



Unofficial translation

THE REMUNERATION STATEMENT

INTRODUCTION

The Finnish Corporate Governance Code, section 7. *Remuneration* requires that a statement of the remuneration policy of the company (the remuneration statement) is given on the company website. According to the Code, the remuneration statement is a thorough account for company's rewarding practice. The statement should be placed on the website, e.g. on the investors' section or Corporate Governance section so that the readers will find it easily. The Code requires that all information relating to the statement is shown in one place and is not distributed on other sides of the company website. Setting a hyperlink can be used in the statement but the links have to lead straight to the information searched.

The remuneration statement on the company website

- information about the remuneration policy of the company in an investor-friendly manner
- information about
 - the remuneration of the members of the board
 - the main principles of remuneration policy of the managing director and other executives
 - the financial benefits of the managing director
 - the financial benefits of the chairman of the board and the directors pertaining to their employment relationship or service contract
 - the remuneration of a member of the supervisory board, if applicable

Recommendations 39-44 of the Code include the requirements set for the remuneration statement. In recommendation 52, information to be reported on remuneration has been collected together. This guideline offers an example for the listed companies when compiling the remuneration statement in accordance with the Code. The guideline also draws the companies' attention to the fact that the Code requires that the remuneration statement is shown on the company website in an investor-friendly manner.

Companies listed at several exchanges may present the remuneration statement in a manner that departs from this guideline, in order to also comply with the rules and requirements of foreign exchanges and in order to present the information in a consistent manner to all investors and in all markets.



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STRUCTURE OF THE REMUNERATION STATEMENT

Remuneration of the members of the board (recommendations 39 and 42)

- remuneration (the criteria for the determination of remuneration is reported, e.g. annual remuneration, meeting fees) (recommendation 39)
- other financial benefits (recommendation 39)
- the number of shares and share-related rights granted as remuneration (recommendation 42)
- information must cover the whole group, thus any benefits received from any other company belonging to the same group must be reported (recommendation 39, explanatory section)

Remuneration of the managing director and other executives (recommendation 43)

- principles
 - division of the salaries and fees into a fixed and variable part
 - main information on how the variable parts of the salary and fees are defined
 - main information on share and share-related remuneration schemes
 - remuneration in shares, bonus schemes based on the share value development, synthetic options, and option rights
 - main information on additional pension schemes
- decision-making process

The Code doesn't require that the benefits paid to the other executives (management team) are reported on individual level, but the principles and decision making process concerning the benefits of the management team must be reported in accordance with the list above. On the other hand, all benefits paid to the managing director must be described (recommendation 44).

Financial benefits based on the service contract of the managing director, (recommendation 44) such as

- salaries
- other benefits
- shares and share-related rights granted as remuneration
 - remuneration in shares, bonus schemes based on the share value development, synthetic options, and option rights
- retirement age and the criteria for the determination of pension
- period of notice, salary for the period of notice and the terms and conditions of other possible compensation payable based on termination



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Financial benefits pertaining to the employment relationship or service contract of the chairman of the board as well as a director, if applicable (recommendations 39 and 44), such as

- salaries and other benefits
- shares and share-related rights granted as remuneration
 - remuneration in shares, bonus schemes based on the share value development, synthetic options, and option rights
- retirement age and the criteria for the determination of pension
- period of notice, salary for the period of notice and the terms and conditions of other possible compensation payable based on termination

Remuneration for a member of the supervisory board, if applicable (recommendation 52)

- principles of remuneration
- remuneration
- other financial benefits
- the amount of shares and share-related rights granted as remuneration
 - remuneration in shares, bonus schemes based on the share value development, synthetic options, and option rights

Matters which need not to be described

There is no need to describe financial benefits which are customary and concern the staff of the company such as staff prices of the group's products, extended occupational healthcare or magazine subscriptions. Expense reimbursements are not to be described.