

## REMUNERATION STATEMENT

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## 2016

### MEMBERS OF THE COMPANY'S BOARD OF DIRECTORS

#### Decision-making order

Remuneration paid to the members of the Board of Directors of SATO Corporation (hereinafter "SATO") is resolved by the company'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 held on 3 March 2016 resolved that the following annual remuneration be paid for the term starting at the close of the AGM and ending

at the close of the 2017 AGM:

- 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 fees paid to members of the Board of Directors during the previous term.

#### Fees paid to members of the Board of Directors in 2016

The following fees were paid to members of SATO's Board of Directors during the financial period of 1 January–31 December 2016:

Erik Selin, chairman of the Board of Directors	EUR 39,900
Jukka Hienonen, deputy chairman of the Board of Directors	EUR 29,000
Andrea Attisani (member until 11 July 2016)	EUR 16,000
Marcus Hansson (member as of 3 March 2016)	EUR 19,900
Esa Lager	EUR 28,600
Tarja Pääkkönen	EUR 26,500
Timo Stenius	EUR 26,000
Total	EUR 185,900

During the financial period, no shares or share-based rights were issued to members of the Board of Directors as fees.

## CEO AND OTHER MANAGERS OF THE GROUP

### Decision-making order

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 and employment of SATO's CEO and members of the Group's management team, and their salaries, the bases of their annual bonus schemes and long-term incentive schemes, as well as the amount of bonuses paid based on the schemes, in addition to the payment method and date.

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

### The CEO's employment contract

A written employment contract has been signed between SATO and its CEO Saku Sipola, according to which the CEO receives a monthly salary divided into a monetary component and customary fringe benefits. The 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 CEO is six months if the employment contract is terminated by SATO. If SATO terminates the CEO's employment contract, the CEO will receive compensation corresponding to a 12-month salary in addition to the regular salary paid during the period of notice.

## REMUNERATION SCHEMES

### Long-term incentives

The objective of long-term 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 long-term financial success.

In 2016, SATO used the following long-term incentive schemes:

#### a. Schemes applicable to 2014–2016 and 2015–2017

On the basis of these schemes, key individuals within the scope of these schemes receive bonuses on the basis of criteria related to the development of the company's value fulfilled during the earnings period. These schemes covered a total of 18 key individuals.

#### b. Scheme applicable to 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. This scheme covers a total of 17 key individuals.

SATO's Board of Directors decides who falls within the scope of each 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 annually.

### Short-term incentives

Members of the Group's management team and separately appointed key individuals of the Group are within the scope of an annual bonus scheme. In 2016, the objectives defined for the Group's management team were related to the Group's profit and one objective which supports business improvement. The objectives set for key individuals were related to the successful performance of their tasks. The Board of Directors annually approves the bases of bonuses, the individuals within the scope of bonus schemes and the payment of bonuses.

## SALARIES AND FEES PAID TO THE CEO AND MEMBERS OF THE GROUP'S MANAGEMENT TEAM IN 2016

In 2016, CEO Saku Sipola received EUR 303,978 in salary, of which monetary wages accounted for EUR 288,950 and fringe benefits made up EUR 15,028. The CEO started in his position on 16 November 2015, which is why he received no bonus for 2015 in 2016.

In 2016, Erkkä Valkila, who acted as the CEO of SATO until 15 November 2015, received EUR 110,527 in bonuses for 2015 and EUR 86,720 in bonuses paid on the basis of previous long-term incentive schemes.

In 2016, other members of the Group's management team received EUR 1,286,508 in bonuses and fringe benefits, EUR 211,380 in bonuses based on long-term incentive schemes, and EUR 179,782 in bonuses based on the annual bonus scheme. In addition to the CEO, the Group's management team consisted of a total of eight individuals in 2016.