

Fiskars Corporation
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New performance period to start within the share-based long-term incentive plan – adjustments to on-going share-based plans

New performance period

The Board of Directors of Fiskars Corporation has approved the launch of the third performance period 2020–2022 and its performance criteria to the share-based long-term incentive plan. The share-based long-term incentive plan 2018–2022 for the Fiskars Group Leadership Team and other key employees was decided by the Board in February 2018.

The long-term incentive plan has three performance periods of three calendar years each, 2018–2020, 2019–2021 and 2020–2022. The plan forms a part of Fiskars remuneration program for its key employees, and the aim of the plan is to support the implementation of the company's strategy and to align the objectives of key employees with the shareholders to increase the value of the company.

The amount of the reward paid to a key person depends on achieving the pre-established targets. No reward will be paid if targets are not met or if the participant's employment or service ends before reward payment. For the 2020–2022 performance period, the plan can have fifty participants at most and the targets relate to the company's total shareholder return, group net working capital and net sales.

If the targets of the plan are reached, rewards will be paid to participants in spring of 2023. The reward will be paid in the company's shares, after the deduction of the relevant cash proportion that is required for covering taxes and tax-related costs due on the basis of the reward. However, the company has the right to pay the reward fully in cash under certain circumstances. If all maximum targets are reached, the maximum reward payable in shares on the basis of the 2020-2022 performance period would amount to a total gross maximum of 600,000 shares in the company. As a starting point, shares to be awarded to key employees will be paid as existing shares of the company and thus the long-term incentive plan is not expected to have a diluting effect on the ownership of the company's shareholders.

Members of the Fiskars Group Leadership Team participating in the long-term incentive plan are subject to a shareholding requirement and must retain at least 50% of the net shares received based on plan until their share ownership in Fiskars corresponds to at least 50% (and for the President and CEO at least 100%) of their annual gross base salary.

Adjustments to the on-going share-based plans

In June 2019, practically all shares in Wärtsilä held by Fiskars were distributed as an extra dividend to shareholders and thereafter Fiskars' market cap has been based on value of its operations only. As a result, the initial allocation of shares from the on-going share-based long-term incentive plans does not correspond to the target value of the reward.

The Board of Directors of Fiskars Corporation has approved an adjustment of the initial allocation of shares from the plans for years 2017-2019, 2018-2020 and 2019-2021 by allocating additional shares to the participants. After the adjustments, the total maximum reward payable in shares amounts to gross maximum of 43,440 on the basis of the 2017-2019 performance period, 284,564 on the basis of performance period 2018-2020 and 540,780 on the basis of 2019-2021 performance period.

The Board of Directors has also approved an adjustment to the calculation method of total shareholder return earning criteria applied to performance periods 2017-2019, 2018-2020 and 2019-2021 to neutralize the divestment of Wärtsilä shares.

FISKARS CORPORATION
Board of Directors

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