

REMUNERATION STATEMENT 2014



Remuneration statement

This remuneration statement on Raute Corporation's Board of Directors, President and CEO, and Executive Board has been drawn up in compliance with the recommendations given in the Finnish Corporate Governance Code, section 7, issued by the Securities Market Association. The Code is available on the Securities Market Association's website www.cgfinland.fi.

REMUNERATION AT RAUTE

Remuneration consists of three components: the basic salary including fringe benefits, profit- and performance-related remuneration (bonuses), and long-term incentive plans. Depending on the employee's position, different combinations of the above-mentioned elements are applied.

Raute Group's profit-related bonus system includes separate systems for the President and CEO, the Group's Executive Board, key personnel, and the entire personnel. A person can receive bonuses from no more than one system at a time. The Board of Directors annually confirms the general principles, maximum amounts and calculation methods for the remuneration systems.

Payment of bonuses within the bonus systems for the President and CEO, the rest of the Group's Executive Board and key personnel is dependent on the result and the person's task-related personal targets for the entire year. Profit-related bonuses are paid once a year after the Annual General Meeting has confirmed the financial statements.

Payment of bonuses within the bonus system for the rest of the personnel is dependent on the Group's profit and the targets set for the quality and the operation of the team in question. Profit-related bonuses are paid out for each quarter year provided that the Group has made a positive cumulative profit. The calculation method, amount and the maximum total amount of bonus will be decided on annually by the Board of Directors, and the system will remain in force for one year at a time.

Long-term incentive plans include the option-based incentive plan 2010 and the share-based incentive program 2014-2018.

Option-based incentive plan 2010

On March 31, 2010, Raute Corporation's Annual General Meeting decided on the issuance of a maximum of 240,000 stock options.

In 2014, a total of 5,000 series C stock options were returned to the company. In 2014, a total of 10,470 new series A shares were subscribed for under the series A stock option rights. At the end of the year, a total of 69,530 series A stock options, 80,000 series B stock options and 75,000 series C stock options were granted to the key employees.

Share-based incentive program 2014-2018

On February 12, 2014, the Board of Directors of Raute Corporation decided on the establishment of a new long-term performance based share incentive program (Performance Share Plan) for Raute Group's top management. The aim of the plan is to align the objectives of the Company's own-

ers and the management in order to i.a. develop the company value and to commit the management to the Company through offering them a competitive incentive system based on ownership of the Company's shares.

The plan includes three individual share plans, each with the length of three years. Each share plan consists of a one-year performance period, the payment of the potential share reward in series A shares of the Company in the spring following the performance period and a two-year restriction period following the performance period during which the development of the value of the reward is based on the development of the value of the Company's share. The participant of the program may not sell or otherwise transfer the shares received as a reward during the restriction period. The individual share plans commence in 2014, 2015 and 2016. The commencement of the share plans 2015 and 2016 is, however, subject to a separate decision of the Company's Board of Directors.

The Board of Directors of the Company decides separately on the participants of each commencing share plan and on the performance criteria applicable to the performance period of each share plan, the target setting thereof and the target and maximum levels of the payable reward. The first share plan includes 11 members of the Group's top management as participants, including the members of the Executive Board. The performance criteria of the first share plan were 2014 earnings per share (EPS) and revenue growth. No share reward will be paid for the performance period 2014.

BOARD OF DIRECTORS

Remuneration for the Board of Directors is decided by the Annual General Meeting.

The Board is not covered by the long-term incentive plans. None of the Board members are employed by the company. The company has not transferred any shares nor any other benefits derived from the stock as a bonus to the Board. The company does not remunerate the Board members on any other grounds nor does it grant them loans or provide any guarantees for them.

2014

Raute Corporation's Annual General Meeting decided on March 31, 2014 that the remuneration for the Chairman of the Board continues to be 40,000 euros and for the Vice-Chairman of the Board and the Board members 20,000 euros for the term of office. The remuneration is paid in 12 equal monthly payments. The Board members will not be paid any extra remuneration for work in the Board's committees. The Board members' traveling expenses will be compensated according to the company's traveling policy.

The salaries and fees paid to the Chairman and Board members totaled EUR 140 thousand in 2014.

	thousand euros
Erkki Pehu-Lehtonen, Chairman	40
Mika Mustakallio, Vice Chairman	20
Joni Bask, Board Member	20
Risto Hautamäki, Board Member	20
Ilpo Helander, Board Member until 31 March 2014	7
Päivi Leiwo, Board Member as of 31 March 2014	13
Pekka Suominen, Board Member	20

PRESIDENT AND CEO

The President and CEO's salary and other benefits are decided by the Board of Directors.

The remuneration for the President and CEO Tapani Kiiski consists of a fixed monthly salary and fringe benefits according to his executive contract and a profit-related bonus amounting to a maximum of six months' salary, depending on the achievement of targets set for each year. The executive contract does not include any special conditions concerning retirement or the amount of retirement allowance. The term of notice is six months, and the severance pay equals twelve months' salary. The President and CEO is covered by the 2010 stock option plan and the share-based incentive program 2014-2018. The company does not remunerate the President and CEO on any other grounds nor does it grant him loans or provide any guarantees for them.

2014

The salaries and fees paid to Raute Corporation's President and CEO, Mr. Tapani Kiiski, in 2014 amounted to EUR 274 thousand, which consists of regular salaries including fringe benefits of EUR 273 thousand and EUR 1,000 in income from share subscriptions in Raute 2010 stock options.

OTHER EXECUTIVE BOARD MEMBERS

The Board of Directors confirms the Executive Board members' salaries and benefits on the President and CEO's proposal.

The remuneration for the Executive Board members consists of a fixed monthly salary with fringe benefits and a profit-related bonus amounting to a maximum of three months' salary, depending on the achievement of targets set for each year. The Executive Board members are covered by the 2010 stock option plan and the share-based incentive program 2014-2018. The Executive Board members serve according to an indefinite employment contract without entitlement to extra severance pay or other compensation. Their additional pension benefits and terms of notice do not significantly differ from statutory terms and conditions. The company does not remunerate the Executive Board members on any other grounds nor does it grant them loans or provide any guarantees for them.

2014

The other Group's Executive Board members were

- Ms. Arja Hakala, Group Vice President, Finance, CFO (Finance and administration),
- Mr. Marko Hjelt, Group Vice President, Human Resources (Human resources and competence development),
- Mr. Mika Hyysti, Group Vice President, Technology (Technology, products and R&D).
- Mr. Timo Kangas, Group Vice President, Customer Care (Customer relationships and marketing, market area EMEA),
- Mr. Petri Lakka, Group Vice President, Technology Services (Technology services),
- Mr. Petri Strengell, Group Vice President, Supply Chain (Sourcing and production).

The salaries including fringe benefits and fees paid to the other members of the Group's Executive Board in 2014 amounted to EUR 847 thousand, which consisted of regular salaries including fringe benefits of EUR 824 thousand and profit-related bonuses of EUR 23 thousand.



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