

Corporate Governance 2015

Biohit Oyj has prepared this Corporate Governance Statement on the basis of Section 54 of the Finnish Corporate Governance Code for listed companies issued by the Securities Market Association.

The Corporate Governance Statement has been issued separately from the Report of Biohit Oyj's Board of Directors. The Board of Directors reviewed the Statement in its meeting on 25 February 2016.

The Report of the Board of Directors, the Auditor's Report and the full Corporate Governance Statement are available at www.biohithealthcare.com/investors.

RULES OBSERVED BY BIOHIT

Biohit Oyj is a Finnish public limited company whose series B shares are listed on Nasdaq OMX Helsinki in the Small cap/Healthcare group. Biohit Group (hereinafter referred to as "Biohit") comprises the parent company, Biohit Oyj, and its foreign subsidiaries, which primarily focus on sales and marketing for Biohit Oyj's products. Biohit is headquartered in Helsinki.

Biohit's governance complies with applicable legislation, standards and recommendations concerning public listed companies, the regulations of Nasdaq OMX Helsinki Ltd, and Biohit Oyj's Articles of Association. Biohit Oyj complies with the Finnish Corporate Governance Code ("corporate governance code") for listed companies, which was approved by the Securities Market Association in June 2010 and entered into force on 1 October 2010. Since the beginning of 2016, the company has complied with the new governance code, which was approved by the Securities Market Association in October 2015 and entered into force on 1 January 2016. The Corporate Governance Code is available at www.cgfinland.fi.

On the date of its Annual General Meeting, 20 April 2015, the company complied with recommendation 8 of the corporate governance code, which states that a diverse Board of Directors should include male and female members. Out of the six member Board of Directors half of the members were independent of the company. Therefore the company does not fulfil recommendation 10 on this part whereby a majority of the Board of Directors should be independent of the company. The company strives to comply with high international standards of corporate governance and the key principles of corporate governance among Finnish listed companies.

BIOHIT'S ADMINISTRATIVE BODIES IN 2015

The highest decision-making power at Biohit is exercised by the company's shareholders at the Annual General Meeting. The company's Board of Directors supervises the administration and organisation of the company and the Group's earnings trends. The President & CEO is responsible for operative management and he is assisted by the Management Team.

Annual General Meeting

In 2015, Biohit Oyj held its Annual General Meeting in Helsinki on 20 April 2015. 2,793,510 series A shares and 4,625,605 series B shares were represented at the meeting, corresponding to 52.17163% of all of the shares in the company and 85.50028% of the votes. The meeting was attended by two of the five members of the Board of Directors, the President & CEO and the principal auditor.

Board of Directors

The Board of Directors, which comprises 5–7 members elected by the Annual General Meeting, is responsible for the administration and appropriate organisation of Biohit's business operations. Proposals concerning membership of the Board of Directors are prepared by the Board of Directors. The Board of Directors elects a chairman from amongst its members.

Board members' terms of office run from the date of their election by the AGM until the end of the next AGM.

The Board's areas of responsibility are stated in the written rules of procedure approved by the Board. They are as follows:

- Increasing shareholder value
- Ensuring the appropriate organisation of accounting and financial management
- Approving Biohit Oyj's financial statements, consolidated financial statements and the Report of the Board of Directors for the most recent financial period
- Approving the biannual review of operations annually for the period ending at the end of June
- Deciding on Biohit's business plan, budget and investment plan
- Deciding on Biohit's financing and risk management policies
- Approving the remuneration and incentive schemes for senior managers
- Appointing the President & CEO
- Deciding on Biohit's strategy, organisational structure, investments and other wide-reaching and significant issues

The Board's decision-making is based on reports prepared by the company's operative management on the operational development of the Group and its business units.

The Chairman is responsible for convening Board meetings and arranging the work of the Board. The Board convenes 10–12 times per year, usually meeting once per month, and the meeting schedule for the entire term is confirmed in advance. When necessary, Board meetings are held more frequently or by teleconference. Biohit Oyj's Board of Directors convened 10 times in 2015 (11 times in 2014). The average attendance was 100% (92%).

Members of the Board of Directors

The following persons belonged to Biohit Oyj's Board of Directors in 2015:

Professor Osmo Suovaniemi (b. 1943)

- MD, PhD
- Member of the Board since 1988 and Chairman since 2011
- Non-independent of major shareholders and of the company
- Founder of Biohit and its former President & CEO
- Attended 10 Board meetings in 2015
- Direct shareholding: series A shares: 2,265,350; series B shares: 965,217

Franco Aiolfi (b. 1947)

- Degree in Pharmacy awarded by the University of Urbino
- Member of the Board since 2013
- Independent of the major shareholders but non-independent of the company
- Attended 10 Board meetings in 2015
- Direct shareholding: no Biohit shares
- Managing Director of Euroclone S.p.A. (formerly Polyfin S.p.A.) and a majority shareholder in Euroclone S.p.A. through Arsfin Consult Srl. Euroclone is the leading distributor of biotechnology application instruments in the Italian market. Euroclone S.p.A. owns 172,807 series B shares.

Eero Lehti (b. 1944)

- MSc (Soc. Sci.), commercial counsellor, Dr.h.c. (Econ.)
- Member of the Board since 2009
- Independent of the major shareholders and company
- Member of Parliament since 2007
- Founder of Taloustutkimus Oy and the Chairman of its Board
- Attended 10 Board meetings in 2015
- Direct shareholding: series B shares: 2,000

Professor Mikko Salaspuro (b. 1939)

- MD, PhD
- Member of the Board since 2008
- Independent of the major shareholders but non-independent of the company
- Specialist physician in internal medicine, gastroenterologist and Professor of Alcohol Diseases at the University of Helsinki

- Attended 10 Board meetings in 2015
- Direct shareholding: series B shares: 68,811

Seppo Luode (b. 1952)

- MSc (Tech.) (Industrial Engineering and Management), MBA (Stanford University)
- Member of the Board since 2011
- Independent of the major shareholders and company
- Senior lecturer, Business Management Laurea University of Applied Sciences, NAG Associate Partner and management consultant at Mekaplast Oy
- Attended 10 Board meetings in 2015
- Direct shareholding: no Biohit shares

Janina Andersson (b. 1971)

- MSc (Soc. Sci.)
- Member of the Board since 2015
- Independent of the major shareholders and company
- Executive Director of the Mannerheim League for Child Welfare in the Varsinais-Suomi district
- Member of Parliament from 1995 to 2011
- Attended 8 Board meetings in 2015
- Direct shareholding: no Biohit shares

Osmo Suovaniemi was Chairman of Biohit Oyj's Board of Directors during the review period.

Board committees

The scope of Biohit's business operations does not require the appointment of an Audit Committee, and no other committees have been appointed to assist the Board.

President & CEO

The President & CEO is responsible for the day-to-day management of the company in accordance with the instructions and regulations issued by the Board of Directors. The President & CEO of the parent company is elected by the Board and also acts as Group President. He also ensures the appropriate organisation and legality of the company's accounting and asset management.

The terms of employment of the President & CEO are based on a written contract that is approved by the Board of Directors. The President & CEO cannot be elected Chairman of the Board. Semi Korpela, MSc (Econ.) was the President & CEO of Biohit during the financial year.

Semi Korpela (b. 1970)

- President & CEO
- With Biohit Oyj since 2011
- Previously held the position of CFO at Biohit Oyj from 2003 to 2006. After that, Korpela was CFO of CPS Color Group.
- MSc (Econ.)
- Direct shareholding: series B shares: 31,446

Group Management Team

The composition and areas of responsibility of the Group's Management Team were as follows: Semi Korpela (President & CEO), Niklas Nordström (CFO), Lea Paloheimo (Business Development Director), Anu Mickels (Sales and Marketing Director), Panu Hendolin (R&D Director), Kari Syrjänen (Chief Medical Director) and Annika Astola (Quality Director). The Management Team convened 40 times in 2015.

Niklas Nordström (b. 1979)

- CFO
- Finance, Legal Affairs, HR, ICT
- With Biohit Oyj since 2014
- Previously: Senior Business Controller at Suunto Oy, Finance Partner at Tieto Corporation.
- BSc (Econ.), LL.M.
- No direct shareholding

Lea Paloheimo (b. 1951)

- Business Development Director
- With Biohit Oyj since 2001
- Previously: Chemist at Huslab, Sales Manager at Dasico a/s in Denmark, PhD and post-doctoral work at the University of Copenhagen, Researcher at Orion Diagnostica (Orion Corporation), Clinical Chemist at United Laboratories Ltd.
- PhD (clinical biochemistry), Hospital Chemist
- Direct shareholding: series B shares: 7,000

Panu Hendolin (b. 1971)

- R&D Director
- Production, Research and Product Development
- With Biohit Oyj since 2012 and from 2007 to 2008
- Previously: Technical Director at Danaher Finland Oyj, Innotrac Diagnostics, product development and managerial positions at Jurilab Oy, research doctorate at the University of Kuopio.
- PhD (Molecular medicine)
- Direct shareholding: series B shares: 3,000

Anu Mickels (b. 1972)

- Sales and Marketing Director
- Sales and Marketing, Group Communications
- With Biohit Oyj since 2012
- Previously: Marketing Manager at Orion Diagnostica Oy
- MBA
- Direct shareholding: series B shares: 7,000

Kari Syrjänen (b. 1948)

- Chief Medical Director
- With Biohit Oyj since 2013
- Previously: Professor of Pathology at the University of Kuopio, Dean of the Medical Faculty. Visiting professor at Siena University and at the national health institute (ISS) in Italy, as well as at the Barretos cancer hospital in Brazil. Researcher in the cancer clinic at Turku University Hospital.
- MD, PhD, FIAC
- No direct shareholding

Annika Astola (b. 1974)

- Quality Director
- With Biohit Oyj since 2014
- Previously: Quality and Development Manager at Orion Diagnostica Oy and managerial positions in quality control at Biovian Oy and Oy Leiras Finland Ab.
- MSc (Tech.), MBA
- No direct shareholding

Management of subsidiaries

The Managing Directors of the subsidiaries are responsible for the management of subsidiary operations and report to the President & CEO of the parent company. The subsidiaries are responsible for the sales and marketing of Biohit's products in their market areas. The managers of subsidiaries operate under the management and supervision of Biohit's President & CEO. In 2015, the Managing Directors of Biohit's subsidiaries were: Graham Johnson (United Kingdom) and Franco Aiolfi (Italy).

The personal details and shareholdings of Biohit's Board of Directors and operative management are available at www.biohithealthcare.com/investors.

REMUNERATION IN 2015**Members of the Board of Directors**

The Annual General Meeting approves the fees of Biohit Oyj's Board of Directors. A decision was made by the AGM on 20 April 2015 to pay a monthly fee of EUR 1,600 to the Chairman Of the Board and a monthly fee of EUR 1,500 to the other members of the Board of Directors.

An employment contract was signed on 10 June 2010 with Professor Osmo Suovaniemi, a member of the Board, under which Suovaniemi is paid a monthly salary approved by the Board of Directors for his services as scientific advisor to the Board. In 2015, this salary was EUR 14,065.34 per month plus car and phone benefits.

President & CEO and other company management

The Board approves the President & CEO's salary and terms of employment. The salary paid to the company's President & CEO, Semi Korpela, in 2015 was EUR 15,091 per month plus phone and car benefit.

The President approves the salaries and terms of employment of members of the Management Team. Biohit's Board of Directors approves the principles of the incentive schemes for Management Team members and the President & CEO. Bonuses are determined on the basis of the net sales and earnings trends in each person's area of responsibility. The maximum bonus that can be received depends on each person's monthly salary and can total no more than two months' salary. No bonus was paid to the President & CEO and Management Team members in 2015.

The President & CEO approves the salaries and profit-based incentives of subsidiaries' Managing Directors in accordance with the instructions provided by Biohit's Board of Directors. Profit-based incentives are dependent on sales and profitability trends for each unit's product segments.

In 2013, Biohit introduced an incentive system offering stock options to company directors and employees. In 2015, the President & CEO subscribed for 32,940 of these stock options. The rest of the management or employees did not subscribe for options.

Pension plans

No other pension arrangements, beyond those mandated by law, have been made with the Managing Directors of Group companies.

Remuneration and other benefits 2015

During the financial year that ended on 31 December 2015, the remuneration paid to members of the parent company's Board totalled EUR 88,000 (EUR 91,000 in 2014). The remuneration paid to the President & CEO, Semi Korpela, amounted to EUR 191,000 (EUR 176,000 in 2014). Osmo Suovaniemi was paid EUR 221,000 (EUR 220,000 in 2014) for his services as a member of the scientific advisory board. The salaries and fees paid to the managing directors of the Group's subsidiaries totalled EUR 126,000 (EUR 101,000 in 2014). Salaries paid to other Management Team members totalled EUR 492,000 (EUR 533,000 in 2014).

MAIN CHARACTERISTICS OF INTERNAL CONTROL OF THE FINANCIAL REPORTING PROCESS AND RISK MANAGEMENT

Biohit's internal control is responsible for ensuring that the Group carries out its business operations within the framework of current regulations and legislation and in accordance with the instructions of the Board of Directors. Internal control seeks to ensure that the Group operates with maximum efficiency and that efforts are made at various levels of the organisation to achieve the objectives set in the strategy approved by the Board of Directors. Risk management is geared towards supporting the achievement of these objectives by anticipating and managing business-related risks.

Control environment

Biohit's business operations and administration aim to realise the company's values, of which the most important is to promote health and wellbeing through innovation. Biohit will continue to focus on its diagnostics business, in which the company conducts global operations in manufacturing, sales and marketing.

Biohit's control environment is defined by the Board of Directors, which, as the highest administrative body, is responsible for organising internal control. The President & CEO is responsible for maintaining the efficiency of the control environment and the functionality of internal control. Biohit's financial department is responsible for the functionality of financial reporting as well as the interpretation and application of financial statement standards in line with the separately approved instructions.

Risk assessment

In the assessment of risks related to financial reporting, Biohit's objective is to identify the major risks associated with the Group's business operations and environment. The cost-effective management and monitoring of these risks will then ensure that the company's strategic and operational targets can be reached as intended.

The Board of Directors carries the main responsibility for risk assessment and monitoring the implementation of risk management. The President & CEO works with the parent company's operative management and subsidiaries' managers to ensure that the Group's risk management is duly arranged. The parent company's operative management is responsible for identifying and managing the risks involved within each business area, while subsidiaries' Management Teams are responsible for those in their own market areas.

Risk management is one of the areas covered by Biohit's internal control processes, which regularly monitor the risks associated with the company's business operations, identify any changes and, if necessary, take appropriate action to hedge against them. Risk management focuses on ensuring the continuity of business operations and preventing financial misconduct.

Control measures

Internal control measures are integrated into the Group's general business management and reporting process. The subsidiaries report on business and earnings trends and the most significant deviations to Group Management on a monthly and quarterly basis. The Group's Management Team reports to the Board of Directors on the overall development of business; these two bodies, together with the President & CEO, decide on overall corporate strategies and procedures guiding the operations of the Group.

The subsidiaries' Boards follow business developments and ensure that the parent company's approved instructions and guidelines are followed. As a rule, the Boards of Directors of the subsidiaries meet monthly. Board work in the subsidiaries is based on financial reports and the written monthly and annual reports drawn up by subsidiary management.

Biohit's business control is carried out in accordance with the management system described above. The company provides the reporting systems necessary for business and financial management. The financial

department of the parent company provides instructions for drawing up annual and interim financial statements and prepares the consolidated financial statements.

The parent company's financial department retains central control of funding and administrative matters within the framework of the instructions provided by the Board of Directors and the President & CEO, and is also responsible for the management of interest and exchange rate risks. The Managing Directors of the subsidiaries ensure that the subsidiaries' reporting is carried out in accordance with the instructions given by the Group's Management Team.

The parent company's administration department controls and provides instructions on Group-level personnel policies and any agreements made within the Group.

Disclosure policy

Biohit aims to provide all of its stakeholders with information about the company's operations in a proactive, consistent and timely manner. The company seeks to take the special requirements and interests of all its stakeholders into account in its communications in order to increase confidence in the company and thereby promote its business operations. Biohit's Board of Directors has approved an information release policy with a view to ensuring the accuracy and reliability of any information released. The policy also specifies who is responsible for communications in different situations.

Biohit's financial department regularly provides information on processes related to financial administration reporting. This ensures the real-time availability of data, which is a prerequisite for efficient internal control. Financial administration guidelines and the company's information release policy aim to ensure the promptness and comprehensiveness of communications and the release of information required for internal control purposes.

Monitoring

The efficiency of internal controls on financial reporting is overseen by the Board of Directors, the President & CEO, Management Team members, and the Managing Directors of subsidiaries. Control focuses on following weekly and monthly financial reports and forecasts, and analysing any deviations from business plans. Monitoring is performed at all Board and Management Team meetings where reports are reviewed. It is supported by regular contact between Group Management and the company's auditor, and analysis of any deviations, which occurs at least once per quarter.

The audit frameworks for the Group's subsidiaries and key audit areas are jointly defined by the Group's financial management and the chief auditor. Biohit has not appointed a separately organised function for internal auditing purposes. The Group's financial management holds primary responsibility for the practical implementation of the internal audit.

The Group has all the internal control reporting systems required for financial management and monitoring business development. The reporting systems produce monthly financial data, so that financial management can ensure compliance with the parent company's approved instructions on matters such as authorisation.

The Group's auditor and the auditors of each subsidiary evaluate the effectiveness of the internal control system both in connection with the external audit and through spot checks throughout the financial year.

AUDIT 2015

The auditor elected by the AGM is responsible for Biohit's statutory audit. According to the Articles of Association, the company must have one auditing body approved by the Central Chamber of Commerce. Biohit's auditor in 2015 was authorised public accountants PricewaterhouseCoopers Oy, with Pasi Karppinen, Authorised Public Accountant, as chief auditor.

Auditors' fees

The Group's invoiced auditors' fees for the 2015 financial year totalled EUR 52,000 (EUR 67,000 in 2014). The auditors' fees of subsidiaries totalled EUR 13,000 in the financial period (EUR 9,000 in 2014). In addition to this, PricewaterhouseCoopers Oy was paid a total of EUR 6,000 for other services (EUR 32,000 in 2014).

INSIDERS

Biohit applies the Guidelines for Insiders approved by Nasdaq OMX Helsinki Ltd, as well as any relevant amendments.

Biohit's President & CEO is responsible for insider control. He ensures that people who handle insider information are aware of insider regulations and adhere to trading restrictions. Insiders are not allowed to trade Biohit Oyj securities for 21 days before the publication of the company's financial statement bulletin and interim reports. Insiders participating in projects are not allowed to sell or buy shares in Biohit before an announcement has been made of the continuation or discontinuation of a project.

Information on the shareholdings of Biohit's insiders and their trading activity is available on Biohit's website at www.biohithealthcare.com/investors.