

## Ahlstrom-Munksjö Oyj

### Remuneration statement

#### Remuneration of the Board of Directors and Board Committees

The remuneration of the members of the Board of Directors is decided by the Annual General Meeting of Ahlstrom-Munksjö based on a proposal by the Shareholders' Nomination Board.

According to resolutions made at the Annual General Meeting 16.5 .2017, an annual fee of EUR 100,000 will be paid to the Chairman of the Board, to the Vice Chairmen an annual fee of EUR 80,000, and annual fees of EUR 60,000 will be paid to the other Board Members appointed by the Annual General Meeting. The chairman of the audit committee will receive EUR 12,000 and other members will receive EUR 6,000. The chairman of the strategy committee will receive EUR 12,000 and the ordinary members EUR 6,000. The chairman of the human resources committee will receive EUR 8,000 and other members will receive EUR 6,000 as an annual fee. The chairman of the Nomination board will receive EUR 8,000 and the ordinary members EUR 4,000.

Current members of the Board of Directors and/or board committees and/or shareholders' nomination board, KEUR

		2017	2016
Hans Sohlström	Chairman of the Board	89	-
Peter Seligson	Vice-Chairman of the Board	88	89
Elisabet Salander Björklund	Vice-Chairman of the Board	81	60
Alexander Ehrnrooth		71	47
Johannes Gullichsen		50	-
Hannele Jakosuo-Jansson		56	43
Harri-Pekka Kaukonen		54	-
Pernilla Walfridsson		41	-
Thomas Ahlström	Nomination board member	7	6
Mikko Mursula	Nomination board member	4	3

Former members of the Board of Directors and/or board committees and/or shareholders' nomination board, KEUR

		2017	2016
Sebastian Bondestam	Up until May 16, 2017	16	46
Fredrik Cappelen	Up until April 6, 2016	-	12
Jan Inbarr	Up until June 24, 2017	21	-
Mats Lindstrand	Up until May 16, 2017	16	32
Anna Ohlsson-Leijon	Up until May 16, 2017	16	34

#### Remuneration guidelines

The President and CEO and other members of the Executive Management Team are paid a fixed salary (base salary) as well as variable remuneration and benefits in kind. The total remuneration shall correspond to market practice, be competitive, and related to the Executives responsibilities and competence.

#### Application of the remuneration guidelines

The Board of Directors decides on the remuneration of the CEO based on a proposal by the Human Resources Committee and on the remuneration of the other key management based on a proposal by the CEO, which is reviewed by the Human Resources Committee.

#### Executive management

Ahlstrom-Munksjö's Executive Management Team comprises of the President and CEO, Deputy CEO & EVP Corporate Development, Business Area EVP's, CFO, EVP Legal & General Counsel, EVP HR & Health & Safety and EVP Communications & Investor relations.

#### Fixed and variable salary

Salaries and variable remuneration shall be fixed per calendar year. The President and CEO and other members of the Executive Management Team may be offered variable remuneration. Any variable remuneration shall be limited and in proportion to the fixed salary and be based on the financial objectives of the Group as well as other common targets. The final resolution on the payment of variable remuneration shall be approved by the Board of Directors after the approval of the audited financial statements. Any variable remuneration shall not be pensionable unless otherwise stipulated in any applicable law or in the rules of a general pension plan, e.g.



Sweden's ITP occupational pension plan. The President and CEO is entitled to a cash based short term incentive plan, which may amount to a maximum of 80 per cent of his annual fixed salary. For the other members of the Executive Management Team the cash based short term incentive plans amount to a maximum of 60 per cent of their annual fixed salary.

### Long term incentive plan

Munksjö had prior to the effective date of the merger, two separate long-term incentive plans in place, described in Note 7. Payments for these plans took place in 2017. The expenses recognized in the income statement for 2017 was 1.2 (0.6) million for the President and CEO and EUR 1.5 (1.6) for the other members of the Executive Management Team.

The President and CEO and the other members of the Executive Management Team participate in the company's new long-term share-based incentive plan 2017-2019, which is also described in Note 7.

In addition to the new long-term share-based incentive plan, the Board of Directors decided to establish a bridge plan to cover the gap in the former LTI structure, which results from the Ahlstrom-Munksjö merger and the transition to the new plan as described in note 7. The bridge plan covers the President and CEO and other members of the Executive Management Team and will be a one-off plan.

### Pensions

Pension arrangements for the Executive Management Team include customary occupational pensions and in some cases individually agreed arrangements, consisting of defined benefit and defined contribution plans. The President and CEO has an individual pension agreement, stating that the company shall contribute an amount corresponding to 35 per cent of the President and CEO's annual fixed salary per annum for the President and CEO's pension to an occupational pension insurance designated by the President and CEO. No early retirement has been agreed on between the company and the President and CEO. The retirement age for the President and CEO is 65 years.

### Other benefits

To the extent that other benefits are paid, they consist of customary fringe benefits, such as cars and housing benefits and health insurances.

### Notice and severance pay

The President and CEO's employment agreement may be terminated by the company with a twelve (12) months' notice and by the President and CEO with six (6) months' notice. If the company terminates the President and CEO's agreement and the President and CEO has not taken up other employment by the end of the twelve months' notice period, the President and CEO is entitled to an additional severance pay of his monthly salary during six months, however not longer than until he has taken up other employment.

### Remuneration of the Executive Management Team

Remuneration and benefits of key management, KEUR 2017	Gross salary	Cash based variable remuneration	Long-term incentive plans	Other benefits	Pension costs	Total
CEO - Jan Åström	569	235	1,207	11	201	2,223
Other key management	2,063	608	1,524	74	133 <sup>1)</sup>	4,402
<b>Total</b>	<b>2,632</b>	<b>843</b>	<b>2,731</b>	<b>85</b>	<b>334</b>	<b>6,625</b>

<sup>1)</sup>Includes only additional, non-obligatory pensions costs

Remuneration and benefits of key management, KEUR 2016	Gross salary	Cash based variable remuneration	Long-term incentive plans	Other benefits	Pension costs	Total
CEO - Jan Åström	565	71	600	9	191	1,436
Other key management	2,098	213	1,600	87	503	4,501
<b>Total</b>	<b>2,663</b>	<b>284</b>	<b>2,200</b>	<b>96</b>	<b>694</b>	<b>5,937</b>