

# Remuneration statement

Fiskars Corporation complies with the Finnish Corporate Governance Code approved by the Securities Market Association, which came into force on October 1, 2010 and can be found at [www.cgfinland.fi](http://www.cgfinland.fi). This statement follows the Code's recommendation on remuneration given to the Board of Directors, the President and CEO, and other company management.

## 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 2011, the Annual General Meeting decided to keep the remuneration of the members of the Board of Directors unchanged. The annual remuneration is as follows:

- Chairman of the Board: EUR 70,000
- Vice Chairman of the Board: EUR 50,000
- Members of the Board: EUR 35,000

In addition, the Board members are paid EUR 600 per Board or Committee meeting, the Chairman of the Board EUR 1,100 per Board and Committee meeting, and the Chairman of the Audit Committee EUR 1,100 per Audit Committee meeting. In addition, members are reimbursed for their travel and other expenses incurred as a result of their activities on behalf of the Company.

Compensation paid to the members of the Board totaled EUR 487,400 in 2011.

The members of the Board are not included in Fiskars' incentive schemes and they are not employed by the Company.

## MAIN FEATURES OF EXECUTIVE REMUNERATION

The Board 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 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, executives have voluntary, contribution-based additional pension insurance.

Fiskars Corporation has no share option programs in place.

## INCENTIVE PLAN DESIGN

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

Actual incentive payments will be made on the basis of performance against "plan metrics". The plan metrics consist of a mix of financial metrics, operational metrics and personal goals. The potential payout ranges between 0 – Target – Maximum % of annual salary. The maximum level for the President and CEO and the other members of the Executive Board is 1.5 times the target level.

## REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS FOR THE YEAR 2011

Name	Annual remuneration	Meeting remuneration	Total
Kaj-Gustaf Bergh, Chairman	70,000	22,000	92,000
Alexander Ehrnrooth, Vice Chairman	50,000	12,600	62,600
Paul Ehrnrooth, Vice Chairman	50,000	12,000	62,000
Ralf Böer	35,000	9,000	44,000
Louise Fromond	35,000	10,200	45,200
Gustaf Gripenberg, Chairman, Audit Committee	35,000	12,200	47,200
Ingrid Jonasson Blank	35,000	9,600	44,600
Karsten Slotte	35,000	10,200	45,200
Jukka Suominen	35,000	9,600	44,600
Total	380,000	107,400	487,400

## LONG-TERM INCENTIVE PLAN

Fiskars has a long-term incentive plan for key personnel. The participants are selected by the Board of Directors annually, and the Board also decides the earning criteria based on financial targets for the plan annually. The long-term incentive targets are purely financial and are currently tied to company's net sales and cash flow.

The earning period is one year, which is followed by a two-year vesting period. The bonus will be paid during the quarter following the vesting period. The first long-term incentive bonuses, related to performance in 2009, will be paid in the first quarter of 2012.

The target level of the long-term incentive plan corresponds to the target level of the annual bonus of the individual in the scheme. In addition, a positive change in the value of the Company's shares related to its own operations (excluding the impact of Wärtsilä on the share price) during the vesting period may increase the final payout by up to 50%.

The earning criteria in 2011 were related to the Group's consolidated net sales and operative cash flow. The bonuses for performance in 2011 will be paid during the first quarter of 2014.

## PRESIDENT AND CEO'S REMUNERATION

In addition to his basic salary, the President and CEO is paid an annual bonus designed to provide a target bonus equivalent to 60% of his annual salary. The payout is determined in accordance with the financial targets and other goals set annually by the Board of Directors. In 2011 the financial targets were related to net sales, EBT excluding Wärtsilä, and gross profit margin.

The President and CEO is also included in the Long-term Incentive Plan with a target bonus of 60% of his annual salary.

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

The President and CEO's agreement will end when the President and CEO 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 of CEO Kari Kauniskangas in 2011 totaled EUR 646,464. Basic salary accounted for EUR 389,816 and bonuses for the 2010 result came to EUR 256,648.

During the 2011 earning period, bonuses earned through the long-term incentive scheme, excluding any possible increase due to changes in the share value, totaled EUR 286,020 for the President and CEO. These long-term bonuses for 2011 performance will be paid during first quarter 2014.

When he joined the Company in January 2008, the President and CEO agreed to purchase Company shares equivalent in value to his signing bonus, a total of 15,397 shares. These shares had a lock-up period until March 1, 2011.

## EXECUTIVE BOARD'S REMUNERATION

In addition to base salary, the members of the Executive Board have an annual bonus plan, which is designed to provide a target bonus equivalent to 20–40% of their annual salary. The bonus paid is determined in accordance with earning criteria set by the Board of Directors, primarily tied to the Group's financial targets and secondarily to personal, function-specific targets. In 2011 the financial targets were mainly related to net sales growth, EBT excluding Wärtsilä, and gross profit margin.

Members of the Executive Board can also be included in a long-term incentive scheme, whose target level corresponds to that of the annual bonus.

The members of the Group's Executive Board also have voluntary, contribution-based additional pension insurance under which the Company contributes 14–20% of their annual salaries excluding bonuses. Their retirement age varies between 60 and 68 years.

In 2011, the salaries, benefits, and bonuses paid to the members of the Executive Board (excluding the President and CEO) totaled EUR 1,038,363. Basic salaries accounted for EUR 753,631 and bonuses for the 2010 result came to EUR 284,732.

During the 2011 earning period, bonuses earned through the long-term incentive scheme, excluding any possible increase due to changes in the share value, totaled EUR 288,276 for the Executive Board (excluding the President and CEO). These bonuses will be paid during the first quarter of 2014.

#### THE PRESIDENT AND CEO'S INCENTIVE SCHEME PRINCIPLES IN 2011

	Minimum	Target	Maximum	Maximum Final payout after vesting period *
Annual Bonus Plan, % of annual base salary	0	60%	80%	-
Long-term incentive plan, % of annual base salary	0	60%	90%	135%

\* Depending on the development of the value of the Company's shares related to its own operations and excluding Wärtsilä's impact on the share price

#### THE EXECUTIVE BOARD'S INCENTIVE SCHEME PRINCIPLES IN 2011

	Minimum	Target	Maximum	Maximum Final payout after vesting period *
Annual Bonus Plan, % of annual base salary	0	20–40 %	30–60 %	-
Long-term incentive plan, % of annual base salary	0	20–40 %	30–60 %	45–90 %

\* Depending on the development of the value of the Company's shares related to its own operations and excluding Wärtsilä's impact on the share price

#### REMUNERATION OF THE PRESIDENT AND CEO AND THE EXECUTIVE BOARD IN 2011

EUR	Basic salary	Bonus paid for 2010	Bonuses paid through long-term incentive scheme	2011 total	2010 total	Voluntary pension contribution by the company in 2011	Bonuses earned through long-term-incentive scheme in 2011*
President and CEO	389,816	256,648	-	646,464	684,162	76,042	286,020
Other members of the Executive Board	753,631	284,732	-	1,038,363	1,011,907	133,750	288,276
Total	1,143,448	541,380	0	1,684,828	1,696,069	209,792	574,296

\* Will be paid during the first quarter of 2014, after having been adjusted by share price multiple