

Report on salaries and remuneration

The Board of Directors and auditors

The remuneration to be paid to the members of the Board of Directors and auditors is decided by the annual general meeting. The annual general meeting which convened on 05 March 2014 decided that the chairman of the Board of Directors was to be paid €36,000, the deputy chairman was to be paid €22,000 and the members of the Board of Directors were to be paid €18,000 for their term in office. It was also decided to pay the chairman of the Board of Directors and the members €500 per meeting. It was decided to pay the chairmen of the committees and the members €500 per meeting.

The fees for the members of the Board of Directors in 2014 totalled €188,178. No shares or share-related entitlements were surrendered to members of the Board of Directors during the financial year.

It has been decided to pay the auditors' fee on invoice. Auditing fees paid by the SATO Group for auditing services during the financial year 2014 amounted to €126,548 and fees for non-auditing services were €179,165.

The President and CEO and the Group's other management

The criteria and payment of the salaries and bonuses paid to the President and CEO and to the members of the Group's Corporate Management Group are decided by the company's Board of Directors. Persons employed by the Group are not paid separate remuneration when serving as a member of the Board of Directors or as a President of a Group company.

The salary and other perquisites of the President and CEO in 2014 amounted to €808,065, of which €312,370 was fixed salary and the variable component was €495,695. The salary and other perquisites of the President and CEO's deputy amounted to €507,401, of which €203,637 was fixed salary and the variable component includes bonuses based on long- and short-term incentive systems.

The President and CEO and the Vice President acting as his deputy are covered by a supplementary pension insurance. Based on their supplementary pension, their retirement age is 60 years. At that time they are entitled to a pension of 60 per cent of their pensionable salary. The Board of Directors decided on 18 December 2012 to continue the President and CEO's indefinite appointment

after he reaches pensionable age, until 31 December 2015. The President and CEO's service contract has been renewed and the period of notice is six months. The President and CEO's supplementary pension insurance ended on 31 December 2013.

The members of the Group's Corporate Management Group are covered by an annual incentive scheme based on the Group's profit and fulfilment of other key measurable targets. The Board of Directors approves the criteria for and payment of bonuses.

The purposes of the long-term incentive scheme are to combine the goals of the management with those of the shareholders in order to increase company value, improve competitiveness, and promote long-term financial success. The Board of Directors has decided to start a new long-term incentive scheme from the beginning of 2013. A bonus will be based on an increase in the Group's net assets. The scheme includes three 3-year earnings periods and a bonus cap. The commitment effect for each earnings period will continue for about 18 months after the earnings period. The scheme encompasses 16 key personnel in the Group.