

## Fiskars remuneration statement for the year 2013

### Board's remuneration

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

In 2013, the Annual General Meeting decided on the following annual remuneration for the members of the Board of Directors:

- Chairman of the Board: EUR 80,000
- Vice Chairman of the Board: EUR 55,000
- Members of the Board: EUR 40,000

In addition, the Board members are paid EUR 600 per Board or 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 meeting. The fees for Board members residing abroad per Board and Committee meeting are doubled. 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 540,800 in 2013. The members of the Board are not included in Fiskars incentive schemes and they are not employed by the Company.

### Remuneration paid to the members of the Board of Directors for the year 2013

<b>Name</b>	<b>Annual remuneration (EUR)</b>	<b>Meeting remuneration (EUR)</b>	<b>Total (EUR)</b>
Kaj-Gustaf Bergh, Chairman	80,000	24,200	104,200
Alexander Ehrnrooth, Vice Chairman	55,000	13,800	68,800
Paul Ehrnrooth, Vice Chairman	55,000	13,800	68,800
Ralf Böer	40,000	13,200	53,200
Louise Fromond	40,000	7,800	47,800
Gustaf Gripenberg, Chairman of the Audit Committee	40,000	9,800	49,800
Ingrid Jonasson Blank	40,000	13,200	53,200
Karsten Slotte	40,000	7,200	47,200
Jukka Suominen	40,000	7,800	47,800
<b>Total</b>	<b>430,000</b>	<b>110,800</b>	<b>540,800</b>

## **Fiskars compensation philosophy**

Fiskars compensation philosophy is based on its core belief that all things – even the simplest – can be made better and smarter through our continuous quest for improvement. Our compensation structures are designed to be market-relevant and performance-based – outstanding performance is rewarded more than average performance. For most of Fiskars employees, from factory floor to senior management, compensation consists of a base salary, bonus and benefits. The total compensation including bonus should be competitive against the relevant market. For all employees, salary is based upon home country, level of responsibility, contribution to the business, experience and performance. The bonus practice is based upon a philosophy of continuous improvement, which means that Fiskars pays bonuses only when it is able to improve business performance compared to the previous year.

## **Main features of the Executive Board's remuneration**

The Board appoints the Managing Director (President and CEO) and confirms the terms of his employment and other compensation. The Board is also responsible for appointing the members of the Executive Board, approving their terms of employment and other compensation, and deciding on the principles for the Group's compensation systems. The Compensation Committee is responsible for preparing matters related to these topics.

In addition to base salary, Fiskars offers its executives variable pay programs to further promote high performance. The company has established an Annual Bonus Plan and a Long-term Incentive Plan.

Executive Board members have voluntary, contribution-based additional pension insurance. Fiskars Corporation has no share-based remuneration programs in place.

## **Incentive Plan design**

Both Fiskars Annual Bonus Plan and its Long-term Incentive Plan are designed to reward for achievements against pre-established goals. Incentive Plan participants are assigned a "target level" that will dictate the incentive payout as a percentage of base pay. Incentive targets represent an overall target opportunity and are not a guarantee that a payout will be made.

Actual incentive payments will be made on the basis of performance against "plan metrics". The plan metrics may consist of a mix of financial metrics, operational metrics and personal goals. The potential payout ranges from nothing to a maximum percentage of each participant's annual salary. The maximum level for the President and CEO and the other members of the Executive Board is 1.5 times the target level.

Participants in the Long-term Incentive Plan are selected by the Board of Directors annually, and the Board also decides on the earning criteria based on financial targets for the plan annually. The long-term incentive targets are purely financial and, in 2013, they were tied to the Company's consolidated net sales and operative cash flow.

The earning period for the Long-term Incentive Plan is one year, which is followed by a two-year vesting period. The bonus will be paid during the quarter following the vesting period. The bonuses for performance in 2013 will be paid during the first quarter of 2016.

A positive change in the value of the Company's shares related to its own operations (excluding the impact of Wärtsilä on the share price) during the vesting period may increase the final payout by up to 50%.

### Principles of the Presidents and CEO's incentive scheme in 2013

	Minimum	Target	Maximum	Maximum final payout after vesting period *
Annual Bonus Plan, % of annual base salary	0	60%	80%	N/A
Long-term Incentive Plan, % of annual base salary	0	60%	90%	135%

\* Depending on the development of the value of the Company's shares related to its own operations, excluding Wärtsilä's impact on the share price.

### Principles of the Executive Board's incentive scheme in 2013

	Minimum	Target	Maximum	Maximum final payout after vesting period*
Annual Bonus Plan, % of annual base salary	0	20—60%	30—90%	N/A
Long-term Incentive Plan, % of annual base salary	0	20—40%	30—60%	45—90%

\* Depending on the development of the value of the Company's shares related to its own operations, excluding Wärtsilä's impact on the share price.

### Bonuses earned and accrued through the Long-term Incentive Plan

Earning period To be paid*	2011	2012	2013
	2014	2015	2016
CEO (EUR)	286,230	95,256	233,137
Other members of the Executive Board (EUR)	220,942	70,936	181,209

\* after having been adjusted by share price multiple.

## **President and CEO's remuneration**

The President and CEO's compensation consists of a salary, annual bonus and the Long-term Incentive Plan. The President and CEO's target bonus corresponds to 60% of his annual salary. In 2013 the financial targets of the Annual Bonus Plan were related to net sales growth, EBT excluding Wärtsilä, and gross profit margin and cash flow. The financial targets of the Long-term Incentive Plan were related to net sales and EBIT.

The President and CEO is provided with a voluntary supplementary contribution-based pension, under which the Company contributes 20% of his annual salary excluding bonuses.

The President and CEO's employment contract will end when he reaches the age of 60. The President and CEO and the Company have a notice period of six months. Remuneration on dismissal by the Company is 12 months' basic salary, in addition to salary for the six-month notice period.

The salary, benefits, and bonuses paid in 2013 to the President and CEO, Kari Kauniskangas, totaled EUR 1,013,692. Basic salary accounted for EUR 404,736, bonuses for the 2012 result came to EUR 247,542 and bonuses for 2010 through the Long-term Incentive Plan came to EUR 361,414.

During the 2013 earning period, the President and CEO earned bonuses through the Long-term Incentive Plan, excluding any possible increase due to changes in the share price, of EUR 233,137. These long-term bonuses for performance in 2013 will be paid during first quarter of 2016.

## **Principles of the President and CEO's Long-term Incentive Plan 2013-2014**

In August 2012, the Board of Directors decided to launch a revised Long-term Incentive Plan for the President and CEO and set his targets for the earning periods of 2013 and 2014 in order to compensate him for accelerated profitable growth and reward him for continuously improving performance.

The President and CEO's compensation level in 2014 was set at 30–270% of his annual salary. The final payout is, however, dependent on the Company's share price development during the vesting period. A positive change in the value of the Company's shares related to its own operations (excluding the impact of Wärtsilä on the share price) may increase the final payout by up to 200 % and a negative change may decrease the final payout by up to 50%.

The earning period for the bonus is one year, which is followed by a vesting period. Half of the bonus vests after one year and the other half vests after two years. The final bonus will be paid during the quarter following the vesting period.

## Remuneration of the President and CEO in 2013

	2013	2012
Basic salary (EUR)	404,736	403,744
Annual bonus for previous year (EUR)	247,542	234,354
Bonus paid through long-term incentive plan (EUR)	361,414	409,500
<b>Total (EUR)</b>	<b>1,013,692</b>	<b>1,047,598</b>
Voluntary pension contribution by the company (EUR)	80,749	77,963

The figures in this remuneration are presented on a cash basis. The remuneration of the President and CEO and the rest of the Executive Board are presented on an accrual basis in the notes to Fiskars financial statements for 2013.

### Executive Board's remuneration

The Executive Board's Annual Bonus Plan in 2013 was designed to provide a target bonus equivalent to 20–60% of their annual salary. The earning criteria were tied to the Group's financial targets and, secondarily, to personal, function-specific targets. In 2013, the financial targets were mainly related to net sales growth, EBT excluding Wärtsilä, and gross profit margin. Members of the Executive Board can also be included in a Long-term Incentive Plan.

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

In 2013, salaries, benefits, and bonuses paid to the members of the Executive Board (excluding the President and CEO) totaled EUR 1,193,274. Basic salaries accounted for EUR 888,068. Bonuses for the 2012 result came to EUR 184,856 and bonuses paid through the Long-term Incentive Plan for 2010 amounted to EUR 120,350.

During the 2013 earning period, bonuses earned through the Longterm Incentive Plan, excluding any possible increase due to changes in the share price, totaled EUR 181,209 for the Executive Board (excluding the President and CEO). These bonuses will be paid during the first quarter of 2016.

## Remuneration of the other members of the Executive Board\* in 2013

	2013	2012
Basic salary (EUR)	888,068	722,586
Annual bonus for previous year (EUR)	184,856	255,740
Bonus paid through long-term incentive plan (EUR)	120,350	414,005
<b>Total (EUR)</b>	<b>1,193,274</b>	<b>1,392,330</b>
Voluntary pension contribution by the company (EUR)	142,461	98,736

\*Including Nina Ariluoma-Hämäläinen and Frans Westerlund starting from 16.9.2013.

The figures in this remuneration are presented on a cash basis. The remuneration of the President and CEO and the rest of the Executive Board are presented on an accrual basis in the notes to Fiskars financial statements for 2013.