

Remuneration statement

This Remuneration Statement has been drawn up in accordance with recommendation 47 of the Finnish Corporate Governance Code 2010.

Remuneration of the members of the Supervisory Board

The Annual General meeting decides on the remuneration of the Supervisory Board.

The Annual General Meeting on 30 March 2010, decided to leave the remuneration of the Supervisory Board members unchanged. The remuneration paid to the members of the Supervisory Board are;

- the yearly remuneration paid to the Supervisory Board's chairman is EUR 7,500
- the yearly remuneration paid to the deputy chairman is EUR 5,000
- the meeting allowance paid to the chairman and the members of the Supervisory Board is EUR 250.

The meeting allowance is also paid to the chairman and deputy chairman of the Supervisory Board for their attendance at the meetings of the Board of Directors and Nomination Committee.

In 2010 the Supervisory Board met four times. The average attendance rate of members was 87.5%. The members of the Supervisory Board were paid a total of EUR 37,750 in remuneration and allowances in 2010 as follows;

Remuneration paid to the members of the Supervisory Board 2010	Monthly remuneration	Meeting allowances for Supervisory Board meetings	Meeting allowances for Board of Directors' meetings	Remuneration total
Heikki Aaltonen		750		750
Matti Eskola		1 000		1 000
Jussi Hantula		1 000		1 000
Börje Helenelund		750		750
Laura Hämäläinen		750		750
Pasi Jaakkola		750		750
Timo Kaunisto		500		500
Risto Korpela		500		500
Mikko Kurittu		750		750
Mika Leikkonen		1 000		1 000
Markku Länninki		750		750
Ilkka Markkula		750		750
Marja-Liisa Mikola-Luoto		1 000		1 000
Juha Nevavuori	5 000	1 000	2 250	8 250
Samu Pere		750		750
Tuomo Raininko		1 000		1 000
Esa Ruohola		1 000		1 000
Esko Suomala		1 000		1 000
Helena Walldén	7 500	1 000	2 000	10 500
Mauno Ylinen		1 000		1 000

Pauli Juutinen		1 000		1 000
Aila Koivuniemi		1 000		1 000
Veijo Kukkonen		1 000		1 000
Kirsi Roos		1 000		1 000
Total, EUR	12 500	21 000	4 250	37 750

In 2010, there were no changes in the composition of the Supervisory Board.

Remuneration of the Supervisory Boards' Nomination Committee

The Annual General Meeting decides on the remuneration of the Nomination Committee.

The Annual General Meeting of Lännen Tehtaat plc on 30 March 2010 decided that the remuneration is as follows;

- meeting allowance EUR 250

In 2010 the Nomination Committee met two times. The average attendance rate of members was 100.0%. The meeting allowances were as follows;

Nomination Committee	Meeting allowances
Helena Wallden	500
Juha Nevavuori	500
Matti Lappalainen	500
Timo Miettinen	500
Antti Rauhamaa	500
Total, EUR	2 500

Meeting allowances for 2010 have been paid in 2011.

Remuneration of the Board of Directors

Based on the proposals prepared by the Nomination Committee, the company's Supervisory Board elects the members of the Board of Directors, the chairman and the deputy chairman of the Board, and the remuneration payable to them.

As decided by the Supervisory Board on 13 April 2010;

- the monthly remuneration paid to the chairman of the Board of Directors is EUR 3,025
- the monthly remuneration paid to the deputy chairman is EUR 1,870
- the monthly remuneration paid to the other Board members is EUR 1,485

In 2010 the Board of Directors met 14 times. The average attendance rate of members was 86.7%. The remuneration paid to the members of the Board of Directors amounted EUR 135,960 and was as follows;

Remuneration paid to the members of the Board of Directors' in 2010	Monthly remuneration
Harri Eela	17 820
Heikki Halkilahti	17 820
Aappo Kontu	17 820
Matti Lappalainen	31 680
Hannu Simula	20 900
Soili Suonoja	17 820
Tom v. Weymarn, until 13 April 2010	12 100
Total, EUR	135 960

Matti Lappalainen, deputy chairman of the Board until 13 April 2010 and chairman of the Board since that. Hannu Simula, deputy chairman of the Board since 14 April 2010. Tom v. Weymarn member and chairman of the Board until 13 April 2010.

Principles of remuneration of the CEO and Corporate Management

Principles of remuneration and decision-making process

The remuneration and incentive plans for management are made up of monetary remuneration, fringe and pension benefits, and performance-related compensation, by which the degree of success for the year is measured. The level of these plans as a whole is compared annually with the general market level. The Board of Directors of Lännen Tehtaat plc decides on the principles of the remuneration and incentive plans for the CEO and other members of the management.

The Board also confirms annually the indicators to be used for the plans and their level in relation to the targets set. The indicators also include key figures connected with annual budgets as well as development targets selected on a function-specific basis. In 2010, indicators for the CEO and management were among others earnings per share and cash flow. The maximum amount of performance-related compensation corresponds to 60 per cent of annual salary in the case of the CEO, and 50 per cent of annual salary for other management.

The CEO and one member of the management have defined benefit pension plan, pension of other members of management are determined based on the Employees' Pensions Act (TyEL).

Remuneration of the CEO

The Board of Directors appoints and releases from duties the CEO and deputy CEO, determines their duties and decides on their terms of service and their incentive schemes.

The key conditions of the CEO's terms of service are defined in his contract. The agreed period of notice is six months. Should the CEO be given notice by the company, he will be entitled to a severance package equivalent to 12 months' pay.

The retirement age for the parent company's CEO has been set at 62 years and the retirement pension is 62% of his pensionable salary in accordance with 2004 legislation. In 2010, contribution to the CEO's supplementary pension benefits was EUR 96 thousands.

The salary with fringe benefits and bonuses paid to the CEO in 2010 amounted EUR 423,093 and were as follows;

	Non-variable salary	Fringe benefits	Bonus for 2009	Total
CEO	281 369	18 480	123 245	423 093

Share-based incentive scheme

There are no share-based incentive schemes in the Group.