

REMUNERATION STATEMENT AND REMUNERATION REPORT 2018

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.

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 12 April 2018, approximately 40 percent of the annual remuneration to the Board of Directors in 2018 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, 12 April 2018, 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 2018 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 2018, 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.

marimekko

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).

Bonus system 2014-2018

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 was 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 was based on the total yield on Marimekko Corporation's shares, including dividends. The possible bonus was defined to be paid in two instalments. The first instalment would have been due in 2017 in the fall and the second instalment was due in spring 2018. Total bonuses paid in spring 2018 were 177 tEUR and earning the bonus required that the person still worked for the company at the time of the payment and committed themselves to using 50 percent of the net value of the bonus for acquiring the company's shares at transaction price. The shares acquired with the bonus cannot be surrendered prior to two years from the time of acquiring the shares. The system encompassed the Management Group members including the President and CEO, a total of eight persons.

Bonus system 2018-2022

The Board of Directors of Marimekko Corporation decided on 14 February 2018 on establishing a new bonus system targeted at the company's Management Group. The purpose of the bonus system is to encourage the Management Group, to combine the owners' and the Management Group's targets in order to increase the company's value and profitability in the long-term and to elicit the Management Group's commitment to the company. The system is composed of two earnings periods, which are 1 April 2018 - 30 September 2021 and 1 April 2018 - 31 January 2022. 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 will be due in 2021 in the fall and the possible second instalment will be due in spring 2022. The bonus has been planned to be paid 50 percent in company's shares and 50 percent in cash. The shares paid as part of the bonus cannot be surrendered prior to two years from the time of acquiring the shares. Earning the bonus requires that the person still works for the company at the time of the payment. 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

Remuneration of the members of Marimekko's Board of Directors 2017-2018

(EUR 1,000)	Fee for Board work		Other financial benefits		Total compensation paid in the financial year	
	2018	2017	2018	2017	2018	2017
Mika Ihamuotila	40	40	123*)	111*)	163	151
Elina Björklund	30	30	-	-	30	30
Rebekka Bay	22	22	6**)	32**)	28	54
Arthur Engel	22	22	4**)	8**)	26	30
Mikko-Heikki Inkeroinen	22	22	-	-	22	22
Helle Priess	22	22	80**)	20**)	102	42
Catharina Stackelberg-Hammarén	22	22	-	-	22	22
Total	180	180	213	171	393	352

Fee for the Board work:

2017: 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.

2018: In accordance with the resolution regarding the annual remuneration to the Board of Directors by the Annual General Meeting 12 April 2018, the Vice Chairman of the Board received 859 shares and the other members 630 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 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.

Other financial benefits:

*) Monthly fee paid under the full-time executive service agreement

***) Consultancy compensation

Remuneration of the President and CEO 2017-2018

(EUR 1,000)	Salary		Annual bonus		Personnel Share Issue		Long-term bonus system		Total compensation paid in the financial year	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
President & CEO	292	252	38	63	-	-	73*	-	403	316
Total	292	252	38	63	-	-	73	-	403	316

*) 50 percent of the net value of the bonus used for acquiring the company's shares at transaction price

Remuneration of other management 2017-2018

(EUR 1,000)	Salary		Annual bonus		Personnel Share Issue		Long-term bonus system		Total compensation paid in the financial year	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Management Group	961	825	62	39	-	-	104*	-	1127	864
Total	961	825	62	39	-	-	104*	-	1127	864

*) 50 percent of the net value of the bonus used for acquiring the company's shares at transaction price