

Remuneration Statement

Altia Plc ("Altia" or "Company") is listed on the official list of Nasdaq Helsinki Ltd as of 23 March 2018. Altia's head office is located in Helsinki, Finland. This Remuneration Statement is given in accordance with the requirements of the Finnish Corporate Governance Code 2015.

A. Decision-making procedure concerning remuneration

Members of the Board of Directors

The Annual General Meeting decides annually on the remuneration payable to members of the Board of Directors and its Committees for their term of office. The company's Shareholders' Nomination Board, which consists of the three largest shareholders, prepares for the Annual General Meeting proposals on the number of members of the Board of Directors, the composition of the Board of Directors as well as the remuneration of the members of the Board of Directors and its Committees. The Nomination Board submits its proposals the latest on 31 January each year. The proposals of the Nomination Board are disclosed by a release by the company and included in the notice to the General Meeting of Shareholders.

The Chairman of the Nomination Board presents the proposals at the General Meeting of Shareholders.

CEO and other executives

Altia's Board of Directors decides annually on Altia Group's principles of remuneration, the basis and targets for performance incentives as well as their maximum amounts. The Board of Directors also annually evaluates the performance of the CEO and the members of the Executive Management Team, as well as decides on the total remuneration of the CEO and, at the proposal of the CEO, the members of the Executive Management Team, taking into account the recommendations of the Human Resources Committee. The Board of Directors, assisted by the Human Resources Committee, decides on management remuneration schemes and their terms, and monitors regularly the achievement of set criteria and targets.

The Human Resources Committee assists the Board of Directors by reviewing and preparing management remuneration matters and making proposals on such matters to the Board of Directors. The Committee's responsibilities include reviewing and evaluating the remuneration and incentive schemes of management and monitoring the effectiveness of these schemes to ensure that they promote the achievement of the company's short term and long-term goals and are based on personal performance.

Share-based incentive schemes and authorisations of the Board

According to the Companies Act, decisions concerning the issue of shares, options or other special rights entitling to shares are made by the General Meeting of Shareholders or by the company's Board of Directors pursuant to an authorisation from the General Meeting of Shareholders. The Board of Directors of Altia has not been authorised by the General Meeting of Shareholders concerning the issue of shares, options or other special rights entitling to

shares. Altia has no option schemes. For further information on share-based incentive schemes, please refer to section B. of this Remuneration Statement.

B. Main principles of remuneration Members of the Board of Directors

The remuneration of the members of the Board of Directors of Altia consists of monthly term of office fee and an attendance fee per meeting. The members of the Board of Directors are not included in the company's incentive schemes. The company has not granted any loans to members of the Board of Directors, nor given guarantees on their behalf. The members of the Board of Directors have not received shares, options or other special rights entitling to shares in the company. The 2018 Annual General Meeting of Altia decided that the chairman of the Board of Directors receives a term of office fee of 2 750 euros per month, the vice chairman a term of office fee of 1 800 euros per month and the other members of the Board of Directors a term of office fee of 1 450 euros per month. The Annual General Meeting also approved an attendance fee for meetings of the Board of Directors and its Committees. The attendance fees are 600 euros per meeting for Board members residing in Finland and 1 200 euros per meeting for Board members residing abroad.

The objectives of the remuneration of the CEO and Other Executives

The objectives of the remuneration and incentive schemes for the CEO and member of the Executive Management Team are to align the interests of Altia's management with those of the company's shareholders and, thus, to promote shareholder value creation in the long term, and to commit the management, short term and long term, to achieving Altia's financial and strategic targets, the retention of Altia's valuable key resources, and reward for excellent personal performance as well as for the financial success of Altia. The strategy and development phase of the company are considered when determining the remuneration.

Remuneration of the CEO

The remuneration of the CEO of Altia consists of a fixed base salary, fringe benefits, an annual incentive and long-term incentive schemes. The yearly fixed base salary of CEO Pekka Tennilä is 314 612 euros. The retirement age of the CEO is 63 years and his pension is in accordance with the Employees' Pensions Act. The CEO does not have a supplementary pension insurance paid by the company. No signing bonus has been paid to the CEO, nor does he have a stay bonus. The CEO has a six months period of notice. If the service contract is terminated by Altia, the CEO is entitled to a severance payment corresponding to six months' salary, in addition to the salary for the notice period.

Remuneration of Other Executives

The remuneration of the members of Altia's Executive Management Team consists of a fixed base salary, fringe benefits, an annual incentive and long-term incentive schemes. The retirement age and pension of the executives are in accordance with the Employees' Pensions Act. No signing bonus has been paid to the Executive Management Team Members, nor does they have a stay bonus. The Executive Management Team Members have a six months period of notice. If the employment contract is terminated by Altia, the executive is entitled to a

severance payment corresponding to six months' salary, in addition to the salary for the notice period. Neither the CEO nor any of the members of the Executive Management Team have received shares, options or other special rights entitling to shares in the company as remuneration.

Altia's Incentive Schemes

Annual incentive

Altia's CEO and the members of the Executive Management Team are part of an annual incentive plan. The potential annual incentive is based on operational targets of the Group with a weight of 70% and on personal targets with a weight of 30%. The targets are approved annually by the Board of Directors. The potential incentive award is paid annually. The target level of the CEO's and the Executive Management Team members' incentive for 2019 is 30% of the annual salary and the maximum level is 60% of the annual salary. The operational target for the 2019 annual incentive plan is the improvement of comparable EBITDA.

Long-term incentive schemes

Altia's long-term incentive schemes complement the annual incentive to create a balanced incentive structure.

Long-term incentive scheme 2017–2019

Altia's CEO and the members of the Executive Management Team are part of a long-term incentive scheme for 2017–2019, which has been approved by the Board of Directors. According to the plan, possible awards are paid during 2020–2022 in cash. The target reward level is 20% of the annual salary and the maximum level is 40% of the annual salary. The target of the long-term incentive scheme is to increase shareholder value and favorable development of net sales.

New share-based long-term incentive scheme

The Board of Directors of Altia Plc has in February 2019 decided on the establishment of a new share-based long-term incentive scheme for the management and key employees of Altia Group. The incentive scheme consists of annually commencing individual performance share plans (PSP), each with a three-year performance period, followed by the payment of the potentially earned share reward. The commencement of each individual plan is subject to a separate Board approval.

The First Plan 2019–2021

The first plan within the structure, PSP 2019–2021, commences as of the beginning of 2019. Eligible to participate in PSP 2019–2021 are approximately 20 individuals, including the CEO and other members of the Executive Management Team. Potential rewards under the plan will be paid in the spring of 2022, provided that the performance targets set by the Board of Directors are achieved. The potential reward will be paid in listed shares of Altia Plc. The performance targets based on which the potential share reward under PSP 2019–2021 will be paid are the relative total shareholder return of Altia's share and earnings per share (EPS). If all the performance targets set for PSP 2019–2021 are fully achieved, the aggregate

maximum number of shares to be paid based on this first plan is approximately 250 000 shares. This number of shares represents a gross earning, from which the applicable payroll tax is withheld, and the remaining net value is paid to the participants in shares. The Board of Directors anticipates that no new shares will be issued based on the share-based incentive scheme and that the scheme will, therefore, not have a dilutive effect on the registered number of the Company's shares. According to the terms of the incentive scheme, the combined amount of variable compensation paid to an individual participant in any given year, including the long-term incentive scheme and the short-term incentive scheme, may not exceed 120% of the individual's annual gross base salary.

Share ownership recommendation

Altia applies a share ownership recommendation to the members of its Executive Management Team. According to this recommendation each member of the Executive Management Team is expected to retain in his/her ownership at least half of the net shares received under the share-based incentive schemes of Altia until the value of his/her share ownership in Altia corresponds to at least his/her annual gross base salary.

C. Remuneration report 2018

Members of the Board of Directors

The members of the Board of Directors received term of office fees and attendance fees in 2018 as follows:

	term of office fees/ euros	attendance fees/ euros	total/ euros
Sanna Suvanto-Harsaae	33 000	36 000	69 000
Kai Telanne	20 900	13 800	34 700
Annikka Hurme	18 100	10 800	28 900
Kim Henriksson	17 400	26 400	43 800
Tiina Lencioni	17 400	12 600	30 000
Jukka Ohtola	14 900	9 000	23 900
Torsten Steenholt	17 400	16 800	34 200

CEO and Other Executives

Remuneration of the CEO in 2018

The salary and other remuneration paid in 2018 to CEO Pekka Tennilä amounted to a total of 628 950 euros, as follows:

- Fixed base salary 314 612 euros
- Fringe benefits 14 338 euros
- Annual incentive for 2017 0 euros
- One-off Reward 2018* 300 000 euros

Remuneration of Other Executives in 2018

The salary and other remuneration paid in 2018 to the members of the Executive Management Team (other than the CEO) amounted to a total of 1 834 701 euros, as follows:

- Fixed base salary 1 040 111 euros
- Fringe benefits 41 125 euros
- Annual incentive for 2017 0 euros
- One-off Reward 2018* 753 465 euros

**One-off Reward*

The Board of Directors decided in 2018 on the payment of a one-off reward to the CEO and the members of the Executive Management Team. The persons entitled to the reward were committed, as a prerequisite for the reward, to personally investing in Altia a sum, after taxes and other deductions, corresponding to the net sum of the received reward by subscribing for shares in the directed share issue to the permanent employees of Altia in Finland and Sweden and for the members of the Executive Management Team in connection with the listing of Altia on Nasdaq Helsinki Ltd. The reward paid to the CEO was 300 000 euros and to the other members of the Executive Management Team 753 465 euros in total.