

Munksjö Oyj Remuneration statement

Remuneration of the Board of Directors and Board Committees

The remuneration of the members of the Board of Directors is decided by the Annual General Meeting of Munksjö based on a proposal by the Shareholders' Nomination Board.

According to resolutions made at the Annual General Meeting on 15 April 2015, an annual fee of EUR 80,000 will be paid to the Chairman of the Board, and annual fees of EUR 40,000 will be paid to the other Board Members appointed by the Annual General Meeting, who are not employed by the company. The chairman of the audit committee will receive EUR 12,000 and other members will receive EUR 6,000. The chairman of the remuneration committee will receive EUR 6,000 and other members will receive EUR 3,000. The chairman and the members of the Nomination board will not receive any compensation.

Munksjö Oyj

Annual remuneration for period, KEUR	2015	2014 ²⁾	27 May-31
			Dec 2013 ¹⁾
Peter Seligson Chairman	86	77	46
Fredrik Cappelen	44	39	24
Elisabet Salander Björklund	50	44	26
Sebastian Bondestam	45	41	24
Hannele Jakosuo- Jansson	42	38	22
Alexander Ehrnrooth Member since 2014	45	31	-
Caspar Callerström Member since 2014	9	28	4 ³⁾
Jarkko Murtoaro Resigned 2014	-	-	- ⁴⁾
Thomas Ahlström (not a board member) Chairman of nomination board	4		
Mikko Mursula (not a board member) Nomination board	2		

- 1) Period 27 May to 31 December 2013; In addition the Nomination board have been compensated (full year) by EUR 6,000 for the chairman and EUR 3,000 for the board members. The nomination board members are Caspar Callerström (chairman), Peter Seligson, Fredrik Cappelen, Thomas Ahlström and Timo Ritakallio. Compensation to Peter Seligson, Fredrik Cappelen and Caspar Callerström are included in the figures above.
- 2) Period 1 January to 31 March 2014; In addition the Nomination board have been compensated (full year) by EUR 6,000 for the chairman and EUR 3,000 for the board members. The nomination board members are Caspar Callerström (chairman), Peter Seligson, Fredrik Cappelen, Thomas Ahlström and Timo Ritakallio. Compensation (3 months) to Peter Seligson, Fredrik Cappelen and Caspar Callerström are included in the figures above. No compensation to the Nomination board for the period 1 April to 31 December 2014.
- 3) This amount is compensation for being the chairman of the Nomination board 27 May to 31 December 2013.
- 4) Jarkko Murtoaro has renounced his fee.

Remuneration guidelines

The CEO and other key management will be offered a fixed salary (base salary) and, in some cases, variable remuneration and benefits in kind. The total

remuneration shall correspond to market practice, be competitive, and related to the executives responsibilities and authority.

Application of the remuneration guidelines

The Board of Directors decides on the remuneration of the CEO based on a proposal by the Remuneration Committee and on the remuneration of the other key management based on a proposal by the CEO, which is reviewed by the Remuneration Committee.

Key management

Key management refers to the CEO, who is also the President of the Group, the business area managers and the managers of various Group functions.

Fixed and variable remuneration

Salaries and variable remuneration shall be fixed per calendar year. The CEO and other senior executives may be offered variable remuneration. Any variable remuneration shall be limited and in proportion to the fixed salary and be based on the financial objectives of the Group as well as individual targets. The final resolution on the payment of variable remuneration shall be passed by the Board of Directors after the approval of the audited financial statements. Any variable remuneration shall not be pensionable, unless otherwise stipulated in any applicable law or in the rules of a general pension plan, e.g. Sweden's ITP occupational pension plan.

Long term incentive plan

The CEO and key management participate in the Group's long term incentive plan as described in note 9. No awards vested during 2015 and the first settlement will occur in 2017. The cost recognised in the 2015 income statement for the CEO and key management amounted to MEUR 0.2 and MEUR 0.5 respectively.

Pensions

Pension arrangements for key management include customary occupational pensions and in some cases individually agreed arrangements, consisting of defined benefit and defined contribution plans. The CEO has an individual pension agreement, stating that the company shall contribute an amount corresponding to 35 per cent of the CEO's annual fixed salary per annum for CEO's pension to an occupational pension insurance designated by the CEO. No early retirement has been agreed on between the company and the CEO. The retirement age for the CEO is 65 years.

Other benefits

To the extent that other benefits are paid, they consist of company cars, housing and health insurances.

Notice periods and severance pay

The CEO's employment agreement may be terminated by the company with a twelve (12) months' notice and by the CEO with six (6) months' notice. If the company terminates the CEO agreement and the CEO has not taken up other employment by the end of the twelve months' notice period, the CEO is entitled to an additional severance pay of his monthly salary during six months, however not longer than until he has taken up other employment.

Remuneration of the President & CEO and other senior executives

The fixed salary of the CEO amounts to approximately EUR 42,000 (exact amount is SEK 396,000) per month. In addition to the fixed salary, the CEO is entitled to a variable remuneration, which may amount to a maximum of 65 per cent of the annual fixed salary. The company shall contribute an amount corresponding to 35 per cent of the CEO's annual fixed salary per annum for CEO's pension to an occupational pension insurance designated by the CEO.

Remuneration and benefits of key management, KEUR	Gross Salary	Variable remuneration	Other benefits	Pension expenses	Total
Jan Åström as CEO of Munksjö Oyj	561	222	1	182	966
Other senior executives of Munksjö Oyj	1,778	567	64	450	2,859
Total 2015	2,339	789	65	632	3,825
Jan Åström as CEO of Munksjö Oyj	537	94	1	200	832
Other senior executives of Munksjö Oyj	1,979	276	65	467	2,787
Total 2014	2,516	370	66	667	3,619
Jan Åström as CEO of Munksjö Oyj	339	96	1	99	535
Jan Åström as CEO of Munksjö AB	205	416	1	65	687
Other senior executives of Munksjö Oyj	1,029	485	84	268	1,866
Other senior executives of Munksjö AB	794	880	63	203	1,940
Total 2013	2,367	1,877	149	635	5,028