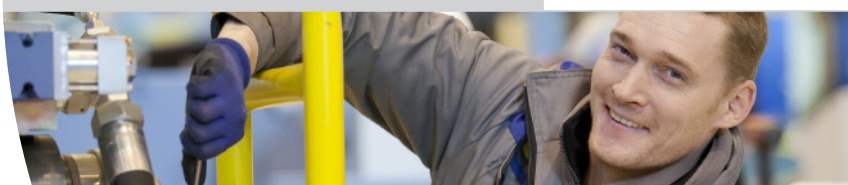
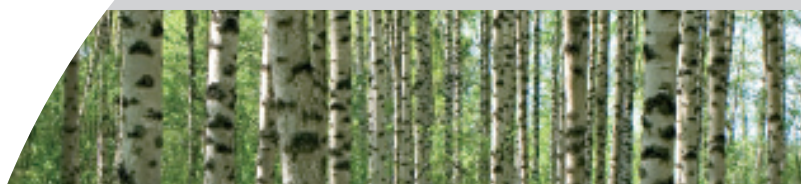


# Remuneration statement 2012



# 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](http://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 person's performance and 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 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 2010 stock option plan.

## 2010 STOCK OPTION PLAN

On March 31, 2010, Raute Corporation's Annual General Meeting decided on the issuance of a maximum of 240,000 stock options. In compliance with this authorization by the Annual General Meeting, the Board of Directors issued a total of 73,000 stock options marked "2010 C" to the Group's key personnel on June 21, 2012, of which President and CEO Tapani Kiiski received a share of 10,000 stock options and the other Executive Board members 20,000 stock options. The share subscription period for the stock options will be from March 1, 2015 to March 31, 2018 and exercise price will be EUR 8.40. In 2012,

a total of 9,500 series A stock options and 5,000 series B stock options were returned to the company. At the end of the year 2012, a total of 70,500 series A stock options and 75,000 series B stock options were granted to key employees.

## BOARD OF DIRECTORS

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

The Board is not covered by the 2010 stock option plan. 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.

## 2012

Raute Corporation's Annual General Meeting decided on April 16, 2012 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, and no extra remuneration will be paid for work in the Board's committees. The remuneration is paid in 12 equal monthly payments. 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 128 thousand in 2012.

		EUR 1,000
Erkki Pehu-Lehtonen	Chairman	37
Sinikka Mustakallio	Vice Chairman	5
Mika Mustakallio	Member/Vice Chairman	18
Joni Bask	Member	13
Risto Hautamäki	Member	18
Ilpo Helander	Member	18
Pekka Suominen	Member	18

## **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 six months' salary. The President and CEO is covered by the 2010 stock option plan. 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.

### **2012**

The salaries and fees paid to Raute Corporation's President and CEO, Mr. Tapani Kiiski, in 2012 amounted to EUR 263 thousand, which consists of regular salaries including fringe benefits. On June 21, 2012, the President and CEO received 10,000 of the company's 2010 C stock options from the Board of Directors.

## **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. 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.

### **2012**

The Group's Executive Board consisted of, in addition to Mr. Tapani Kiiski, President and CEO (Chair), the members Ms. Arja Hakala, CFO; Mr. Petri Strengell, Group Vice President, Technology and Operations; Mr. Petri Lakka, Group Vice President, Technology Services; Mr. Timo Kangas, Group Vice President, EMEA; and until October 24, 2012 Mr. Bruce Alexander, Group Vice President, North American Operations.

The salaries including fringe benefits and fees paid to the other members of the Group's Executive Board in 2012 amounted to EUR 1,005 thousand, which consisted of regular salaries including fringe benefits. On June 21, 2012, the other members of the Group's Executive Board received in total 20,000 pcs of the company's 2010 C options from the Board of Directors.



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