

HONKARAKENNE OYJ REMUNERATION STATEMENT 2017

Decision-making regarding remuneration

Honkarakenne Oyj's Annual General Meeting decides on the fees for the Board of Directors. The Board of Directors decides on the salary and fees and other terms of employment of the CEO and Executive Group.

Remuneration of Board members

The Annual General Meeting 2017 decided to set the remuneration of the members of the Board of Directors as follows:

It was decided to set the remuneration of the members of the Board of Directors at EUR 1,200 per month, the remuneration of the chairman of the board at EUR 2,000 per month. Should the Board of Directors appoint committees from among its number, the committee members will be paid EUR 500 for each committee meeting. Furthermore, the members' travel and accommodation costs shall be reimbursed against an invoice.

Proposal for fees for 2018

It is proposed that the remuneration of the members of the board of directors be set at 1,500 euros per month and the remuneration of the chairman of the board at 2,500 euros per month. Should the board of directors appoint committees from among its number, it is proposed that, in addition to the aforementioned monthly remuneration, any committee members be paid 500 euros for each committee meeting. It is further proposed that the members' travel and accommodation costs be reimbursed against an invoice.

Remuneration paid to Board 2017:

Remuneration of the Board of Directors	euros
Ristola Arimo chairman since 7 Apr 2017	18 000,00
Kohtamäki Timo, member since 7 Apr 2017	10 800,00
Saarelainen Anita	15 300,00
Saarimäki Kyösti, member since 7 Apr 2017	10 800,00
Tiitinen Arto chairman until 7 Apr 2017	12 000,00
Hägglom Rainer, member until 7 Apr 2017	4 500,00
Rauhaniemi Kati, member until 7 Apr 2017	4 500,00
Saarelainen Jukka, member until 7 Apr 2017	4 500,00

<u>Saarelainen Mauri, member until 7 Apr 2017</u>	6 000,00
	86 400,00

Remuneration of the President and CEO

The remuneration paid to the President and CEO is comprised of:

- salary
- fridge benefits
- insurance for medical expenses
- voluntary pension insurance, which can amount for one or two month salary
- Annual performance-based bonus,

In 2017 the annual performance-based bonus was tied to the Group's EBITDA and the achievement of strategic goals set by the Board

Pension, retirement age and termination compensation

No special agreements apply to the retirement age of the President and CEO of Honkarakenne Oyj. The basic pension scheme is defined contribution-based. In addition, the President and CEO as the members of the Executive Group are covered by a defined contribution plan which cost are defined on post-employment benefits specification table.

The President and CEO of Honkarakenne Oyj has a six-month period of notice, in addition to which the CEO will receive monetary compensation equal to 6 months' pay if the employment contract is terminated at the initiative of the company.

Remuneration of the Executive Group

The remuneration paid to the members of the Executive Group is comprised of:

- salary
- fridge benefits
- insurance for medical expenses
- voluntary pension insurance, which can amount for one or two month salary
- Annual performance-based bonus,

In 2017 the annual performance-based bonus was tied to the Group's EBITDA.

Remuneration of the President and CEO and the Executive Group in 2017

President and CEO Marko Saarelainen

Members of the Executive Group

Tanja Rytönen, Vice President – Design, until 6 Nov 2017

Leena Aalto, Vice President – Finance, CFO since 6 Apr 2017

Jari Fröberg, Vice President – Production, since 6 Apr 2017

Jari Noppa, Vice President – Consumer Business Finland, since 6 Apr 2017

	Salary	Fridge benefits	Bonuses	Insurance for medical expenses	Voluntary pension insurance expenses	Total 2017	Total 2016
President and CEO	218 360.00	240.00	29 142.97	682.43	35 000.00	283 425.40	274 343.92
Members of the Executive Group	304 363.67	560.00	29 910.30	638.29	53 790.00	389 262.26	562 788.69