Remuneration Policy for the Governing Bodies

Huhtamaki

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1. Remuneration Policy

This remuneration policy for the governing bodies (the **"Remuneration Policy"** or the **"Policy"**) sets the framework for the remuneration of the Board of Directors (the **"Board"**) and the Managing Director (the **"President and CEO"**) of Huhtamäki Oyj (the **"Company"**, and together with its group companies **"Huhtamaki"**).

The remuneration report providing information on the remuneration paid during a specific financial period is available as a separate document.

2. Introduction

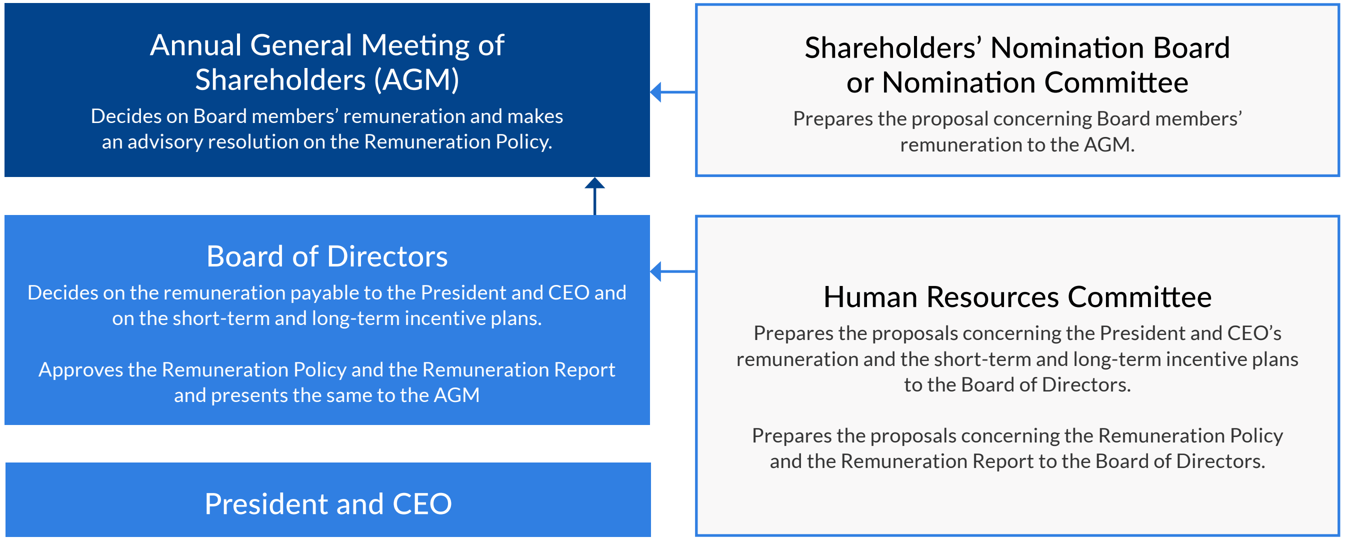
The remuneration of the members of the Board may consist of annual compensation and meeting fees paid for each meeting attended as approved by the Company's Annual General Meeting of Shareholders (the **"AGM"**). The annual compensation shall be in proportion to the time commitment required from the 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. Thereby, this Remuneration Policy contributes to the Company's long-term financial performance and success.

The remuneration principles that are applied to the President and CEO contribute towards creating shareholder value through competitive remuneration based on performance and linking remuneration to the business strategy. Total remuneration shall be in line with the relevant market practices in corresponding global industries to ensure motivation and engagement of the individual chosen to the position.

The remuneration principles and employment terms applied to the President and CEO take into account on a general level employment terms of Huhtamaki's employees and the overall remuneration strategy applied in Huhtamaki. Remuneration of personnel in Huhtamaki is a combination of several elements and is based on local market practices. In order to provide employees an opportunity to share in the success of Huhtamaki, the President and CEO as well as other personnel may, as determined on a position specific basis, be covered by performance-based incentive schemes in addition to the annual base salary. The rewards under the incentive schemes are paid based on the achievement of financial and/or personal performance targets determined based on the individual's role. The higher up in the organization the position of an employee is, the higher is the variable pay proportion of the total earning opportunity. There is no guaranteed minimum pay based on incentives.

3. Decision-making procedure in remuneration related matters

The remuneration of a governing body is generally decided on by another corporate body responsible for the appointment of the said governing body. If the general meeting of the Company has resolved to establish a Shareholders' Nomination Board, the decision-making procedure related to the Board's remuneration involves the Shareholders' Nomination Board and the AGM. If the Company has a Nomination Committee set up by the Board, the decision-making procedure related to the Board's remuneration involves the Nomination Committee and the AGM. The decision-making procedure related to the President and CEO's remuneration involves the Human Resources Committee of the Board and the Board of Directors.



Proposals for the remuneration of the Board members and the President and CEO are prepared based on the benchmarking practice followed by the respective committee or board and shall be in line with the Remuneration Policy.

Decision-making in share-based remuneration: The Board decides on share-based incentive plans for the President and CEO within the limits of the Remuneration Policy. The actual issuance of shares to the President and CEO under a share-based incentive plan is either based on a decision of the AGM or an authorization granted by the AGM to the Board. The issuance of special rights entitling to shares of the Company, such as stock option rights, correspondingly either requires an AGM decision or an authorization granted by the AGM to the Board.

Measures for the prevention and management of conflicts of interest: The decision-making procedure in remuneration related matters follows principles aimed at ensuring the prevention and the management of conflicts of interest. As stated above, the underlying principle is that the corporate body which appoints another governing body also decides on its remuneration. The Company complies with its Code of Conduct, the Finnish Companies Act, other applicable laws and regulations as well as the Finnish Corporate Governance Code adopted by the Securities Market Association which stipulate governance procedures and rules for the avoidance of conflicts of interest. The decision-making process described above aims at guaranteeing that the decisions are fair and unbiased.

4. Remuneration of the Board of Directors

The AGM decides on the remuneration payable to Board members. Subject to as in each case is decided by the AGM, the remuneration of the Board members may consist of annual compensation and meeting fees paid for each meeting attended. The annual fee may either solely comprise a cash payment or may be split into a component paid in shares of the Company and in cash. Additional or higher compensation may be paid to Board members based on various grounds, such as (but not limited to) the role as the Chairman or Vice Chairman of the Board or as the Chairman, Vice Chairman or member of a Committee established by the Board, or specific tasks designated to individual Board members, or the geographical location of the meeting. The Board members may be granted a mobile phone benefit. Traveling expenses of the Board members are compensated in accordance with the Company policy.

None of the Board members shall be employed by the Company or any company belonging to the Company's group or acts as an advisor thereof. Thus, Board members are not eligible for any employment relationship related salaries, remuneration or financial or other benefits not related to their position as a Board member nor are they eligible for any pension scheme. The Board members shall not participate in the same remuneration or incentive plans with the executive management and other personnel in order to safeguard the Board members' independence in the performance of their duties.

5. Remuneration of the President and CEO

The remuneration of the President and CEO may consist of a non-variable annual base salary, benefits and annually determined short-term incentive plans. In addition, the President and CEO may be nominated as a participant in long-term incentive plans. Local laws and market practices are taken into account when applying the group level remuneration principles to the President and CEO's remuneration.

The criteria for the remuneration of the President and CEO are reviewed and the results of such reviews are regularly reported to the Human Resources Committee and the Board. The reviews aim to follow the impact of the remuneration criteria on reaching the Group's long-term financial targets. The elements of the President and CEO's remuneration and their link to the Company's strategy and long-term financial performance are described in the table below.

Remuneration element	Purpose and link to strategy	Opportunity and principles
Annual base salary (non-variable)	Provides a competitive core level of remuneration.	The non-variable annual base salary is defined as a gross salary and reviewed annually, as part of the review of the President and CEO's total remuneration.
Benefits	Provides benefits for the position in line with local market practices.	The President and CEO is entitled to benefits following the applicable Company policy as may be amended from time to time and in line with local market practices. Such benefits may include, but are not limited to, a company car, a mobile phone and housing related benefits. The President and CEO may be entitled to potential additional insurance such as but not limited to travel and medical expenses insurance. Additional benefits and allowances may be offered in certain circumstances such as relocation or international assignment in line with policies applied by Huhtamaki.
Short-term incentives ("STI")	Rewards for performance within a year or other period of time determined by the Board, based on achievement of Company's financial targets to promote the Company's success.	The weightings and the target levels for the selected performance measures applicable to the STI of the President and CEO are set usually annually by the Board to ensure that they are relevant to the position, take into account the most up-to-date business plan and continue to support Huhtamaki's business strategy. The targets may consist but are not limited to a mix of financial metrics mainly on group level as well as e.g. operational, safety and sustainability related metrics, key development projects and other targets deemed relevant by the Board. The Board reviews the STI performance at least annually and determines the extent to which each of the targets have been achieved, to determine the final pay-out level. The President and CEO's STI earning opportunity is set on a market-competitive level and may be up to 100% of the non-variable annual base salary.
Long-term incentives ("LTI") and share-based remuneration	Incentivizes and rewards over a longer period of time for sustained performance and sustainable growth and aligns the interests of the President and CEO with the shareholders. May be designed as a share-based plan.	The structure, performance measures and performance target levels of LTI plans in which the President and CEO is eligible to participate are determined by the Board and may vary by plan. The LTI plans may include one or several plan structures such as, but not limited to, performance share plan structures, structures requiring the President and CEO's own investment in the Company's shares and other structures. The LTI plan period shall be no less than three years unless otherwise decided by the Board. The LTI performance criteria may include, but is not limited to, measures linked to Group level long-term financial targets and strategic priorities, performance against competitors, relative or absolute shareholder return and shareholder value creation, and other performance measures. The Board reviews the LTI performance at least annually and determines the extent to which each of the targets have been achieved and determines the final pay-out level. The LTI rewards may be settled in shares of the Company, cash or both. The President and CEO's LTI earning opportunity is set on a market-competitive level and may be up to 300% of the non-variable annual base salary.
Pension	Rewards sustained contribution.	The Company may operate a defined contribution pension plan for the President and CEO based on a market-competitive level or other financially similar pension arrangement. The President and CEO is entitled to retire at the age according to local market practice and set by the Board.
Shareholding requirement	Encourages to accumulate shareholding in the Company and aligns the interests of the CEO with the shareholders.	The Board decides on the long-term target share ownership for the President and CEO. The target for the President and CEO's share ownership in Huhtamaki can be e.g. equal to annual gross base salary.

Remuneration element	Purpose and link to strategy	Opportunity and principles
Service contracts and loss of office payments	Ensures contractual terms are followed.	The President and CEO's director agreement is approved by the Board. Its terms specify the remuneration elements as well as the payments upon termination of service. The contract is typically valid until further notice, but it may be in force for a certain fixed period of time as well. The President and CEO's period of notice is six months, for both the Company and the President and CEO, unless otherwise determined in the director agreement. During the notice period, the President and CEO is entitled to normal salary payments. Severance pay for the President and CEO may be agreed to a total maximum of 12 months' base salary in addition to the six months' salary paid for the notice period upon the termination of the President and CEO's service by the Company, unless otherwise determined in the director agreement. The treatment of STI and LTI awards shall depend on the circumstances of President and CEO's departure. For retirement and involuntary termination by the Company without cause, the President and CEO may be entitled to the STI and LTI rewards or a portion thereof as determined by the Board based on the rules of the respective incentive scheme. If the President and CEO terminates his/her contract at his/her own initiative, the unvested rewards are as a main rule forfeited unless otherwise determined by the Board.
Withholding and clawback of rewards	Ensures pay for performance.	The STI and LTI plan rules may allow the Board to withhold or reject the payment of unvested rewards in exceptional or substantially changed circumstances. The Board may, in addition, on certain grounds referring to exceptional gross misconduct recover a reward already paid.
Previously agreed or granted awards	The Board reserves the right to make remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) to the President and CEO in accordance with terms of payment agreed prior to the presentation of this Policy to the AGM although such terms of payment may not be in line with this Policy.	

6. Deviation from this Policy

If the continued adherence to the Policy would in the opinion of the Shareholders' Nomination Board or the Nomination Committee of the Board (with respect to the Board remuneration), or the Human Resources Committee of the Board and/or the Board (with respect to the President and CEO remuneration), after careful consideration, not be appropriate or well-grounded in circumstances described below and on the grounds presented therein, the Company may temporarily deviate from this Policy. In such assessment of aspects, including but not limited to, the Company's long-term financial success and performance, competitiveness, safeguarding undisturbed continuation of Huhtamaki's business, undisturbed implementation of Huhtamaki's business strategy, financial targets and development of shareholder value may be taken into account.

Among the grounds for deviating from this Policy may be (provided that the ground occurs after this Policy was presented to the AGM) (i) a **structural change** (change in Huhtamaki's corporate, group, business, organizational or governance structure or a material change in the Company's ownership structure), (ii) a **personnel change** (such as changes in the Board or in the top management of Huhtamaki or need to recruit a President and CEO or deputy to the President and CEO), (iii) other **exceptional or unexpected event** or change or materially changed circumstances in Huhtamaki or in its business or operating environment, or (iv) a material change in Huhtamaki's **strategy or business plan**, (v) material change in Huhtamaki or the Company's **financial position** or outlook, (vi) **regulatory** or judicial changes, changes in governmental or administrative orders or in **taxation** or taxation practice, or (vii) other change or circumstances not specified above if it is after careful consideration deemed that a deviation is necessary or advisable in order to safeguard Huhtamaki's long-term interests or sustainability such as, without limitation, in order to ensure the continuity of Huhtamaki's or the Company's management.

Deviation from this Policy may in the Shareholders' Nomination Committee's or the Board's, as the case may be, full discretion concern any and all elements of this Policy and of payable remuneration, including but not limited to, the amount, type, elements and conditions of remuneration and the terms applied thereto.

The procedure to be followed in the deviation from this Policy shall be the same as the decision-making procedure for the implementation of this Policy. If the deviation concerns the Board remuneration, the decision-making may involve an annual or extraordinary general meeting. The deviation and its grounds shall be reported in the annual Remuneration Report and presented to the AGM.