



Remuneration Statement 2016

PRINCIPLES APPLIED TO REMUNERATION SCHEMES

The goal of remuneration schemes is to promote competitiveness and long-term financial success of the Company and to contribute to the favourable development of shareholder value. Remuneration schemes are based on predetermined and measurable performance and result criteria.

The task of Board's Nomination and Remuneration Committee is to assist the Board of Directors in matters related to the remuneration of the Company's CEO, the deputy CEO and other executives and to prepare matters related to the reward schemes for employees.

DECISION-MAKING PROCESS

The General Meeting shall decide on the remuneration payable for Board and Committee work as well as the basis for its determination. The Nomination and Remuneration Committee has been assigned the duty of preparing the remuneration of the Board. The Board of Directors shall decide on the remuneration of the CEO as well as other compensation payable to him or her. The compensation principles for the Management Group are determined by the CEO in cooperation with the Board of Directors.

REMUNERATION OF THE BOARD OF DIRECTORS

According to the resolution passed by the Annual General Meeting held in April 2016, the remuneration for each member of the Board of Directors is 600 euros per meeting and for the Chairman of the Board of Directors 1,200 euros per meeting. In addition, each member of the Board receives 24,400 euros per year and the Chairman of the Board of Directors 48,800 euros per year. Daily allowances and travel expenses are paid to the Board members according to the Company's travel policy.

According to the resolution passed by the Annual General Meeting held in April 2016, the remuneration for each member of the Nomination and Remuneration Committee is 600 euros per meeting and for the Chairman of the Nomination and Remuneration Committee 1,200 euros per meeting. In addition daily allowances and travel expenses are paid for the meetings to the

committee members according to the Company's travel policy.

Remuneration for Board and Committee work is not paid in the form of Company shares and the Board members are not in the target group of Company's share-based incentive plan.

REMUNERATION OF THE CEO

The CEO's compensation consists of a basic salary and a yearly bonus decided annually by the Board on the basis of the Group's financial result and other key targets. The maximum amount of yearly bonus is decided annually. In addition the CEO has car and phone benefits. The CEO has an agreement of a share-based incentive plan. Statutory retirement age applies to the CEO. The term of notice for the CEO is six months. In the event of dismissal, the CEO is at the most entitled to receive compensation equivalent to 18 months' salary which includes the salary for a six-month term of notice.

In 2016 President and CEO Juha Näkki's basic salary was EUR 274,407.60. In 2016, his car, phone and medical expenses insurance benefits totalled to EUR 16,050.60. EUR 144,510.00 performance based bonus accrued from year 2015 was paid to the President and CEO in 2016.

In 2014 a share-based incentive plan was created for the Company's President and CEO. The Restricted Stock Plan included one three year vesting period which included calendar years 2014-2016. The potential reward of the Plan was bound to the validity of the CEO's service and was paid in February 2017. In addition the President and CEO is included in the share-based incentive plan for the Group key personnel. No company-held shares were disposed in 2016 for the sharebased incentive plan.

In 2016 no additional accrual basis pension insurance policy was paid for the President and CEO Juha Näkki.

REMUNERATION OF OTHER EXECUTIVES

The system of compensation for the other members of the Management Group includes a base salary and a performance based bonus. The principles for performance based bonus are decided annually. The maximum of the yearly bonus is 33-100 percent of the recipient's annual salary depending on the member's duties. No

separate agreement has been made regarding early retirement for the other members of the Management Group. The term of notice for a Management Group member is at least 4 months. In the event of dismissal, a Management Group member is at the most entitled to receive compensation equivalent to 10 months' salary which includes the salary for a four-month term of notice.

In 2016, the other Corporate Management Group members received a total of EUR 1,032,619.93 in basic salary. Car, phone and medical expenses insurance benefits in 2016 totalled to EUR 18,498.70. A total of EUR 222,325.74 of performance based bonus accrued from year 2015 was paid to the other Corporate Management Group members in 2016.

SHARE-BASED INCENTIVE PLANS

The Board of Directors of Etteplan Oyj decided in February 2014 on a new share-based incentive plan for the Company's President and CEO. The aim of the Plan is to combine the objectives of the shareholders and the CEO in order to increase the value of the Company, to commit the CEO to the Company, and to offer him a competitive reward plan based on earning the Company shares.

The new Restricted Stock Plan includes one three year vesting period. The potential reward of the Plan is bound to the validity of the CEO's service. The reward from the vesting period will be paid partly in the Company's shares and partly in cash in February 2017. The cash proportion is intended to cover taxes and tax related costs arising from the reward to the CEO. No reward will be paid, if the CEO terminates his service contract before the reward payment.

The reward to be paid on the basis of the Restricted Stock Plan will amount up to a maximum total of 25,000 Etteplan Oyj shares. In addition, the Company will pay taxes and tax-related costs arising from the reward to the CEO.

The Board of Directors of Etteplan Oyj decided in June 2014 to establish a new share-based incentive plan for the Group key personnel. The aim of the Plan is to combine the objectives of the shareholders and the key personnel in order to increase the value of the Company, to commit the key personnel to the Company, and to offer them a competitive reward plan based on holding the Company shares.

The Plan includes one earning period which includes calendar years 2014, 2015 and 2016. The earnings criteria are Etteplan Group's revenue increase and the development of Total Shareholder Return (TSR).

The potential reward will be paid partly in the Company's shares and partly in cash. The proportion to be paid in cash is intended to cover taxes and tax-related costs arising from the reward to the key personnel. Approximately 15 people belong to the target group of the Plan.

The rewards to be paid on the basis of the plan will correspond to the value of an approximate maximum total of 450,000 Etteplan Oyj shares (including also the proportion to be paid in cash).

In April 2016, the Nomination and Remuneration Committee of Etteplan's Board of Directors decided, upon the implementation of the share issue, to revise the share-based incentive systems directed at the President and CEO and Etteplan's key personnel. The number of shares paid under the systems will be increased by a factor of 1.05, which corresponds to the trading-weighted average of the closing prices of the Etteplan share between April 6 and May 6, 2016, divided by the share price inclusive of the TERP (Theoretical Ex-Rights Price) discount.

The shares to be paid out as potential rewards will be transferred from the shares held by the Company or shares acquired from the market.

In its meeting in February 2017, Etteplan's Board of Directors decided to transfer 26,263 shares in the Company to the President and CEO in accordance with the terms of the incentive plan described above. The shares to be paid out as rewards were transferred from the shares held by the Company. The Company paid taxes and tax-related costs arising from the reward. The transfer date of the shares was February 28, 2017.

In its meeting in February 2017, Etteplan's Board of Directors decided to transfer 169,939 shares in the Company to key personnel in accordance with the terms of the incentive plan described above. The Company will pay taxes and tax-related costs arising from the reward. The shares to be paid out as rewards will be transferred from the shares held by the Company. The transfer date of the shares is April 28, 2017.

MANAGEMENT REMUNERATION IN 2016

Key management compensation

Key management of Etteplan Oyh includes the Board of Directors, CEO and Magement Group.

Salaries, fees and fringe benefits paid

EUR 1,000

	2016	2015
Members of the Board		
Robert Ingman, Chairman of the Board	63	58
Matti Huttunen, Mar 27, 2015 onwards	29	22
Pertti Nupponen	29	29
Teuvo Rintamäki	29	29
Leena Saarinen	38	30
Patrick Von Essen	29	29
	217	198
CEO and other members of the Management Group		
Juha Näkki, salaries and fees paid	435	415
Juha Näkki, statutory pension costs	74	69
Other members of the Management Group, salaries and fees paid	1,273	1,020
Other members of the Management Group, statutory pension costs	249	156
Total	2,248	1,858

The Annual General Meeting annually resolves the remuneration for the members of the Board of Directors

Stock options to the key management

Stock options have not been granted to the Company's management during 2016.