



## Munksjö Oyj Remuneration statement

### Remuneration of the Board of Directors

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

According to resolutions made at the General Meeting of Munksjö Oyj in May 2013, an annual fee of EUR 70 000 will be paid to the Chairman of the Board, and annual fees of EUR 35 000 will be paid to the other Board Members appointed by the Annual General Meeting, who are not employed by the company. The chairman of the audit committee will receive EUR 9 000 and other members will receive EUR 6 000. The chairman of the remuneration committee will receive EUR 6 000 and other members will receive EUR 3 000.

### Munksjö Oyj

Annual remuneration for period <sup>1)</sup> KEUR	27 May to 31 December 2013
Peter Seligson, Chairman	46
Fredrik Cappelen	24
Elisabet Salander Björklund	26
Sebastian Bondestam	24
Hannele Jakosuo-Jansson	22
Jarkko Murtoaro <sup>2)</sup>	-

<sup>1)</sup> In addition the Nomination Board have been compensated by EUR 6 000 for the Chairman and EUR 3 000 for the board members. The Nomination Board members are Caspar Callerström (Chairman), Peter Seligson, Fredrik Cappelen, Thomas Ahlström and Timo Ritakallio. Compensation to Peter Seligson and Fredrik Cappelen is included in the figures above.

<sup>2)</sup> Jarkko Murtoaro has renounced his fee.

### Remuneration guidelines

The President & CEO and other senior executives will be offered a fixed salary (base salary), variable remuneration and benefits in kind. The total remuneration shall correspond to market practice, be competitive, and related to the executives responsibilities and authority.

### Application of the remuneration guidelines

The Board of Directors decides on the remuneration of the President & CEO based on a proposal by the Remuneration Committee and on the remuneration of the other senior executives based on a proposal by the President & CEO, which is reviewed by the Remuneration Committee.

### Senior executives

Senior executives refer to the CEO, who is also the President of the Group, the managers of the various business areas and the functional staff managers.



### **Fixed and variable remuneration**

Salaries and variable remuneration shall be fixed per calendar year. The President & CEO and other senior executives are 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 individual targets. The variable remuneration may amount to a maximum of between 35 to 65 per cent of the senior executives' annual fixed salary. The final resolution on the payment of variable remuneration shall be passed by the Board of Directors after the approval and audit of the company's profit or loss. 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.

### **Pensions**

Pension arrangements for senior executives include customary occupational pensions and in some cases individually agreed arrangements, consisting of defined benefit and defined contribution plans. No early retirement has been agreed on between the company and the President & CEO. The retirement age for the President & CEO is 65 years.

### **Other benefits**

To the extent that other benefits are paid, they consist of company cars, housing and health insurances.

### **Notice periods and severance pay**

The President & CEO's employment agreement may be terminated by the company with a twelve (12) months' notice and by the President & CEO with a six (6) months' notice. If the company terminates the President & CEO agreement and the President & CEO has not taken up other employment by the end of the employer's twelve months' notice period, the President & 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 President & CEO and other senior executives**

The fixed salary of the President & CEO amounts to approximately EUR 42.000 (exact amount is SEK 375,000) per month. In addition to the fixed salary, the President & CEO is entitled to a variable remuneration, which may amount to a maximum of 65 per cent of the annual fixed salary. The company shall contribute an amount corresponding to 35 per cent of the President & CEO's annual fixed salary per annum for President & CEO's pension to an occupational pension insurance designated by the President & CEO.



### **Remuneration and benefits for the President & CEO, KEUR <sup>1)</sup>**

<b>Year</b>	<b>Gross salary</b>	<b>Variable remuneration<sup>2)</sup></b>	<b>Other benefits</b>	<b>Pension expenses</b>	<b>Total</b>
27 May to 31 Dec 2013	339	96	1	99	535
1 Jan to 26 May 2013 <sup>3)</sup>	205	330	1	65	601
2012	437	181	1	155	773
2011	409	52	0	144	605

- 1) Although legally Munksjö Oyj acquired Munksjö AB, for accounting purposes in accordance with IFRS Munksjö AB is the acquirer. Therefore the remuneration set out in this statement for periods prior to 27 May 2013 reflect the costs of Munksjö AB.
- 2) Variable remuneration applies to operating year, payment the following year.
- 3) Salary paid in SEK and translated using the currency rate 8.65.

### **Remuneration and benefits for other senior executives, KEUR <sup>1)</sup>**

<b>Year</b>	<b>Gross salary</b>	<b>Variable remuneration<sup>2)</sup></b>	<b>Other benefits</b>	<b>Pension expenses</b>	<b>Total</b>
27 May to 31 Dec 2013	1 029	274	84	268	1 655
1 Jan to 26 May 2013	794	563	63	203	1 623
2012	1 765	555	105	554	2 979
2011	1 832	324	124	373	2 654

- 1) Although legally Munksjö Oyj acquired Munksjö AB, for accounting purposes in accordance with IFRS Munksjö AB is the acquirer. Therefore the remuneration set out in this statement for periods prior to 27 May 2013 reflect the costs of Munksjö AB.
- 2) Variable remuneration applies to operating year, payment the following year.