

# Remuneration Report 2017

February 13, 2018

**Huhtamaki**

## Remuneration Report 2017

### Introduction

This Remuneration Report is included in Huhtamäki Oyj's (the Company) Remuneration Statement which has been issued and published in connection with the Directors' Report. The Remuneration Report provides information on the remuneration and other financial benefits paid to the Board of Directors (Board), the Chief Executive Officer (CEO) and the Global Executive Team (GET) during the financial year 2017. The remuneration and other financial benefits paid during the financial year 2016 are presented for comparison.

### Board of Directors

In accordance with the resolution passed by the AGM held on April 27, 2017, as of the AGM 2017 the annual compensation for the Chairman of the Board is EUR 120,000, for the Vice-

Chairman EUR 68,000 and for other members EUR 57,000. In addition, the following meeting fees are paid for each meeting attended: EUR 1,000 for all meetings, except EUR 2,000 to the Chairman for the Audit Committee meetings, EUR 1,200 to the Chairman for the Human Resources Committee meetings and EUR 1,200 to the Chairman for the Nomination Committee meetings. Traveling expenses of the Board members are compensated in accordance with the Company policy. In addition, the Chairman of the Board has a mobile phone benefit. The remuneration has remained unchanged from 2016.

In 2017, the Board members were not eligible for remuneration or other benefits not related to the Board work. Board members did not receive Company shares as remuneration and they were not participants in Company's share-based incentive plans.

The following remuneration was paid to the members of the Board of Directors for the financial years 2017 and 2016.

	2017			2016		
	Annual compensation	Meeting fees <sup>5</sup>	Total	Annual compensation	Meeting fees <sup>5</sup>	Total
Pekka Ala-Pietilä <sup>1</sup>	120,240	19,600	139,840	115,240	25,600	140,840
Jukka Suominen	68,000	31,000	99,000	66,000	31,000	97,000
Eija Ailasmaa	57,000	18,000	75,000	55,250	22,000	77,250
Doug Baillie <sup>2</sup>	57,000	15,000	72,000	42,750	13,000	55,750
William R. Barker	57,000	15,000	72,000	55,250	21,000	76,250
Rolf Börjesson	57,000	20,000	77,000	55,250	24,000	79,250
Kerttu Tuomas <sup>3</sup>	42,750	10,000	52,750	-	-	-
Sandra Turner	57,000	19,000	76,000	55,250	20,000	75,250
Maria Mercedes Corrales <sup>4</sup>	-	-	-	12,500	7,000	19,500
<b>Board total</b>	<b>515,990</b>	<b>147,600</b>	<b>663,590</b>	<b>457,490</b>	<b>163,600</b>	<b>621,090</b>

<sup>1</sup> Annual compensation for Pekka Ala-Pietilä includes a mobile phone benefit

<sup>2</sup> Member of the Board of Directors since April 21, 2016

<sup>3</sup> Member of the Board of Directors since April 27, 2017

<sup>4</sup> Member of the Board of Directors until April 21, 2016

<sup>5</sup> The meeting fees have been entered in the table on the year when they have been paid

## Chief Executive Officer and Global Executive Team

The following remuneration was paid to the CEO and the other GET members for the financial years 2017 and 2016.

	CEO Jukka Moisio		Other GET members <sup>4</sup>	
	2017	2016	2017	2016
<b>Non-variable annual base salary and benefits<sup>1</sup></b>	717,711	698,788	2,161,508	2,043,048
<b>Short-term incentives<sup>2</sup></b>				
Remuneration based on the performance in the year preceding the payment year	505,248	499,125	891,638	1,271,330
<b>Long-term incentives<sup>3</sup></b>				
Number of shares received as a reward	22,750 shares	15,900 shares	58,604 shares	32,330 shares
Value of the shares at the time of the transfer	740,392	505,302	1,912,384	1,034,147
Amount of income taxes and tax-like charges arising based on the shares received	791,808	575,512	1,999,854	1,156,720
<b>Total value of the reward</b>	<b>1,532,200</b>	<b>1,080,814</b>	<b>3,912,238</b>	<b>2,190,866</b>
<b>Total remuneration</b>	<b>2,755,159</b>	<b>2,278,727</b>	<b>6,965,384</b>	<b>5,505,244</b>

<sup>1</sup> Non-variable annual base salary and benefits include compensation relating to the commencement and termination of employment.

<sup>2</sup> Paid short-term incentives have been entered in the table on the year when they have been paid.

<sup>3</sup> Share-based incentives include the monetary value of the payments based on the performance share plans at the time of granting the shares and including the value of taxes and tax-like charges arising based on the received shares. The share-based incentives are based on the performance in the year preceding the payment year and they have been entered in the table on the year when they have been paid. The reward based on the performance in 2016 under the Performance Share Plan 2014–2016 was paid in April 2017 and the reward based on the performance in 2015 under the Performance Share Plan 2013–2015 was paid in April 2016.

<sup>4</sup> Remuneration paid to other GET members is reported for the period that the person has been a member of the GET.

In 2017, expenses for the Company for the CEO's statutory pension were EUR 206,069 (2016: EUR 203,645) and for the supplementary pension arrangement EUR 150,000 (2016: EUR 54,930). At the end of 2017 liability from the supplementary pension arrangement was EUR 615 689

(2016: EUR 455,014) in the Company's statement of financial position. In 2017, the Company paid a total of EUR 22,998 (2016: EUR 20,938) to pension arrangements of the other GET members, excluding the CEO.