



GOFORE

Remuneration Statement
2020

Remuneration Statement 2020

1. Introduction

1.1. Remuneration policy and reporting

The Annual General Meeting of Gofore Plc ("company" or "Gofore") on 29 April 2020 unanimously adopted the remuneration policy. The remuneration policy sets out the company's general principles and decision-making processes that apply to the remuneration of Gofore Plc's Board of Directors and the CEO. The principles applied to the CEO will be applied to the deputy CEO, if necessary. The purpose of the remuneration policy is to support the company's strategic goals and promote its competitiveness and long-term financial success.

Gofore Plc's shares are traded on the First North Growth Market Finland maintained by Nasdaq Helsinki Ltd and the company was therefore not obliged to prepare a remuneration policy in the financial year 2020, but decided to prepare it voluntarily. The Board's remuneration committee will prepare the Remuneration Policy and the Board of Directors will present it to the general meeting. The remuneration committee and the Board of Directors will monitor the compliance, functioning and results of the remuneration policy.

The company has prepared this remuneration report voluntarily in accordance with the Finnish Corporate Governance Code 2020 of the Finnish Securities Market Association. A report on the remuneration will be presented in the company's Annual General Meeting annually.

The remuneration of the Board of Directors and the CEO in the financial year 2020 has been in accordance with the company's remuneration policy. The company has not deviated from the remuneration policy during the financial year.

1.2 Remuneration criteria

1.2.1. Remuneration based on long-term financial success

In accordance with the company's remuneration policy, the remuneration of the Board of Directors and the CEO is linked to both the company's short-term and long-term profitability, through which the remuneration promotes the company's business strategy and long-term financial success. In addition, the objective is to contribute to the positive development of the company's shareholder value and foster the company's Board of Directors' and CEO's long-term commitment to the company's goals.

1.2.2. Formulation of remuneration

The remuneration of the Company's bodies can be paid partially or entirely in the form of shares or other share-related instruments pursuant to the applicable legislation and other regulations within the scope of the authorisation that the general meeting has granted to the Board of Directors.

The remuneration of the Board of Directors can consist of one or several elements. In practice, the Board of Director's remuneration consists of a fixed monthly monetary compensation and possible meeting fees. Increased remuneration can be paid to the Chair of the Board and to the committee chairs appointed by the Board of Directors. In addition to the salary and bonus, the Board members will be remunerated for their travel expenses. Remuneration paid to the Board members can be paid in cash and/or shares partially or in full. Remuneration paid to the Board members in 2020 is outlined below.

The CEO's remuneration is primarily comprised of a fixed salary and adjustable bonuses as well as, possible long-term incentive schemes and commitment programmes decided to take into use in the sole discretion of the Board of Directors. In addition, the CEO can be granted a separate, reasonable supplementary pension arrangement or other possible benefits to ensure that a competent CEO is committed to the Company's development. The fixed salary will be confirmed in the managing director agreement. A part of the salary can be replaced with a housing benefit or a car benefit. Any bonuses paid to the CEO on the basis of the adjustable bonus scheme as well as on the basis of the long-term incentive schemes and commitment programmes can be paid in cash and/or shares partially or in full. The adjustable bonus can amount to a maximum of 50% of the CEO's fixed salary paid during the accumulation period. Remuneration paid to the CEO in 2020 is outlined below.

1.3. Remuneration development

The tables below shows the development of the remuneration of the Board of Directors and the CEO, as well as the company's employees in average, as well as the company's financial performance.

Paid total remuneration 2020–2016

EUR thousand	2020	2019	2018	2017	2016
Chairman of the Board of Directors ¹	60	36	26	11	7
Other members of the Board of Directors	76	72	60	22	11
CEO	188	176	156	173	135
Average employee salary ²	58	55	53	53	53

¹ Remuneration paid for the duties of the Chairman of the Board of Directors (in accordance with the resolution of the Annual General Meeting).

² The average employee salary is calculated from paid total wages and compensations divided by the average number of employees during the year.

Financial performance 2020–2016

Revenue (EUR thousand)

2020 ¹	2019 ¹	2018 ²	2017 ²	2016 ²
77,953	64,066	50,581	33,950	18,616

¹ 2020 and 2019 figures presented in accordance with the International Financial Reporting Standards (IFRS).

² 2018–2016 figures presented in accordance with Finnish Accounting Standards (FAS).

EBITA (EUR thousand)¹

2020 ²	2019 ²	2018 ³	2017 ³	2016 ³
9,908	7,296	6,797	5,691	2,625

¹ Operating profit before amortisation of intangible assets identified in PPA and impairment of goodwill (EBITA).

² 2020 and 2019 figures presented in accordance with the International Financial Reporting Standards (IFRS).

³ 2018–2016 figures presented in accordance with Finnish Accounting Standards (FAS).

2. Description of the remuneration of the Board of Directors

In accordance with the remuneration policy, the remuneration of the Board of Directors for the financial period 2020 consisted of a monthly remuneration. On 29 April 2020, Gofore's Annual General Meeting resolved that the Chairman's remuneration is EUR 2,500 per month and that the remuneration of the members of the Board of Directors is EUR 1,500 per month, in addition to which an additional fee of EUR 500 per month was approved for the Chairman of the Audit Committee provided they do not chair the Board of Directors at the same time. No additional meeting fees or other financial benefits were paid.

In accordance with the company's remuneration policy, the company has in place an agreement with the Chairman of the Board Timur Kärki for tasks other than those related to the position of chairman of the Board of Directors. In accordance with the agreement, Kärki's task is to support and advise the company's CEO and Group executive management in the company's investor relations communications and business-critical projects, such as acquisitions and significant contract projects. For these tasks, Timur Kärki has been paid a monthly fee of EUR 7,500, since April 2020.

Compensation of the members of the Board of Directors

EUR thousand	2020	2019
Timur Kärki (Chairman of the board of directors since 11.12.2019) ¹	121	7
Ali U. Saadetdin (Chairman of the board of directors until 11.12.2019)	0	29
Stefan Baggström (from 26.3.2019)	18	14
Sami Somero	18	18
Juha Eteläniemi (from 29.4.2020)	12	0
Mammu Kaario (from 29.4.2020)	16	0
Kristiina Michelsson (until 29.4.2020)	6	18
Mika Varjus (until 29.4.2020)	6	18
Anne-Mari Silvast (until 26.3.2019)	0	5
Total	197	108

¹ Figure includes remuneration that has been paid in accordance with the agreement that the Chairman of the Board Timur Kärki and the company has, in addition to the remuneration paid for the duties of the Chairman of the Board (in accordance with the resolution of the Annual General Meeting).

In addition to compensation presented above the share-based payment of EUR 10,000 was paid for Stefan Baggström, EUR 33,000 for Sami Somero and EUR 10,000 for Anne-Mari Silvast during the reporting period totaling to EUR 53,000. During 2019 there were not any share-based payments paid for the board of directors.

3. Description of the CEO's remuneration

The remuneration of the CEO consists of a fixed monthly salary, employee benefits and an incentive fee that rewards the company's profitable growth. The company has a so-called Flex incentive model in which the amount of the remuneration is determined on the basis of profitability (operating profit before amortisation of intangible assets identified in PPA and impairment of goodwill, EBITA) and growth (quarterly revenue according to the consolidated income statement compared to the corresponding period in the previous year). No other financial benefits were paid to the CEO.

Group CEO

EUR thousand	2020	2019
Timur Kärki (2010–10.12.2019)		
Wages and salaries	0	167
Share-based payments	0	0
Mikael Nylund (from 11.12.2019)		
Wages and salaries	176	9
Share-based payments	12	0
Total	188	176