

Remuneration Report 2016

February 14, 2017

Huhtamaki

Remuneration Report 2016

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 Group Executive Team (GET) during the financial year 2016. The remuneration and other financial benefits paid during the financial year 2015 are presented for comparison.

Board of Directors

In accordance with the resolution passed by the AGM held on April 21, 2016 the annual compensation for the Chairman of the Board was decided to be EUR 120,000 (2015: EUR 100,000), for the Vice-Chairman EUR 68,000 (2015: EUR 60,000) and for other members EUR 57,000 (2015:

EUR 50,000). In addition, the following meeting fees were paid for each meeting attended: EUR 1,000 (2015: EUR 1,000) for all meetings, except EUR 2,000 (2015: EUR 2,000) to the Chairman for the Audit Committee meetings, EUR 1,200 (2015: EUR 1,200) to the Chairman for the Human Resources Committee meetings and EUR 1,200 (2015: EUR 1,200) to the Chairman for the Nomination Committee meetings. Traveling expenses of the Board members were compensated in accordance with the Company policy. In addition, the Chairman of the Board had a mobile phone benefit.

In 2016, 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 table describes the remuneration paid to the members of the Board of Directors for the financial years 2016 and 2015.

Remuneration paid to members of the Board of Directors (EUR)

	2016			2015		
	Annual compensation	Meeting fees	Total	Annual compensation	Meeting fees	Total
Pekka Ala-Pietilä*	115,240	25,600	140,840	100,240	17,200	117,440
Jukka Suominen	66,000	31,000	97,000	60,000	22,600	82,600
Eija Ailasmaa	55,250	22,000	77,250	50,000	16,000	66,000
Doug Baillie**	42,750	13,000	55,750	-	-	-
William R. Barker	55,250	21,000	76,250	50,000	14,200	64,200
Rolf Börjesson	55,250	24,000	79,250	50,000	14,200	64,200
Sandra Turner	55,250	20,000	75,250	50,000	16,000	66,000
Maria Mercedes Corrales***	12,500	7,000	19,500	50,000	14,200	64,200
Board total	457,490	163,600	621,090	410,240	114,400	524,640

* Annual compensation for Pekka Ala-Pietilä includes a mobile phone benefit

** Member of the Board of Directors since April 21, 2016

*** Member of the Board of Directors until April 21, 2016

Chief Executive Officer

In 2016, CEO Jukka Moision's non-variable annual base salary and benefits amounted to EUR 698,788 (2015: EUR 673,963) and the short-term incentive based on the performance in 2015 amounted to EUR 499,125 (2015: EUR 271,373 based on the performance in 2014). Based on the performance in 2015, the CEO received in 2016 under the Performance Share Plan 2013–2015 a total of 15,900 shares with an aggregate value of EUR 505,302 at the time of the transfer and a cash payment of EUR 575,512 relating to the amount of income taxes arising based on the received shares. This reward based on the Performance Share Plan with a total value of EUR 1,080,814 was paid in April 2016. Based on the performance in 2014, the CEO received in 2015 under the Performance Share Plan 2012–2014 a total of 13,120 shares with an aggregate value of EUR 379,955 at the time of the transfer and a cash payment of EUR 432,749 relating to the amount of taxes arising based on the received shares. This reward based on the Performance Share Plan with a total value of 812,704 was paid in April 2015. Thus, in 2016 the CEO's total remuneration amounted to EUR 2,278,727 (2015: EUR 1,758,040).

In 2016, expenses for the Company for the CEO's statutory pension were EUR 203,645 (2015: EUR 170,160) and for the supplementary pension arrangement EUR 54,930 (2015: EUR 52,817). At the end of 2016 liability from the supplementary pension arrangement was EUR 455,014 (2015: EUR 390,942) in the Company's statement of financial position.

Other Group Executive Team members

In 2016, the non-variable annual base salary of GET members, excluding the CEO, amounted to a total of EUR 2,043,048 including benefits and compensation relating to the commencement and termination of employment (2015: EUR 2,741,772) and the short-term incentives, based on the performance in 2015, amounted to a total of EUR 1,271,330 (2015: EUR 642,762 based on the performance in 2014). Based on the performance in 2015, GET members, excluding the CEO, received in 2016 under the Performance Share Plan 2013–2015 a total of 32,330 shares with an aggregate value of EUR 1,034,147 at the time of the transfer and a cash payment of EUR 1,156,720 relating to the amount of income taxes arising based on the

received shares. This reward based on the Performance Share Plan with a total value of EUR 2,190,866 was paid in April 2016. Based on the performance in 2014, GET members, excluding the CEO received in 2015 under the Performance Share Plan 2012–2014 a total of 29,930 shares with an aggregate value of EUR 869,264 at the time of the transfer and a cash payment of EUR 1,002,343 relating to the amount of income taxes arising based on the received shares. This reward based on the Performance Share Plan with a total value of EUR 1,871,607

was paid in April 2015. Thus, in 2016 the total remuneration of GET members, excluding the CEO, amounted to EUR 5,505,244 (2015: EUR 5,256,141).

In 2016, the Company paid a total of EUR 20,938 (2015: EUR 34,739) to pension arrangements of the GET members, excluding the CEO.

The following table describes the remuneration paid to the CEO and other GET members for the financial years 2016 and 2015.

Remuneration paid to the CEO and other GET members (EUR)

	2016				2015			
	Non-variable annual base salary ¹	Short-term incentives ²	Share-based incentives ³	Total	Non-variable annual base salary ¹	Short-term incentives ²	Share-based incentives ³	Total
CEO	698,788	499,125	1,080,814	2,278,727	673,963	271,373	812,704	1,758,040
Other GET members ⁴	2,043,048	1,271,330	2,190,866	5,505,244	2,741,772	642,762	1,871,607	5,256,141
Total	2,741,836	1,770,455	3,271,680	7,783,971	3,415,735	914,135	2,684,311	7,014,181

¹ Non-variable annual base salary includes benefits and compensation relating to the commencement and termination of employment.

² Short-term incentives are based on the performance in the year preceding the payment year. Paid short-term incentives have been entered in the table on the year when they have been paid.

³ 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 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.

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