On the basis of this scheme, key individuals within the scope of the scheme receive bonuses, the amount of which is based on the development of the company's value and another objective which supports business improvement. The scheme covers a total of 12 key individuals.

SATO's Board of Directors has decided the participants in the scheme, the maximum bonus to be paid, and the values which form the basis of the bonuses, as well as the amount of bonuses to be paid.

b. Incentive scheme for year 2018

Members of the Group's management team and separately appointed key individuals of the Group are within the scope of an annual bonus scheme. The joint objectives defined were related to the Group's profit and the value development of the Group. In addition, targets related to the successful performance of own tasks were set for individuals within the scheme.

The Board of Directors approves the criteria for annual bonuses, the individuals within the scope of bonus scheme and the payment of bonuses. The annual bonuses are paid in two parts: first

part in the year following the earnings period and the second part two years after the earnings period for those individuals employed by SATO at the moment of payment.

SALARIES AND FEES PAID TO THE PRESIDENT AND CEO AND MEMBERS OF THE GROUP'S MANAGEMENT TEAM IN 2018

In 2018, the President and CEO Saku Sipola received EUR 323,622 in salary, of which monetary salary accounted for EUR 309,362 and fringe benefits made up EUR 14,260. In addition, the President and CEO was paid bonuses for year 2017 EUR 158,319 and on the basis of previous long-term incentive schemes EUR 49,042.

In 2018, Erkkä Valkila, who acted as the President and CEO of SATO until 15 November 2015, received EUR 29,352 in bonuses paid on the basis of previous long-term incentive schemes.

In 2018, other members of the Group's management team received EUR 771,649 in salaries and fringe benefits, EUR 75,403 in bonuses based on long-term incentive schemes, and EUR 376,639 in bonuses based on the annual bonus scheme. In addition to the President and CEO, the Group's management team consisted of five individuals during the period 1.1.–31.8.2018 and four individuals during the period 1.9.–31.12.2018.