

Remuneration Report For Governing Bodies of Nanoform Finland Plc 2022

Remuneration Report for Governing Bodies

1 introduction

1.1 Comparator data

This remuneration report has been prepared in accordance with the reporting requirements of the Finnish Corporate Governance Code section on Remuneration Reporting.

Nanoform Finland Plc's ("Nanoform" or the "Company") Board of Directors has adopted Nanoform's remuneration policy on 17 March 2022 and the remuneration policy received an advisory approval by the general meeting of the Company's shareholders on 12 April 2022.

The goal of the Company's executive remuneration is to commit executives to develop the Company and its financial

success in the long term and reward for work that is in line with the Company's strategy at a given time and for compliance with the set rules, as well as to motivate to strive for the success of the Company. The Company's remuneration supports achieving strategic targets, profitability, and increased shareholder value.

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.

EUR, thousand	2022	2021	2020	2019	2018
Board, total remuneration	607,274	1,195,763	919,095	388,725	0
CEO, total remuneration	294,825	277,490	271,482	133,076	37,469
Average employee remuneration ¹	95,928	126,705	208,327 ²	132,088 ³	76,395
Group Management Team, excluding CEO	1,806,567	3,238,915	3,626,384	1,235,658	438,989
Market Capitalisation	250,764,685 ⁴	477,281,261	471,531,136	N/A	N/A
New Customer Projects Signed	17 + 1 (GMP)	16 + 2 (GMP)	10 (non-GMP)	2 (non-GMP)	

¹ Nanoform's annual reported personnel costs divided by the number of employees

² This includes share-based payments and IPO variable payments

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⁴ At the closing of 2022

1.2 Deviations from the Remuneration Policy

A temporary deviation from the Remuneration Policy is allowed if this deemed necessary to ensure the Company's long-term interests, considering the Company's long-term success, competitiveness, and shareholder value development. A temporary deviation may pertain to the Policy as a whole or part thereof.

A temporary deviation from the Remuneration Policy is allowed only in exceptional circumstances.

There have been no deviations from the Remuneration Policy as adopted by the Board of Directors on 17 March 2022.

1.3 Clawback of remuneration

When applying the incentive plans, if changes in circumstances beyond the control of the Company were to result in significantly detrimental or unreasonable effects on the Company, the Board of Directors has the right to reduce remunerations under the incentive plans or defer the payment to a more favourable date for the Company.

The Board of Directors, in its discretion, may take actions to cancel remuneration fully or partially if it deems it necessary to amend the financial statements of the Company and this affects the amount of the remuneration or if actions in violation of law or the Company's ethical guidelines or other unethical actions have taken place.

The Board of Directors may exercise its discretion in relation to leaver situations of the Board Members or the CEO, as it sees fair and justifiable, as to whether any annual incentive (in whole or partly) shall be payable during the year of departure and as to whether shares granted as reward in long-term incentive plan (in whole or partly) shall vest and the terms on which such shares shall vest.

Subject to the above and with the exception of stock option rights, there are no terms of deferral or clawback terms in the Policy. The Company's CEO does not hold any stock options. The stock options granted to members of the Board of Directors vested linearly during the 12 months following the annual general meeting in which these were

issued. Furthermore, at the termination of the membership in the Board of Directors, or other employment or service relationship with the Company, the option holder must subscribe to shares with such vested stock options within 90 days of the last day of the relationship, following which such stock options lapse.

The Board of the Company has not exercised its ability to claw back remuneration during the financial year 2022.

2 Remuneration of the board of directors

The Annual General Meeting of Shareholders determines the remuneration payable to the members of the Board of Directors.

The Annual General Meeting resolved on 12 April 2022 that the monthly remuneration payable to the members of the Board of Directors will be as follows:

- Chairperson of the Board of Directors is paid EUR 10,000 per month;
- the other members of the Board of Directors are each paid EUR 6,000 per month;
- the Chairperson of the Audit and Compensation Committee is paid EUR 3,000 per month; and
- the other members of the Audit and Compensation Committee are each paid EUR 2,000 per month

In addition, the Annual General Meeting resolved on 12 April 2022 that approximately 50% of the aforementioned remuneration is paid in Company's shares and approximately 50% is paid in cash, both in one instalment. The part of the remuneration paid in shares is paid by either purchasing shares from the public market, or by transferring Company's own shares. The shares were delivered to the Board members on June 10th, 2022.

The travel expenses of the members of the Board of Directors are compensated in accordance with the company's travel rules.

3 Remuneration of the managing director

The Board of Directors appoints the Managing Director (the "CEO") and decides on the CEO's remuneration and other benefits. The Remuneration of the CEO and the terms applicable to the service contract of the CEO are prepared by the Audit and Compensation Committee.

The remuneration of the CEO consists of a monthly salary, employee benefits, and performance-based incentive systems. The remuneration of the CEO includes a severance payment. The CEO's fixed total salary includes in addition to the monetary salary taxable fringe benefits.

A summary of the remuneration of the CEO is presented in the table below:

EUR, thousand	2022	2021	2020
Fixed annual salary	212,085	187,250	181,500
Variable remuneration	60,000	90,000	89,755
Options or other share-based rights	0	0	0
Variable remuneration as % of total compensation	22	32	33
Supplementary pension contributions	0	0	0
Other financial benefits, such as fringe benefits, signing bonuses, or severance packages.	240	240	227

3.1 Fixed annual salary

The annual fixed base salary of the CEO is EUR 204,000 excluding holiday pay.

3.2 Variable remuneration components, such as financial benefits based on short- and long-term incentive schemes shares

The incentive systems consist of an annual incentive plan based on annually set key performance indicator objectives. Based on an assessment by the Audit and Compensation Committee of the performance of the CEO and the level at which the set key performance indicators were achieved, the Board of Directors resolve on the payment under the annual incentive plan. The CEO's long-term incentive is primarily based on the CEO's significant shareholding in the Company as described below under Section 3.3.

3.3 Options, or other share-based rights

The CEO is the founder of the Company. On the date of this Remuneration Report, the CEO is the Company's second largest shareholder and holds 5,409,405 shares in the Company. The CEO holds no stock options in the Company.

3.4 Information on the proportional shares of fixed and variable remuneration components

The objective is that variable fees would comprise up to 100% of the fixed salary in the remuneration of the CEO.

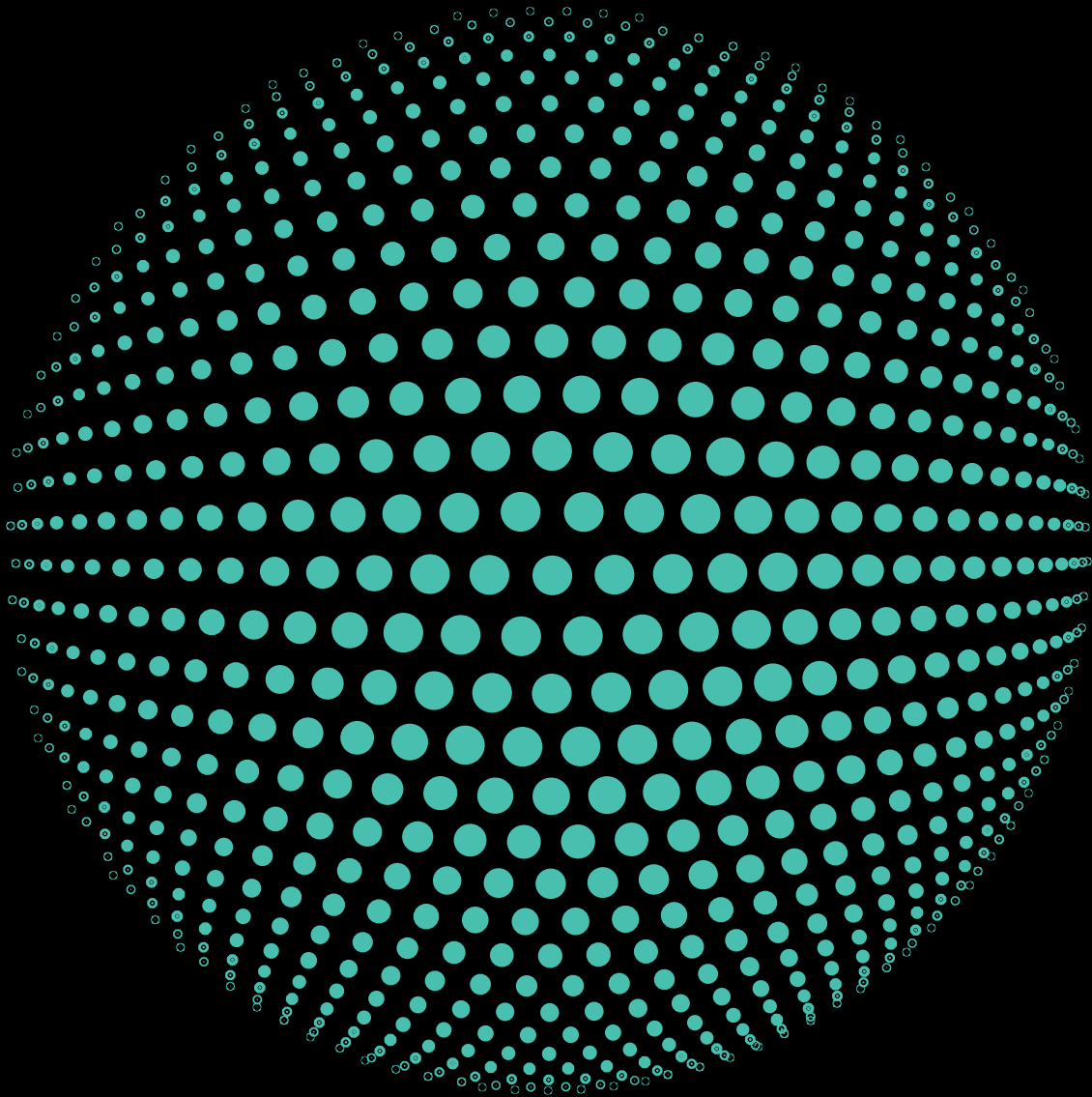
3.5 Supplementary pension contributions

In addition to the statutory pension, the Company does not currently provide supplementary pension arrangements for the CEO.

3.6 Other financial benefits, such as fringe benefits, signing bonuses, or severance packages

Holidays, holiday pay, sick leave, and other similar terms and conditions may be reviewed in accordance with the Company's standard policy.

The period of notice of the CEO's current service contract is 12 months. In addition, the CEO is entitled to a severance payment 12 months of base salary, less any salaries paid during the notice period, in case the Company terminates the service contract.



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