

Remuneration statement 2016

Decision-making process and main principles of remuneration

Sanoma's Annual General Meeting (AGM) determines remuneration of the members of the Board of Directors and Board committees.

The remuneration and fringe benefits (total salary), short term incentives and pension benefits payable to the President and CEO and Executive Management Group (EMG) members as well as long term incentives granted for senior executives are approved by the Board of Directors, in accordance with the Human Resources Committee's proposal.

President and CEO and EMG members do not receive separate remuneration for their management group membership or other internal management positions, such as Board memberships in the Group companies. President and CEO Susan Duinhoven continued to receive remuneration regarding her Board membership in Sanoma until AGM 2016.

Short-term incentive plans

The short-term incentives are determined on the basis of achieving financial and non-financial objectives set annually. The weighting of the objectives and the maximum amount of the incentives vary according to the position of the person in question. Short-term incentives are paid in April following the year of determination. In 2017 the short-term incentive for the President and CEO is 66.7% of her salary at target level and 100% at maximum level. For other EMG members the short-term incentive varies from 40% to 60% of salary at target level and from 60% to 90% at maximum level.

The criteria in the short-term incentive plan for 2017 are based on achieving financial targets of EBIT, cash flow and net sales as well as Sanoma's employee satisfaction objective.

Long-term incentive plans

Restricted Share Plan

Sanoma has adopted in 2014 Restricted Share Plan. The conditions and the issuance of the Restricted Shares are decided on by the Sanoma Board of Directors in accordance with the Human Resources Committee's proposal. In general, Restricted Shares vest over 2- and 3-year periods after which the allocated shares will be delivered to the participants provided that their employment with Sanoma continues uninterrupted throughout the duration of the plan until the shares are delivered. The first plan commenced at the beginning of 2014 and the shares based on the first plan were delivered in March 2016. The second plan commenced at the beginning of 2015 and 50% of the shares based on it will be delivered in 2017 and 50% of the shares in 2018. The third plan commenced at the beginning of 2016 and 50% of the shares based on it will be delivered in 2018 and 50% of the shares in 2019. The fourth plan commenced at the beginning of 2017 and the shares based on it will be delivered in 2019. EMG members are part of Sanoma's Restricted Share Plan. The details of

granted shares to EMG members are presented in Note 33 of the Financial Statements.

Performance Share Plan

Sanoma has adopted in 2013 Performance Share Plan. The conditions and the issuance of the Performance Shares are decided on by the Sanoma Board of Directors in accordance with the Human Resources Committee's proposal. In general, Performance Shares vest over 3-year period and vesting is subject to meeting Group performance targets set by the Board of Directors for annually commencing new plans. The performance measures for the Performance Share Plan 2014-2016 were based on the earnings per share (excluding items affecting comparability), and the development of digital and other new media sales in 2014. The performance measures for the Performance Share Plan 2015-2017 are growth in net sales adjusted for structural changes and earnings per share (excluding items affecting comparability) in 2015. The performance measures for the Performance Share Plan 2016-2018 are cash flow and operational earnings per share in 2016 and the performance measures for the Performance Share Plan 2017-2019 are adjusted free cash flow and operational earnings per share in 2017. The President and CEO and EMG members are part of Sanoma's Performance Share Plan. The details of granted and earned shares of EMG members are presented in Note 33 of the Financial Statements.

Share ownership

Shares conditionally granted to the President and CEO and EMG members under the Performance Share Plans and Restricted Share Plans are subject to share ownership requirement that is determined by the Board of Directors in accordance with the Human Resources Committee's proposal. Until the required shareholding is achieved, the President and the CEO and EMG members are required to hold (and not sell) at least 50% of shares received. Information on shares held by Sanoma's President and CEO and other members of the EMG are presented in Note 33 of the Financial Statements. As of 3 July 2016, notifications of the President and CEO's transactions are announced on Sanoma.com.

Stock Option Schemes

Stock option scheme 2011 continues to run until its expiration date (30 November 2017). The subscription period of the stock option scheme 2011 has begun about three years after the granting and runs for a total of three years. No new option grants have been made since the launch of the stock option scheme 2011.

Remuneration of the President and the CEO and EMG members

The remuneration of the President and CEO and other EMG members is decided on by Sanoma's Board of Directors in accordance with the Human Resources Committee's proposal. In addition to the total salary, the remuneration also comprises short term incentives, stock options, performance shares (as of 2013), restricted shares (as of 2014) and pension benefits.

President and CEO Susan Duinhoven started in her position as of 1 October 2015. Susan Duinhoven was paid a total salary of EUR 581,486 (in 2015 for the period 1 October 2015-31 December 2015 EUR 135,060), including the value of housing. As a member of the Board of Directors Susan Duinhoven was paid EUR 22,000 (2015: 48,000) for her Board membership in Sanoma. Other members of the EMG received

in 2016 EUR 2.4 million (2015: 5.4) including payments as per the short-term and long-term incentive plans.

The criteria in the short-term incentive plan in 2016 were based on achieving financial targets of EBIT, cash flow as well as objectives related to Sanoma's employee satisfaction objective.

An itemised statement on remuneration paid can be found in Note 33 of the Financial Statements. More detailed information on the management's relationships and connections to the Sanoma Group is provided in Note 32.

As of 3 July 2016, notifications of the President and CEO's transactions are announced on Sanoma.com.

The notice period and severance package of the President and the CEO

The President and CEO's period of notice is six months either from the CEO's or the Company's part. If the executive contract is terminated by the company, a severance payment equalling to 12 month's salary in addition to the salary for the notice period will be paid to the President and CEO. The severance pay is accompanied by a fixed-term non-competition clause.

Pension benefits for the President and the CEO and EMG members

Sanoma has a host of different pension arrangements to cover the pension security of its personnel. The additional pension benefits of the President and CEO and other EMG members are currently based on defined contribution. Contracts made prior to 2009 are based on defined benefit. The President and CEO is entitled to an additional pension benefit contribution, which amounts to 15% of her base salary. The President and CEO's and part of the EMG members' retirement age is the usual retirement age in their home country. Some EMG members have a lower than statutory retirement age in the range of 61–63 years. The pensions of the EMG members whose additional pension benefits are based on defined benefit plan, amount to approximately 60% of their pensionable salary applicable in their home country, together with the statutory pension cover.