

REMUNERATION STATEMENT AND REMUNERATION REPORT 2017

REMUNERATION, REWARDS AND INCENTIVES

The main objectives of remuneration at Marimekko Corporation are to promote competitiveness and long-term financial success of the company, contribute to the favourable development of shareholder value and increase the commitment of the company's key persons.

Remuneration of the members of the Board of Directors

The Annual General Meeting decides on the remuneration payable to the Board of Directors. The Audit and Remuneration Committee of the company handles and prepares matters related to the remuneration payable to the Board of Directors. All members of the Audit and Remuneration Committee are independent of the company and its significant shareholders.

A person serving the company under an employment or service agreement receives no fee for the membership of the Board of a Marimekko subsidiary. According to the resolution by the Annual General Meeting 6 April 2017, approximately 40 percent of the annual remuneration to the Board of Directors in 2017 will be paid in Marimekko Corporation's shares acquired from the market and the rest in cash. In case a member of the board has held shares of the company over the value of 500 000 euros on the date of the Annual General Meeting, 6 April 2017, the remuneration has been paid in full in cash. According to the decision of the Annual General Meeting, the shares have been acquired directly on behalf of the Board members within two weeks from the release of the interim report for 1 January - 31 March 2017 or if this has not been possible taken into account the insider rules, as soon as possible thereafter. There are no special rules applied to the Board of Directors concerning the ownership of shares received as remuneration. The Board is not, as a rule, entitled to any other financial benefits in addition to the fixed annual payment. Marimekko has not issued monetary loans to the Board members or guarantees or other contingent liabilities on their behalf.

In 2017, the Annual General Meeting resolved that the annual remuneration payable to the members of the Board be as follows: EUR 40,000 to the Chairman; EUR 30,000 to the Vice Chairman, EUR 22,000 to the other members of the Board. The Board members receive no additional fee for attending the board meetings. The members of the Audit and Remuneration Committee receive no additional remuneration for the committee work, nor additional fee for attending the committee meetings. The fee of the Vice Chairman of the Board includes working as a Chair of the Audit and Remuneration Committee.

The full-time Chairman of the Board, Mika Ihamuotila, has been paid, in addition to the annual remuneration of the Chairman of the Board resolved by the Annual General Meeting, EUR 8 800 as a monthly fee under the separate full-time executive service agreement with the company. No other fees, such as annual bonuses or benefits, in addition to the above-mentioned, have been paid to Mr Ihamuotila. The pension is determined by the statutory employee pension plan (TyEL). The Audit and Remuneration Committee of the company handles and prepares matters related to the terms and remuneration of the full-time executive service agreement of the full-time Chairman of the Board.

Remuneration of the President and CEO

The Board of Directors of Marimekko Corporation decides on the salary and remuneration payable to the President and CEO. The Audit and Remuneration Committee of the company handles and prepares matters related to the terms and remuneration of the service contract of the President and CEO. All members of the Audit and Remuneration Committee are independent of the company and its significant shareholders.

The remuneration of the President and CEO consists of a regular salary and fringe benefits, an annual bonus as well as a so called long-term bonus system targeted at the company's management group, including the President and CEO, please see paragraph "Remuneration of other management" below. Under the contract between the company and the President and CEO is, in addition to her regular salary, entitled to an annual bonus, the maximum amount of which corresponds to her regular salary for four months. The principles determining the bonus are confirmed annually by the Board based on a proposal by the Audit and Remuneration Committee. The pension is determined by the statutory employee pension plan (TyEL). If the President and CEO resigns of her own accord, her term of notice is six months and she is entitled to a remuneration corresponding to her regular salary for six months. If the company terminates the contract, the President and CEO's term of notice is six months and she is entitled to a remuneration corresponding to her regular salary for six months. The remuneration in case of termination is tied to a fixed-term non-compete obligation.

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Remuneration of other management

The Board of Directors of Marimekko Corporation decides on the salary and remuneration payable to the members of the Management Group. The Audit and Remuneration Committee of the company handles and prepares matters related to the terms and remuneration of the service contracts of the senior management. All members of the Audit and Remuneration Committee are independent of the company and its significant shareholders.

The remuneration of the Management Group consists of a regular salary and fringe benefits, an annual bonus as well as a so called long-term bonus system. The annual bonus is based on the growth of the company's consolidated net sales, operating result and individual objectives separately determined by the Board of Directors. The members of the Management Group fall within the scope of the statutory employee pension plan (TyEL).

The Board of Directors of Marimekko Corporation decided on 7 May 2014 on establishing a long-term bonus system targeted at the company's Management Group. The purpose of the bonus system is to encourage the Management Group to operate with a business mentality and to add the company's value in the long-term in particular. The aim is to combine the owners' and the Management Group's targets in order to increase the company's value and to elicit the Management Group's commitment to the company in the span of several years.

The system is composed of two earnings periods, which are 8 May 2014 - 31 October 2017 and 8 May 2014 - 28 February 2018. The possible bonus for each earnings period will be based on the total yield on Marimekko Corporation's shares, including dividends. The possible bonus is defined to be paid in two instalments. The first instalment would have been due in 2017 in the fall and the possible second instalment will be due in spring 2018. Earning the bonus requires that the person still works for the company at the time of the payment. When receiving the bonus, the person in question commits themselves to using 50 percent of the net value of the bonus for acquiring the company's shares at transaction price within six months from receiving the bonus. The shares acquired with the bonus cannot be surrendered prior to two years from the time of acquiring the shares. The annual maximum value of the bonus paid to a member of the Management Group in the bonus system equals the approximate value of gross annual salary. The system encompasses the Management Group members including the President and CEO, a total of seven persons.

REMUNERATION REPORT

The fees to the members of Marimekko's Board of Directors 2016-2017

(EUR 1,000)	Fee for Board work		Other financial benefits		Total compensation paid in the financial year	
	2017	2016	2017	2016	2017****)	2016****)
Mika Ihamuotila	40	40	111*)	81*)	151*****)	121*****)
Elina Björklund	30	30	-	-	30	30
Rebekka Bay Rasmussen	22	-	32**)	-	54	-
Arthur Engel	22	22	8**)	25**)	30	47
Mikko-Heikki Inkeroinen	22	22	-	-	22	22
Joakim Karske*****)	-	22	-	-	-	22
Helle Priess Sørensen	22	-	20**)	-	42	-
Catharina Stackelberg-Hammarén	22	22	-	-	22	22
Total	180	158	171	106	352	264

*) Monthly fee paid under the full-time executive service agreement since 11 April 2016.

***) Consultancy compensation

****) In accordance with the resolution regarding the annual remuneration to the Board of Directors by the Annual General Meeting 11 April 2016, the Vice Chairman of the Board received 1 472 shares and the other members 1 079 shares each as part of their annual remuneration.

*****) In accordance with the resolution regarding the annual remuneration to the Board of Directors by the Annual General Meeting 6 April 2017, the Vice Chairman of the Board received 1 113 shares and the other members 816 shares each as part of their annual remuneration.

*****) In accordance with the resolution regarding the annual remuneration to the Board of Directors by the Annual General Meeting 6 April 2017, the annual remuneration of the Chairman of the Board has been paid entirely in cash as Mr. Mika Ihamuotila has held company's shares on the date of the Annual General Meeting in worth of more than EUR 500,000.

*****) A member of the Board of Directors until 6 April 2017

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Salaries and bonuses paid to the President and the CEO 2016-2017

(EUR 1,000)	Salary		Annual bonus		Long-term bonus		Other financial benefits		Total compensation paid in the financial year	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
CEO*)	-	90	-	-	-	-	-	-	-	90
President**)	252	232	63	-	-	-	-	-	316	232
Total	252	322	63	-	-	-	-	-	316	322

*) Mika Ihamuotila Chairman of the Board and the CEO until 11 April 2016, since 11 April 2016 full-time Chairman of the Board

***) Tiina Alahuhta-Kasko President until 11 April 2016, since 11 April 2016 President and CEO

Salaries and bonuses paid to other management 2016-2017

(EUR 1,000)	Salary		Annual bonus		Long-term bonus		Other financial benefits		Total compensation paid in the financial year	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Management Group	825	506	39	-	-	-	-	-	864	506
Total	825	506	39	-	-	-	-	-	864	506