

# FISKARS REMUNERATION STATEMENT FOR 2015

## Fiskars compensation philosophy

Fiskars compensation philosophy is based on its core belief that all things – even the simplest – can be made better and smarter through our continuous quest for improvement. Our 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 employees, compensation consists of a base salary, bonus and benefits. The total compensation including bonus should be competitive against 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 rewarding.

## 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 2015, 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 the Board and Committee meetings, the Board members residing in Finland shall be paid a fee of EUR 750 per meeting and the Board members residing abroad shall be paid a fee of EUR 2,000 per meeting and the Chairman of the Board of Directors and the Committees shall be paid a fee of EUR 1,500 per meeting. Further 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 726,750 in 2015. The members of the Board are not included in Fiskars' incentive plan and they are not employed by the Company.

### Remuneration paid to the members of the Board of Directors for the year 2015

Name	Annual remuneration (EUR)	Meeting remuneration (EUR)	Total (EUR)
Paul Ehrnrooth, Chairman starting March 12, 2014	90,000	34,500	124,500
Alexander Ehrnrooth, Vice Chairman	60,000	17,250	77,250
Kaj-Gustaf Bergh, until March 12, 2015	11,250	3,000	14,250
Ralf Böer, until March 12, 2015	11,250	4,500	15,750
Louise Fromond	45,000	13,500	58,500
Gustaf Gripenberg, Chairman of the Audit Committee	45,000	17,250	62,250
Ingrid Jonasson Blank	45,000	32,500	77,500
Karsten Slotte	45,000	17,250	62,250
Christine Mondollot, starting March 12, 2014, until March 12, 2015	11,250	4,500	15,750
Inka Mero, starting March 12, 2015	33,750	9,750	43,500
Ritva Sotamaa, starting March 12, 2015	33,750	26,000	59,750
Peter Sjölander, starting March 12, 2015	33,750	24,000	57,750
Fabian Månsson, starting March 12, 2015	33,750	24,000	57,750
<b>Total</b>	<b>498,750</b>	<b>228,000</b>	<b>726,750</b>

## Main features of the Executive Board's remuneration

The Board of Directors appoints the Managing Director (President and CEO) and confirms the terms of his employment and other compensation. The Board is also responsible for appointing the members of the Executive Board, 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 promote high performance. The company has established an Annual Bonus Plan and a Long-term Incentive Plan. In addition, Executive Board members based in Finland have a voluntary, contribution-based, pension insurance.

### Incentive Plan design

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

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 nothing to a maximum percentage of each participant's annual salary. The maximum level for the President and CEO and the other members of the Executive Board is at maximum 1.5 times the target level with the exception of Fiskars Americas and Gerber Americas Presidents, their maximum being 2 times the target level.

Participants in the Long-term Incentive Plan are selected by the Board of Directors annually, and the Board also decides on the earning criteria based on financial targets for the plan annually. The long-term incentive targets for the period 2015 to 2017 are purely financial and are tied to the Company's consolidated net sales and cumulative EBIT for that period at the end of 2017. For the CEO and COO, 50% of the targets are the same as for all executives, whereas 50% of the targets are based on cumulative total shareholder return including a cumulative EBIT threshold.

The vesting period for the Long-term Incentive Plan is three years. The bonus will be paid during the quarter following the vesting period. The bonuses for performance in 2015—2017 will be paid during the first quarter of 2018.

#### Principles of the Presidents and CEO's incentive scheme in 2015

	Minimum	Target	Maximum
Annual Bonus Plan, % of annual base salary	0	75%	102.5%
Long-term Incentive Plan, % of annual base salary	0	125%	250%

#### Principles of the Executive Board's incentive scheme in 2015

	Minimum	Target	Maximum
Annual Bonus Plan, % of annual base salary	0	20—60%	30—90%
Long-term Incentive Plan, % of annual base salary	0	30—80%	60—160%

## President and CEO's remuneration

The President and CEO's compensation consists of a salary, annual bonus and the Long-term Incentive Plan. The President and CEO's target bonus corresponds to 75% of his annual base salary. In 2015 the financial targets of the Annual Bonus Plan were related to net sales growth, EBIT excluding non-recurring items, and gross profit margin and cash flow. The financial targets of the Long-term Incentive Plan 2015—2017 were related to net sales and cumulative EBIT and TSR. The target bonus for President and CEO's LTI corresponds to 125% of annual base salary.

The President and CEO is provided with a voluntary contribution-based pension, under which the Company contributes 20% of his annual salary excluding bonuses.

The President and CEO's employment contract will end when he reaches the age of 60. The President and CEO and the Company have a notice period of six months. Remuneration on dismissal by the Company is 12 months' basic salary, in addition to salary for the six-month notice period.

The salary, benefits, and bonuses paid in 2015 to the President and CEO, Kari Kauniskangas, totaled EUR 810,181. Base salary accounted for EUR 417,366, bonuses for the 2014 result came to EUR 163,539 and bonuses for 2012—2014 through the Long-term Incentive Plan came to EUR 129,276.

### Remuneration of the President and CEO in 2015

	2015	2014	2013
Basic salary (EUR)	517,366*	416,995	404,736
Annual bonus for previous year (EUR)	163,539	229,176	247,542
Bonus paid through long-term incentive plan (EUR)	129,276	388,500	361,414
<b>Total (EUR)</b>	<b>810,181</b>	<b>1,034,671</b>	<b>1,013,692</b>
Voluntary pension contribution by the company (EUR)	83,399	80,947	80,749

\* Including a discretionary bonus of EUR 100,000

The figures in this remuneration are presented on a cash basis. The remuneration of the President and CEO and the rest of the Executive Board are presented on an accrual basis in the notes to Fiskars financial statements for 2015.

## Executive Board's remuneration

The Executive Board's Annual Bonus Plan in 2015 was designed to provide a target bonus equivalent to 20–60% of their annual salary. The earning criteria were tied to the Group's financial targets and, secondarily, to personal, function-specific targets. In 2015, the financial targets were mainly related to net sales growth, EBIT excluding non-recurring items, and gross profit margin. Members of the Executive Board are included in the Long-term Incentive Plan.

Members of the Group's Executive Board based in Finland have a voluntary, contribution-based pension insurance under which the Company contributes 14–20% of their annual salaries excluding bonuses. Their retirement ages vary between 60 and 68 years.

In 2015, salaries, benefits, and bonuses paid to the members of the Executive Board (excluding the President and CEO) totaled EUR 3,032,224. Base salaries accounted for EUR 1,997,270. Bonuses for the 2014 result came to EUR 554,907 and bonuses paid through the Long-term Incentive Plan for 2012 amounted to EUR 380,047.

### Remuneration of the other members of the Executive Board\* in 2015

	2015	2014	2013
Base salary (EUR)	2,097,270**	953,514	888,068
Annual bonus for previous year (EUR)	554,907	734,833	184,856
Bonus paid through long-term incentive plan (EUR)	380,047	729,593	120,350
<b>Total (EUR)</b>	<b>3,032,224</b>	<b>2,417,940</b>	<b>1,193,274</b>
Voluntary pension contribution by the company (EUR)	169,377	221,995	142,461

\* Including Alexander Matt starting 15.9.2015

\*\* Including discretionary bonuses of EUR 100,000

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