

The Shareholders' Nomination Board proposes a significant increase (9-14%) in Board remuneration. How does it justify its proposal, given that the company has not been able to reach its financial targets during the past years? I also request a statement on the operations of the Shareholders' Nomination Board in 2020. How much has it for example used company funds in its operation and has the company covered the expenses of the members of the Shareholders' Nomination Board.

According to Huhtamaki's Remuneration Policy for the Governing Bodies, the annual compensation of Board members shall be in proportion to the time commitment required from the Board members and be competitive to attract and retain professionals with strong expertise, experience and knowledge relevant in conducting the Board's responsibilities, such as establishment of strategic and financial directions and monitoring their implementation.

The annual remuneration of Huhtamaki's Board members has remained unchanged from 2016. This has led to a disparity in the compensation of Huhtamaki's Board members compared to the compensation of Board members in relevant peer companies. The Shareholders' Nomination Board of Huhtamaki (the Nomination Board) has reviewed Board remuneration in selective Finnish listed companies and companies of same size within the same industry in Europe and in the USA. The findings indicated that there was a need to update the compensation levels in order for Huhtamaki to be in line with peer companies and to preserve certain expertise and diversity needed for Board members in an international company such as Huhtamaki.

The benchmark also pointed out that the ratio in compensation between the Chairman and a member of the Board was smaller than in peer companies and that compensation from committee work was clearly lower. Therefore, the Nomination Board proposes to the Annual General Meeting 2021 a somewhat higher increase in compensation for the Chairman of the Board compared to the Vice-Chairman and the members of the Board. The Nomination Board also proposes that annual retainers for committee work are introduced. While the annual retainers are proposed to increase, the Nomination Board also proposes to harmonize meeting retainers. This results in a decrease in the meeting retainer for some Board members.

The Nomination Board is responsible for preparing proposals to the General Meeting for the election and remuneration of the members of the Board of Directors. The members of the Nomination Board are not entitled to any remuneration on the basis of their membership in the Nomination Board. The members' travel expenses are reimbursed in accordance with Huhtamaki's travel policy.

More information about remuneration at Huhtamaki can be found in Huhtamaki's [Remuneration Report 2020](#). Further information on the composition and operations of the Nomination Board can be found in Huhtamaki's [Corporate Governance Statement 2020](#).