

REMUNERATION REPORT 2020

Oriola Corporation

Contents

1. Introduction
 - 1.1 Compensation and Human Resources Committee
 - 1.2 Pay for performance
2. Remuneration of the Board of Directors in 2020
3. Remuneration of the President & CEO in 2020

Remuneration Policy at a glance

According to the Remuneration policy for Governing Bodies of Oriola Corporation (the “Remuneration Policy”), which was approved by the Company’s Annual General Meeting on March 17, 2020, the goal of Oriola’s executive remuneration is to commit executives to develop the company and its financial success in the long term. Oriola’s remuneration supports achieving strategic targets, profitability and increase of shareholder value.

When setting the remuneration for executives, Oriola follows the same main principles as for other employees in the company. Remuneration across the company is reviewed regularly to secure its competitiveness in the market.

Pay for the Board of Directors consists of annual fees and attendance fees for Board and Committee meetings. The amount of the annual fee as well as attendance fees varies based on position in the Board or of the Committees. Fees are paid in cash and shares. The Annual General Meeting (“AGM”) decides on the fees for each term of office.

CEO remuneration consists of base salary, short- and long-term incentives.

The Board may deviate from the Policy in extraordinary circumstances.

2020 Remuneration at a glance

The level of Board of Directors’ annual fees have remained the same since 2019. The level of the attendance fees paid to the Board of Directors for Board and Committee meetings have remained the same since 2015.

Total pay for the CEO increased from 2019, due to payment from Short-term Incentive Plan (for 2019 achievements) and eligibility for matching shares from the Key Employee Share Savings Plan (for savings in 2018).

1. Introduction

1.1. Compensation and Human Resources Committee

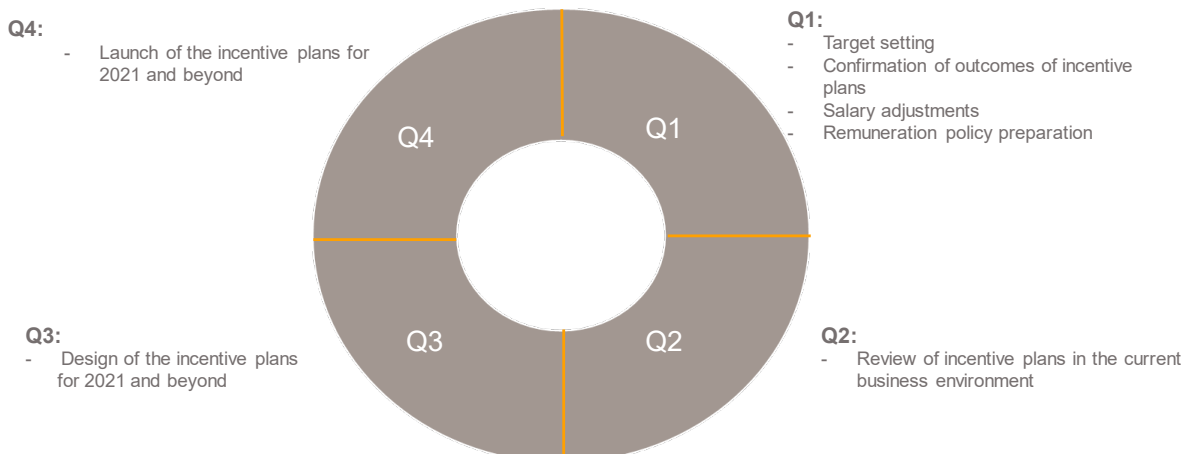
The Remuneration Report describes the remuneration for our Governing Bodies as required by the Finnish Securities Market Act, the Finnish Limited Liability Companies Act and the Finnish Corporate Governance Code 2020 (the "Governance Code") issued by the Securities Markets Association. The report presents information on the remuneration of the President and CEO (the "CEO") and the Board of Directors (the "Board") during the financial year 2020. It also presents the development of average employee remuneration and company performance over the past five financial years in comparison to CEO and Board remuneration. For further information on company, Board and executive remuneration, please see our website for our Remuneration Policy for Governing Bodies that was approved at the 2020 AGM and other remuneration related information.

It has been a busy year for the Compensation and Human Resources Committee, there has been in total 14 meetings during the year 2020.

Name	Attendance at Committee Meetings
Panu Routila	9/10
Juko-Juho Hakala	14/14
Mariette Kristenson	11/14
Eva Nilsson Bågenholm (Chairman)	14/14

During the financial year 2020, we have complied with and executed the Remuneration Policy for Governing Bodies of Oriola Corporation, as approved by the Annual General Meeting 2020.

Compensation and Human Resources Committee calendar 2020



Looking forward to 2021, we will continue to follow our principle that Oriola's remuneration supports achieving strategic targets, profitability and increase of shareholder value. The performance measures we use to evaluate our long-term financial success will continue to align the interests of our employees and executives with those of our shareholders.

1.2 Pay for performance

The following section presents a comparison between remuneration of the CEO and the Board, the average employee remuneration and company performance for the financial years 2016 to 2020. During these years Oriola has faced tough years due to the difficulties in ERP implementation in Finland and Enköping distribution center automation ramp-up, challenging development in the Swedish pharmacy market as well as negative impacts of the COVID-19 pandemic on Oriola's operating environment and result in 2020. These factors have had a negative impact on incentive payouts.

In our STI we have consistently rewarded participants based on the achievement of pre-determined target levels of Adjusted Earnings Before Interest and Taxes ("EBIT"), Cash Flow ("CF") and selected strategic targets. Conversely, rewards under the LTI are awarded based on Total Shareholder Return ("TSR") and Earnings per Share ("EPS"). These are the performance indicators that the Board closely follows to assess whether our strategy has been successfully implemented and the Compensation and Human Resources Committee believes it is appropriate to reward employees in the Company for attaining targets linked to these performance measures.

As Board members do not participate in any incentive schemes, Board remuneration has remained stable. During the last five years, remuneration for the CEO has been aligned with performance and this also applies to the employees of the Company. See the table for specific values.

Five-year development of remuneration and Company performance

	2016	2017	2018	2019	2020
CEO Pay, teur ¹⁾			541.6	690.8	777.0
Previous CEO Pay, teur ²⁾	658.9	1,212.3			
Employee Pay, teur ³⁾	41.0	46.3	47.0	45.5	46.5
Total Board Pay, teur	295.9	291.7	256.2	321.5	376.5
1-year TSR ⁴⁾	2%	-28%	-21%	-5%	-6%
Adjusted EBIT%	3.7%	2.6%	2.2%	1.2%	1.2%
Adjusted EBIT, EUR million	58.7	39.0	34.4	20.5	21.0

¹⁾ In 2018 not full year salary and in 2018 no STI or LTI payments. CEO replaced his predecessor and commenced his term of office on 12 February 2018. CEO pay includes all payments made to the CEO for the financial year. Note, CEO has changed Feb 1, 2021.

²⁾ Previous CEO's pay for 2017 includes 6 months' notice period pay and unused vacation compensation in Dec 2017.

³⁾ Employee remuneration is employee total average pay for employees working in Finland. Total pay includes all earned salaries, benefits and bonuses

⁴⁾ Based on a 2-month closing average prior to the end of the financial year. Dividends treated as reinvested on payment.

2. Remuneration of the Board of Directors in 2020

As stated in the Remuneration Policy for Governing Bodies approved at the Annual General Meeting 2020, Board remuneration consists of annual fees for Board membership, where such annual fee varies depending on the position in the Board and Committees. Fees are paid in cash and shares. Members of the Board receive attendance fees for attended meetings of the Board or Committee meetings. The Board of Directors are not employees of Oriola Corporation and do not participate in any Oriola Corporation Incentive scheme or pension arrangement.

The 2020 Annual General Meeting approved the following annual fees to be paid to members of the Board of Directors.

- Chairman of the Board: 60,000 €
- Vice Chairman of the Board 36,000 €
- Chairman of the Audit Committee: 36,000 €
- Member of the Board: 30,000 €

Of the annual fee, 60 per cent was paid in cash and 40 per cent was used to acquire Oriola Corporation's class B shares for the Board members. The Chairman of the Board of Directors receives an attendance fee of EUR 1,000 per meeting and the other members EUR 500 per meeting. Attendance fees are correspondingly also paid to the chairmen and member of Board and company committees. Travel expenses are compensated in accordance with the travel policy of the company.

All payments to members of the Board of Directors during the financial year 2020 have been in compliance with the Remuneration Policy.

In the financial year 2020, the following fees were paid to the members of the Board of Directors. No other fees or remuneration were paid to any member of the Board, nor did any Board member receive remuneration from any other company within the Oriola Corporation.

Board Member	Attendance fees, eur	Annual fee, eur	Total, eur
Routila Panu, as of March 17, 2020	25,000	60,000	85,000
Hakala Juko-Juho	17,000	30,000	47,000
Korhonen Anja	16,000	36,000	52,000
Kristenson Mariette	14,500	30,000	44,500
Nilsson Bågenholm Eva	24,000	36,000	60,000
Ridström Lena	13,000	30,000	43,000
Pärssinen Harri	13,000	30,000	43,000
Vanjoki Anssi, until March 17, 2020	2,000	0	2,000
Total	124,500	252,000	376,500

3. Remuneration of the President & CEO in 2020

In 2020, the President & CEO of Oriola Corporation was paid a total remuneration of 776,954 €. The different components are described below. The relative proportion of fixed pay was 84% and variable pay 16%.

Fixed base salary	624,080.00
Fringe benefits	25,600.52
Short-term Incentive	104,009.00
Share-based payments *)	23,264.58
Total, eur	776,954.10

*) Matching shares from Key employee share savings plan

Short-term Incentive payment was 20% of maximum and based on:

- 100 % achievement in Cash flow from operating activities, weight 10%
- 65 % achievement in Improving Customer Experience, weight 15%

No payment from Long-Term Incentive Plans, since earning periods are on-going.

Element	Quantum	CEO Remuneration Description	Compliance
Base Salary	Paid 624,080 eur	The CEO took a voluntary pay-cut of 20% in April 2020. The CEO did not receive a base salary increase in 2020.	Complies with the policy
Short-Term Incentive (STI)	Paid 104,009 eur Policy maximum 85% of annual base salary	For the financial year 2019 Short-Term Incentive payment was 20% of maximum and based on: - 100% achievement in Cash flow from operating activities, weight 10% - 65% achievement in Improving Customer Experience, weight 15%. Paid in 2020.	Complies with the policy
Long-Term Incentive (LTI)	Paid 0 Policy maximum 16 x savings to the share savings plan (capped to 1 monthly salary annually)	On-going plans: -Bridge Plan 2019-2020, no payment -LTI 2019-2021 -LTI 2020-2022 -LTI 2021-2023	Complies with the policy
Benefits	Paid 25,600 eur	Mobile phone benefit Car benefit Medical Insurance	Complies with the policy
Severance benefits	N/A in 2020	On termination of employment, both the CEO and Oriola Corporation have a mutual notice period of six months. In addition to the salary for the notice period, the CEO is also entitled to severance pay corresponding to an additional twelve months' base salaries.	Complies with the policy
Shareholding requirement	Actual 27% of annual base salary	Should shares be given as reward on the basis of the LTI Plan, the members of the Group Management Team must hold 50 per cent of the Net Shares given on the basis of the entire Plan, as long as the member's shareholding in total corresponds to the value of the member's gross annual salary (the " Ownership Obligation "). Such number of Shares must be held as long as the member holds a position as a Group Management Team member.	Complies with the policy