

Remuneration statement 2021

1. Members of SATO's Board of Directors

1.1 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 25 March 2021 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 2022:

- 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.

1.2 Fees paid to members of the Board of Directors in 2021

The following fees were paid to members of SATO's Board of Directors during the financial period of 1 January – 31 December 2021:

Erik Selin, chairman of the Board of Directors	EUR 43,000
Jukka Hienonen, deputy chairman of the Board of Directors (until 25 March 2021)	EUR 9,028
Esa Lager, deputy chairman of the Board of Directors (as of 25 March 2021)	EUR 26,222
Tarja Pääkkönen	EUR 25,500
Sharam Rahi (member of the Board of Directors as of 25 March 2021)	EUR 15,450
Johannus (Hans) Spikker	EUR 23,500
Timo Stenius	EUR 23,500

A total of EUR 166,500 was paid in fees to members of the Board of Directors in 2021. During the financial period, no shares or share-based rights were issued to members of the Board of Directors as fees.

2. The President and CEO and other managers of the Group

2.1 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 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.

2.2 The President and CEO's service contract

A written service contract has been signed between SATO and its President and CEO Antti Aarnio, 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/or long-term incentive schemes in the manner decided by the Board of Directors.

The period of notice for the President and CEO is six months if the service contract is terminated by the President and CEO. In case SATO terminates the service contract Aarnio has the right to six months' salary for the notice period and for the severance pay corresponding to his six months' salary.

3. 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.

The following incentive scheme concerning year 2021 is effective in SATO:

Members of the Group management team and separately appointed key individuals of the Group are within the scope of an annual bonus scheme. The bonus scheme for year includes group level targets (60 %) and individual targets (40 %). The prerequisite for the payment of the bonus is that the threshold of all group level targets is achieved.

The Board of Directors approves the criteria for annual bonuses, the individuals within the scope of bonus scheme and the payment of bonuses. In the highest payment segments 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.

4. Salaries and fees paid to the President and CEO in 2021

The President and CEO Antti Aarnio received EUR 329,588 in salary, of which monetary salary accounted for EUR 320,053 and fringe benefits made up EUR9,635. As bonus payment EUR 54,676 was paid to him.