REMUNERATION STATEMENT 2013

CONTENTS

Introduction

This remuneration statement describes Finnair's remuneration policies and the remuneration of the senior management, i.e. the Board of Directors, the CEO and the members of the Executive Board in 2013. Further information is also available on the company website at www.finnairgroup.com. We have prepared this remuneration statement based on Recommendation 47 of the Finnish Corporate Governance Code for Listed Companies published by the Finnish Securities Market Association, and it also covers other key components of remuneration that we believe the readers are interested in.

Remuneration structure

Finnair's aim is to recruit, motivate and develop employees to allow them to successfully implement the company's strategy. A motivating, fair, competitive and transparent remuneration structure has a significant effect on the company's ability to achieve this aim. Remuneration must also be competitive in terms of its costs. From the perspective of the competitive situation in the aviation industry and the implementation of Finnair's strategy, it is essential that the labour costs for all personnel groups are in line with market level.

Remuneration and incentive structures take into consideration the effectiveness and costs of different forms of remuneration. Finnair's remuneration policies are compliant with local legislation, regulations and practices. The overall remuneration of Finnair's different personnel groups are compared annually to the local pay levels in similar tasks in every country in which the company operates.

The salary and other incentive structures applicable to the CEO, the members of the Executive Board, senior salaried employees, engineers and personnel based in units abroad are as follows:

I. **Fixed pay**: base salary, based on Finnair's job grading
II. **Variable pay**: short and long-term incentives linked to company and individual performance
III. **Employee benefits**: perquisites and other personnel benefits

Salaries, addendums and other compensation components of personnel groups other than those mentioned above are, for the most part, defined in their respective Finnish collective agreements. For these groups, Finnair's labour costs determined by collective agreements are substantially higher than current market levels. Outside Finland, Finnair follows the pay practices and collective agreements of each country of operation. At the end of 2013, Finnair's EUR 200 million performance improvement program had achieved the targeted cost reductions of approximately EUR 155 million in areas other than labour costs. The majority of the EUR 60 million supplementary cost reduction program, announced in October 2012, is targeted at personnel costs, with the aim of achieving labour costs that are in line with market levels. Collective labour agreements are available on the company website at www.finnairgroup.com

Employment benefits for all personnel include a staff ticket benefit in line with company policy, as well as a Sickness Fund for employees based in Finland. Certain personnel groups also have a car benefit and mobile phone benefit in line with company policy.

Finnair aims to make work rewarding and interesting through not only monetary incentives, but also by offering opportunities for development and job rotation within the company. Finnair systematically develops the competencies of employees and aims to create opportunities for promotions according to employees' development. Employees are satisfied at Finnair, as evidenced by a high average duration of employment and a very low employee turnover.

Computational monthly earnings of Finnair's Finnish personnel groups in 2013**

Employee Group	25% quartile*	Median*	75% quartile*	2012 Median*
Executive Board	17,634	18,998	23,167	19,787
Finnish Airline Pilots' Association (SLL)	7,511	10,469	15,105	10,089
Management positions	7,502	9,004	12,502	9,118
Finnair White-Collar Employees Association	4,553	5,333	5,998	5,134
Finnair Engineers' Association	4,907	5,305	6,645	5,224
Finnair Technical Employees' Association	4,189	4,877	5,644	4,714
Finnish Aviation Union (IAU), Technical services	3,803	4,577	4,991	4,349
Finnish Cabin Crew Union (SLSY)	3,575	4,152	4,795	4,201
Finnish Aviation Union (IAU), Ground services	3,457	3,825	4,315	3,674
Finnish Aviation Employees Association	3,214	3,486	3,963	3,434

* The median pay describes the average salary of each group, or the point where half of the employees in the group earn more than the amount, and half earn less. One quarter of the employees earn less than the lowest quartile and one quarter of the employees earn more than the highest quartile.

** Computational monthly earnings: Taxable gross earnings divided by 12 months.

The calculations only include employees who earned pay for the full year. Temporary cabin crew layoffs have been eliminated from the calculations. The calculations do not include tax exempt benefits or other untaxed forms of compensation, such as daily allowances. Also rewards from the share plans (long-term incentive program for key personnel, employee share savings plan) are excluded. The data does not include pilots in supervisor roles.

Average years of service in different personnel groups in 2013

Personnel Group	Average Years of Service
Executive Board	7.37
Management positions	13.65
Finnish Airline Pilots' Association (SLL)	15.20
Finnair White-Collar Employees Association	15.77
Finnair Engineers' Association	21.62
Finnair Technical Employees' Association	25.62
Finnish Aviation Union (IAU), Technical services	20.66
Finnish Cabin Crew Union (SLSY)	19.39
Finnish Aviation Union (IAU), Ground services	16.71
Finnish Aviation Employees Association	18.85
All	**18.34**

Finnair's goal is to have a motivating, fair, competitive and transparent remuneration structure

Base salary is based on job grading

Finnair uses job grading as the basis for determining the base salary of the CEO, members of the Executive Board, senior salaried employees, engineers and personnel based in units abroad.

Job grading is based on the significance of the job and responsibility within the organisation, rather than hierarchical reporting relationships. Job grading is tied to the job. If a person changes from one job to another, his or her job grade may change. From the point of view of both personal and organisational development, maintaining mobility between grades is important. During his or her career, an employee can move horizontally between jobs with the same grade, or vertically between jobs with different grades.

Variable pay linked to company and individual performance

The aim of variable pay in the form of short and long-term incentives is to achieve a flexible and incentivising pay structure that is linked to the company's success and the individual's own performance. In addition, long-term share-based incentives are aimed at committing key individuals and management to the company and to bring their interests in line with the interests of shareholders. Performance targets are set by Finnair's Board of Directors.

Short-Term Incentives (STI)

Short-term incentive scheme

Finnair utilises performance-driven short-term incentives throughout its management. The incentive scheme is comprised of a process of target setting, performance evaluation and performance review. At the target level, the short-term variable pay ranges from 2.5–30% of base salary, depending on the job grade. If an individual exceeds his or her targets substantially, the variable pay may, at a maximum, reach 5–60% of the annual base salary.

The final amount of the variable pay is determined by Finnair's result factor. The factor multiplies the pay-out by a factor of 0.5–1.5, depending on the company's financial result (operational EBIT). This multiplier is designed to adjust the variable pay to the company's financial performance. The short-term incentive scheme is based on the company's six-month budgeting period and the variable pay is paid semi-annually. The variable pay is calculated based on the individual's base salary for the period in question.

The short-term incentives for the CEO and other members of the Executive Board are determined on the basis of the half-year targets set by the Board of Directors. The targets are based on the company's business targets set by the Board of Directors for the period in question and on the targets set for the business area for which the individual in question is responsible. The short-term incentive for members of the Executive Board corresponded to 20% of the base salary at the target level in 2013 and 40% of the base salary at the maximum level. The corresponding figures for the CEO were 30% at the target level and 60% at the maximum level. The result factor described above also applies to the short-term incentive of the CEO and other members of the Executive Board.

According to the government guidelines issued by the Finnish Cabinet Committee on Economic Policy on 13 August 2013, the short-term incentive for an individual may not exceed 60% of the annual base salary in any given year.

Personnel Fund

Finnair has a Personnel Fund that is owned and controlled by personnel. A share of Finnair's profits is allocated to the fund. The share of profit allocated to the fund is determined on the basis of the targets set by the Board of Directors. The CEO and other members of the Executive Board are not members of the Personnel Fund. In 2013, Finnair allocated EUR 5 million to the Personnel Fund based on the company's result in 2012.

Long-Term Incentives

FlyShare 2013–2014

On 27 March 2013, Finnair's Board of Directors decided to launch FlyShare, an employee share savings plan. The objective of the plan is to encourage employees to become shareholders in the company, and to thereby strengthen the employees' interest in the development of Finnair's shareholder value and reward them in the long term.

Participation in the share savings plan is voluntary. The plan commenced on 1 July 2013, with the first savings period being 12 months. Over 1,000 Finnair employees, or approximately one fifth of all those invited to participate, participated in the first phase of the share savings plan. Subsequent savings periods will be decided on by the Board of Directors.

Through the plan, each eligible Finnair employee is offered the opportunity to save part of his or her salary to be invested in Finnair shares. The maximum monthly savings are 8% and the minimum 2% of each participant's gross base salary per month, with the annual maximum savings set at EUR 8,000 per participant. Shares are purchased with the accumulated savings at the market price quarterly, after the publication dates of Finnair's interim results.

The first purchases of shares were made in October–November 2013. Any dividends paid on purchased shares during the savings period will be automatically reinvested in Finnair shares on the purchase date following the payment of dividend. In spring 2016, Finnair will award each participating employee one share for each two shares purchased. The awarded additional shares are taxable income for the recipient.

To increase the attractiveness of the plan, Finnair awarded 20 bonus shares in October 2013 to each employee that participated in at least the first three months of the plan.

Performance share plan for key personnel 2013–2015

On 7 February 2013, Finnair's Board of Directors decided to launch a new performance share plan for key personnel for 2013–2015. The share plan replaces the previous program, which expired at the end of 2012. The purpose of the share plan is to encourage the management to work to increase long-term shareholder value. The share plan is in line with the government guidelines regarding the remuneration of executive management and key individuals.

The program consists of annually commencing individual plans within which the participants have the opportunity to earn Finnair shares as a long-term incentive reward, provided that the performance targets set by the Board of Directors are achieved. The commencement of each new plan is subject to separate decision by Finnair's Board of Directors.

Each plan contains a three-year performance period which is followed by a restriction period, during which the participant may not sell or transfer the shares received as a reward. The restriction period is three years for the members of Finnair's Executive Board and one year for other participants. In addition, the CEO and members of Finnair's Executive Board are required to accumulate and, once achieved, to maintain, a share ownership in Finnair corresponding to his or her annual base salary as long as he or she holds a position as a member of Finnair's Executive Board.

The potential reward will be delivered in Finnair shares. For members of the Executive Board, the share delivery is split into three share tranches that will be delivered to during the three years following the performance period: 50% in 2016, 30% in 2017 and 20% in 2018. For other participants, the shares will be delivered in two tranches, 50% each, during the two years following the performance period.

As a consequence of transfer from previous fixed three year structure to rolling structure, new plan will not be in full effect until 2018. Because of this, a one-off bridge element has been added to the plan to supplement payments in 2016 and 2017 if separate performance target is reached. No shares will be delivered under the long-term incentive plan in 2014 and 2015.

If the performance criteria set for the plan are met at the target level, the incentive paid in Finnair shares to the CEO or other member of the Executive Board participating in the plan will be 30% of his or her annual base salary. If the performance criteria set for the plan are met at the maximum level, the incentive paid in Finnair shares will be 60% of the participant's annual base salary. For other key personnel, the target level for incentives is 20–25% and maximum 40–50% of the person's average annual base salary according to the job grade.

According to the rules of the share program, the maximum value of shares delivered to an individual participant based on the share program in any given year may not exceed 60% of the person's annual base salary.

The amounts of shares above are stated before tax. The number of shares delivered will be deducted by an amount corresponding to the income tax and transfer tax payable for the incentive at the time of payment.

A person is not entitled to the incentive if he or she resigns or is dismissed before the date of payment. In addition, during the restriction period the Board of Directors is entitled, at its discretion, to reclaim already delivered shares from a person included in the share plan who resigns or whose service in the company is terminated.

The Board of Directors is also entitled, subject to a particularly weighty reason, to change or cancel the incentive or to postpone its payment. The Board of Directors is entitled to remove a participant from the share plan if the person has committed a significant offence or acted in a manner detrimental to the company or contrary to the company's interests.

As of 31 December 2013, the share plan includes 51 persons, including the CEO and 7 members of the Executive Board.

The performance criteria applied to the plan for 2013–2015 are the Group's relative operating EBIT margin growth and decrease in unit costs in European traffic. These two criteria are assigned weights of 60% and 40%, respectively. The performance criterion for the share plan's bridge element is the operating EBIT margin.

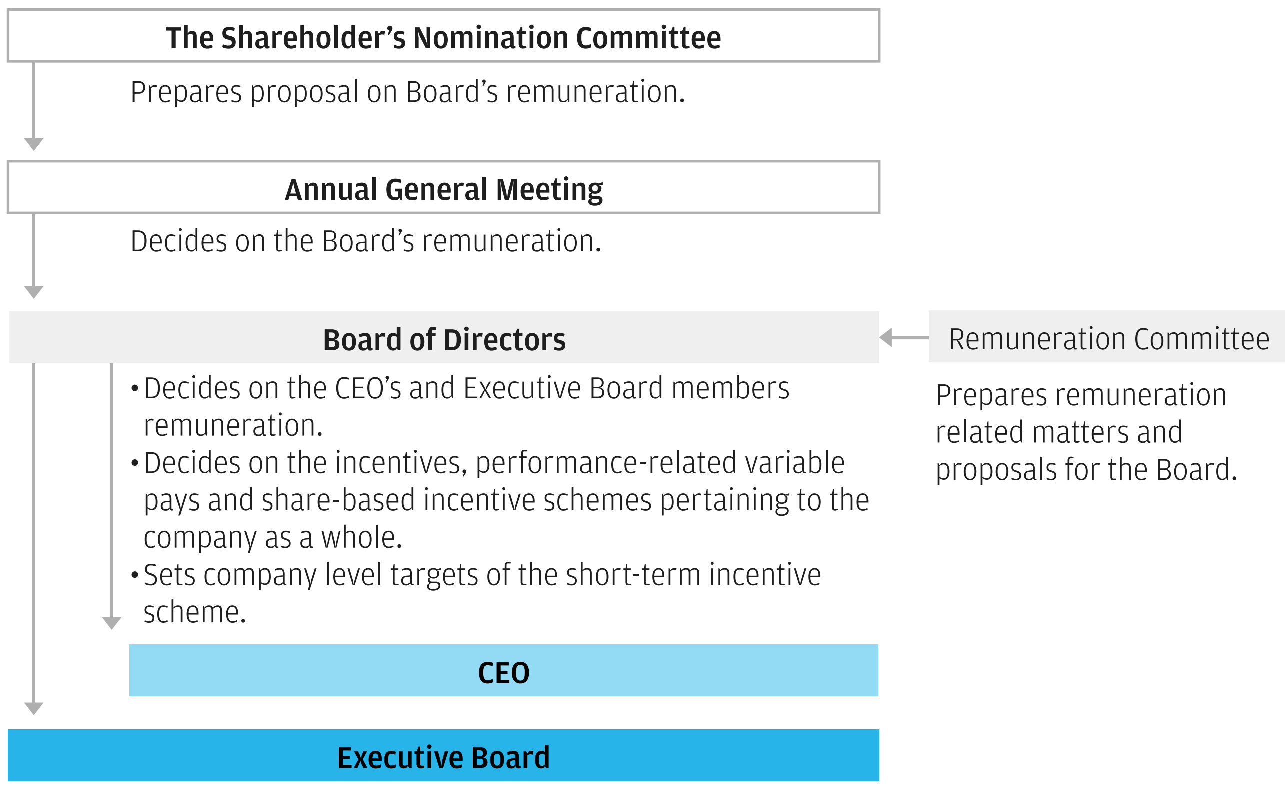
The target levels and maximum levels set for the criteria are based on long-term strategic objectives set by the company's Board of Directors. Performance against the criteria is monitored quarterly.

Management remuneration decision-making procedure

The Board of Directors' remuneration: The Shareholders' Nomination Committee prepares annually its proposal for the remuneration of the members of the Board of Directors. The Annual General Meeting of shareholders makes the final decision on the Board's remuneration.

The remuneration of the CEO and the Executive Board: The Board decides on the salary, incentive schemes and associated targets of the CEO and other members of the Executive Board based on preparatory work carried out by the Board's Remuneration Committee. Decisions on remuneration have been made with consideration of the government guidelines.

Remuneration decision-making procedure



Remuneration of the Board of Directors in 2013

The Annual General Meeting (AGM) decides annually on the remuneration and other financial benefits of the members of the Board of Directors and its committees. The election and remuneration of the members of the Board are prepared by the Nomination Committee formed by the representatives of the company's largest shareholders. The remuneration of the Board of Directors and its committees is paid in cash.

The members of the Board of Directors are not covered by the company's share incentive scheme or other incentive schemes.

The annual remuneration and meeting compensation decided by the 2013 AGM for the members of the Board of Directors are:

- Chairman's annual remuneration, 61,200 euros
- Deputy Chairman's annual remuneration, 32,400 euros
- Other Board members' annual remuneration, 30,000 euros
- Meeting compensation paid to members residing in Finland, 600 euros per Board or committee meeting
- Meeting compensation paid to members residing abroad, 1,200 euros per Board or committee meeting.

The members of the Board of Directors are entitled to a daily allowance and compensation for travel expenses in accordance with Finnair's general travel rules. In addition, the members of the Board of Directors have a limited right to use staff tickets in accordance with Finnair's staff ticket rules. However, the members of the Board of Directors are not in an employment or service relationship with the company and therefore are not entitled to other financial benefits.

Finnair's remuneration for members of the Board of Directors has remained unchanged since 2008.

Remuneration paid to Board of Directors in 2013

	Annual remuneration*	Board meetings	Committee meetings	Meeting compensation	Meeting compensations in total	Taxable income**	Total
Members 1.1.-31.12.2013							
Klaus Heinemann (chairman from 27.3.2013)	53,400	11/11	6/6	1,200	21,600	0	75,000
Harri Kerminen (deputy chairman)	34,200***	11/11	11/12	600	15,300	1,795	51,295
Maija-Liisa Friman	30,000	11/11	6/6	600	12,300	10,722	53,022
Gunvor Kronman	30,000	11/11	6/6	600	12,000	7,707	49,707
Jussi Itävuori	30,000	11/11	6/6	1,200	21,600	3,580	55,180
Merja Karhapää	30,000	11/11	5/6	600	10,800	2,729	43,529
Members 1.1.-27.3.2013							
Harri Sailas (chairman)	15,300	3/3	2/2	600	4,200	1,690	21,190
Members 27.3.-31.12.2013							
Antti Kuosmanen	22,500	8/8	2/2	1,200	7,800	3,187	33,487

Remunerations paid to the Board in 2013. Remuneration for some of the 2012 meetings was paid in early 2013 and is included in the reporting above.

* The remuneration is expressed at the annual level but paid in monthly instalments.

** Taxable benefits include Finnair staff tickets. The members of the Board have a right to use staff tickets in accordance with Finnair's staff ticket rule.

*** Annual remuneration of Harri Kerminen includes EUR 1,800 of unpaid remuneration from 2012.

Management remuneration in 2013

In 2013, Finnair's CEO was Mr Mika Vehviläinen (until 28 February 2013) and Mr Pekka Vauramo (from 1 June 2013). Mr Ville Iho served as Acting CEO from 27 January 2013 to 31 May 2013. In 2013, the Executive Board comprised nine members in addition to the CEO. Anssi Komulainen resigned from the Executive Board during 2013. In addition, on 31 December 2013 Kaisa Vikkula announced that she will leave Finnair on 31 January 2014. The Executive Board is presented on page 157.

The long-term incentives paid to management and other key individuals in spring 2013 were based on the three-year share-based bonus scheme that started in 2010 and ended in 2012. The scheme is described in more detail in the remuneration statements for 2011 and 2012 as well as in the Financial Reports for 2010, 2011 and 2012, under Note 26, Share based payments. The Board of Directors approved the scheme on 4 February 2010, and its terms took into account the government guidelines regarding the remuneration of executive management and key individuals valid at the time.

The performance criteria for the three-year scheme were achieved as shown in the table on the following page. In spring 2013, the participants were paid the shares earned over the course of the three-year scheme as well as an incentive based on the purchase of shares during 2012. The incentive based on the purchase of shares for 2010 was paid in 2011. The incentive based on the purchase of shares for 2011 was not paid due to the targets for the period in question not being achieved. The shares paid in spring 2013 are subject to a restriction on their sale until the end of 2015. In addition, the shares for which incentive based on the purchase of shares were paid in 2011 and 2013 were subject to an embargo on their sale until the end of 2013.

After Mr Mika Vehviläinen resigned on 27 January 2013, the Board of Directors and Mr Vehviläinen agreed that the six-month notice period stipulated by his service contract would

Summary of the remunerations paid to the CEO and other Executive Board members

		CEO				Executive Board	
Salary and other remuneration paid, euros per year		**2013 Mika Vehviläinen** (CEO until 28.2.)	**Ville Iho** (Acting CEO 27.1.-31.5.)	**Pekka Vauramo** (CEO from 1.6.)	**2012 Mika Vehviläinen**	**2013**	**2012**
Base Salary The monthly salaries of the CEO and members of the Executive Board are decided by the Board of Directors.	**In total, euros**	**178,039**	**225,040**	**360,500**	**576,227**	**1,620,049**	**1,739,005**
Employee benefits Employee benefits are desrcribed on page 155	Car benefit, taxable value	1,890	12,540	0	11,340	58,080	84,083
	Phone benefit, taxable value	40	240	140	240	2,240	2,600
	Housing benefit, taxable value	4,699	0	0	26,816	0	0
	In total, euros	**6,629**	**12,780**	**140**	**38,396**	**60,320**	**86,683**
Short-term incentives Principles are described on page 149.	Target payout, %	20%	20%	30%	20%	20%	20%
	Target achievement, % of base salary	53%	19%	0%	26%	18%	26%
	In total, euros	**94,382**	**43,299**	**0**	**147,442**	**289,699**	**445,807**
Long-term incentives Long-term incentive plan 2010-2012	Share-based incentive, paid in cash	0	102,850	0	0	640,910	0
	Share-based incentive, paid in shares, in euros	0	68,567	0	0	427,273	0
	Purchasing incentive, in euros	150,147	49,572	0	0	265,766	0
	In total, euros	**150,147**	**220,989**	**0**	**0**	**1,333,949**	**0**
SALARY AND OTHER REMUNERATION PAID IN TOTAL		**429,197**	**502,108**	**360,640**	**762,065**	**3,304,017**	**2,271,495**

Salary and remuneration of Acting CEO Ville Iho for 2013 not included in Executive Board figures. His salary and remuneration is presented separately for the whole year of 2013. Salary and remuneration of Anssi Komulainen in 2013 is included in Executive Board figures for his Executive Board membership period only (1.1.-31.8.2013). Base salary includes pay for holiday period and additional holiday pay. Base salary 2013 of CEO Mika Vehviläinen, who left Finnair on 28 February 2013, includes compensation of 88,000 EUR for accumulated holiday.

Earnings period for short term incentives paid in 2012 was 1 Jul 2011 - 30 Jun 2012 and for short term incentives paid in 2013 1 Jul 2012 - 30 Jun 2013. Short term incentives paid 2013 have been compared against base salaries paid 2013. Short term incentive of former CEO Mika Vehviläinen was earned 1.7.2012-31.12.2012 and actual achievement was 34%.

Value of share based long-term incentive is based on share price (2.5337 EUR) at the time of payment. Earnings period for purchase incentive was previous year. Purchase incentive was not paid in 2012 because earnings criteria was not full filled 2011.

be shortened to one month. Mr Vehviläinen, who left Finnair on 28 February 2013, was not paid a share-based bonus under the long-term incentive scheme for 2010–2012, but he was paid an incentive bonus based on the purchase of shares earned in 2012, which he would have received pursuant to the rules of the share-based bonus scheme even in the event that his notice period had not been shortened.

Actual percentage achieved of the performance criteria for the long-term incentive scheme in 2010–2012

Year	Criterion	Minimum (0%)	Target (50%)	Maximum (100%)	Actual (%)	Actual (%)
2010	ROCE %	0%	2%	4%	0%	32.3%
	EBITDAR (EUR million)	112	162	212	64.6%	
2011	ROCE %	0%	2%	4%	0%	0%
	EBITDAR (EUR million)	193	243	293	0%	
2012	Adjusted gearing %	105%	91.5%	75%	94.6%	97.3%
	EBITDAR (EUR million)	100	160	220	100%	

The long-term incentive for the three-year period was achieved at an average level of 43%. This share-based incentive for the full three-year period was paid in spring 2013.

Supplementary pensions

The CEO

The CEO, Mr Pekka Vauramo, accumulates pension and his retirement age is defined in accordance with the Finnish Employees' Pensions Act. Mr Vauramo does not have a supplementary pension benefit.

Finnair's previous CEO, Mr Mika Vehviläinen, was covered by the defined contribution pension scheme for the company's senior management. Mr Vehviläinen resigned from his position on 27 January 2013 and his service at the company ended on 28 February 2013. As his service at Finnair lasted less than 48 months, he lost his right to his supplementary pension.

Mr Ville Iho, who served as the company's Acting CEO in 2013, is covered by the defined contribution pension scheme. Mr Iho's annual contribution equals 10% of the income for the year (income being defined in accordance with the Finnish Employees' Pensions Act). The supplementary pension includes vested rights and the retirement age is 63 years.

Executive Board

The members of the Executive Board accumulate pension in accordance with the Finnish Employees' Pensions Act. In addition, the company has a supplementary pension scheme that includes some of the members of the Executive Board.

All pension arrangements for members of the Executive Board are collective within the meaning of the Finnish tax laws. All supplementary pensions taken for the executives after 1 October 2009 are defined contribution schemes. The supplementary defined contribution pension arrangement applied to five members of the Executive Board in 2013. The annual contribution equals 10% of the income for the year (income being defined in accordance with the Finnish Employees' Pensions Act). The supplementary pension includes vested rights. The retirement age is 63 years.

All supplementary pension agreements concluded prior to 1 October 2009 are defined benefit schemes. The retirement age under these defined benefit schemes is 62 years. These schemes applied to two members of the Executive Board in 2013. The amount of the defined benefit pension is 60% of the annual income determined by the average earnings for the four years preceding retirement, excluding the years with the lowest and highest earnings during the four-year period. The supplementary pension includes vested rights. In 2014, there are no Executive Board memebers with defined benefit supplementary agreements.

New CEO and Executive Board member service contracts concluded after 1 January 2013 will not include supplementary pension benefits.

Termination of the service contract and severance pay

The CEO

According to Mr Pekka Vauramo's service contract, both the CEO and the company have the right to terminate the service contract without a spesific cause. The notice period is six months for both the company and the CEO. In the event that the company terminates the service contract, the CEO is entitled to a severance pay corresponding to total salary for twelve months (base salary + taxable value of benefits) in addition to the salary for the notice period. The severance pay does not apply if the CEO resigns or retires.

According to the service contract of Mr Ville Iho, who served as Acting CEO from 27 January to 31 May 2013, both parties have the right to terminate the service contract without a spesific cause. The notice period is six months for both the company and the executive. In the event that the company terminates the service contract, the executive is entitled to a severance pay corresponding to total salary for twelve months (base salary + taxable value of benefits) in addition to the salary for the notice period. The severance pay does not apply if the executive resigns or retires.

According to the service contract of Mr Mika Vehviläinen, the previous CEO, both the CEO and the company had the right to terminate the service contract without cause. The notice period was twelve months for the company and six months for the CEO. In the event of the company terminating the service contract, the CEO would have been entitled to a severance pay corresponding to total salary for twelve months (base salary + taxable value of benefits) in addition to the salary for the notice period. As Mr Vehviläinen resigned from the company on 27 January, the severance pay did not apply. The Board of Directors and Mr Vehviläinen further agreed to reduce the duration of the notice period to one month.

Executive Board

According to service agreements, both parties have the right to terminate the service contract without a specific cause. The notice periods for the company and for the current members of the Executive Board vary based on the time they began their service in the company. The maximum notice period is six months for both parties. In the event that the company terminates the agreement, the member of the Executive Board is entitled to a severance pay corresponding to the base salary of twelve months in addition to the salary for the notice period. This severance pay does not apply if the contract of employment is cancelled, if the executive terminates the contract or retires.

Under a new policy confirmed by the Board of Directors in 2012, the notice period for service contracts signed after 1 January 2013 is six months for both the company and the member of the Executive Board. In the event that the company terminates the agreement, the member of the Executive Board is entitled to a severance pay corresponding to nine months' base salary in addition to the salary for the notice period. This severance pay does not apply if the contract of employment is cancelled, if the executive terminates the contract or retires.

Other benefits

The CEO

CEO Mr Pekka Vauramo's benefits include life insurance, free-time accident insurance, travel insurance, management liability insurance and medical insurance. The life insurance coverage starts at 20% of annual pay and increases each year. The total sum may not, however, exceed EUR 500,000. The CEO also has a mobile phone benefit in line with company policy.

The benefits of Mr Ville Iho, who served as Acting CEO, include free-time accident insurance, travel insurance and management liability insurance. Mr Iho also has a car benefit and mobile phone benefit in line with company policy.

Previous CEO Mr Mika Vehviläinen's benefits included life insurance, free-time accident insurance, travel insurance, management liability insurance and medical insurance. He also had a car benefit, mobile phone benefit and housing benefit in line with company policy.

Executive Board

The benefits of the members of the Executive Board include free-time accident insurance, travel insurance, management liability insurance and, for non-Finnish members, medical insurance. They also have a car benefit and mobile phone benefit in line with company policy.

Management remuneration, the company's long-term incentive plan and pension contributions are also described in the Financial Report, in note 3.9 Employee Benefits.