

## **Fiskars' Remuneration Statement for the year 2010**

Fiskars Corporation complies with the Finnish Corporate Governance Code approved by the Securities Market Association, which came into force on October 1, 2010 and can be found at [www.cgfinland.fi](http://www.cgfinland.fi). This statement follows the Code's recommendation on remuneration given to the Board of Directors, the CEO, and other company management.

### **Board's remuneration**

The Annual General Meeting determines the remuneration of the Board of Directors. The Board's Nomination Committee is responsible for preparing proposals to the General Meeting of Shareholders on the remuneration of Board members.

In 2010, the Annual General Meeting determined to pay the Chairman of the Board EUR 70,000 per annum, the Vice Chairman EUR 50,000 per annum, and members EUR 35,000 per annum. In addition, the Annual General Meeting determined that Board members will be paid a sum of EUR 600 per Board and Committee meeting, the Chairman of the Board EUR 1,100 per Board and Committee meeting, and the Chairman of the Audit Committee EUR 1,100 per Audit Committee. In addition, members are reimbursed for their travel and other expenses incurred as a result of their activities on behalf of the Company.

Compensation paid to the members of the Board totaled EUR 459,250 in 2010.

The members of the Board are not included in Fiskars' incentive schemes and they are not employed by the Company.

### **CEO's remuneration**

The Board appoints the Managing Director (President & CEO) and confirms the terms of his employment and other compensation. The Board's Compensation Committee is responsible for preparing matters related to the appointment and remuneration of the CEO.

In addition to his basic salary, the CEO is paid an annual bonus designed to provide a target bonus equivalent to 60% of his annual salary. The maximum level of the bonus is 80% of the basic salary. The bonus paid is determined in accordance with the financial targets and other goals set annually by the Board of Directors. In 2010 the financial targets have related to the net sales, EBIT and cash flow.

The CEO is also included in a long-term incentive scheme with a target level similar to that of the annual bonus. For more information see 'Long-term incentive scheme'.

When he joined the Company in January 2008, the CEO agreed to purchase Company shares equivalent in value to his signing bonus, a total of 15,397 shares. These shares have a lock-up period until March 1, 2011.

The CEO and the Company shall have a notice period of six months. Remuneration on dismissal by the Company shall be 12 months' basic salary, in addition to salary for the six-month notice period. The Managing Director's agreement shall end when the CEO reaches the age of 60. In addition to his statutory pension, he is provided with a voluntary supplementary contribution-based pension, similar to that used for the Executive Board, under which the Company contributes 20% of his annual salary without bonuses.

The salary, benefits, and bonuses of CEO Kari Kauniskangas in 2010 totaled EUR 684,162. The share of basic salary was EUR 380,211 and the share of bonuses paid for the 2009 result was EUR 303,950.

## **Executive Board's remuneration**

The Board is responsible for appointing the members of the Executive Board, approving their terms of employment and other compensation, and deciding the principles for the Group's compensation systems. The Board's Compensation Committee is responsible for preparing matters related to these topics.

Some members of the Executive Board have an annual bonus scheme, which is designed to provide a target bonus equivalent to 20-40% of their annual salary. The maximum level of the bonus is 30-60% of the basic salary. The bonus paid is determined in accordance with earning criteria set by the Board of Directors, primarily tied to the Group's financial targets and secondarily to personal, function-specific targets. In 2010 the financial targets have mainly related to net sales, EBITDA, and cash flow.

Members of the Executive Board can also be included in a long-term incentive scheme, which corresponds to the annual bonus in its target level. More information is available on chapter "Long-term incentive scheme".

The members of the Group's Executive Board also have voluntary, contribution-based additional pension insurance under which the Company contributes 14-20% of their annual salaries excluding bonuses. Their pension age varies between 60 and 68 years.

In 2010, the salaries, benefits, and bonuses paid to the members of the Executive Board (excluding the CEO) totaled EUR 1,011,907. The share of basic salaries was EUR 720,929 and the share of bonuses for the 2009 result was EUR 290,978.

## **Long-term incentive scheme**

Fiskars has a long-term incentive scheme for key personnel; participants are selected by the Board of Directors annually. The Board also decides the earning criteria based on financial targets for the scheme annually.

The earning criteria in 2010 have related to consolidated net sales and cash flow. The earning period is one year, which is followed by two-year vesting period. The bonus will be paid during the quarter following the vesting period. A positive change in the value of the Company's share related to its own operations during the vesting period may increase the final payout by up to 50 %.

The target level of the long-term incentive scheme corresponds in size to the annual bonus of everyone in the scheme and is 20-60 % of their annual salary. The maximum level of the long-term incentive scheme is 150% of the target level.

During the 2010 earning period, bonuses earned through the long-term incentive scheme, excluding any possible increase due to changes in the share value, totaled EUR 546,469 for the CEO and the members of the Executive Board. These bonuses will be paid during the first quarter of 2013.

Fiskars Corporation has no share option programs in place.