

# Remuneration Statement

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# Fiskars Group's compensation philosophy

Fiskars Group's compensation philosophy and compensation structures are designed to be market-relevant and performance-based in that outstanding performance is rewarded more than average performance. For most of Fiskars Group's employees, compensation consists of a base salary, bonus and benefits. The total compensation including bonus should be competitive when compared to the relevant market. For all employees, salary is based upon geographic location, level of responsibility, contribution to the business, experience and performance. The bonus practice supports the philosophy of performance based pay.

# Board's remuneration

The Annual General Meeting decides on the remuneration of the Board of Directors. The Board's Nomination Committee is responsible for preparing proposals for the General Meeting of Shareholders on the remuneration of Board members.

In 2018, the Annual General Meeting decided on the following annual remuneration for the members of the Board of Directors:

- Chairman of the Board: EUR 90,000
- Vice Chairman of the Board: EUR 60,000
- Members of the Board: EUR 45,000

In addition, for Board and Committee meetings other than the meetings of the Audit Committee, the Board members residing in Finland shall be paid a fee of EUR 750 per meeting, the Board members residing abroad shall be paid a fee of EUR 2,000 per meeting, and the Chairmen of the Board of Directors and said Committees shall be paid a fee of EUR 1,500 per meeting. For meetings of the Audit Committee the Board members residing in Finland shall be paid a fee of EUR 1,000 per meeting, the Board members residing abroad shall be paid a fee of EUR 2,250 per meeting, and the Chairman of the Audit Committee shall be paid a fee of EUR 2,500 per meeting. Furthermore, the Board members are reimbursed for their travel and other expenses incurred due to their activities in the interest of the company. Compensation paid to the members of the Board totaled EUR 746,500 in 2018. The members of the Board are not included in Fiskars Group's incentive plans and they are not employed by the Company.

## REMUNERATION PAID TO THE MEMBERS OF THE BOARD OF DIRECTORS FOR THE YEAR 2018

NAME	ANNUAL REMUNERATION, EUR	MEETING REMUNERATION, EUR	TOTAL, EUR
Paul Ehrnrooth, Chairman	90,000	31,500	121,500
Jyri Luomakoski, Vice Chairman	56,250	20,500	76,750
Albert Ehrnrooth	33,750	10,750	44,500
Alexander Ehrnrooth	15,000	5,250	20,250
Louise Fromond	45,000	13,750	58,750
Gustaf Gripenberg	45,000	13,750	58,750
Ingrid Jonasson Blank	45,000	30,000	75,000
Inka Mero	45,000	12,000	57,000
Fabian Månsson	45,000	32,000	77,000
Ritva Sotamaa	45,000	35,000	80,000
Peter Sjölander	45,000	32,000	77,000
Total	510,000	236,500	746,500

# Main elements of the Fiskars Group Leadership Team's remuneration

The Board of Directors appoints the Managing Director (President and CEO) and confirms the terms of his/her employment and other compensation. The Board is also responsible for appointing the members of the Fiskars Group Leadership Team, approving their terms of employment and other compensation, and deciding on the principles for the Group's compensation systems. The Compensation Committee is responsible for preparing matters related to these topics.

In addition to base salary, Fiskars offers its executives variable pay programs to further encourage high performers. The company has established an Annual Bonus Plan and a Long-term Incentive Plan. In addition, Fiskars Group Leadership Team members have a voluntary, defined contribution pension insurance.

## Incentive Plan design

Both Fiskars Group's Annual Bonus Plan and its Long-term Incentive Plan are designed to reward for achievements against pre-established goals. Incentive Plan participants are assigned an overall target payout opportunity that will dictate the incentive payout as a percentage of base pay. This is not a guarantee that a payout will be made.

## Annual Bonus Plan

Annual Bonus Plan payments will be made on the basis of performance against plan metrics. The plan metrics may consist of a mix of financial metrics, operational metrics and other personal goals. The potential payout ranges from zero to a maximum percentage of each participant's annual salary. In 2018 the target payout levels varied between 30-75% for the Fiskars Group Leadership Team members. The maximum level for the President and CEO and the other members of the Fiskars Group Leadership Team is at maximum either 1.2 or 1.5 times the target level with the exception of President, SBU Functional, in whose case the maximum is 2 times the target level.

## Long-term Incentive plans

Fiskars Board of Directors has approved Long-term incentive plans as part of Fiskars Group's remuneration program for its key employees. The aim of the plans is to support the implementation of the company's strategy and to align the objectives of key employees with the shareholders to increase the value of the company. Long-term Incentive plans have performance periods of three years. The amount of the reward paid based on the Long-term Incentive plans depends on achieving the pre-established targets. No reward will be paid if targets are not met or if the participant's employment or service ends before reward payment.

For performance periods 2016–2018 and 2017–2019 the plans have been implemented mainly as cash-based plans with the exception of a few top executives for whom the long-term incentive plan consists partly of a cash-based plan and partly of a share-based plan. Starting from 2018 all new long-term incentive plans have been share-based plans.

## Performance Share Plan 2018–2022

In February 2018 the Board of Directors approved the establishment of a new Performance Share Plan for years 2018 -2022. The Plan has three performance periods of three calendar years each; 2018–2020, 2019–2021 and 2020–2022. The Board of Directors will decide separately for each performance period the participants and the minimum, target and maximum rewards for each participant, as well as the performance criteria and related targets.

If the targets of the plan are reached, rewards will be paid to participants after the end of each performance period. The reward will be paid in the company's shares, after the deduction of the relevant cash proportion that is required for covering taxes and tax-related costs due on the basis of the reward. However, the company has the right to pay the reward fully in cash under certain circumstances. As a starting point, shares to be awarded to key employees will be paid as existing shares of the company and thus the Performance Share Plan is not expected to have a diluting effect on the ownership of the company's shareholders.

As regards members of Fiskars Group Leadership Team (or subsequent equivalent), as long as the contract concerning employment, service or other contractual relationship between a Leadership Team member and the Group stays in force, the member is to build up his/her holding of the shares at least up to a level where the value of the shares owned by the member corresponds at each point in time to hundred percent (100%) of the annual gross base salary of the CEO and fifty percent (50 %) of the other Leadership Members. Until this requirement is fulfilled, the Leadership Team member must hold at least fifty percent (50 %) of the net shares awarded to him/her under the Performance Share Plan. No shareholder requirements apply to the other participants of the plan.

## A SUMMARY OF ON-GOING LONG-TERM INCENTIVE PLANS, DECEMBER 31, 2018 STATUS

PERFORMANCE SHARE PLANS (PSP)	2016–2018	2017–2019	2018–2020
Number of participants	1	2	42
Maximum number of gross shares payable <sup>1</sup>			
CEO	14,814	22,452	43,554
Other Leadership Team Members	-	6,698	59,386
Other participants	-	-	146,158
Total maximum number of gross shares payable	14,814	29,150	249,098
Earning criteria	Total shareholder return with cumulative EBIT threshold	Total shareholder return with cumulative EBIT threshold	Total shareholder return, net sales growth and cumulative EBITA. EBITA cutter applied to net sales growth criterion.
Share delivery year	2019	2020	2021

<sup>1</sup> The maximum number of gross shares (taxes included) payable if the set earning criteria are achieved in full.

CASH-BASED LONG-TERM INCENTIVE PLANS	2016–2018	2017–2019
Number of participants	34	42
Size of target reward, as % of annual base salary		
CEO <sup>1</sup>	50%	50%
Other participants	15–50%	20–50%
Earning criteria	Net sales and EBIT	Net sales and EBIT
Year of payment	2019	2020

<sup>1</sup> Payable on pro-rata basis. CEO's long-term incentive plan for years 2016–2018 and 2017–2019 consists of cash-based plan (50 % of total reward) and share-based plan (50 % of total reward).

# President and CEO's remuneration

INCENTIVE PLAN SUMMARY FOR THE CEO	TARGET REWARD	MAXIMUM REWARD	UNIT	PAYMENT YEAR
Short-term incentive plan	75	90	% of base salary	2019
PSP 2016–2018	7,407	14,814	Gross shares	2019
Cash-plan 2016–2018	127,626	255,252	Euros	2019
PSP 2017–2019	11,226	22,452	Gross shares	2020
Cash-plan 2017–2019	211,152	422,304	Euros	2020
PSP 2018–2020	21,777	43,554	Gross shares	2021

The President and CEO's compensation consists of base salary, Annual Bonus Plan and Long-term Incentive Plans. The annual base salary is EUR 500,000, including salary but excluding fringe benefits (car and mobile phone). For year 2018, the annual target bonus is 75% of the annual base salary and maximum payment is 90% of the base salary and the financial targets relate to net sales growth, EBITA excluding IAC, and cash flow.

The President and CEO participates on a pro rata basis (according to time) on the ongoing Performance Share Plans for years 2016–2018, 2017–2019 and 2018–2020. The President and CEO is required to build up the holding of the company's shares until the value of the holding corresponds to at least 100% of the annual gross base salary.

The President and CEO is provided with a voluntary defined contribution pension, as part of which the Company contributes 20% of the annual base salary.

The President and CEO's employment contract will end by the time of the statutory retirement age. The President and CEO and the Company have a notice period of six months. Remuneration upon dismissal by the Company equals annual base salary, in addition to the salary for the six-month notice period.

The salary, benefits, and bonuses paid in 2018 to the President and CEO, Jaana Tuominen, totaled EUR 1,006,241.

## REMUNERATION OF THE PRESIDENT AND CEO, JAANA TUOMINEN IN 2018

	2018	2017
Basic salary and benefits (EUR)	559,055	120,292
Short-term incentives (EUR)	297,600	0
Bonus paid through long-term incentive plan (EUR)	149,586	0
Total (EUR)	1,006,241	120,292
Voluntary pension contribution by the company (EUR)	108,819	23,947

# Fiskars Group Leadership Team's remuneration

The Fiskars Group Leadership Team's Annual Bonus Plan in 2018 was designed to provide a target bonus equivalent to 30–75% of their annual base salary. The earning criteria were tied to the Group's financial targets and, secondarily, to personal, business-specific targets. In 2018, the financial targets were mainly related to net sales growth, EBITA excluding IAC, and cash flow.

Members of the Group's Fiskars Group Leadership Team based in Finland have a voluntary, contribution-based pension insurance under which the Company contributes 16–20% of their prior year annual salaries excluding incentives. Their right to retire vary according to the statutory retirement ages.

In 2018, salaries, benefits, and bonuses paid to the members of the Fiskars Group Leadership Team (excluding the President and CEO) totaled EUR 3,299,146.

## REMUNERATION OF THE OTHER MEMBERS OF THE FISKARS GROUP LEADERSHIP TEAM IN 2018

	2018	2017	2016
Basic salary (EUR)	1,580,686	1,663,397	2,773,060
Annual bonus for previous year (EUR)	922,577	308,218	1,005,364
Bonus paid through long-term incentive plan (EUR)	795,883	371,455	352,447
<b>Total (EUR)</b>	<b>3,299,146</b>	<b>2,343,070</b>	<b>4,130,871</b>
Voluntary pension contribution by the company (EUR)	251,261	82,482	221,517

The figures in this remuneration are presented on a cash basis. The remuneration of the President and CEO and the rest of the Fiskars Group Leadership Team are presented on an accrual basis in the notes to Fiskars financial statements for 2018.

Fiskars Group Leadership Team Members:

- Sari Pohjonen
- Ulla Lettijeffer, starting 11.1.2018
- Risto Gaggl, starting 11.1.2018
- Päivi Timonen, starting 11.1.2018
- Maija Taimi, starting 11.1.2018
- Niklas Lindholm, starting 1.8.2018
- Tuomas Hyyryläinen, starting 1.9.2018
- Paul Tonnesen, until 11.6.2018