

CORPORATE GOVERNANCE STATEMENT FOR 2012

Corporate governance at Fiskars Corporation is based on the Company's Articles of Association, Finland's Limited Liability Companies Act and the rules and regulations concerning companies listed on the NASDAQ OMX Helsinki Ltd stock exchange. Fiskars also complies, without exception, with the Finnish Corporate Governance Code approved by the Securities Market Association, which came into force on October 1, 2010 and can be consulted at www.cgfinland.fi. This Corporate Governance Statement was published separately from the Report by the Board of Directors on the Company's website www.fiskarsgroup.com on February 21, 2013.

Ultimate decision-making power is vested in Fiskars Corporation's shareholders at the General Meeting of Shareholders. Fiskars' Board of Directors is responsible for the management and proper arrangement of the operations of the Company. The Managing Director (President and CEO) is responsible for the day-to-day management of the Company under the instructions and orders of the Board of Directors.

ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting is held annually before the end of June, either in Raseborg or Helsinki. The Annual General Meeting decides on matters stipulated in the Companies Act and the Articles of Association, such as the approval of the financial statements, the distribution of profits, discharging the members of the Board of Directors and the CEO from liability, as well as the election of the members of the Board of Directors and the Company's Auditors and remuneration for said Board members and Auditors.

In accordance with the Articles of Association, notices regarding the Shareholders' Meetings are published on the Company's website and, if deemed necessary by the Board of Directors, in an alternative manner. In 2012, notices were published in the Helsingin Sanomat, Hufvudstadsbladet and Västra Nyland newspapers in addition to the notice published on the Company's website.

Any shareholder wishing to submit a matter for inclusion on the agenda of the Annual General Meeting should submit a request in writing to the Board of Directors. To be included in the notice of the Annual General Meeting and in the agenda of the Annual General Meeting, the request should be sufficiently concise and the matter must fall within the authority of the Annual General Meeting, as defined in the Limited Liability Companies Act. Instructions on and the

deadline for submitting requests to the Board of Directors are published on the Company's website. In 2012, no such requests were submitted to the Board of Directors.

ANNUAL GENERAL MEETING FOR 2012

Fiskars held its Annual General Meeting for 2012 on March 15, 2012. The meeting approved the financial statements, discharged the members of the Board and the CEO from liability, and decided on the dividend to be paid for the 2011 financial year. The Meeting also decided on the remuneration to be paid to the Board and elected the members, who will serve until the end of the Annual General Meeting in 2013. The Company's auditors were also elected, and remuneration was decided upon. The Meeting authorized the Board to acquire Fiskars' own shares and make decisions about conveying them in accordance with separately agreed conditions.

EXTRAORDINARY GENERAL MEETING FOR 2012

Fiskars held an Extraordinary General Meeting on September 12, 2012. Following the divestment of part of the Company's holding in Wärtsilä, the meeting decided on an extra dividend to be paid for the 2011 financial year.

THE BOARD OF DIRECTORS

In accordance with the Articles of Association, the Board of Directors shall consist of a minimum of five and a maximum of nine members. The terms of office of all members will run from their election to the end of the following Annual General Meeting. The Board is responsible for electing a Chairman from among its members.

Responsibilities and Charter of the Board

Fiskars' Board of Directors is responsible for managing the Company in accordance with the law, official regulations, the Articles of Association, and decisions taken by the Annual General Meeting of Shareholders. Under the Charter approved by the Board of Directors, the Board is responsible for the following activities:

- Managing and appropriately arranging the Company's operations and confirming the Company's business strategy and budget
- Overseeing the solidity, profitability, and liquidity of the Company, as well as the Company's management
- Approving the risk management principles followed by the Company

- Drafting financial statements
- Confirming financial policy
- Deciding on extraordinary or far-reaching measures, taking the scope and nature of the Company's operations into account, unless these matters come within the responsibilities of the General Meeting of Shareholders
- Appointing the President and CEO and confirming the terms of his employment and other compensation
- Appointing the members of the Executive Board, other senior managers, and the internal audit manager, as well as approving their terms of employment and other compensation
- Deciding on the principles for the Group's compensation systems and other long-term personnel issues
- Considering matters related to the appointment of the members of the Boards of Directors of subsidiaries
- Appointing Board Committees and their members. These Committees are responsible for preparing matters within their specific area of competence to be put before the Board.

The Board convenes 8–9 times a year according to a pre-confirmed timetable, with additional meetings whenever necessary. Most meetings are connected with the publication of

the Company's financial statements and interim reports, strategy and budget cycle or the Annual General Meeting. The Board also holds a strategy meeting at which it considers the Group's future scenarios and confirms the Company's strategy. The Board usually conducts one or two of its meetings at rotating Fiskars locations, focusing on a specific business area.

The Board conducts an annual self-evaluation of its work and cooperation with management, facilitated by an external expert.

Board of Directors in 2012

The Annual General Meeting held on March 15, 2012 re-elected all nine members of the Board: Kaj-Gustaf Bergh, Ingrid Jonasson Blank, Ralf Böer, Alexander Ehrnrooth, Paul Ehrnrooth, Louise Fromond, Gustaf Gripenberg, Karsten Slotte and Jukka Suominen.

Convening after the Annual General Meeting, the Board of Directors re-elected Kaj-Gustaf Bergh as its chairman and Alexander Ehrnrooth and Paul Ehrnrooth as vice chairmen. The Board decided to re-establish an Audit Committee, a Compensation Committee and a Nomination Committee.

Kaj-Gustaf Bergh

Born 1955, B.Sc., LL.M.

Chairman, elected to the Board in 2005

Chairman of the Compensation Committee and Nomination Committee

Independent of the company and significant shareholders

Managing Director of Föreningen Konstsamfundet r.f. 2006–

Primary working experience:

SEB Asset Management, Director 1998–2001, Ane Gyllenberg Ab, Chief Executive Officer 1986–1998

Other positions of trust:

Chairman of the Board: Bank of Åland 2012–, KSF Media Holding Ab 2007–, Finaref Group Ab 1999–

Member of the Board: Wärtsilä Corporation 2008–, Stockmann plc 2007–, Julius Tallberg Oy Ab 2006–, Ramirent Group 2004–



Alexander Ehrnrooth

Born 1974, M.Sc. (Econ.), MBA

Vice Chairman, elected to the Board in 2000

Member of the Audit Committee and Nomination Committee

Independent of the company and dependent on significant shareholders

Virala Oy Ab, CEO 1995–

Other positions of trust:

Chairman of the Board: Aleba Corporation 2003–, Belgrano Investments Oy 1999–

Member of the Board: Wärtsilä Corporation 2010–



Paul Ehrnrooth

Born 1965, M.Sc. (Econ.)

Vice Chairman, elected to the Board in 2000

Member of the Audit Committee and Nomination Committee

Independent of the company and dependent on significant shareholders

Turret Oy Ab, Managing Director & Chairman 2005–

Other positions of trust:

Chairman of the Board: Savox Group 2004–

Vice Chairman of the Board: Ixonos Oyj 2010–

Member of the Board: Wärtsilä Corporation 2010–



Ralf R. Böer

Born 1948, Juris Doctor

Elected to the Board in 2007

Member of the Compensation Committee

Independent of the company and significant shareholders

Primary working experience:

Partner, Foley & Lardner LLP 1981–,

Foley & Lardner LLP, Chairman and CEO 2002–2011

Other positions of trust:

Member of the Board: Plexus Corp. 2004–



Louise Fromond

Born 1979, LL.M.

Elected to the Board in 2010

Member of the Audit Committee

Independent of the company and dependent on significant shareholders

Primary working experience:

University of Helsinki, doctoral student 2005–2008

Other positions of trust:

Chairman of the Board: Oy Holdix Ab 2010–

Member of the Board: Tremoko Oy Ab 2008–, Bergsråddinnan Sophie von Julins stiftelse 2004–, Fromille Oy Ab 1998–



Gustaf Gripenberg

Born 1952, D. (Eng.)

Elected to the Board in 1986
Chairman of the Audit Committee
Independent of the company and significant shareholders

Professor, Aalto University 1999–

Primary working experience:
Assistant professor, University of Helsinki 1987–1998



Ingrid Jonasson Blank

Born 1962, M.Sc (Econ.)

Elected to the Board in 2010
Member of the Compensation Committee
Independent of the company and significant shareholders

Primary working experience:
ICA Sverige AB, Executive Vice President 2004–2010

Other positions of trust:
Member of the Board: Ambea AB 2012–, Hellefors Bryggeri AB 2012–,
Forex Bank AB 2011–, TeliaSonera 2010–, ZetaDisplay AB 2010–, Bilia AB 2006–



Karsten Slotte

Born 1953, B.Sc. (Econ.)

Elected to the Board in 2008
Member of the Audit Committee
Independent of the company and significant shareholders

President and CEO of Fazer Group 2007–

Primary working experience:
Cloetta Fazer Ab (publ.), President 2002–2006, Cloetta Fazer Konfektyr Ab,
Managing Director 2000–2002, Fazer Confectionery Ltd, Managing Director
1997–2000

Other positions of trust:
Member of the Board: Confederation of Finnish Industries EK 2011–, Varma
Mutual Pension Insurance Company 2009–, ETL The Finnish Food and Drink
Industries' Federation 2008–, Finnish-Swedish Chamber of Commerce 2003–,
Onninen Oy 2001–



Jukka Suominen

Born 1947, M.Sc. (Eng.), B.Sc. (Econ.)

Elected to the Board in 2008

Member of the Compensation Committee

Independent of the company and significant shareholders

Primary working experience:

EFFOA/Silja Oyj Abp, Vice President, Senior Vice President, CEO, Group CEO 1975–2000

Other positions of trust:

Chairman of the Board: Lamor Corporation Ab 2005–2007, 2010–,

Rederiaktiebolaget Eckerö 2006–

Member of the Board: Huhtamäki Oyj 2005–

**Independence of the Board of Directors**

The Board of Directors evaluates the independence of each member according to the Corporate Governance Code in the constitutive meeting convened after the Annual General Meeting.

All members of the Board are independent of the Company.

Kaj-Gustaf Bergh, Ralf Böer, Gustaf Gripenberg, Ingrid Jonasson Blank, Karsten Slotte, and Jukka Suominen are also independent of major shareholders.

Alexander Ehrnrooth, Paul Ehrnrooth and Louise Fromond are considered to be non-independent of major shareholders.

Work of the Board of Directors in 2012

The Board of Directors convened 11 times during 2012. The average attendance at Board meetings was 97%. Besides the regular annual Board work during the financial

year, key priorities in 2012 included the implementation of the integrated strategy and the common operating model, a new ownership strategy for Wärtsilä, the investment program in the EMEA region, revised organizational structures and executive appointments.

Board Committees

The Board of Directors appointed three committees in 2012: an Audit Committee, a Compensation Committee, and a Nomination Committee.

Audit Committee

The Audit Committee is responsible for the following activities:

- Monitoring the reporting process used for the Company's financial statements
- Supervising the financial reporting process
- Monitoring the efficiency of the Company's internal controls, internal auditing, and risk management
- Reviewing the description of the main features of the internal controls and risk management associated with

Meeting activity and meeting attendance of the Board of Directors 2012

Jan 1–Dec 31, 2012	Board of Directors	Audit Committee	Compensation Committee	Nomination Committee
	11 meetings	4 meetings	6 meetings	2 meetings
Kaj-Gustaf Bergh	11	-	6	2
Alexander Ehrnrooth	11	4	-	2
Paul Ehrnrooth	11	4	-	2
Ralf Böer	11	-	6	-
Louise Fromond	10	4	-	-
Gustaf Gripenberg	11	4	-	-
Ingrid Jonasson Blank	11	-	6	-
Karsten Slotte	9	4	-	-
Jukka Suominen	11	-	6	-

the financial reporting process, as provided by the Company's administration and control system

- Monitoring the statutory auditing of the Company's financial statements and consolidated financial statements
- Evaluating the independence of the Company's statutory Auditors and the additional services provided by the Auditors
- Drafting the proposal covering the selection of the Company's Auditors for the Nomination Committee

The following Board members belonged to the Audit Committee:

- Gustaf Gripenberg (Chairman)
- Alexander Ehrnrooth
- Paul Ehrnrooth
- Louise Fromond
- Karsten Slotte

The Audit Committee convened 4 times in 2012 and the attendance of members at meetings was 100%. Besides its ordinary work, the Audit Committee also discussed the Company's sustainability management and reporting in 2012.

Compensation Committee

The Compensation Committee is responsible for preparing matters related to the appointment and remuneration of the President and CEO and Group directors, as well as issues related to the Company's remuneration system.

The following Board members belonged to the Compensation Committee:

- Kaj-Gustaf Bergh (Chairman)
- Ralf Böer
- Ingrid Jonasson Blank
- Jukka Suominen

The Compensation Committee convened 6 times in 2012 and the attendance of members at meetings was 100%. In 2012, the Compensation Committee discussed the Company's compensation framework, bonus structure and long-term incentive plan and prepared the proposal for the new long-term incentive program for the President and CEO.

Nomination Committee

The Nomination Committee is responsible for the following activities:

- Preparing proposals related to the composition of the Board for the General Meeting of Shareholders after consulting major shareholders
- Preparing proposals for the General Meeting of Shareholders on the remuneration of Board members
- Preparing proposals for the Board regarding the composition of the Board's committees
- Preparing the proposal on the selection of the Company's Auditors based on the proposal of the Audit Committee
- Confirming the criteria and processes to be used for evaluating the Board's work

The following Board members belonged to the Nomination Committee:

- Kaj-Gustaf Bergh (Chairman)
- Alexander Ehrnrooth
- Paul Ehrnrooth

The Nomination Committee convened twice in 2012 and the attendance of members at meetings was 100%.

PRESIDENT AND CEO

The Board of Directors is responsible for appointing and, if necessary, dismissing the Managing Director, who also acts as the Group's President and CEO. The President and CEO is responsible for the day-to-day management and administration of the Company, in accordance with the Company's Articles of Association, legislation, official regulations, and the instructions and orders of the Board. The President and CEO is also responsible for ensuring that the Company's accounting is in accordance with legal requirements and that assets are managed reliably. The President and CEO is assisted in these duties by the Executive Board.

The current President and CEO is Mr. Kari Kauniskangas (M.Sc. (Econ.), b. 1962). He joined the Company in 2008.

The Company does not have a CEO's deputy.

Kari Kauniskangas

President and CEO, employed 2008
Born 1962, M.Sc. (Econ.)

Primary working experience:

Amer Sports Corporation, Head of Winter & Outdoor division 2007, Amer Sports Corporation, Senior Vice President, Sales & Distribution 2004–2007, Amer Sports Europe GmbH, President & GM 1999–2004



OTHER MANAGEMENT

Executive Board

The Executive Board of Fiskars Corporation consists of the management team responsible for corporate and Group-wide functions. Under the leadership of the President and CEO, the Executive Board prepares proposals for the Board and addresses issues related to the Group's strategy, resource allocation and the implementation of Fiskars' common operating model and business model. The Executive Board also addresses issues related to Group-wide and corporate functions and their development. The Executive Board's duties also include stakeholder relations.

The Executive Board convenes monthly accordingly to a pre-confirmed timetable, with additional meetings whenever necessary. The Executive Board convened a total of 11 times in 2012.

Among the key priorities for Fiskars' Executive Board in 2012 were the launch of the new sales organization for the EMEA region and the implementation of the Company's five-year platform investment program in EMEA.

In 2012, the Executive Board consisted of the President and CEO, Kari Kauniskangas, the Group's Chief Financial Officer, Chief Strategy Officer, General Counsel and the head of logistics, sourcing and operations functions. The Group's Chief Strategy Officer is Max Alfthan and Jutta Karlsson is the Group's General Counsel. Fiskars' CFO, Teemu Kangas-Kärki, was appointed President of the Group's Home Business area as of March 2, 2012, whereupon VP Finance, Jyri Virran-tuomi, was appointed interim CFO and member of the Executive Board. Fiskars appointed Ilkka Pitkänen as the Group's new CFO and member of the Executive Board as of September 1, 2012. Fiskars' Vice President, Operations, Hille Korhonen, left the Company at the end of October 2012 to accept a position outside the Company. On November 20, 2012, Fiskars appointed Risto Gaggl as Senior Vice President, Supply Chain and member of the Executive Board.

To facilitate development of the Company's operations and the establishment of common processes and platforms, the heads of the Group's Human Resources and IT functions are invited to attend the Executive Board meetings. Thus Timo Leskinen, Vice President of Human Resources and Frans Westerlund, Chief Information Officer participated in the Executive Board meetings in 2012.

Other members of the Executive Board as of December 31, 2012

Max Alfthan

Chief Strategy Officer, employed 2008
Born 1961, M.Sc. (Econ.)

Primary working experience:

Amer Sports Corporation, Senior Vice President, Communications 2001–2008, Lowe & Partners, Managing Director 1998–2001, Oy Sinebrychoff Ab, Marketing Director 1989–1998

Positions of trust:

Member of the Board: Nokian Panimo Oy 2008–



Risto Gaggl

Senior Vice President, Supply Chain, employed 2011
Born 1968, M.Sc. (Tech)

Primary working experience:

Fiskars, Vice President, Operations, Garden EMEA 2011–2012, Elcoteq SE, Vice President, Business Excellence 2010–2011, Elcoteq SE, Vice President, Business Unit Mobile Devices 2009–2010, Elcoteq Personal Communications, Vice President, Operations & SCM 2008–2009, Elcoteq Group, various management positions in Finland, Hungary and Estonia 2001–2007



Jutta Karlsson

General Counsel, employed 2006

Born 1963, LL.M.

Primary working experience:

LMR Attorneys-at-law, Legal Counsel 2004–2006, Council of the Baltic Sea States (Stockholm), Legal Advisor 2002–2004



Ilkka Pitkänen

Chief Financial Officer, employed 2012

Born 1966, M.Sc. (Econ.)

Primary working experience:

DNA Group, CFO & Deputy to CEO 2010–2012, Metsäliitto Group, Executive Vice President & CFO 2005–2010, KONE Corporation, Vice President, Alliances & Acquisitions 2003–2005, KONE Italy Spa, Financial Director & Group Controller 2000–2003, KONE Corporation, Vice President, Corporate Controller 1998–2000



Executive Team

The Executive Board, Presidents of Fiskars' business areas, Presidents of the EMEA Sales Regions and the heads of Human Resources and IT form the Executive Team of the Company. The Executive Team meets a minimum of four times a year to discuss the implementation of the integrated Company strategy, the implementation of common operating and business models and corporate business performance and opportunities.

Human resources & IT

Timo Leskinen

Vice President, Human Resources, employed 2009

Born 1970, Master of Psychology

Primary working experience:

Nokia, Nokia Services, Director Human Resources 2008–2009, Nokia, Nokia Customer and Market Operations, Director, Human Resources 2006–2008, Nokia, Nokia Ventures Organizations, Director, Head of Operations 2004–2006, Nokia, Human Resources Manager 2000–2003, Various Human Resources Consultant positions in Finnish HR consulting companies 1997–2000



Frans Westerlund

Chief Information Officer, employed 2009

Born 1966, M. Sc. (Econ.)

Primary working experience:

Nokia, Director, Process and System Solutions in Nokia Markets 2006–2009, Nokia, Director, Delivery Management in Nokia Information Management 2001–2006, Nokia, Manager, Application Services in Nokia Singapore 2001, Nokia, various positions in Nokia Information Management 1994–2001



EMEA Sales Regions

In May 2012, Fiskars introduced a new matrix organization for the EMEA region to accelerate growth. As of September 1, 2012, two new sales regions – North and Central – assumed commercial responsibility for their respective regions. The heads of country sales units, who previously reported to either the Home or Garden EMEA business areas, now report to the respective Sales Region President.

Jakob Hägerström was appointed President, Sales Region North and Axel Goss was appointed President, Sales Region Central. Both report to Fiskars' President and CEO, Kari Kauniskangas.

The Executive Board follows the sales regions' performance and plans using monthly and quarterly reports and meets regularly with the Presidents of the Sales Regions to follow up on key activities and to address sales and business development.

Axel Goss

President, Sales Region Central, EMEA, employed 2012
Born 1961, M.Sc. (Econ.)

Primary working experience:

Reckitt Benckiser, Area Sales Director, Europe 2006–2012, Reckitt Benckiser, Director, Global Customer Development, Global Sales 2001–2006, Reckitt Benckiser, Regional Sales Director, Europe, Private Label 1998–2000



Jakob Hägerström

President, Sales Region North, EMEA, employed 2009
Born 1971, M.Sc. (Econ.)

Primary working experience:

Fiskars Home, Vice President, Sales 2009–2011, Samsung Electronics Nordic Ab, Head of Marketing, Finland 2009, L'Oréal Finland Oy, General Manager, Consumer Products Division 2005–2008, L'Oréal Finland Oy, Product and Marketing Manager 1999–2003



Business Area Management

Fiskars Group has four reporting segments: EMEA (Europe, Middle East and Asia-Pacific), Americas, Wärtsilä (associated company) and Other (Real Estate, corporate headquarters and shared services).

The Company has three business areas: Home, Garden and Outdoor. The three business areas are managed under the two geographical segments: EMEA and Americas. The Presidents of Fiskars' business areas are responsible for the day-to-day operations and development of their business areas and for ensuring that their businesses comply with the requirements of local laws and regulations and Fiskars' Code of Conduct.

They are also responsible for ensuring that the subsidiaries associated with their businesses have the appropriate resources needed for their businesses.

The Presidents of each business area are assisted in these duties by the business areas' leadership teams and the

leaders of sales regions and sales units. To facilitate close co-operation between the sales units and business units, the Presidents of EMEA sales regions participate in EMEA business area leadership team meetings.

The Executive Board follows the business areas' performance and plans using monthly and quarterly reports and meets regularly with the Presidents of the business areas to follow up on key activities and to address strategies for business areas, brands and categories, as well as business model implementation.

In 2012, Fiskars' business area Presidents were as follows:

- Thomas Enckell, Garden EMEA
- Teemu Kangas-Kärki, Home as of March 2 and Jaakko Autere until March 2, 2012
- Jason Landmark, Outdoor
- Juha Lehtola, Boats
- Paul Tonnesen, Garden & SOC, Americas

Business Area management as of December 31, 2012

Thomas Enckell

President, Garden, EMEA, employed 2007
Born 1963, M.Sc. (Econ.)

Primary working experience:

Iittala Group, Sales Director, Wholesale 2007, Iittala Group, Group Director, Iittala Brand and International Sales 2003–2007, Iittala Group, Business Area Director 2000–2003, Designor, Business Area Director 1996–2000

Positions of trust:

Member of the Board: Stala Oy and Stala Tubes Oy 2008–



Teemu Kangas-Kärki

President, Home, employed 2008
Born 1966, M.Sc. (Econ.)

Primary working experience:

Fiskars Corporation, Chief Financial Officer 2008–2012, Alma Media Corporation, Chief Financial Officer 2003–2008, Kesko Group, Vice President, Corporate Controller 2002–2003, Kesko Group, Corporate Business Controller 2000–2001, Suomen Nestlé Oy, Finance Director 1999–2000, Smith & Nephew Oy, Financial Manager 1996–1998, Unilever Oy & GmbH, Marketing Controller and Internal Auditor 1992–1996



Jason Landmark

President, Outdoor, Americas, employed 2001
Born 1967, B. Sc. (Management & Marketing)

Primary working experience:

Gerber, Vice President, Sales, Marketing & Customer Service 2001–2004, Newell Rubbermaid, National Sales Manager 1997–2001, Newell Rubbermaid, various sales, marketing and product-related roles with multiple divisions 1990–1997



Juha Lehtola

President, Boats, employed 2009
Born 1966, M. Sc. (Econ.)

Primary working experience:

Stora Enso Oy, Senior Vice President 2007–2009, Stora Enso Oy, Vice President, New Business Innovations 2003–2007, Stora Enso Oy, Vice President, New Business Areas 2002–2003, Stora Enso Packaging Sp., Managing Director 1999–2002



Paul Tonnesen

President, Garden & SOC, Americas, employed 2007

Born 1964, MBA, B. Sc. (Marketing)

Primary working experience:

Elmer's Products, Inc., Corporate Officer and Senior Vice President Global Sales and Customer Service 2005–2007, Spectrum Brands, Corporate Officer and Vice President Sales 2002–2005, American Safety Razor, Corporate Officer and Vice President Sales and Category Marketing 1998–2002

Positions of trust:

Member of the Board: Milwaukee Institute of Art & Design 2011–, Boys and Girls Club 2011–, Le Moyne College School of Business 2011–



INTERNAL CONTROL, RISK MANAGEMENT, AND INTERNAL AUDIT

The Board of Directors is responsible for the appropriate management and organization of operations. In practice, it is the responsibility of the President and CEO, together with the management, to put in place and administer accounting and control mechanisms and other similar mechanisms.

The Group's financial performance is reviewed monthly using a reporting system that covers all units and operations. The business areas are run by their own leadership teams. With the support of the Corporation, the business areas are responsible for the day-to-day risk management associated with their operations.

The Risk Management function supports identification, evaluation, and management of risks that may threaten the achievement of Fiskars' business goals.

The Internal Audit function is responsible for auditing and reviewing how well internal control systems function, the appropriateness and efficiency of functions, and how well guidelines are observed.

The Internal Audit function also strives to promote the development of risk management practices in the Group's business units. The Parent Company has an internal audit manager, who is administratively subordinate to the President and CEO, but reports to the Audit Committee.

Insider matters

Fiskars applies the insider regulations of NASDAQ OMX Helsinki that came into force on October 9, 2009. In addition, the Company has its own insider regulations that were last updated on September 1, 2012.

The Company's Public Insiders include the members of the Board, the President and CEO, the Executive Board, the Presidents of the business areas and EMEA sales regions and the Company's Auditors. Fiskars also has a Company-specific insider register as well as a separate project-based

register which is maintained for projects that, on completion, may have an impact on the Company's share value.

Fiskars Corporation's Legal Department maintains lists of insiders. Information on Public Insiders can be consulted at Euroclear Finland Ltd., Urho Kekkosen katu 5 C, 00100 Helsinki, tel. +358 20 770 6000 and the Company's website, www.fiskarsgroup.com.

Audit

The Company's Auditor was KPMG Oy Ab, Authorized Public Accountants, with Virpi Halonen, APA, as Senior Auditor.

A total of EUR 0.7 million was paid in audit fees to the auditors employed by Group companies in 2012. In addition, a total of EUR 0.8 million was paid to the auditors in fees for other consultancy services related to tax matters and other advisory services.

Communications with the markets

Fiskars' aim is to provide all market participants with accurate, up-to-date, and sufficient information on the Company. Details on the Company's administration and control system can be consulted on the Company's website, where stock exchange releases are published immediately after disclosure, and other key investor material is also available.

Fiskars has adopted a silent period of three weeks prior to the publication of results. During this period, no comments on the market situation or Company prospects will be made by Fiskars.

THE MAIN FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS RELATED TO THE FINANCIAL REPORTING PROCESS

The financial reporting process refers to activities that generate financial information used in managing the Company and the financial information published in accordance with the requirements of legislation, standards, and other regulations covering the Company's operations.

Internal control related to the financial reporting process

The role of internal control is to ensure that the Company's management has access to up-to-date, sufficient, and essentially accurate information needed for managing the Company and that the financial reports published by the Company provide an essentially accurate view of the Company's financial position.

Structure

Fiskars has four operational segments and three business areas. All the business areas have their own financial management organizations.

The business units that operate under the business areas comprise the base level of financial reporting. Business units are responsible for organizing their own financial management and for the accuracy of their financial reporting. The Parent Company also has a Group-level financial management organization that operates under the leadership of the CFO. The financial management organizations of the business areas and the Group as a whole are responsible for monitoring the operations of the finance departments of individual business units. The Internal Audit function audits and monitors the efficiency of the reporting process and assesses the reliability of financial reporting.

Financing and financial risk management belong to the Group Treasury function under the responsibility of the CFO.

Management

Setting and monitoring financial targets is an important part of Fiskars' management responsibilities. Short-term financial targets are set as part of the annual planning cycle, and progress in achieving these targets is monitored on a monthly basis. Business units report actual financial data monthly and file a projection of how financial performance is expected to develop over the remainder of the reporting period.

Information from business units is consolidated and validated by the Group's financial organization and the data is used to prepare a monthly report for senior management. Monthly reports contain condensed income statements for Fiskars' operational segments and business areas, key indicators, and an overview of the major events affecting their businesses. Reports also include a consolidated income statement, balance sheet data, cash flows, and a projection of the expected development of the financial situation covering the remainder of the reporting period. The Group's Audit Committee, the Group's Board of Directors, the Corporate Management Team, and the leadership teams of each business area monitor the development of the financial situation and analyze progress on targets on a monthly basis.

Financial IT systems

Business units make use of a number of different accounting and financial reporting systems. Group-level financial reporting is handled using one centrally-managed system.

Business units and business areas are responsible for providing data for the Group's reporting system. The Group-level financial management organization is responsible for maintaining the Group's reporting system and for monitoring that appropriate and correct data is fed into the system.

As part of the five-year development program the Company will implement a common enterprise resource planning system (ERP) in the EMEA region in order to simplify the financial reporting process and reduce risks associated to the management of several different systems in parallel. The implementation of the new system will be performed in steps. The first implementation took place in late 2011, and the implementation of the system in the countries began during 2012. The most important implementations will take place in 2013 and 2014.

Guidelines

Financial reporting is governed by a set of common principles. The Group applies the IFRS accounting standards approved within the EU and has a common Group chart of accounts. The Group's financial management organization has drawn up guidelines for units, covering the content of financial reporting and the dates within which reporting must take place.

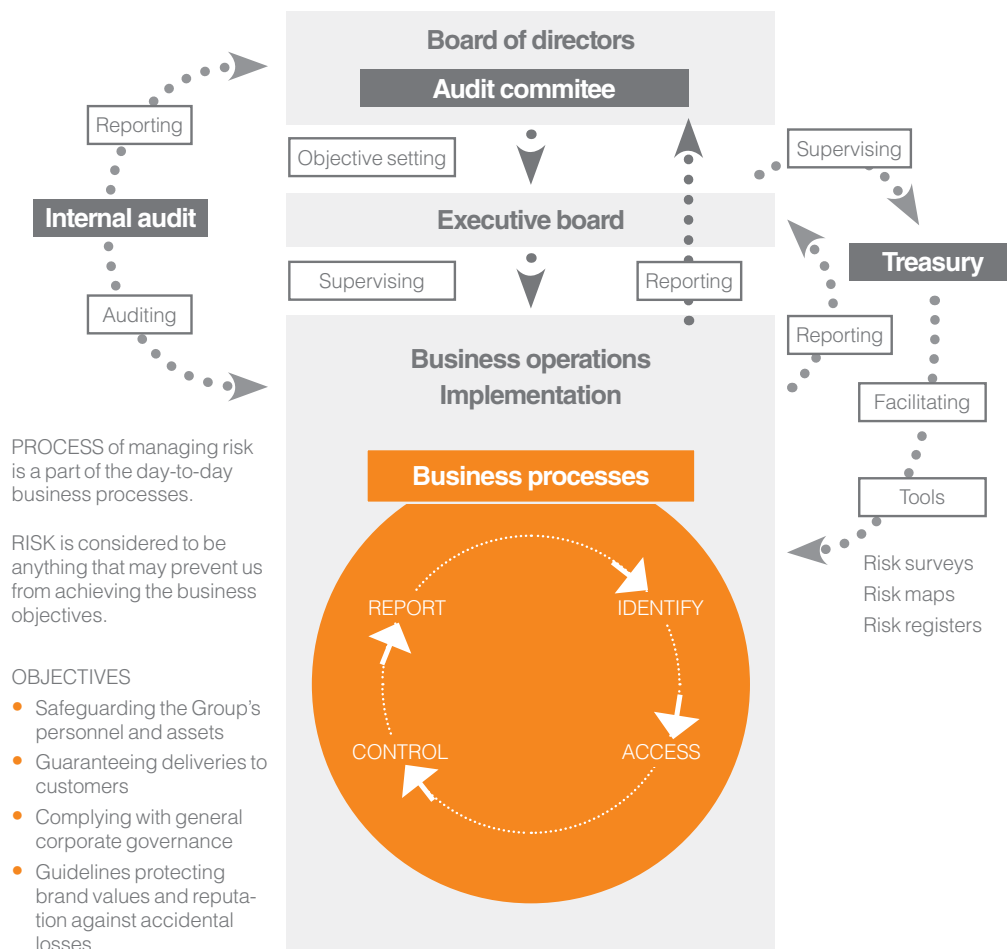
Risk management related to the financial reporting process

The task of risk management is to identify potential threats affecting the financial reporting process that, if they were to become reality, could lead to a situation in which management lacked the up-to-date, sufficient, and essentially accurate information needed to manage the Company and in which financial reports published by the Company did not provide an essentially accurate picture of the Company's financial position.

Fiskars manages the risks associated with its financial reporting process in a number of ways including the following: maintaining and resourcing an appropriate financial management organization, limiting the rights and responsibilities of individual members of staff appropriately, managing the user rights that give access to the Group's reporting system centrally, issuing guidelines on accounting and reporting, maintaining a common Group chart of accounts, making effective use of IT tools, providing ongoing training for personnel, and validating the accuracy of information that is reported as part of the reporting process.

The Company is currently unifying its financial processes and implementing modern IT tools as part of its five-year development program in the EMEA region. With regards to risk management the objectives are to increase the number of internal checks and controls and to improve the transparency and quality of information used in management decision-making.

Risk management framework



RISK MANAGEMENT

The overall objective of risk management is to identify, evaluate, and manage risks that may threaten the achievement of the Company's business goals. The aim is to secure personnel and assets, ensure the uninterrupted delivery of products to customers, and protect the Company's reputation, brands, and shareholder value from developments or damage that may undermine the Company's profitability or adversely affect its assets.

The principles observed in risk management are included in the risk management policy approved by the Board of Directors. The latter's Audit Committee oversees the efficiency of risk management systems. Responsibility for identifying, evaluating, and also, to large extent, managing Fiskars' risks is delegated to business units and support functions. The Group Treasury is responsible for developing and maintaining the methods, tools, and reporting associated with risk management. In addition, it carries out regular risk assessments together with business units and support functions and assists in the preparation of action plans based on the results of these assessments.

Fiskars has taken out extensive insurance to provide cover for the Group's main assets, possible business interrup-

tions, transportation and liabilities. Insurance matters, with the exception of certain types of local insurance, are managed centrally by the Group Treasury. The Group Treasury manages financial risks in accordance with principles approved by the Board of Directors.

Principal uncertainties

Customer relationships and distribution

As Fiskars produces and sells consumer products, general market conditions and a decline in consumer demand in key market areas in Europe and North America could have a material adverse effect on the Company's net sales and profitability.

Fiskars' products are primarily sold to wholesalers, retailers, and directly to consumers through its stores. Sales to large individual customers are significant in some businesses, but none of the customers account for more than 10% of the total net sales of the Group. As some major customers decide on their product range and suppliers only once annually, failure to meet customer needs may result in Fiskars losing customers, and the loss of even a small number of major customers or disruption in the activities of a specialized distribution channel could have an adverse effect on Fiskars' business and profits.

Supply chain

A significant proportion of the products sold by Fiskars are manufactured by external suppliers and, in addition, the Company purchases components and raw materials from several suppliers. By making greater use of outsourcing the Company is increasingly exposed to risks related to its outsourced supply chain. Most of the suppliers are located in Asia, which is far from the Company's key markets, and disturbances at the source of supply or in the logistics chain could prevent the orderly delivery of products to customers.

Fiskars is also increasingly exposed to legal, economical, political and regulatory risks related to the countries of its suppliers. When selecting its suppliers, the Company emphasizes delivery performance, suppliers' ability to react to changes in demand, quality and ethical aspects of suppliers' operations. Fiskars requires its partners to commit to principles covering labor and human rights, health and safety, the environment, and business ethics. Suppliers are required to follow Fiskars' Supplier Code of Conduct, and audits are carried out to verify compliance.

The importance of a seamlessly functioning supply chain continues to increase and Fiskars is continuously strengthening its global sourcing operations. The Company currently runs regional sourcing offices in Shanghai, Bangkok and Helsinki and focuses on value creation by harmonizing sourcing processes and supplier-base management principles on a global scale.

Raw materials and components

The most important raw materials used in Fiskars' products are steel, aluminum, and plastics. Sudden fluctuations in raw material, component and energy prices or availability can have an impact on the Company's profitability. Fiskars uses long-term contracts with some of its raw material suppliers to manage price risks, and derivatives are used to hedge the price of electricity for production plants in Finland.

Currency rates

A significant part of the Group's operations are located outside of the euro zone. Consolidated financials are reported in euros and changes in foreign exchange rates may have an adverse impact on the reported net sales of the Group, its operating results and balance sheet. Changes in foreign exchange rates may also impact Fiskars' competitiveness negatively. The Company aims to manage currency risks related to commercial cash flows primarily through business means. Acquisition of production inputs and sale of products are primarily denominated in the local currencies of the Group companies. Most of the estimated exports and imports in foreign currencies are hedged up to 12 months in advance.

Brands and corporate reputation

Fiskars has a number of global, regional and local brands in its portfolio. Any adverse event affecting consumer confidence could have a detrimental impact on its business.

Fiskars monitors the performance of its leading brands closely, and is committed to taking appropriate action to mitigate any threat to brand value.

Weather and seasonal dependence

Some product groups, particularly garden tools during the spring and snow tools during the winter, can be affected by the weather. Unexpected weather conditions can have a negative impact on sales of these products. Sales of homeware products are heavily geared towards the last quarter of the year, and any negative issues related to product availability or demand during this quarter could affect the full-year result of this business significantly.

Investment program in the EMEA region

In December 2010, Fiskars launched a five-year development program in the EMEA region with an investment of approximately EUR 50 million. This program will enable the Company to create a more streamlined supply chain and improve transparency using common processes and IT systems, including a new common enterprise resource planning (ERP) system. The program may be delayed or not achieved if the Company fails to execute the program as planned. A dedicated project team, also including external advisors, has been established to implement the program. The corporate management team monitors the progress of the program and the project's status is regularly reported to the Board of Directors.

Acquisitions

Despite a careful due diligence process, all acquisitions include risks. Fiskars mitigates these risks by planning the integration of acquired businesses in advance, by establishing Fiskars' corporate governance principles immediately after the takeover, by setting up a joint integration team and by following the integration and the development of the new company intensively within its corresponding management team, the Executive Board and the Board of Directors of Fiskars.

Associated company

Fiskars has a substantial investment in an associated company, Wärtsilä Corporation. Major changes in Wärtsilä's share price, profitability, or dividend would have a material impact on Fiskars.

REMUNERATION STATEMENT

BOARD'S REMUNERATION

The Annual General Meeting decides on the remuneration of the Board of Directors. The Board's Nomination Committee is responsible for preparing proposals for the General Meeting of Shareholders on the remuneration of Board members.

In 2012, the Annual General Meeting decided on the following annual remuneration for the members of the Board of Directors:

- Chairman of the Board: EUR 80,000
- Vice Chairman of the Board: EUR 55,000
- Members of the Board: EUR 40,000

In addition, the Board members are paid EUR 600 per Board or Committee meeting, the Chairman of the Board EUR 1,100 per Board and Committee meeting, and the Chairman of the Audit Committee EUR 1,100 per Audit Committee meeting. In addition, members are reimbursed for their travel and other expenses incurred as a result of their activities on behalf of the Company.

Compensation paid to the members of the Board totaled EUR 516,000 in 2012. The members of the Board are not included in Fiskars' incentive schemes and they are not employed by the Company.

Remuneration paid to the members of the Board of Directors for the year 2012

Name	Annual remuneration (EUR)	Meeting remuneration (EUR)	Total (EUR)
Kaj-Gustaf Bergh, Chairman	77,500	20,900	98,400
Alexander Ehrnrooth, Vice Chairman	53,750	10,200	63,950
Paul Ehrnrooth, Vice Chairman	53,750	9,600	63,350
Ralf Böer	38,750	10,200	48,950
Louise Fromond	38,750	8,400	47,150
Gustaf Gripenberg, Chairman, Audit Committee	38,750	11,000	49,750
Ingrid Jonasson Blank	38,750	10,200	48,950
Karsten Slotte	38,750	7,800	46,550
Jukka Suominen	38,750	10,200	48,950
Total	417,500	98,500	516,000

One-off consultancy fee awarded by the Board to the Chairman in Q2 2012

In Q2 2012, the Board awarded the Chairman of the Board a one-off discretionary consultancy fee of EUR 200,000 for consultancy work related to the negotiation and completion of the partnership agreement between Fiskars Group and Investor AB regarding the long-term ownership of Wärtsilä.

FISKARS' COMPENSATION PHILOSOPHY

Fiskars' compensation philosophy is based on its core belief that all things – even the simplest – can be made better and smarter through our continuous quest for improvement. Our compensation structures are designed to be market-relevant and performance-based – outstanding performance is rewarded more than average performance. For most of Fiskars' employees, from factory floor to senior management, compensation consists of a base salary, bonus and benefits. The total compensation including bonus should be competitive against the relevant market. For all employees, salary is based upon home country, level of responsibility, contribution to the business, experience and performance. The bonus practice is based upon a philosophy of continuous improvement, which means that Fiskars pays bonuses only when it is able to improve business performance compared to the previous year.

MAIN FEATURES OF THE EXECUTIVE BOARD'S REMUNERATION

The Board appoints the Managing Director (President and CEO) and confirms the terms of his employment and other compensation. The Board is also responsible for appointing the members of the Executive Board, approving their terms of employment and other compensation, and deciding on the principles for the Group's compensation systems. The Compensation Committee is responsible for preparing matters related to these topics.

In addition to base salary, Fiskars offers its executives variable pay programs to further promote high performance. The company has established an Annual Bonus Plan and a Long-term Incentive Plan.

Executive Board members have voluntary, contribution-based additional pension insurance. Fiskars Corporation has no share option programs in place.

Incentive Plan design

Both Fiskars' Annual Bonus Plan and its Long-term Incentive Plan are designed to reward for achievements against pre-established goals. Incentive Plan participants are assigned a "target level" that will dictate the incentive payout as a percentage of base pay. Incentive targets represent an overall target opportunity and are not a guarantee that a payout will be made.

Actual incentive payments will be made on the basis of performance against "plan metrics". The plan metrics may consist of a mix of financial metrics, operational metrics and personal goals. The potential payout ranges from nothing to a maximum percentage of each participant's annual salary. The maximum level for the President and CEO and the other members of the Executive Board is 1.5 times the target level.

Participants in the Long-term Incentive Plan are selected by the Board of Directors annually, and the Board also decides on the earning criteria based on financial targets for the plan annually. The long-term incentive targets are purely financial and, in 2012, they were tied to the company's consolidated net sales and operative cash flow.

The earning period for the Long-term Incentive Plan is one year, which is followed by a two-year vesting period. The bonus will be paid during the quarter following the vesting period. The first long-term incentive bonuses, relating to performance in 2009, were paid in the first quarter of 2012.

Principles of the President and CEO's incentive scheme in 2012

	Minimum	Target	Maximum	Maximum final payout after vesting period *
Annual Bonus Plan, % of annual base salary	0	60%	80%	N/A
Long-term Incentive Plan, % of annual base salary	0	60%	90%	135%

* Depending on the development of the value of the Company's shares related to its own operations, excluding Wärtsilä's impact on the share price.

Principles of the Executive Board's incentive scheme in 2012

	Minimum	Target	Maximum	Maximum final payout after vesting period *
Annual Bonus Plan, % of annual base salary	0	20–60%	30–90%	N/A
Long-term Incentive Plan, % of annual base salary	0	20–40%	30–60%	45–90%

* Depending on the development of the value of the Company's shares related to its own operations, excluding Wärtsilä's impact on the share price.

The bonuses for performance in 2012 will be paid during the first quarter of 2015.

A positive change in the value of the Company's shares related to its own operations (excluding the impact of Wärtsilä on the share price) during the vesting period may increase the final payout by up to 50%.

PRESIDENT AND CEO'S REMUNERATION

The President and CEO's compensation consists of a salary, annual bonus and the Long-term Incentive Plan. The President and CEO's target bonus corresponds to 60% of his annual salary. In 2012 the financial targets of the Annual Bonus Plan were related to net sales growth, EBT excluding Wärtsilä, and gross profit margin and cash flow. The financial targets of the Long-term Incentive Plan were related to net sales and EBIT.

The President and CEO is provided with a voluntary supplementary contribution-based pension, under which the Company contributes 20% of his annual salary excluding bonuses.

The President and CEO's employment contract will end when he reaches the age of 60. The President and CEO and the Company have a notice period of six months. Remuneration on dismissal by the Company is 12 months' basic salary, in addition to salary for the six-month notice period.

The salary, benefits, and bonuses paid in 2012 to the President and CEO, Kari Kauniskangas, totaled EUR 1,047,598. Basic salary accounted for EUR 403,744, bonuses for the 2011 result came to EUR 234,354 and bonuses for 2009 through the Long-term Incentive Plan came to EUR 409,500.

During the 2012 earning period, the President and CEO earned bonuses through the Long-term Incentive Plan, excluding any possible increase due to changes in the share price, of EUR 95,256. These long-term bonuses for performance in 2012 will be paid during first quarter of 2015.

Principles of the President and CEO's Long-term Incentive Plan 2013-2014

In August 2012, the Board of Directors decided to launch a revised Long-term Incentive Plan for the President and CEO and set his targets for the earning periods of 2013 and 2014 in order to compensate him for accelerated profitable growth and reward him for continuously improving performance.

The President and CEO's compensation level in 2014 was set at 30–270% of his annual salary. The final payout is, however, dependent on the Company's share price development during the vesting period. A positive change in the value of the Company's shares related to its own operations (excluding the impact of Wärtsilä on the share price) may increase the final payout by up to 200 % and a negative change may decrease the final payout by up to 50%.

The earning period for the bonus is one year, which is followed by a vesting period. Half of the bonus vests after one year and the other half vests after two years. The final bonus will be paid during the quarter following the vesting period.

EXECUTIVE BOARD'S REMUNERATION

The Executive Board's Annual Bonus Plan in 2012 was designed to provide a target bonus equivalent to 20–60% of their annual salary. The earning criteria were tied to the Group's financial targets and, secondarily, to personal, function-specific targets. In 2012, the financial targets were mainly related to net sales growth, EBT excluding Wärtsilä, and gross profit margin. Members of the Executive Board can also be included in a Long-term Incentive Plan.

The members of the Group's Executive Board have voluntary, contribution-based additional pension insurance under which the Company contributes 14–20% of their annual salaries excluding bonuses. Their retirement ages vary between 60 and 68 years.

In 2012, salaries, benefits, and bonuses paid to the members of the Executive Board (excluding the President and CEO) totaled EUR 1,392,330. Basic salaries accounted for EUR 722,586. Bonuses for the 2011 result came to EUR 255,740 and bonuses paid through the Long-term Incentive Plan for 2009 amounted to EUR 414,005. During the 2012 earning period, bonuses earned through the Long-term Incentive Plan, excluding any possible increase due to changes in the share price, totaled EUR 70,936 for the Executive Board (excluding the President and CEO). These bonuses will be paid during the first quarter of 2015.

Remuneration of the new CFO

Fiskars appointed Ilkka Pitkänen as the Group's new CFO as of September 2012. When he joined the company, he agreed to purchase Company shares equivalent to the net amount of his signing bonus, which was EUR 72,750. These shares have a lock-up period lasting until 2015.

Remuneration of the President and CEO in 2012

	2012	2011
Basic salary (EUR)	403,744	389,816
Annual bonus for previous year (EUR)	234,354	256,648
Bonus paid through long-term incentive plan (EUR)	409,500	n/a
Total (EUR)	1,047,598	646,464
Voluntary pension contribution by the company (EUR)	77,963	76,042

Remuneration of the other members of the Executive Board* in 2012

	2012	2011
Basic salary (EUR)	722,586	753,631
Annual bonus for previous year (EUR)	255,740	284,732
Bonus paid through long-term incentive plan (EUR)	414,005	n/a
Total (EUR)	1,392,330	1,038,363
Voluntary pension contribution by the company (EUR)	98,736	133,750

* Including Teemu Kangas-Kärki until March 2, 2012, Interim CFO Jyri Virrantuomi March 2 - August 30, 2012, Ilkka Pitkänen as of September 1, 2012, Hille Korhonen until October 31, 2012 and Risto Gaggl as of November 20, 2012.

Bonuses earned and accrued through the Long-term Incentive Plan

Earning period	2010	2011	2012
To be paid*	2013	2014	2015
CEO (EUR)	271,740	286,230	95,256
Other members of the Executive Board (EUR)	211,142	220,942	70,936

* after having been adjusted by share price multiple.