

## QPR Software's Remuneration Statement 2019

The Remuneration Report prepared in accordance with the new CG Code 2020 has to be published first time for the financial year starting on 1 January 2020. The Remuneration Statement prepared for the previous financial year, started on 1 January 2019, complies with the stipulations of the previous CG Code 2015 approved by the Securities Market Association on 1 October 2015, effective from 1 January 2016.

### Remuneration Procedures

QPR Software Plc's Annual General Meeting elects the members of the Board of Directors and decides the remunerations of the Board and the audit. The Board of Directors decides and approves the CEO's terms of service in writing. The remuneration principles of the executive management are decided by the Board of Directors. The Board of Directors approves the incentive scheme of personnel annually. The Company does not have any exceptional pension arrangements for the CEO or the members of the Executive Management Team.

### Board of Directors

The Annual General Meeting on April 4, 2019 decided an annual remuneration of EUR 16,820 for each Board member (2018: 16,820) and a remuneration of EUR 25,230 for the Chairman of the Board (2018: 25,230). The annual remuneration is paid monthly in the last working day of each month and in proportion of the annual payment.

The members of the Board of Directors do not have any retirement age or exceptional pension arrangements. The Annual General Meeting on April 4, 2019 also decided unanimously to compensate travel costs for the Board members in accordance with the maximum tax-free limits reinforced by the tax authority.

No shares or share-based rights were paid as remuneration for the members of the Board of Directors in 2019.

### Supervisory Board

QPR Software Plc does not have a Supervisory Board.

### Chief Executive Officer

The Board of Directors decides and approves CEO's terms of service in a written agreement. The terms of service of the current CEO are as follows:

- The period of notice for the CEO is three (3) months mutually. If the contract is terminated by the Company, compensation is equivalent to six (6) month's total salary in addition to the salary paid for the termination period;
- The Company, however, has a right to release CEO from his duties immediately without a period of termination;
- The length of non-competition obligation is six (6) months following the termination of contract;
- Performance bonus is agreed separately in accordance with the principles adopted in the Executive Management Team;
- Retirement age and benefits are in accordance with the Finnish pension legislation.

CEO's remuneration includes salaries, fringe benefits, annual bonus in accordance with the principles approved annually by the Board of Directors and stock options.

In 2019, CEO Jari Jaakkola's salary with benefits was EUR 200,833 (2018: 199,053). The share of regular salary was EUR 193,344 (191,140) and the share of fringe benefits was EUR 1,224 (5,080).

As part of the Key Employee Option Plan, the CEO was granted 130,000 2019A stock options and 135,000 2019B stock options. The stock options were issued gratuitously.

## Executive Management Team

The remuneration of QPR Software Plc' executive management includes salaries, fringe benefits, annual bonus in accordance with the principles approved annually by the Board of Directors and stock options.

### QPR Software Plc's Executive Management Team 2019

As of January 2019, the Executive Management Team of QPR Software Plc consisted of Chief Executive Officer Jari Jaakkola (chairman), Tero Aspinen, Matti Erkheikki, Jaana Mattila, Miika Nurminen and Jaakko Riihinen. In March 2019, Jaakko Riihinen was replaced in Executive Management Team by Pekka Keskiivari.

In 2019, the members of the Executive Management Team, excluding CEO, were paid a total of EUR as salaries 574,636 (2018: 542,498) and EUR 14,229 as fringe benefits (2018: 14,793).

As part of the Key Employee Option Plan, the Executive Management Team (excluding CEO) was granted 222,000 2019A stock options and 253,000 2019B stock options. The stock options were issued gratuitously.

## Bonus Scheme for Executive Management

### Bonus Scheme for 2019

In 2019, the maximum annual bonus of Executive Management Team, including the CEO, was 30% of the annual base salary. The bonus system for the Executive Management Team is based on development of the Group net sales, the net sales and new sales of profit centers as well as the technology net sales of the Group in 2019.

For financial year 2019 a total bonus of approximately EUR 4,643 (2018: EUR 22,000) was paid in cash. The bonus was paid to the persons included in the bonus system and who were employed by the Company on February 29, 2019.

### Bonus Scheme for 2020

In 2020, the maximum annual bonus of Executive Management Team, including the CEO, is 40% of the annual base salary. The bonus system for the Executive Management Team is based on development of the Group net sales, the net sales and new sales of profit centers as well as the technology net sales of the Group in 2020.

A possible bonus will be paid to the persons included in the bonus system and who will be employed by the Company on February 28, 2021.

## Stock Option Plan 2019

In the beginning of 2019, the Company launched a new key employee stock option plan, based on an authorization granted by the Annual General Meeting. The purpose of the stock options is to encourage the key employees to work on a long-term basis to increase the shareholder value and to retain the key employees at the Company.

The maximum total number of stock options issued is 910,000 and they entitle their owners to subscribe for a maximum total of 910,000 new shares in the Company or existing shares held by the Company. The stock options are issued gratuitously. Of the stock options, 437,000 are marked with the symbol 2019A and 473,000 are marked with the symbol 2019B.

The share subscription price for stock options 2019A is EUR 1.70 per share. The share subscription price for stock options 2019B is EUR 2.55 per share. The share subscription price will be deducted by the amount of dividends and distribution of assets paid.

The share subscription period, for stock options 2019A, will be January 1, 2022 – January 31, 2023, and for stock options 2019B, January 1, 2023 – January 31, 2024.

A member of the Executive Management Team participating in the stock option plan must increase his or her share ownership in the company with the net profit received through the stock options. He or she must invest half of the net profit received through the stock options in the company's shares until his or her share ownership in the company corresponds to the value of his or her annual gross salary. The share ownership must be maintained at such level as long as his or her employment or service is in force.