

# Neste Remuneration Statement 2019



# Neste Remuneration Statement 2019

## Chair's annual statement

On behalf of the Neste's Personnel and Remuneration Committee (the 'Committee') I am pleased to present our 2019 Remuneration Statement.

In 2019 we renewed our strategy, with the aim to become a global leader in renewable and circular solutions. To reach our ambitions, we are scaling up our business faster and bolder and broadening our end-markets. To better support the new strategy, we restructured our organization and recruited new members to the Executive Committee.

### How we structure remuneration at Neste

Our purpose as a Personnel and Remuneration Committee is to ensure that remuneration programs at Neste reflect our longstanding remuneration principles of supporting the business strategy, paying for performance, encouraging value-based behavior and individual accountability, and paying competitively and fairly.

We have designed our remuneration policies, practices and processes to ensure that we are able to compete and retain the best workforce, talents and senior management in the diverse markets in which we operate. Performance-based remuneration programs together with selecting the right individuals for key positions, job rotation, proactive succession planning and appropriate market competitive rewarding of the entire personnel are key to our success – now and in the future.

For our President and CEO, Neste Executive Committee (ExCo) and key personnel, a significant proportion of remuneration is derived from variable pay to ensure that there

is strong alignment between performance and reward. Furthermore, we also want to reward all our employees for good performance, believing that performance-based remuneration motivates our people to strive for excellence. All our employees are therefore able to participate in short-term incentive programs.

### Remuneration paid for performance in 2018 and 2019

Our strategy renewal and implementation continued in 2019 building on the successful 2018. In 2019, we further strengthened our strategic capabilities in Renewable Products and ensured that our organizational engagement and change adaptation stayed on track. This resulted in continuing excellent financial performance in 2019 with record-high comparable EBIT of EUR 1,962 million following comparable EBIT of EUR 1,422 million in 2018. This good financial performance is reflected in our short-term incentive (STI) plan pay-outs – on average the 2018 and 2019 STI program paid out between target and maximum level.

Our free cash flow was EUR 870 million in 2018 and EUR 1,154 million in 2019 – above our set maximum performance level. This resulted in high Total Shareholder Return (TSR), and we outperformed the Europe Stoxx 600 market index in the Performance Share Plan 2016–2018 and Performance Share Plan 2017–2019 program. Therefore, both LTI plans vested at maximum level.

### Key highlights of 2019

- Neste's strong financial performance in 2019
- Renewed strategy and restructured organization
- Strategic capability development to support the growth strategy
- Recruitment of new Executive Committee members:
  - **Mercedes Alonso**, Executive Vice President, Renewable Polymers and Chemicals
  - **Thorsten Lange**, Executive Vice President, Renewable Aviation
  - **Minna Aila**, Senior Vice President, Sustainability, Public Affairs, Communications and Brand Marketing
- Preparation of the EU SRD compliant Remuneration Policy for the AGM 2020 shareholder vote

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### Neste Personnel and Remuneration Committee



#### Matti Kähkönen

Chair of the Personnel and Remuneration Committee

### Committee members during 2019:

- Elizabeth (Elly) Burghout
- Jean-Baptiste Renard
- Laura Raitio until 2 April 2019
- Jari Rosendal from 2 April 2019

The Board of Directors of the Company evaluates how it, taking into account the best interest of the Company, observes the relevant shareholder views on remuneration applicable at any given time. In 2020, as well as in 2019, the long-term share incentive rewards paid out to the President and CEO and certain ExCo members were limited to ensure that the total value of incentives (short-term and long-term incentives combined) did not exceed 1.2 times fixed annual base salary.

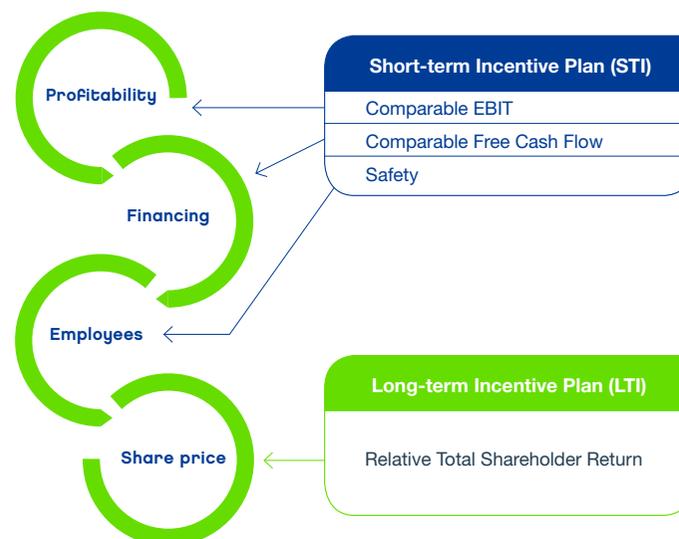
### Remuneration policy for 2020

As required under the regulations of the EU's Shareholder Rights Directive (SRD) adopted in Finland in 2019, we are submitting our 2020 Remuneration Policy to shareholder vote at our AGM on 7 April 2020. It is intended that the Policy will apply for the next four years. During 2019, the Committee has reviewed Neste's Remuneration Policy to ensure that the Policy continues to be aligned with evolving market and best practices, is compliant with the new regulations, and continues to drive Neste's business success and creation of long-term shareholder value.

### Matti Kähkönen

Chair of the Personnel and Remuneration Committee

## Measuring performance at Neste in 2019



# Neste Executive Remuneration Policy Report

## Our approach to remuneration

The four guiding principles that underpin the remuneration programs across the Company are:

- **Ensure the execution of Neste's strategy:** Neste aims to chart a clear path forward by executing its strategy and sharing its business objectives.
- **Drive performance and value based behavior:** Neste aims to drive results by rewarding excellence, development and value based behavior.
- **Encourage individual and team accountability:** Neste promotes clear targets and a focus on continuous performance improvement. Neste enables this by maintaining an ongoing dialogue with employees and by encouraging employee feedback.
- **Be fair and transparent:** Neste runs performance and total rewards processes ethically and with integrity, and supports this with clear communication.

## Remuneration principles for the Neste Executive Committee and senior management

Based on proposals submitted by the Personnel and Remuneration Committee, the Board takes into account the following objectives in determining the remuneration for the ExCo and senior managers:

- Rewards should be appropriate to attract and retain senior management with the requisite skills and experience to ensure that Neste meets its strategic goals, but remuneration also has to make financial sense from the company's point of view to maintain its competitive cost structure.

- To operate effectively in a global context, remuneration should be fair and competitive within the international markets Neste operates in. Salaries and other components of pay should be based on local market conditions and be sufficient to attract key management talent.
- Remuneration should maintain appropriate proportions of fixed and performance-related pay to help to drive performance and sustainable results over the short-and long-term, to maintain a flexible cost base, and to avoid creating incentives for excessive risk-taking.
- In support of Neste's pay for performance approach, senior managers should be rewarded for value-based behavior and achievement of challenging strategic, operational and financial targets.
- Senior management interests should align with those of Neste and its broad base of domestic and international shareholders/ stakeholders.
- The senior management remuneration policy should be consistent with the global pay principles applied to Neste employees worldwide.
- Neste will always endeavor to treat senior managers and key personnel equally and impartially, regardless of their gender, nationality, age, religious beliefs, political opinions, or other similar factors.
- Remuneration is set according to the "grandparent principle" whereby the pay of any individual is subject to the approval of a manager's manager. No individual may decide or participate in decision-making in matters relating to their own remuneration.

### Ensure the execution of our strategy

We aim to chart a clear path forward by executing our corporate strategy and sharing our business objectives.

### Drive performance and value-based behavior

We aim to drive results on the individual, the team and business-unit level by rewarding excellence, development and value based behavior.

### Encourage individual and team accountability

We promote clear targets and a focus on continuous improvement of our performance. We make this possible by maintain ongoing dialogue with our personnel and welcoming their feedback.

### Be fair and transparent

We run our performance and total rewards process ethically and with integrity, and support this with clear communication.

## Summary of Remuneration Policy for the Neste Executive Committee

The Neste Executive Committee's remuneration policy consists of the following key elements:

Remuneration element	Purpose and link to strategy and long-term financial success	Description and operation
<b>Fixed salary (Base salary and fringe benefits in Finland)</b>	The base salary should be sufficient to attract, retain and motivate high-calibre individuals.	<p>Fixed salary which includes taxable fringe benefits (car and mobile phone) in Finland. The remuneration (including base salary) of the President and CEO and the members of the Executive Committee are reviewed annually by the People and Remuneration Committee and any changes are approved by the Board of Directors.</p> <p>Peter Vanacker's fixed salary is EUR 75,020 per month in 2019 and EUR 76,370 per month beginning from 1st of January 2020.</p>
<b>Pension</b>	To provide a competitive retirement benefit in line with local market practices	<p>Peter Vanacker: The retirement age according to the Finnish Employee's Pension Act (TyEL), no additional pension scheme.</p> <p>ExCo members:</p> <ul style="list-style-type: none"> <li>• For those who have started before 1 January 2009: a defined benefit (DB) plan based on a retirement age of 60 (up to 60% of retirement salary). Retirement salary for DB schemes is calculated based on the average monthly salary and related statutory pension insurance contributions over the ten years prior to retirement.</li> <li>• For those who have started after 1 January 2009 but before 31 August 2018, a defined contribution (DC) pension scheme (based on retirement age of 62, 63 or as prescribed under Finnish pension legislation). DC pension allocation is 16% of annual fixed base salary.</li> <li>• New additional pension schemes are no longer made for those who have started after 31 August 2018.</li> </ul>
<b>Short-term incentive (STI)</b>	To reward and incentivize improvements in short-term financial and operational performance and support the delivery of the business strategy	<p>Based on the attainment of annual financial and non-financial measures. Maximum award value is 40% of annual fixed base salary.</p> <p>President and CEO: KPIs are group financial targets (comparable Group EBIT, comparable Free Cash Flow and group safety targets [Total Recordable Injury Frequency per million hours worked, TRIF, including contractors] and Process Safety Event Rate per million hours worked [PSER]).</p> <p>For ExCo members with business area responsibility: a combination of group and business area specific financial and safety measures (for example comparable EBIT, comparable Free Cash Flow, TRIF and/or PSER).</p> <p>For ExCo members with common function responsibility based on Group comparable EBIT, comparable Free Cash Flow, TRIF, PSER and specific strategic measures of the function in question.</p>
<b>Long-term incentive (LTI)</b>	To drive long-term sustainable growth and align the interests of executives with shareholders	<p>LTI 2016: Based on the attainment of three-year financial and share price performance targets for Neste. For award cycles commencing in 2017 and 2018, 75% of the awards are based on cumulative comparable free cash flow and 25% are based on the total return of Neste shares relative to the STOXX Europe 600 Index. Awards vest in one tranche after three years, partly in shares and partly in cash. The cash element will cover taxes and other tax-like costs. The shares delivered based on the award cycle, which commenced in 2017, are subject to a one-year lock-up period. The shares potentially delivered based on the award cycle, which commenced in 2018, will similarly be subject to a one-year lock-up period. The award for President and CEO varies between 0–100% of annual fixed salary, based on performance and share price appreciation. Awards for ExCo members vary between 0–80% of annual fixed salary. Should the amount of total incentive awarded to executives (STI + LTI) exceed 120% of annual salary, the excess amount of LTI shares vesting in any one year will be cut to maintain this limit. LTI 2016 is targeted to selected key employees of Neste, including the CEO and the other ExCo members.</p>

Remuneration element	Purpose and link to strategy and long-term financial success	Description and operation
		<p>LTI 2019: Performance Share Plan (PSP) Based on the attainment of three-year share price performance targets for Neste. For award cycle commencing in 2019 (PSP 2019-2021), 100% of the awards are based on the total return of Neste shares compared to the STOXX Europe 600 Index. Awards vest in one tranche after three years, partly in shares and partly in cash. The cash element will cover taxes and other tax-like costs. The award for President and CEO and other ExCo members vary between 0–100% of annual fixed salary, based on performance and share price appreciation. Should the amount of total incentive awarded to executives (STI + LTI) exceed 120% of annual salary, the excess amount of LTI shares vesting in any one year will be cut to maintain this limit. LTI 2019 is targeted to selected key employees of Neste, including the CEO and the other ExCo members.</p> <p>LTI 2019: Restricted Share Plan (RSP) The Restricted Share Plan consists of annually commencing individual restricted share plans, each with a three-year retention period after which the share rewards granted within the plan will be paid to the participants in shares of Neste. A precondition for the payment of the share reward based on the Restricted Share Plan is that the employment relationship of the individual participant with Neste continues until the payment date of the reward. RSP 2019–2021 within the Restricted Share Plan structure commences effective as of the beginning of 2019 and the potential share reward thereunder will be paid in the spring 2022. The Restricted Share Plan serves as a complementary long-term retention tool for individually selected key employees. Nominations for the Restricted Share Plan are approved by the Board of Directors on individual basis.</p>
<b>Other benefits and programs</b>	Provides benefits and insurances in a cost-efficient way to attract and retain high-calibre individuals.	The ExCo members have company car benefit, mobile phone benefit, private accident-, life- and disability insurance, business travel, directors' and officers' liability insurances. The ExCo members may participate in the sickness fund (in Finland).
<b>Claw back and malus provision</b>	To ensure pay for performance	Variable pay awards (STI and LTI awards) are subject to malus (adjustment before pay-out) and clawback (reclaimed after pay-out) provisions, which can be applied in case of material misstatement, misconduct or a significant environmental or health and safety issue or any other circumstance as determined by the Board of Directors at its discretion.
<b>Shareholding requirement</b>	To encourage to build a meaningful shareholding in Neste	President and CEO and ExCo members must accumulate and maintain a shareholding which is equivalent to their annual fixed salary. Until this threshold is met, participants must retain 50% of vested incentive shares after tax.
<b>Service contracts and loss of office payments</b>	To ensure clear contractual terms are followed	<p>Peter Vanacker: Both parties have a six-month period of notice. Should the Company terminate the President and CEO's agreement, the Company is required to pay six month's salary and a separate severance pay equivalent to six month's salary.</p> <p>ExCo members are entitled for 6 months' severance payments. Change of control terms are same as for termination.</p>

### Supplementary information

**Benchmarking approach:** The Personnel and Remuneration Committee reviews market benchmark data from Finnish and, where necessary, international industrial companies of a similar size and complexity to Neste when setting total remuneration packages for the President and CEO and the members of the ExCo. This is used more as a guide than a direct determinant of pay levels. Other factors considered include each individual's role and experience, as well as Company and personal performance.

**Shareholder alignment:** Significant shareholders of the Company may release ownership policies or express their view on remuneration principles. The Board of Directors of the Company evaluates how it, taking into account the best interest of the Company, observes the relevant shareholder views on remuneration applicable at any given time.

# Neste Executive Annual Remuneration Report

We measure the success of our Executive Committee by how well Neste achieves its strategic, financial, safety and shareholder value targets.

## Short-term incentives (STI)

### STI for 2018 (paid in 2019)

The STI performance measures for 2018 were based on:

- Group and business area specific comparable EBIT
- Group ROACE
- Group safety target (TRIF)
- Group process safety target (PSER)
- Specific strategic targets also featured for part of the STI program for ExCo members with business area or functional responsibility.

Neste's good performance continued in 2018 comparable operating profit being EUR 1,422 million and ROACE being 21.1%. Neste's occupational safety performance, measured by the TRIF indicator, improved compared to 2017. The annual TRIF result 1.7 was the best ever at Neste, and the target for 2018 was reached. PSER, the main indicator for process safety, remained at the 2017 level. However, during the fourth quarter it was worse than in the comparable period of 2017, and we did not meet our PSER target for 2018.

Taking the business and unit-level performance and safety targets into account, the Board of Directors awarded the President and CEO and the ExCo rewards, on average, at above-target levels for performance year 2018 and remained within the maximum limits of the short-term incentives (40% of annual salary).

### Details of the short-term incentive plan award for the President and CEO for 2018

President and CEO 2018 STI (paid in March 2019)		2018 results
Weighting	Measures	Level of achievement
60%	Group comparable EBIT	At maximum
20%	Group ROACE	At maximum
10%	Group Safety (TRIF)	Between target and maximum
10%	Group Safety (PSER)	Between threshold and target
<b>Total</b>		<b>Between target and maximum</b>

### STI for 2019 (payable in 2020)

The STI performance measures for 2019 were based on:

- Group and business area specific comparable EBIT
- Group comparable free cash flow (CFCF)
- Group safety target (TRIF)
- Group process safety target (PSER)
- Specific strategic targets also featured for part of the STI program for ExCo members with business area or functional responsibility.

Year 2019 was Neste's best ever having a record-high comparable operating profit of EUR 1,962 million and cash flow before financing activities of EUR 1,154 million. Neste's occupational safety incident frequency, measured by the key TRIF indicator, 1.7 equaled the best annual result recorded, but the target for 2019 was not reached due to a number of contractor incidents. The PSER result 1.4, the main indicator for process safety incidents, was the best ever at Neste, and a significant improvement from 2018 and the target for 2019 was reached.

Taking the business and unit-level performance and safety targets into account, the Board of Directors awarded the President and CEO and the ExCo rewards, on average, at above-target levels for performance year 2019 and remained within the maximum limits of the short-term incentives (40% of annual salary).

### Details of the short-term incentive plan award for the President and CEO for 2019

President and CEO 2019 STI (payable in March 2020)		2019 results
Weighting	Measures	Level of achievement
60%	Group comparable EBIT	Between target and maximum
20%	Comparable Free Cash Flow	At maximum
10%	Group Safety (TRIF)	Between threshold and target
10%	Group Process Safety (PSER)	Between target and maximum
<b>Total</b>		<b>Between target and maximum</b>

### Long-term incentives (LTI)

Neste's 2013 long-term incentive program ran in three-year plan cycles from 2013–2015, 2014–2016 and 2015–2017. The 2016 long-term incentive program runs in three-year plan cycles from 2016–2018, 2017–2019 and 2018–2020. The 2019 long-term incentive program runs in three-year plan cycles from 2019–2021, 2020–2022 and 2021–2023.

### LTI 2016: Performance Share Plan (PSP) 2016–2018 (paid in 2019)

For the Performance Share Plan (PSP) 2016–2018 the maximum targets set in December 2015 for group cumulative comparable free cash flow were exceeded and Neste generated a total shareholder return clearly outperforming the Europe Stoxx 600 Market Index. As a result, 49,030 shares after tax (after the share split) were awarded to the President and CEO Peter Vanacker and to the members of ExCo. The shares delivered are subject to a 3-year lock-up period.

### Details of the awards under the long-term incentive programs

Earnings period	LTI 2013		LTI 2016			LTI 2019		
	PSP 2014–2016	PSP 2015–2017	PSP 2016–2018	PSP 2017–2019	PSP 2018–2020	PSP 2019–2021	RSP 2019–2021	PSP 2020–2022
Total number of participants at the delivery or grant	92	81	85	95	116	95	2	113
Earnings criteria	75% comparable cashflow and 25% relative TSR *)	75% comparable cashflow and 25% relative TSR *)	75% comparable cashflow and 25% relative TSR *)	75% comparable cashflow and 25% relative TSR *)	75% comparable cashflow and 25% relative TSR *)	100% relative TSR *)	vests based on time	100% relative TSR *)
Extent to which criteria achieved	100%	100%	100%	100%	-	-	-	-

### Number of shares delivered after tax:

– to President and CEO (Vanacker)			25,429 (after the share split)	-	-	-	-	-
– to other members of ExCo	18,241	10,271	23,601 (after the share split)	-	-	-	-	-
Year of payment	2017	2018	2019	2020	2021	2022	2022	2023
Lock-up period on vested shares	3 years for the President and CEO and the ExCo		3 years	1 year	1 year	No lock-up	No lock-up	No lock-up

\*) Total Shareholder Return

## Remuneration paid to the President and CEO and the ExCo members in 2019 and 2018

EUR	President and CEO			ExCo members (in aggregate)	
	2019 Peter Vanacker	2018 Peter Vanacker (1.11.2018-)	2018 Matti Lievonen (-31.10.2018)	2019	2018
Annual remuneration					
Base salary <sup>1)</sup>	934,505	150,000	582,234	2,078,592	1,980,085
Taxable benefits <sup>2)</sup>	32,941 <sup>3)</sup>	40	18,050	120,036	108,089
Annual incentive (STI plan) <sup>4)</sup>	-	-	251,945	538,706	641,434
Total annual remuneration	967,447	150,040	852,229	2,737,333	2,729,607
Vested long-term remuneration <sup>5)</sup>					
LTI 2016: 2016-2018 plan	1,164,536			1,555,896	
LTI 2016: 2015-2017 plan		-	553,504		1,245,352
Additional pension (see page 96)	-	-	1,092,041	401,195	443,582
Total remuneration	2,131,983	150,040	2,497,774	4,694,425	4,418,541

<sup>1)</sup>Base salary amount includes vacation pay.

<sup>2)</sup>Members of the ExCo receive taxable car and mobile phone benefits as part of their fixed salary (Finland).

<sup>3)</sup>Includes relocation cost to Finland.

<sup>4)</sup>2019 figures relate to performance in 2018. 2018 figures relate to performance in 2017.

<sup>5)</sup>Total taxable value of LTI payments awarded.

## Vested share incentive awards for the Neste Executive Committee

<b>Name</b>	<b>Position</b>	<b>ExCo member since</b>	<b>PSP 2016–2018 (paid 2019)<sup>1)</sup></b>
Peter Vanacker	President and CEO	2018	25,429
Matti Lehmus	EVP, Renewables Platform	2009	4,197
Carl Nyberg	EVP, Renewable Road Transportation	2019	2,103
Marko Pekkola	EVP, Oil Products	2019	1,707
Mercedes Alonso	EVP, Renewable Polymers and Chemicals	2019	-
Panu Kopra	EVP, Marketing & Services	2016	3,015
Simo Honkanen	SVP, Sustainability, Public Affairs and Communications	2009	2,355
Hannele Jakosuo-Jansson	SVP, Human Resources, HSSEQ and Procurement	2006	3,072
Lars Peter Lindfors	SVP, Innovation	2009	3,024
Jyrki Mäki-Kala	CFO, Strategy and IT	2013	4,128
Christian Ståhlberg	General Counsel	2017	-

<sup>1)</sup>The 2018 column refers to share incentives to be paid in spring 2019 for the earning period 2016–2018. The figures indicate the net amount of shares after tax and other statutory payments.

## Executive share ownership

A major principle of our executive remuneration policy is to ensure that there is strong alignment between the interests of Neste executives and those of its shareholders. Our executive share ownership policy requires that the President and CEO and the members of the ExCo build up and maintain shareholdings which are equivalent to their annual fixed base salary.

The following table shows the current shareholdings of members of the Neste Executive Committee.

### Shareholdings<sup>1)</sup> of the Neste Executive Committee 31 December 2019

Name	Position	ExCo member since	Number of shares <sup>1)</sup>
Peter Vanacker	President and CEO	2018	30,429
Matti Lehmus	EVP, Renewables Platform	2009	33,963
Carl Nyberg	EVP, Renewable Road Transportation	2019	4,401
Marko Pekkola	EVP, Oil Products	2019	1,707
Mercedes Alonso	EVP, Renewable Polymers and Chemicals	2019	-
Panu Kopra	EVP, Marketing & Services	2016	14,982
Simo Honkanen	SVP, Sustainability, Public Affairs and Communications	2009	21,513
Hannele Jakosuo-Jansson	SVP, Human Resources, HSSEQ and Procurement	2006	33,651
Lars Peter Lindfors	SVP, Innovation	2009	26,823
Jyrki Mäki-Kala	CFO, Strategy and IT	2013	34,128
Christian Ståhlberg	General Counsel	2017	-

<sup>1)</sup> The figure also includes the shares personally acquired by the executive (if any). In case of an executive leaving the Company during restriction period, the Board of Directors may, at its discretion, decide to recover the shares. On 31 December 2019 all ExCo members exceeded the ownership requirement except Christian Ståhlberg, (member of ExCo since 2017), Peter Vanacker (2018), Mercedes Alonso (2019), Carl Nyberg (2019) and Marko Pekkola (2019). The share value used as a basis in the monitoring is the volume weighted average price of Neste share 1st – 31st December 2019.

## Remuneration of personnel

### Short-term Incentives

Neste wants to ensure that its employees have the opportunity to share in the Company's success and excellent performance. STI schemes are in place in all countries, and incentives are paid on the basis of the set goals.

For the 2018 performance year, Neste was able to fund a payout of EUR 37.4 million (EUR 27.8 million) in performance-based incentives for senior managers and employees in the spring of 2019 (including pension and social insurance contributions).

The Company's main short-term incentive system for the personnel is determined according to the job grade and posting country, and is 4–20% of the annual base salary at a target level. The final incentive is determined by the Company's result multiplier which, depending on the Company's comparable operating profit, ranges between 0 and 1.5 if the threshold value has been exceeded. As a result, the incentive is determined according to the Company's financial performance.

### Personnel fund

Neste offers permanent and fixed-term employees based in Finland an entitlement to a profit share award through its personnel fund after six months of continuous service. The profit share earnings paid into the fund are distributed equally between members. The employees who participate in LTI plans are not entitled to profit share awards during the earning period of the plan.

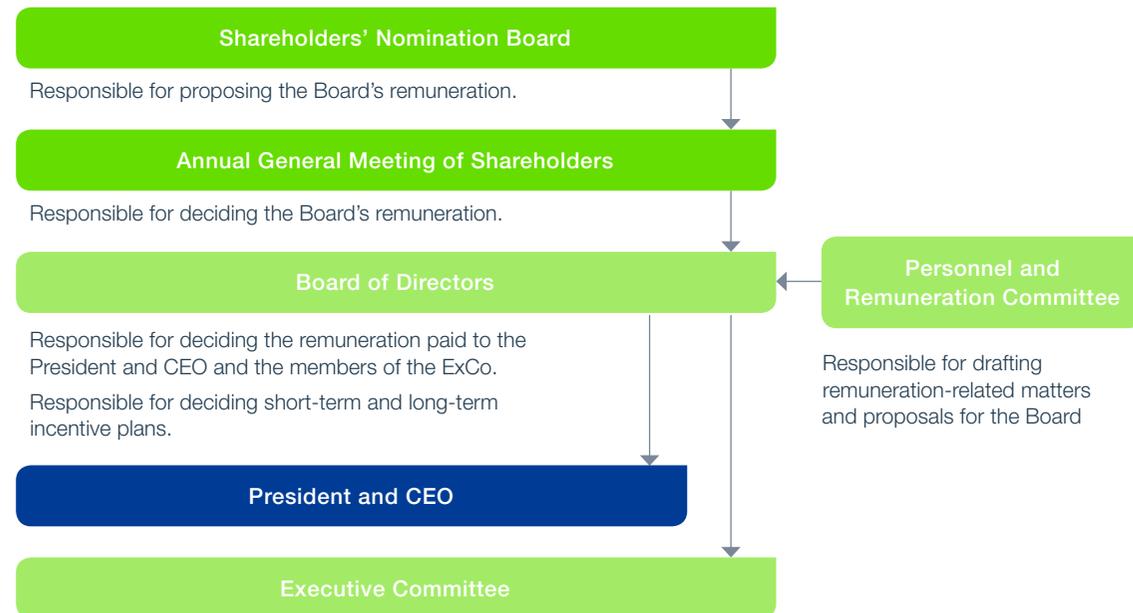
The Board of Directors sets the earning criteria for the profit share award annually and the award is tied to Neste's comparable operating profit. In 2019, the Company's personnel fund contribution was EUR 5.5 million (EUR 3.7 million) based on the comparable operating profit result achieved in 2018.

# Neste's Board of Directors Remuneration Review

## Remuneration governance

Remuneration-related discussion and decision-making at Neste involves the Shareholders' Nomination Board, the Annual General Meeting of Shareholders, the Board of Directors, and the Board's Personnel and Remuneration Committee. The Shareholders' Nomination Board submits a proposal concerning the remuneration payable to the Board of Directors to the AGM, while the Board of Directors is responsible for making decisions on remuneration and incentive arrangements for senior management and key personnel based on proposals made by its Personnel and Remuneration Committee. The decision-making process, which is outlined in the chart, guarantees that decisions are fair and unbiased.

## The decision-making process in remuneration-related matters



## Remuneration of the Board of Directors

The Annual General Meeting (AGM) is responsible for remuneration matters related to the Board of Directors. In 2019, the AGM decided to keep the remuneration to the members of the Board of Directors unchanged as follows:

- Chair, EUR 66,000 a year.
- Vice Chair, EUR 49,200 a year.
- Members, EUR 35,400 a year.

The amounts have remained unchanged since 2008.

In addition to the annual fee, members of the Board of Directors receive a meeting fee of EUR 600 for each Board and Committee meeting held in the member's home country and EUR 1,200 for each Board and Committee meeting held in another country, plus compensation for expenses pertaining to the company's travel guidelines. The meeting fee for telephone meetings is paid according to the fee payable for meetings held in each member's home country.

Board members are not within the scope of the Company's incentive systems and do not receive any performance or share-related payments.

## Remuneration paid to members of the Board

	Annual board fees (EUR)		Meeting attendance fees (EUR)	
	2019	2018	2019	2018
Matti Kähkönen	66,000	61,800	12,000	15,600
Sonat Burman-Olsson	36,900	-	11,400	-
Elizabeth (Elly) Burghout	35,400	26,550	17,400	18,600
Martina Flöel	35,400	35,400	19,200	25,800
Jari Rosendal	35,400	26,550	10,200	10,200
Laura Raitio	12,300	45,750	1,800	15,600
Jean-Baptiste Renard	35,400	35,400	17,400	25,200
Willem Schoeber	35,400	35,400	20,400	25,800
Marco Wirén	32,450	35,400	18,000	19,800

The meeting attendance fees include also meeting fees paid due to special tasks set by the Board of Directors, but not travel expenses.

Details of the shareholdings of the Board of Directors are shown in the Annual Report on [pages 77–78](#). These shares are personally acquired.

**NESTE**  
The only way is forward