

Remuneration Statement 2015

RAISIO PLC



REMUNERATION STATEMENT 2015

This report is Raisio plc's remuneration statement referred to in the Recommendation 47 of the Finnish Corporate Governance Code (2010). The statement has been drawn up in February 2016 and the information given concerns mainly the financial year 2015, but for comparison purposes, some information concerning the financial year 2014 is also given.

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BOARD OF DIRECTORS

The Annual General Meeting (AGM) decides on the rewards and reimbursement for expenses related to meetings paid to the Chairman and members of the Board. The Nominating Committee of the Supervisory Board prepares a statement on the issue in question and the Supervisory Board then makes a proposal to the General Meeting.

In the term beginning at the spring 2015 AGM, the Chairman of the Board was paid a monthly fee of EUR 5,000 and each Board member a monthly fee of EUR 2,000. Of these fees, some 20 per cent was paid in the form of company's own shares and some 80 per cent in cash. The fees were paid in two instalments during the term: a total of 4,479 Raisio plc free shares were assigned as fees in June and 4,178 in December; the payment of December also contained a fee for the period of January-March 2016. Furthermore, a fee of EUR 400 was paid to the Chairman and members of the Board for each meeting as well as EUR 200 for each teleconference, and the same fee was also paid for the meetings of committees elected by the Board of Directors among its members. Attendance fees are paid in cash. In addition, daily allowances for the meeting days were paid and travel expenses were reimbursed according to the company's travel rules.

In 2015, the Chairman of the Board, Matti Perkonoja, received a fee of EUR 60,000 of which some 20% was paid by assigning 2,887 free shares to him. He was also paid EUR 5,800 as attendance fees. In 2015, Erkki Haavisto, Michael Ramm-Schmidt, Pirkko Rantanen-Kervinen, Ann-Christine Sundell and Antti Tiitola were each paid a fee of EUR 24,000 of which some 20% was paid by assigning 1,154 free shares. Haavisto was paid EUR 4,800, Ramm-Schmidt EUR 5,200, Rantanen-Kervinen EUR 4,600, Sundell EUR 3,600 and Tiitola EUR 4,400 as attendance fees.

Regarding the shares received by the Chairman and Board members as reward for their services, no rules or instructions have been given about, e.g., the time of ownership or further disposal of the shares.

The Chairman and Board members are not covered by the company's share-based incentive schemes.

(In the term beginning at the spring 2014 AGM, the Chairman of the Board was paid a monthly fee of EUR 5,000 and each Board member a monthly fee of EUR 2,000. Of these fees, some 20 per cent was paid in the form of company's own shares and some 80 per cent in cash. Since April 2014, a fee of EUR 400 has been paid to the Chairman and members of the Board for each meeting as well as EUR 200 for each teleconference, and the same fee has also been paid for the meetings of committees elected by the Board of Directors among its members. Daily allowances for the meeting days were paid and travel expenses were reimbursed according to the company's travel rules.)

CEO

The Remuneration Committee of the Board prepares the issues concerning, e.g., CEO's remuneration and other financial benefits, and the Board decides on these issues. Share-based incentive and reward schemes may require an express decision from the General Meeting unless the Board has been authorised by the General Meeting to decide on them.

The contract stipulates that CEO has the right and obligation to retire at the age of 62. CEO's pension is determined according to the Finnish employment pension scheme TyEI (a contribution-based system), and CEO is covered by the group pension insurance scheme of the Raisio Group's management. The amount corresponding to 15 per cent of CEO's basic annual salary (salary in money and taxation value of fringe benefits) is paid annually as a group pension insurance payment.

The CEO's employment contract may be terminated by either the company or CEO with six months' notice. If the contract is terminated by the company, CEO is entitled to compensation corresponding to 12 months' pay, in addition to the pay for the period of notice.

In 2015, Raisio plc's CEO Matti Rihko received a total of EUR 639,294.80 in salaries and fringe benefits for his services as CEO (in 2014: 634,874.18) as well as a bonus payment of EUR 180,000.00 (in 2014: EUR 209,126.00 as a bonus for 2013). His salary or bonus payment were not even partially paid in Raisio plc's shares.

CEO Rihko is within the share-based incentive schemes of the Group's key personnel (the share-based incentive schemes 2013 - 2015, 2014 - 2016, 2015 - 2017 and 2016 - 2018). – The schemes are described in more detailed below.

Regarding Raisio plc shares received as reward or consideration by CEO prior to 2015, no rules or instructions have been given about the time of ownership; the last restriction on transfer concerning the shares received this way ended in March 2013.

SUPERVISORY BOARD

The AGM decides on the remuneration of the Chairman and members of the Supervisory Board as well as on their reimbursement for expenses incurred by the attendance of meetings.

The AGM held in spring 2015 decided to pay annual remuneration of EUR 12,000 to the Chairman of the Supervisory Board and a fee of EUR 300 to the Chairman and members of the Supervisory Board for each meeting, in addition to which their travel expenses are compensated and they receive a daily allowance for meeting journeys according to the company's travel rules. The Meeting also decided to pay the Chairman of the Supervisory Board a fee of EUR 300 for each attended meeting of the Board of Directors.

The Supervisory Board consists of a minimum of 15 and a maximum of 25 members, whose term begins at the AGM at which the election takes place and ends at the end of the third AGM following the election. One-third of the members are replaced every year. The Annual General Meeting held in spring 2015 confirmed the number of members in the Supervisory Board to be 25. The Supervisory Board convened three times and its Nominating Committee twice in 2015.

Supervisory Board members and fees paid

NAME	SUPERVISORY BOARD	NOMINATING COMMITTEE	TOTAL
Paavo Myllymäki, <i>Chairman</i>	12,000 + 900	600	16,500 *)
Holger Falck, <i>Deputy Chairman</i>	900	600	1,500
Cay Blomberg	300		300
Risto Ervelä	900		900
Mårten Forss	600		600
Vesa Harjunmaa	300		300
Mikael Holmberg	300		300
Panu Kallio	600		600
Markku Kiljala	600	300	900
Timo Könttä	600		600
Hans Langh	900	600	1,500
Tuomas Levomäki	600		600
Pirkko Lönnqvist	0		0
Juha Marttila	300		300
Kari Niemistö	900	600	1,500
Jyrki Nurmi	0		0
Yrjö Ojaniemi	600		600
Heikki Pohjala	900		900
Juha Salonen	300		300
Jari Sankari	0		0
Urban Silén	900		900
Mervi Soupas	900	300	1,200
Johan Taube	600		600
Arto Vuorela	600		600
Rita Wegelius	900		900
Tapio Ylitalo	900		900
Total			33,300

*) Annual remuneration EUR 12,000; in addition, a fee of EUR 300 for each Board meeting attended.

Remunerations of the Chairman and members of the Supervisory Board have been paid exclusively in cash. The Chairman's annual remuneration is paid in two equal instalments in June and in December, and the members' attendance fees, compensations for expenses and daily allowances are paid at the earliest possible opportunity after each meeting. The Supervisory Board members selected by personnel are not paid an attendance fee.

The Chairman and members of the Supervisory Board are not covered by the company's share-based incentive schemes.

(The AGM held in spring 2014 decided to pay annual remuneration of EUR 12,000 to the Chairman of the Supervisory Board and a fee of EUR 300 to the Chairman and members of the Supervisory Board for each meeting, in addition to which their travel expenses are compensated and they receive a daily allowance for meeting journeys according to the company's travel rules. The Meeting also decided to pay the Chairman of the Supervisory Board a fee of EUR 300 for each Board of Directors' meeting attended.)

DECISION-MAKING PROCESS IN THE REMUNERATION OF CEO AND OTHER EXECUTIVES

The Board's Remuneration Committee prepares, e.g., matters concerning the salaries and other financial benefits of CEO and his immediate subordinates, and the Board decides on these matters. Furthermore, the Committee prepares issues related to the management's incentive and reward schemes to be decided by the Board.

Share-based incentive and reward schemes may require an express decision from the General Meeting unless the Board has been authorised by the General Meeting to decide on them.

MAIN PRINCIPLES FOR THE REMUNERATION OF CEO AND OTHER EXECUTIVES

Raisio's policy is to provide its personnel compensation that is competitive in each country and business area. The company regularly reviews market salaries and the development of incentive schemes, regarding both Managing Director and other executives, in order to maintain its competitiveness.

In 2015, Raisio had separate incentive schemes for CEO, management, middle management and other personnel. CEO's incentive scheme is based on the achievement of performance target (EBT, earnings before taxes). The incentive scheme concerning other management (Management Team) is based on the achievement of EBIT target; either EBIT of the Group or that of the Division as a criterion. CEO's annual bonus is not more than 80% of the annual remuneration and for other management, it is a maximum of 50 or 60% of the annual remuneration. The achievement of bonus targets in the schemes of CEO and other executives is assessed after the financial year has completely ended, and a possible bonus is paid in cash by the end of March of the year following the financial year.

CEO and Management Team members are within the share-based incentive schemes of the Group's key personnel (the share-based incentive schemes 2013 - 2015, 2014 - 2016, 2015 - 2017 and 2016 - 2018). - The schemes are described in more detailed below.

The Group's Management Team members are covered by a group pension insurance. A sum equivalent to 15 per cent of the manager's basic annual salary is paid into the group pension insurance every year, with the exception of one foreign member whose share is 20 per cent of his basic annual salary.

The retirement age of managers is 62 years.

INFORMATION ON THE SHARE-BASED INCENTIVE SCHEMES

Subgroup Raisio UK's share-based incentive scheme 2012 - 2015

In December 2011, Raisio plc's Board of Directors decided on a synthetic share-based incentive and commitment scheme for the management and key employees of the British subgroup Raisio UK. The purpose of the scheme is to combine the objectives of owners, management and key employees in order to increase the company's capitalisation value, to commit the management and key employees to the company and to offer them a competitive reward system based on the value of a share.

The earning period of the scheme was 1 January 2012 - 31 December 2014. Based on the scheme, a cash reward corresponding to a maximum total of 400,000 Raisio plc free shares was originally intended to be paid by the end of April 2015. Value of a free share is determined by its average quotation on Nasdaq Helsinki Ltd during the period 1 March 2014 - 28 February 2015.

The amount of the reward is tied to the EBIT of Raisio's Brands Division and a prerequisite for receipt of the reward was, at first, that each person appointed to the scheme would still be employed by the Raisio Group on 28 February 2015. Initially, there were some 30 people within the scheme but only 4 in December 2015.

In August 2014, the incentive scheme was modified concerning four persons: it was agreed that their rewards are tied solely to the 2014 EBIT of the confectionery business and that the scheme is extended so that their potential rewards will not be paid until March 2016 provided they are still employed by the Raisio Group at the bonus payment date.

Share-based scheme 2013 - 2015

In February 2013, Raisio plc's Board decided on the Group's key employees' share-based incentive scheme for the period of 2013 - 2015. The purpose of the scheme is to combine the objectives of owners and key personnel in order to increase the company's capitalisation value, to commit the key personnel to the company and to offer them a competitive reward system based on the company's share price development and earnings.

The earning period of the share incentive scheme started on 1 January 2013 and ended on 31 December 2015. Potential bonus of the scheme, for the earning period 2013 - 2015, is based on the company's Total Shareholder Return (TSR). Bonus payment is dependent on the achievement of the Group's cumulative profit target (EBT, earnings before taxes) during the earning period.

Bonuses for the earning period 2013 - 2015 will be paid in 2016, partly in the company's free shares and partly in cash. The cash payment is made to cover the taxes and fiscal fees arising from the bonus. In case the employment or service of a key employee ends before the bonus payment, as a rule no bonus is paid.

The Board recommends that the key employees within the scheme hold a substantial part of all shares they have received based on the scheme as long as the value of their holdings corresponds to their six months' gross salary.

On 31 December 2015, a total of 26 persons were within the share incentive scheme. Bonuses to be paid based on the earning period 2013 - 2015 correspond to the value of a total maximum of 1,000,000 Raisio plc free shares including the part paid in cash.

Share-based scheme 2014 - 2016

In December 2013, Raisio plc's Board decided on the Group's new key employees' share-based incentive scheme for the period of 2014 - 2016. The purpose of the scheme is to combine the objectives of owners and key personnel in order to increase the company's capitalisation value, to commit the key personnel to the company and to offer them a competitive reward system based on the company's share price development and earnings.

The earning period of the share incentive scheme started on 1 January 2014 and will end on 31 December 2016. Potential bonus of the scheme for the earning period 2014 - 2016 is based on the company's Total Shareholder Return (TSR). Bonus payment is dependent on the achievement of the Group's cumulative profit target (EBT, earnings before taxes) during the earning period.

Bonuses for the earning period 2014 - 2016 will be paid in 2017, partly in the company's free shares and partly in cash. The cash payment is made to cover the taxes and fiscal fees arising from the bonus. In case the employment or service of a key employee ends before the bonus payment, as a rule no bonus is paid.

The Board recommends that the key employees within the scheme hold a substantial part of all shares they have received based on the scheme as long as the value of their holdings corresponds to their six months' gross salary.

On 31 December 2015, a total of 30 persons were within the share incentive scheme. Bonuses to be paid based on the earning period 2014 - 2016 correspond to the value of a total maximum of 1,000,000 Raisio plc free shares including the part paid in cash.

Share-based scheme 2015 - 2017

In December 2014, Raisio plc's Board decided on the Group's new key employees' share-based incentive scheme for the period of 2015 - 2017. The purpose of the scheme is to combine the objectives of owners and key personnel in order to increase the company's capitalisation value, to commit the key personnel to the company and to offer them a competitive reward system based on the company's share price development and earnings.

The earning period of the share incentive scheme started on 1 January 2015 and will end on 31 December 2017. Potential bonus of the scheme for the earning period 2015 - 2017 is based on the company's Total Shareholder Return (TSR). Bonus payment is dependent on the achievement of the Group's cumulative profit target (EBT, earnings before taxes) during the earning period.

Bonuses for the earning period 2015 - 2017 will be paid in 2018, partly in the company's free shares and partly in cash. The cash payment is made to cover the taxes and fiscal fees arising from the bonus. In case the employment or service of a key employee ends before the bonus payment, as a rule no bonus is paid.

The Board recommends that the key employees within the scheme hold a substantial part of all shares they have received based on the scheme as long as the value of their holdings corresponds to their six months' gross salary.

On 31 December 2015, a total of 37 persons were within the share incentive scheme. Bonuses to be paid based on the earning period 2015 - 2017 correspond to the value of a total maximum of 1,000,000 Raisio plc free shares including the part paid in cash.

Share-based scheme 2016 - 2018

In December 2015, Raisio plc's Board decided on the Group's new key employees' share-based incentive scheme for the period of 2016 - 2018. The purpose of the scheme is to combine the objectives of owners and key personnel in order to increase the company's capitalisation value, to commit the key personnel to the company and to offer them a competitive reward system based on the company's share price development and earnings.

The earning period of the share incentive scheme started on 1 January 2016 and will end on 31 December 2018. Potential bonus of the scheme for the earning period 2016 - 2018 is based on the company's Total Shareholder Return (TSR). Bonus payment is dependent on the achievement of the Group's cumulative profit target (EBT, earnings before taxes) during the earning period.

Bonuses for the earning period 2016 - 2018 will be paid in 2019, partly in the company's free shares and partly in cash. The cash payment is made to cover the taxes and fiscal fees arising from the bonus. In case the employment or service of a key employee ends before the bonus payment, as a rule no bonus is paid.

The Board recommends that the key employees within the scheme hold a substantial part of all shares they have received based on the scheme as long as the value of their holdings corresponds to their six months' gross salary.

Some 40 persons are within the share-based scheme. Bonuses to be paid based on the earning period 2016 - 2018 correspond to the value of a total maximum of 1,000,000 Raisio plc free shares including the part paid in cash.