



**Alma Media Corporation:  
Salary and Remuneration  
Report**

**2015**

In 2015, Alma Media applied the Finnish Corporate Governance Code for listed companies, issued by the Securities Market Association on 15 June 2010 and valid as of 1 October 2010, in its unamended form. On 1 January 2016, Alma Media began applying the new Corporate Governance Code 2015. This Remuneration Statement has been prepared in accordance with section 7 (Remuneration), Recommendation 47 of the Code. The Finnish Corporate Governance Code for listed companies can be reviewed on the website of the Securities Market Association at [www.cgfinland.fi](http://www.cgfinland.fi) and on Alma Media's website.

## Remuneration Statement

### 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 Nomination and Compensation Committee of the Board of Directors prepared a remuneration proposal in 2015 for the Annual General Meeting. 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. Going forward, the Nomination Committee's duties include preparing proposals related to the election and remuneration of the member of the Board of Directors to the Annual General Meeting.

In accordance with the decision of Alma Media's Annual General Meeting of 2015, the following fees are paid to the Board members for their work in the Board of Directors and its Committees: the Chairman of the Board shall be paid an annual fee of EUR 33,000, the Deputy Chairman EUR 27,000 and ordinary members EUR 22,000. In addition, the chairmen of the Board and the Committees will be 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. Furthermore, travel expenses will be compensated in accordance with the company's travel policy.

The annual fees for the members of the Board are to be paid in Alma Media Corporation shares as follows: the member acquires a number of shares corresponding to approximately 40% of the full amount of the annual remuneration for Board membership, taking into account tax deduction at source, at the public trading price. Members of the Board were obliged to arrange the acquisition of the shares within two weeks of the release of the first quarter 2015 interim report or, if this was not possible because of insider trading regulations, as soon as possible thereafter. If it was not possible to acquire the shares by the end of 2015 for a reason such as pending insider transactions, the remuneration shall be paid in cash.

The annual remuneration in 2015 was paid in Alma Media Corporation shares. 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 2015, 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			
2015	Harri Suutari	Chairman	33,000	5,936	20,000	-	-	53,000
2014	Harri Suutari	Chairman	33,000	5,648	14,000	-	-	47,000
2015	Petri Niemisvirta	Deputy Chairman	27,000	3,532	14,000	-	4,000	45,000
2014	Petri Niemisvirta	Deputy Chairman	27,000	4,025	10,500	-	4,500	42,000
2015	Niklas Herlin	Member	22,000	2,878	10,000	-	2,000	34,000
2014	Niklas Herlin	Member	22,000	3,279	7,500	-	2,000	31,500
2015	Esa Lager	Member	22,000	3,906	10,000	6,000	2,000	40,000
2014	Esa Lager	Member	22,000	4,421	6,000	5,000	1,500	34,500
2015	Perttu Rinta	Member	22,000	2,878	10,000	3,000	-	35,000
2014	Perttu Rinta	Member	22,000	3,279	7,000	3,500	-	32,500
2015	Erkki Solja	Member	22,000	2,878	9,500	-	1,500	33,000
2014	Erkki Solja	Member	22,000	3,279	7,000	-	2,500	31,500
2015	Catharina Stackelberg-Hammarén	Member	22,000	2,878	9,500	3,000	-	34,500
2014	Catharina Stackelberg-Hammarén	Member	22,000	3,279	7,500	3,000	-	32,500

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

In the financial year 2015, the fees paid on an accrual basis to the Board members totalled EUR 274,500.

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 option programmes, 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 2015, the President and CEO of Alma Media Corporation received a total of EUR 552,885 in salary, rewards and benefits, of which EUR 102,509 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 1,515,867, of which EUR 136,732 were based on the incentive bonus scheme.

	Annual salary	Performance-based bonuses	Fringe benefits	Option benefits	Share-based payments
<b>President &amp; CEO</b>					
2015	402,210	102,509	48,166	-	-
2014	429,475	20,000	47,478	830	
2013	380,423	146,853	48,953	-	-
<b>Group Executive Team</b>					
2015	1,297,042	136,732	82,093	-	-
2014	1,264,934	41,000	82,026	583	-
2013	1,216,556	148,580	77,124	-	-

## Option programmes

In addition to the incentive remuneration system, Alma Media has the option programme 2009 in effect for Group management. The granting of option rights is decided by Alma Media's Board of Directors on the basis of a proposal by the Nomination and Compensation Committee and according to the terms and conditions decided by the Annual General Meeting. The terms

and conditions of the option programme 2009 can be reviewed at Alma Media's website.

The option rights granted to the President and CEO of Alma Media and other members of the Group Executive Team (31 December 2015) are as follows:

	Options 2009C
<b>Kai Telanne, President and CEO</b>	100,000
<b>Kari Juutilainen</b>	30,000
<b>Virpi Juvonen</b>	-
<b>Kari Kivelä</b>	45,000
<b>Mikko Korttila</b>	30,000
<b>Juha-Petri Loimovuori</b>	45,000
<b>Raimo Mäkilä</b>	45,000
<b>Minna Nissinen*</b>	30,000
<b>Juha Nuutinen</b>	-
<b>Total</b>	<b>325,000</b>

\*employment relationship ended on 26 June 2015

The share subscription period for 2009A and 2009B options has ended.

The stock option rights granted under Alma Media Corporation's option programme 2009C were not used to subscribe any shares during the financial period 2015.

### Share-based incentive scheme

In 2015, the Board of Directors of Alma Media Corporation approved the establishment of a new 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 with competitive compensation for excellent performance in the company.

The LTI 2015 arrangement 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 the key management member's participation in LTI 2015, 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, 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. If all the eligible key management members participate in the matching share plan by investing the maximum amount of shares, the maximum aggregate amount of the first matching shares is 159,000 shares (gross amount from which taxes are withheld).

#### 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. In that case, if all the eligible key management members participate in the performance matching plan by investing the maximum amount of shares, the maximum aggregate amount of the first performance matching shares is 318,000 shares (gross amount from which taxes are withheld).

#### Other information

At most 35 people are eligible to participate in the first plan under the LTI 2015 arrangement, commencing in 2015.

The Board of Directors anticipates that no new shares will be issued in connection with the new share-based incentive plan and, therefore, the plan will have no dilutive effect on the number of the company's registered shares. The Annual General Meeting held on 17 March 2015 authorised the Board of Directors to decide on the repurchase of a maximum of 754,000 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:

	Based on share investment (shares max)	Performance matching (shares max)
<b>Kai Telanne, President and CEO</b>	30,000	60,000
<b>Kari Juutilainen</b>	10,000	20,000
<b>Virpi Juvonen</b>	4,000	8,000
<b>Kari Kivelä</b>	10,000	20,000
<b>Mikko Korttila</b>	6,000	12,000
<b>Juha-Petri Loimovuori</b>	10,000	10,000
<b>Raimo Mäkilä</b>	10,000	20,000
<b>Minna Nissinen*</b>	6,000	12,000
<b>Juha Nuutinen</b>	6,000	12,000

\*employment relationship ended on 26 June 2015

## 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 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, at which time the contributions end. 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 2015, the expenses related to the group pension plan for Alma Media's President and CEO totalled EUR 213,345 and for the other members of the Group Executive Team EUR 371,117. In total, the group pension plan expenses amounted to EUR 584,462.

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.