

Making the everyday
extraordinary.

Fiskars, Gerber, Iittala,
Royal Copenhagen, Waterford,
Wedgwood, Arabia, Gilmour,
Royal Albert, Royal Doulton,
Rörstrand

Remuneration statement

FISKARS COMPENSATION PHILOSOPHY

Fiskars’ 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’ 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 2017, 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 819,250 in 2017. 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 2017

	Annual remuneration	Meeting remuneration	Total
Name	(EUR)	(EUR)	(EUR)
Paul Ehrnrooth, Chairman	90,000	45,000	135,000
Alexander Ehrnrooth, Vice Chairman	60,000	18,250	78,250
Louise Fromond	45,000	16,000	61,000
Gustaf Gripenberg	45,000	16,000	61,000
Ingrid Jonasson Blank	45,000	48,000	93,000
Jyri Luomakoski, Chairman of the Audit Committee	45,000	22,750	67,750
Inka Mero	45,000	20,250	65,250
Fabian Månsson	45,000	34,000	79,000
Ritva Sotamaa	45,000	35,000	80,000
Peter Sjölander	45,000	54,000	99,000
Total	510,000	309,250	819,250

PRINCIPLES OF THE PRESIDENT AND
CEO'S INCENTIVE SCHEME IN 2017

	Minimum	Target	Maximum
Annual Bonus Plan, % of annual base salary	0	50–75%	75–102.5%
Long-term Incentive Plan, % of annual base salary	0	80–125%	160–250%

PRINCIPLES OF THE EXECUTIVE LEADERSHIP
TEAM'S INCENTIVE SCHEME IN 2017

	Minimum	Target	Maximum
Annual Bonus Plan, % of annual base salary	0	30–75%	45–150%
Long-term Incentive Plan, % of annual base salary	0	30–100%	60–200%

MAIN FEATURES OF THE EXECUTIVE
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 Executive 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, Executive Leadership Team members based in Finland and the UK 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 Leadership Team is at maximum 1.5 times the target level with the exception of President, SBU Functional, in whose case the maximum is 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 annually based on financial targets in the plan. The long-term incentive targets for the period 2017 to 2019 are purely financial and are tied to the Company's consolidated net sales and cumulative EBIT for that period at the end of 2019. 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 2017–2019 will be paid during the first quarter of 2020.

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 50–75% of his/her annual base salary. In 2017, the financial targets of the Annual Bonus Plan were related to net sales growth, adjusted operating

profit, and cash flow. The financial targets of the Long-term Incentive Plan 2016–2018 were related to net sales and cumulative operating profit and total shareholder return. The target bonus for the President and CEO's LTI corresponds to 80–125% of annual base salary.

	Annual Bonus Plan Target and Max %	Long-term Incentive Target and Max %
Kari Kauniskangas, CEO and President January 1–February 15, 2017	75% and 102.5%	125% and 250%
Teemu Kangas-Kärki, Interim CEO and President February 15–October 8, 2017	50% and 75%	80% and 160%
Jaana Tuominen, CEO and President as of October 9, 2017	75% and 90%	100% and 200%

PRESIDENT AND CEO, JAANA TUOMINEN,
AS OF OCTOBER 9, 2017

The President and CEO's compensation consists of a salary, Annual Bonus Plan and the Long-term Incentive Plan. The annual base salary is EUR 500,000, including salary and fringe benefits (car and mobile phone). The annual target bonus is 75% of the annual base salary and maximum payment is 90% of the base salary.

The President and CEO participates on a pro rata basis (according to time) on the ongoing Performance Share Plans, which include three performance periods of three calendar years each: 2015–2017, 2016–2018 and 2017–2019. The target bonus for the President and CEO's Long-term Incentive Plan corresponds to 100% of annual base salary and maximum bonus 200% of the annual base salary. 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.

In 2017, the financial targets of the Annual Bonus Plan relate to net sales growth, adjusted operating

profit, and cash flow. The financial targets of the Long-term Incentive Plan relate to consolidated net sales, cumulative EBIT and total shareholder return.

The President and CEO is provided with a voluntary contribution-based pension, as part of which the Company contributes 20% of the annual base salary. The President and CEO is entitled to a signing bonus of EUR 250,000 during the first quarter of 2018. If the President and CEO resigns before having been two (2) years at the Company's, the signing bonus shall be repaid to the Company in full.

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 the annual base salary, in addition to the salary for the six-month notice period.

The salary, benefits, and bonuses paid in 2017 to the President and CEO, Jaana Tuominen, totaled EUR 120,292.

Remuneration of the President and CEO,
Jaana Tuominen in 2017

	2017
Basic salary (EUR)	120,292
Annual bonus for previous year (EUR)	0
Bonus paid through long-term incentive plan (EUR)	0
Total (EUR)	120,292
Voluntary pension contribution by the company (EUR)	23,947

INTERIM PRESIDENT AND CEO,
TEEMU KANGAS-KÄRKI, FEBRUARY
15–OCTOBER 8, 2017

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 50% of his/her annual base salary. In 2016, the financial targets of the Annual Bonus Plan were related to net sales growth, adjusted operating profit, and cash flow. The financial targets of the Long-term Incentive Plan 2016–2018 were related to net sales and cumulative operating profit and total shareholder return. The target bonus for the President and CEO's LTI corresponds to 80% of annual base salary.

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

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 on dismissal by the Company equals the annual base salary, in addition to salary for the six-month notice period.

The salary, benefits, and bonuses paid in 2017 to the Interim President and CEO, Teemu Kangas-Kärki, totaled EUR 616,474. Base salary accounted for EUR 328,290, bonuses for the 2016 result amounted to EUR 165,783 and bonuses for 2014–2016 through the Long-term Incentive Plan amounted to EUR 122,400.

Remuneration of the Interim President and CEO,
Teemu Kangas-Kärki in 2017

	2017
Basic salary (EUR)	328,290
Annual bonus for previous year (EUR)	165,783
Bonus paid through long-term incentive plan (EUR)	122,400
Total (EUR)	616,474
Voluntary pension contribution by the company (EUR)	62,492

PRESIDENT AND CEO, KARI KAUNISKANGAS,
JANUARY 1–FEBRUARY 15, 2017

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 2016, the financial targets of the Annual Bonus Plan were related to net sales growth, adjusted operating profit, and cash flow. The financial targets of the Long-term Incentive Plan 2016–2018 were related to net sales and cumulative operating profit and total shareholder return. The target bonus for the 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 the prior year's annual salary excluding bonuses.

The President and CEO's employment contract will end when he/she 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 2017 to the President and CEO, Kari Kauniskangas, totaled EUR 623,827. Base salary accounted for EUR 300,977, bonuses for the 2016 result came to EUR 322,850 and bonuses for 2014–2016 through the Long-term Incentive Plan came to EUR 0.

The figures in this remuneration are presented on a cash basis. The remuneration of the President and CEO and the rest of the Executive Leadership Team are presented on an accrual basis in the notes to Fiskars financial statements for 2017.

Remuneration of the President and CEO, Kari Kauniskangas in 2017

	2017	2016	2015
Basic salary (EUR)	300,977	490,769	517,366*
Annual bonus for previous year (EUR)	322,850	367,526	163,539
Bonus paid through long-term incentive plan (EUR)	0	349,705	129,276
Total (EUR)	623,827	1,208,000	810,181
Voluntary pension contribution by the company (EUR)	98,154	94,490**	80,399

* Including a discretionary bonus of EUR 100,000, and other benefits of EUR 3,135

** Including 2015 adjustment payment

EXECUTIVE LEADERSHIP TEAM'S
REMUNERATION

The Executive Leadership Team's Annual Bonus Plan in 2017 was designed to provide a target bonus equivalent to 30–75% of their annual salary. The earning criteria were tied to the Group's financial targets and, secondarily, to personal, business-specific targets. In 2017, the financial targets were mainly related to net sales growth, adjusted operating profit, and cash flow. Members of the Executive Leadership Team are included in the Long-term Incentive Plan.

Members of the Group's Executive 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 bonuses. Their retirement ages vary between 60 and 68 years.

In 2017, salaries, benefits, and bonuses paid to the members of the Executive Leadership Team (excluding the President and CEO) totaled EUR 2,343,071. Base salaries accounted for EUR 1,663,397. Bonuses for the 2016 result amounted to EUR 308,218, and bonuses for 2014–2016 through the Long-term Incentive Plan came to EUR 371,455.

Remuneration of the other members of the Executive Leadership Team in 2017

	2017	2016	2015
Basic salary (EUR)	1,663,397	2,773,060	2,097,270
Annual bonus for previous year (EUR)	308,218	1,005,364	554,907
Bonus paid through long-term incentive plan (EUR)	371,455	352,447	380,047
Total (EUR)	2,343,071	4,130,872	3,032,224
Voluntary pension contribution by the company (EUR)	82,482	221,517	169,377

The figures in this remuneration are presented on a cash basis. The remuneration of the President and CEO and the rest of the Executive Leadership Team are presented on an accrual basis in the notes to Fiskars financial statements for 2017.

Executive Leadership Team Members:

- Teemu Kangas-Kärki, January 1–February 15, 2017 and October 9–December 31, 2017
- Nina Ariluoma, as of January 1, 2017
- Ulrik Garde Due, as of January 1, 2017
- Sari Pohjonen, as of February 10, 2017
- Paul Tonnesen, as of March 31, 2017

Fiskars Group

FISKARS CORPORATION
Hämeentie 135 A, P.O. Box 130
FI-00561 Helsinki, Finland

Telephone +358 204 3910

info@fiskars.fi
fiskarsgroup.com

