

Remuneration Statement

BOARD OF DIRECTORS

Remuneration

The Annual General Meeting resolves the remuneration paid to the Board of Directors.

According to the resolution made in 2012, the annual remuneration payable to the members of the Board of Directors is as follows: Chairman EUR 60,000, Vice Chairman EUR 45,000 and other Board members EUR 30,000 and, additionally, attendance fee as follows: Chairman EUR 1,200 per meeting, other Board members EUR 800 per meeting as well as the travel and accommodation expenses related to the board meetings. The chairman and members of the audit committee are paid an additional annual remuneration of EUR 5,000. No remuneration shall be payable for the decision minutes drafted without holding a meeting nor for Nomination Committee work.

Other benefits

The Chairman or the members of the Board of Directors are not in employment relationship or have service contract with company or its subsidiaries. The Board of Directors is not included in the stock option schemes of years 2006, 2009 or 2012. The company has not otherwise granted shares or other share related rights as compensation to the Board of Directors. The options in the possession of the member of the Board Harri Suutari were granted to him when he was PKC Group Plc's President & CEO. The company does not pay Board members fees on any other basis or grant them loans or give guarantees on their behalf.

PRESIDENT AND EXECUTIVE BOARD

President

The Board of Directors decides on the salary and other benefits of the President. The President is included in the management's bonus system, with the annual bonus being a maximum of six months' salary, depending on the achievement of the objectives set annually. The President's service contract has provision for a notice period of three (3) months on the President's part and six (6) months on the company's part, in addition to which Matti Hyttiäinen's service contract has provision of severance payment of twelve months salary. Harri Suutari's service contract did not have provision of separate severance payment. The retirement age is statutory and no voluntary pension insurance policies have been taken.

The President is included in the 2009 and 2012 stock option schemes. The President has not otherwise been granted shares or other share related rights as compensation.

Executive Board

The Board of Directors confirms the salaries and benefits of the members of the Executive Board upon President's proposal. The members of the Executive Board are included in the management's bonus system with the annual bonus being typically 6 months depending on the achievement of the objectives set annually. The retirement age is statutory and no voluntary pension insurance policies have been taken.

The members of the Executive Board are included in the 2006, 2009 and 2012 stock option schemes. The company has not otherwise granted shares or other share related rights as compensation to the Executive Board.

Short-term Remuneration – Bonus System

The Group has in force a result based bonus system approved by the Board of Directors, the purpose of which is to reward achievement of strategic objectives and to offer competitive incentive scheme for personnel. The principles, terms and conditions, earnings criteria, maximum and minimum limits of targeted yield levels are confirmed annually by the Board. For year 2012, the result criteria were business unit specific EBITDA and cash flow targets. Within the target ranges, bonuses were determined linearly. Group management and key personnel, and also white and blue collar employees in Finland, are included in the system. The members of the Executive Board are included in the management's bonus system. The limit of the annual bonus is predominantly maximum of six months' salary, depending on the achievement of the objectives set annually. The system's earning period is the financial year.

Long-term Remuneration – Stock Option Schemes

PKC's long-term remuneration consists of stock option schemes approved by the annual general meeting. PKC has currently three stock option schemes: year 2006, 2009 and 2012 stock-options. The Board of Directors shall annually decide upon the distribution of

the stock options to the key personnel employed by or to be recruited by the Group. The stock options shall be issued free of charge to the Group key personnel. The earnings period of all stock option schemes is three years.

All stock option schemes contain a share ownership plan. The option recipients are required to acquire or subscribe for the Company's shares with 20 per cent of the gross stock option income gained from the exercised stock options, and to hold such shares for at least two years. The Company's President must hold such shares as long as his service contract is in force.

Options 2006

The year 2006 stock option scheme comprises of 697,500 stock options and they are divided into A, B and C warrants. The stock options entitle their owners to subscribe for a maximum total of 697,500 new shares in the Company or existing shares held by the Company. The subscription period is during the years 2009–2013. The share subscription price for stock options is the volume-weighted average price of the PKC Group Plc share on the Helsinki Stock Exchange, with dividend adjustments as defined in the stock option terms.

Options 2009

The year 2009 stock-option scheme comprises of 600,000 stock options and they are divided into A, B and C options. The stock options entitle their owners to subscribe for a maximum total of 600,000 new shares in the Company or existing shares held by the Company. The

share subscription period is during the years 2012–2016. The share subscription price for stock options is the volume-weighted average price of the PKC Group Plc share on the Helsinki Stock Exchange, with dividend adjustments as defined in the stock option terms.

Options 2012

The year 2012 stock-option scheme comprises of 1,020,000 stock options and they are divided into 2012A (i and ii), 2012B (i and ii) and 2012C (i and ii) options. The stock options entitle their owners to subscribe for a maximum total of 1,020,000 new shares in the Company or existing shares held by the Company. The share subscription period is during the years 2015-2019. The share subscription price for stock options is the volume-weighted average price of the PKC Group Plc share on the Helsinki Stock Exchange, as defined in the stock option terms.

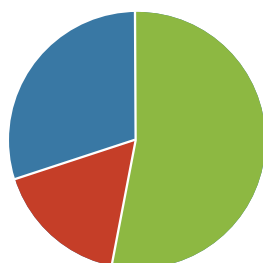
The share subscription period for stock options 2012A(ii), 2012B(ii) and 2012C(ii) shall, however, not commence, unless certain operational or financial targets of the Group established for the exercise of stock options and determined by the Board of Directors have been attained. The Board of Directors shall annually decide on targets separately for each stock option class in connection with the distribution of stock options. Those stock options, for which the targets determined by the Board of Directors have not been attained, shall expire in the manner decided by the Board of Directors.

Release criteria for 2012 A (ii) options:

- The share subscription period with 2012 A (ii) options begins only if the financial performance and EBITDA of PKC Group for financial years 2012-2014 is, based on the total consideration of the Board of Directors, comparable to PKC Group's key competitors that have published their results. The total consideration shall also take into account the development of PKC Group's market share.
- If the above-mentioned prerequisite is not fulfilled, stock options expire based on the consideration and in the extent and manner decided by the Board of Directors and the terms of the stock options.
- 2012 A (ii) options shall be allocated to option holders conditionally so that the options shall be distributed and entered into option holders' book-entry accounts only after the Board of Directors has decided on the start of the share subscription period and to the extent decided by the Board of Directors.

AUDITOR

The Annual General Meeting resolves the remuneration and the ground for compensation of travelling expenses of the auditor. In 2012, the Annual General Meeting resolved to pay auditor's fees and travel expenses in accordance with a reasonable invoice.



DIVISION OF REMUNERATION PAID TO THE PRESIDENT 2012

- Salaries 52.9 %
- Bonuses 17.2 %
- Share based payments 29.9 %

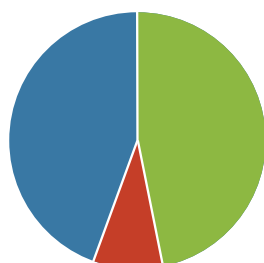
THE REMUNERATION PER TERM RESOLVED BY THE ANNUAL GENERAL MEETING IN YEARS 2010–2012, EUR

	2012	2011	2010
Chairman of the Board	60,000	60,000	50,000
Vice Chairman of the Board	45,000	45,000	37,500
Member of the Board	30,000	30,000	25,000
Chairman of Nomination Committee	5,000	5,000	5,000
Member of the Audit Committee	5,000	5,000	5,000
Chairman of Nomination Committee	-	-	-
Member of Nomination Committee	-	-	-
Attendance fees: Chairman of the Board	1,200	-	-
Attendance fees: Vice Chairman of the Board	800	-	-

REMUNERATION PAID TO BOARD MEMBERS, EUR 1,000

	Remuneration for Board work		Remuneration for Audit Committee work		Total	
	2012	2011	2012	2011	2012	2011
Andres Allikmäe ^{3), 7)}	28	-	4	-	32	-
Matti Hyytiäinen ¹⁾	-	29	-	5	-	34
Outi Lampela ⁷⁾	36	29	5	5	41	34
Shemaya Levy ^{3), 7)}	28	-	4	-	32	-
Endel Palla ²⁾	8	29	-	-	8	29
Olli Pohjanvirta ²⁾	8	29	1	5	9	34
Robert J. Remenar ^{3), 8)}	28	-	-	-	28	-
Matti Ruotsala ^{4), 8)}	68	58	-	-	68	58
Harri Suutari ^{3), 6), 8)}	39	-	-	-	39	-
Jyrki Tähtinen ^{5), 7)}	39	52	4	-	43	52
Salaries and other current employee benefits	478	0	-	-	-	-

1) Member of Board until 31 December 2011 2) Until 4 April 2012 3) Since 4 April 2012 4) Ruotsala Chairman of the Board 5) Tähtinen Vice Chairman of the Board until 4 April 2012 6) Suutari Vice Chairman of the Board since 4 April 2012, 7) Lampela Chairman of the Audit Committee, Allikmäe, Levy and Tähtinen members 8) Ruotsala Chairman of Nomination and Remuneration Committees, Remenar and Suutari members



DIVISION OF REMUNERATION PAID TO OTHER EXECUTIVE BOARD MEMBERS 2012

■ Salaries 47.0 %
■ Bonuses 8.6 %
■ Share based payments 44.4 %

SALARIES AND BONUSES PAID TO THE PRESIDENT AND OTHER EXECUTIVE BOARD MEMBERS, EUR 1,000

	Salaries		Bonuses		Share based payments		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
Harri Suutari ¹⁾	138	325	-	134	44	774	182	1,234
Matti Hyttiäinen ²⁾	295	-	141	-	201	-	637	-
Other Executive Board	1,557	759	287	245	1,472	504	3,316	1,508

1) until 4 April 2012 2) since 4 April 2012

OPTIONS GRANTED TO THE PRESIDENT AND OTHER EXECUTIVE BOARD MEMBERS IN 2012

	2009B	2009C	2012A
Harri Suutari ¹⁾	-	-	-
Matti Hyttiäinen ²⁾	22,522	60,000	30,000
Other Executive Board	-	-	95,000

1) until 4 April 2012 2) since 4 April 2012

OPTIONS HELD BY THE PRESIDENT AND OTHER EXECUTIVE BOARD MEMBERS ON 31 DECEMBER 2012

	2006C	2009A	2009B	2009C	2012A
Matti Hyttiäinen	-	-	22,522	60,000	30,000
Other Executive Board	7,500	23,000	47,000	45,000	95,000
Total	7,500	23,000	69,522	105,000	125,000

Share ownership by the Board of Directors and Executive Board on 31 December 2012 is presented in the Financial Statements in the Shares and Shareholders section.

FEES PAID TO THE AUDITOR, EUR 1,000

	Audit fees		Certificates and statements		Tax services		Other services		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
KPMG Oy Ab	496	364	1	1	77	197	126	13	700	575