

Remuneration Statement 2016

Alma Media Corporation applies the currently valid Finnish Corporate Governance Code 2015 for listed companies, issued by the Securities Market Association on 1 October 2015, in its unaltered form. This Remuneration Statement has been prepared in accordance with the Corporate Governance Code recommendations concerning the reporting of remuneration. The Finnish Corporate Governance Code for listed companies can be reviewed on the website of the Securities Market Association at www.cgfinland.fi and on Alma Media's website.

REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

The Annual General Meeting of Alma Media Corporation decides on the remuneration of the Board members. The General Meeting of Shareholders of Alma Media Corporation, held on 17 March 2015, decided, on proposal of the Board of Directors of Alma Media Corporation, to set up the Nomination Committee composed of Alma Media's Shareholders. The Nomination Committee's duties include preparing proposals related to the election and remuneration of the members of the Board of Directors to the Annual General Meeting.

In accordance with the proposal of the Shareholders' Nomination Committee, the 2016 Annual General Meeting decided to raise the Board's annual remuneration, since the remuneration had remained unchanged since 2011. The Chairman of the Board of Directors is paid EUR 40,000 (previously EUR 33,000) per year, the Vice Chairman EUR 32,000 (previously EUR 27,000) per year, and the other Board members EUR 27,000 (previously EUR 22,000) per year. In addition, the chairmen of the Board and the Committees are paid a fee of EUR 1,000, the deputy chairmen EUR 700 and ordinary members EUR 500 for each Board and Committee meeting they attend. The Board members' travel expenses are also compensated in accordance with the company's travel policy.

In accordance with a decision of the AGM, Board members must acquire a number of Alma Media Corporation shares corresponding to approximately 40 per cent of the full amount of the annual remuneration for Board members, taking into account tax deduction at source, at the public trading price. Members of the Board are obligated to arrange the acquisition of the shares within two weeks of the release of the first quarter 2016 interim report or, if this is not possible because of insider trading regulations, at the earliest possible time thereafter. If it was not possible to acquire the shares by the end of 2016 for a reason such as pending insider transactions, the remuneration shall be paid in cash. Shares acquired in this way may not be transferred until the recipient's membership on the Board has expired. The company is liable to pay any asset transfer taxes which may arise from the acquisition of shares.

The members of the Board of Directors were paid the following fees (EUR) for their work on the Board and its committees in 2016, with comparison data from the previous financial period:

Year	Name	Position	Board meetings			Audit Committee	Nomination and Compensation Committee	Fees total	
			Annual fee	Annual fee paid in shares, no. of shares*	Meeting fees				
2016	Harri Suutari	Chairman	40,000	6,015	14,000	-	500	54,500	
2015	Harri Suutari	Chairman	33,000	5,936	20,000	-	-	53,000	
2016	Petri Niemisvirta	Deputy Chairman	32,000	3,499	9,100	-	2,000	43,100	
2015	Petri Niemisvirta	Deputy Chairman	27,000	3,532	14,000	-	4,000	45,000	
2016	Matti Korkiatupa	Member since 17 March 2016	27,000	2,953	5,500	2,000	-	34,500	
2016	Niklas Herlin	Member	27,000	2,953	7,000	-	1,000	35,000	
2015	Niklas Herlin	Member	22,000	2,878	10,000	-	2,000	34,000	
2016	Esa Lager	Member	27,000	3,580	7,000	5,000	500	39,500	
2015	Esa Lager	Member	22,000	3,906	10,000	6,000	2,000	40,000	
2016	Perttu Rinta	Member until 17 March 2016	-	-	1,500	500	-	2,000	
2015	Perttu Rinta	Member	22,000	2,878	10,000	3,000	-	35,000	
2016	Erkki Solja	Member until 17 March 2016	-	-	1,500	-	500	2,000	
2015	Erkki Solja	Member	22,000	2,878	9,500	-	1,500	33,000	
2016	Catharina Stackelberg-Hammarén	Member	27,000	2,953	7,000	2,500	-	36,500	
2015	Catharina Stackelberg-Hammarén	Member	22,000	2,878	9,500	3,000	-	34,500	
2016	Mitti Storckovius	Member since 17 March 2016	27,000	4,232	5,500	-	500	33,000	

* The number of shares corresponds to approximately 40% of the full amount of the annual fee after taxation.

In the financial year 2016, the fees paid on an accrual basis to the Board members totalled EUR 280,100.

Members of the Board of Directors of Alma Media Corporation do not have an employment relationship with the company. They are not included in the share-based incentive plans or other incentive programmes of Alma Media and have not received any other financial benefits.

REMUNERATION OF THE PRESIDENT AND CEO AND THE TOP MANAGEMENT

The Board of Directors of Alma Media Corporation decides on the salary and reward scheme of the parent company's President and CEO and the CEO's direct subordinates, on the basis of the proposal of the Nomination and Compensation Committee.

The reward scheme of the President and CEO of Alma Media Corporation and other senior management consists of a fixed monetary salary (monthly salary), fringe benefits (company car and mobile telephone benefit, and housing benefit for the President & CEO), an incentive bonus related to the achievement of financial and operational targets (short-term reward scheme), a stock option scheme and a share-based incentive scheme for key employees of the Group (long-term reward scheme), as well as a pension benefit for management. Eligibility for remuneration programmes is determined by the job.

The principles of Alma Media's management incentive programme follow the terms and conditions of Alma Media's incentive programme, based on the principle of continuous improvement of performance. The incentive bonus for members of the Group Executive Team and heads of business units may be no more than 40% of their respective annual salaries. The incentive bonus of Alma Media Corporation's President and CEO may be up to 60% of his annual salary.

The incentive bonus is defined for each calendar year based on three criteria: meeting Alma Media Group's financial targets (weight 40%), meeting the business unit's financial targets (weight 40%) and meeting personal performance targets (weight 20%).

In 2016, the President and CEO of Alma Media Corporation received a total of EUR 690,428 in salary, rewards and benefits, of which EUR 195,043 were based on the incentive bonus scheme. The total amount of salaries, rewards and benefits paid to other members of the Group Executive Team was EUR 1,643,150, of which EUR 206,914 were based on the incentive bonus scheme.

	Annual salary	Performance-based bonuses	Fringe benefits	Option benefits	Share-based payments
President & CEO					
2016	445,783	195,043	49,601		
2015	402,210	102,509	48,166		
2014	429,475	20,000	47,478	830	
Group Executive Team					
2016	1,349,769	206,914	86,467		
2015	1,297,042	136,732	82,093		
2014	1,264,934	41,000	82,026	583	

INCENTIVE SCHEMES

Share-based incentive scheme (LTI 2015)

In 2015, the Board of Directors of Alma Media Corporation approved the establishment of a long-term share-based incentive scheme for the key management of Alma Media (hereinafter referred to as "LTI 2015").

The objective of LTI 2015 is to align the interests of the participants with those of Alma Media's shareholders by creating a long-term equity interest for the participants and, thus, to increase the company value in the long term as well as to drive performance culture, to retain participants and to offer them competitive compensation for excellent performance in the company.

LTI 2015 consists of annually commencing individual plans, each subject to separate Board approval. Each of the individual plans consists of three main elements: an investment in Alma Media shares as a precondition for participation in the scheme, matching shares based on the above share investment and the possibility of earning performance-based matching shares.

THE MATCHING SHARE PLAN

In the matching share plan, the participant receives a fixed amount of matching shares against an investment in Alma Media shares.

In the first matching share plan, which commenced in 2015 (LTI 2015 I), the participant receives two matching shares for each invested share free of charge after a two-year vesting period, provided that the other conditions stipulated for the receipt of the share-based incentive by the terms of the plan are still satisfied at the time.

THE PERFORMANCE MATCHING PLAN

The performance matching plan comprises a five-year performance period in total. The potential share rewards will be delivered in tranches after three and five years if the performance targets set by the Board of Directors are attained.

The performance measures used in the first performance matching plan, which commenced in 2015, are based on the company's profitable growth and share value. If the performance targets set by the Board of Directors are attained in full, the participant will receive in total four matching shares for each invested share free of charge, provided that the other conditions stipulated for the receipt of the share-based incentive by the terms of the plan are still satisfied at the time.

Share-based incentive scheme LTI 2015 II, launched in 2016

During the reporting year 2016, the Board of Directors of Alma Media Corporation decided to launch the next share-based incentive programme to begin in 2016 (LTI 2015 II) based on the LTI 2015 arrangement.

The main terms of the 2016 incentive scheme correspond to those of the share-based incentive scheme that began in 2015.

Share-based incentive scheme	Based on share investment (shares max)	Performance matching (shares max)	Maximum number of people entitled to participate
LTI 2015			
Launched in 2015 LTI 2015 I	159,000	318,000	35
Launched in 2016 LTI 2015 II	195,000	390,000	43

The Board of Directors has estimated that no new shares will be issued in connection with LTI 2015. Therefore, the plan will have no dilutive effect on the number of the company's registered shares.

The Annual General Meeting of Alma Media Corporation held on 17 March 2016 authorised the Board of Directors to decide on the repurchase of a maximum of 824,000 shares in one or more lots, and further authorised the Board of Directors to decide on a share issue by transferring shares in possession of the company to implement incentive programmes.

The allocation and maximum reward potential of the share-based incentive scheme for the President and CEO and the Group Executive Team: The information covers LTI 2015 I and LTI 2015 II:

	Based on share investment (shares max)		Performance matching (shares max)	
	2015	2016	2015	2016
Kai Telanne, President and CEO	30,000	34,000	60,000	68,000
Santtu Elsinen*	-	6,000		12,000
Kari Juutilainen	10,000	-	20,000	-
Virpi Juvonen	4,000	6,000	8,000	12,000
Kari Kivelä	10,000	10,000	20,000	20,000
Mikko Korttila	6,000	8,000	12,000	16,000
Juha-Petri Loimovuori	10,000	13,000	20,000	26,000
Raimo Mäkilä	10,000	13,000	20,000	26,000
Juha Nuutinen	6,000	8,000	12,000	16,000

*Member of the Group Executive Team since 2016.

SEVERANCE PAY

The period of notice of the President and CEO of Alma Media Corporation, Mr Telanne, is six months. In addition, he has a director contract under which he is entitled to a compensation corresponding to his base salary for 12 months if he is dismissed by the employer without being in breach of contract. This compensation corresponding to the 12-month salary is not paid if the President and CEO resigns on his own initiative. Alma Media's Board of Directors decides on the appointment and, as necessary, dismissal of the President and CEO.

The period of notice for the other members of Alma Media Group's Executive Team is six months. In addition, members of the Executive Team will receive a compensation corresponding to their respective basic salaries for six months in the event that the dismissal is initiated by the employer without the members' own fault or negligence. The terms of employment of the other members of the Executive Team are decided on by the Board of Directors based on the proposal of the Nomination and Compensation Committee. The President and CEO appoints and, if necessary, dismisses the other members of the Executive Team. However, the members of the Group's Executive Team who act as Editors-in-Chief of Aamulehti, Iltalehti, Kauppalehti, Lapin Kansa, Pohjolan Sanomat or Satakunnan Kansa constitute an exception to this procedure. Their appointments and dismissals are confirmed by the Board of Directors of Alma Media Corporation, on the basis of the CEO's proposal.

PENSION AGREEMENTS

The CEO of Alma Media Corporation and members of the Group Executive Team have a defined contribution group pension plan. Pension accumulates at a rate of 15–37% of annual earnings depending on when the person in question became a member of the Group Executive Team. The retirement age is 60 years, at which time the payment of insurance premiums terminates.

The pension is determined on the basis of the insurance savings accrued by the time of retirement. Retirement can be postponed up to 70 years of age. In such cases, the pension is determined by the accrued savings adjusted with the value development of the investments.

The terms and conditions of the group pension plan for Alma Media's President and CEO and the other members of the Executive Team give the insured persons, after three-year insurance coverage, the right to receive a premium-free policy corresponding to the savings accrued until the termination of employment (paid-up policy). The paid-up policy includes old-age pension after retirement age, coverage for incapacity for work and coverage in the event of death. In 2016, the expenses related to the group pension plan for Alma Media's President and CEO totalled EUR 213,225 and for the other members of the Group Executive Team EUR 389,679. In total, the group pension plan expenses amounted to EUR 602,904.

Kai Telanne has held the position of President and CEO at Alma Media Corporation since 2005. The information presented on Alma Media's website on other Executive Team members includes information on when they started in their current positions.