

Remuneration Report

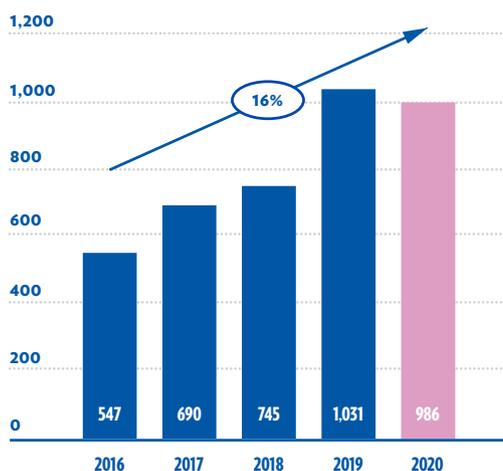
Terveystalo's remuneration principles are based on performance, fairness and competitiveness. Remuneration supports the achievement of Terveystalo's strategic goals and the long-term financial success of the Company. The remuneration policy and the decision-making process is described in more detail in the remuneration policy for governing bodies.

Terveystalo's revenue and profitability have improved steadily over the last five years, excluding the exceptional year 2020. The positive business development is also reflected in remuneration levels. In remuneration de-

velopment, the figures for 2016–2017 are not fully comparable due to a change in the ownership structure and listing in the stock exchange in 2017.

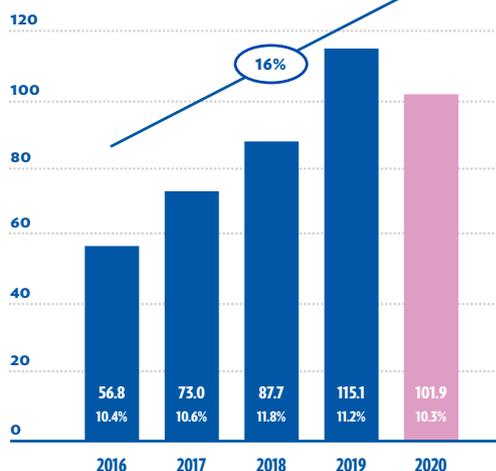
REVENUE, EUR MILL.

Target of at least 5% growth annually



ADJUSTED EBITA, EUR MILL. AND % OF REVENUE

Target 12-13% Adj. EBITA margin



REMUNERATION DEVELOPMENT 2016-2020:

TOTAL REMUNERATION, EUR (ROUNDED TO THE NEAREST THOUSAND)	2016 ²	2017 ²	2018	2019	2020
Chair of the Board	50,000	50,000	102,000	91,000	101,000
Vice Chair of the Board	25,000	25,000	54,000	62,000	67,000
Other members of the Board, on average	25,000	25,000	50,000	53,000	57,000
CEO	523,000	675,000	910,000	938,000	367,000
Salary development of average employees ¹	57,000	58,000	55,000	62,000	62,000

¹ Salary development of average employees has been calculated by dividing the personnel costs for each year (excluding other social security costs) by the average number of personnel.

² Not comparable due to a change in the ownership structure and listing in the stock exchange in 2017.

Changes in the remuneration of the Board after 2017 are due to a change in the ownership structure and listing in the stock exchange, and the Board remuneration was determined to correspond to the market level by the decision of the AGM 2018. The remuneration level was reviewed in 2020.

In accordance with the remuneration policy, remuneration of the CEO is strongly based on performance, and a significant share of the overall remuneration of the CEO consists of short-term and long-term incentives. The targets of the incentive schemes are directly linked to the Company performance, and the Company's positive financial development in 2017-2018 is reflected in the remuneration of the CEO. A CEO change took

place at the end of 2019, and in 2020, remuneration of the CEO exceptionally only consisted of the base salary. The CEO also declined a salary for one month in the spring 2020.

The average salary development of employees has shown a rising trend with the exception of year 2018, when the number of personnel increased, and the structure changed due to acquisitions. Approximately 65% of the personnel is covered by collective agreements, and the general increases determined in the collective agreements guide the salary development of this personnel group.

REMUNERATION OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR 2020

Terveystalo's Annual General Meeting, held on May 28, 2020, resolved in accordance with the proposal of the Shareholders' Nomination Board that the Chair of the Board of Directors be paid an annual remuneration of EUR 85,000, the Vice Chair an annual remuneration of EUR 50,500, the members an annual remuneration of EUR 40,250, and the Chair of the Audit Committee EUR 50,500. In addition, an attendance fee of EUR 625 will be paid for members of the Board of Directors and Committee members residing in Finland, EUR 1,300 for members residing elsewhere in Europe, and EUR 2,600 for members residing outside of Europe for each Board and

Committee meeting that they attend. For Board and Committee meetings that are held by telephone or other electronic means, the attendance fee is EUR 625. Travel costs are reimbursed based on the company's travel policy.

The annual remuneration of the Board is paid as a combination of company shares (40%) and cash (60%). The Company will reimburse the transaction costs and capital transfer tax related to trading. Attendance fees are paid in cash.

The following table presents the remuneration paid to the Board of Directors during the financial year 2020:

NAME	ANNUAL FEE, TOTAL, EUR ¹	ANNUAL FEE IN SHARES, EUR	ANNUAL FEE IN CASH, EUR	OTHER FINANCIAL BENEFITS, EUR ²	MEETING FEES OF THE BOARD OF DIRECTORS AND BOARD'S COMMITTEES, EUR	IN TOTAL, EUR
Kari Kauniskangas	85,000	33,995	51,005	544	15,250	100,794
Lasse Heinonen	50,500	20,195	30,305	323	14,025	64,848
Tomas von Rettig	50,500	20,195	30,305	323	15,900	66,723
Åse Aulie Michelet	40,250	16,098	24,152	258	20,125	60,633
Katri Viippola	40,250	16,098	24,152	258	14,625	55,133
Dag Andersson	40,250	16,098	24,152	258	18,900	59,408
Niko Morkila (from May 28, 2020)	40,250	16,098	24,152	258	5,625	46,133
Members of the Board of Directors until May 28, 2020:						
Olli Holmström	-	-	-	-	8,400	8,400
Paul Hartwall	-	-	-	-	8,400	8,400

¹ Total annual compensation consists of stock award (40%) and cash compensation (60%).

² Other financial benefits include transfer tax fees for the annual fees paid in shares.

REMUNERATION OF THE CEO FOR THE FINANCIAL YEAR 2020

The following table presents the remuneration paid to the CEO during the financial year 2020:

	FIXED ANNUAL SALARY (INCLUDING TAXABLE BENEFITS), EUR	SHORT-TERM INCENTIVES, EUR	REMUNERATION BASED ON LONG-TERM INCENTIVE SCHEMES, EUR	IN TOTAL, EUR
Ville Iho, CEO	366,667	-	-	366,667

In 2020, the CEO's compensation only consisted of the fixed annual salary. Since taking over in 2019, the CEO is included in incentive schemes only from 2020 onward, and the first payout under a short-term program is scheduled for the spring of 2021. In addition, as a part of company's mitigation measures during the second quarter of 2020 due to the corona epidemic, the CEO declined a salary for one month.

In the performance period 2020, the short-term incentives were based on adjusted EBITA as well as the eNPS and NPS scores. Based on the

short-term incentive program, the CEO will receive a payment of EUR 240,000 in the spring 2021, which corresponds to 75% of the target earnings.

In the performance period 2020, the performance criteria for the share-based long-term incentive scheme were based on the Company's adjusted EBITA and the total shareholder return (TSR). The criteria were not met, and the CEO will not be remunerated for this performance period.