

33. Management compensation, benefits and ownership

Management remuneration and ownership, 2016	Remuneration (EUR 1 000)	Number of shares on 31 December 2016	Number of stock options	Number of performance shares and restricted shares ****		
			2011	Performance and restricted share plan costs (EUR 1 000)	Performance Share Plan 2014–2016 ***	Performance Share Plan 2016–2018 ***
Board of Directors						
Pekka Ala-Pietilä, Chairman (as of 12 April 2016)	94	10 000				
Antti Herlin, Vice Chairman (as of 12 April 2016) *	86	18 711 800				
Anne Brunila	78	910				
Susan Duinhoven	22					
Mika Ihamuotila	72	150 000				
Nils Ittonen **	92	59 000				
Denise Koopmans	77					
Robin Langenskiöld	71	12 273 371				
Rafaela Seppälä	72	10 273 370				
Kai Öistämö	78	8 265				
Total	742	41 486 716				
President and CEO						
Susan Duinhoven	581	71 629		334		150 000
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Executive Management Group						
Kim Ignatius		4 701			7 641	30 000
Pia Kalsta		3 189	5 000		2 149	30 000
John Martin		12 096			8 596	30 000
Peter de Mönink		2 375			23 400	75 000
Total	2 381	22 361	5 000	715	41 786	165 000

* Includes the holdings of interest parties.

** Includes the holdings of persons closely related.

*** Sanoma Performance Share Plan has been adopted in 2013. Sanoma Restricted Share Plan has been adopted in 2014. Number of Sanoma performance shares granted in the Performance Share Plan 2016–2018 to the President and CEO and EMG members is presented on target level. Shares conditionally granted to the President and CEO and EMG members under the Performance Share and Restricted Share Plan 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% (for shares delivered after year 2016, earlier 25%) of performance and restricted shares received.

**** Performance Share Plan 2015–2017 has not been presented in the table as no rewards were paid since the minimum levels of the performance criteria were not achieved.

Figures include the remuneration that has been paid for assignments handled by those persons during the period. EMG members do not receive separate remuneration for their Board memberships in the Group companies. Remuneration includes fringe benefits. Performance and restricted share plan costs include costs during membership. The Group had no outstanding receivables or loans from the management. Remuneration does not include pension costs. The pension cost of the President and CEO and EMG is presented in paragraph 'Other benefits of the management'.

Management remuneration and ownership, 2015	Remuneration (EUR 1 000)	Number of shares on 31 December 2015	Number of stock options		Number of performance shares and restricted shares				
			2010	2011	Performance and restricted share plan costs (EUR 1 000)	Performance Share Plan 2014–2016 ****	Performance Share Plan 2015–2017 ****	Restricted Share Plan 2014–2015 ****	Restricted Share Plan 2015–2017 ****
Board of Directors									
Antti Herlin, Chairman **	102	17 971 800							
Pekka Ala-Pietilä, Vice Chairman (as of 9 April 2015)	74								
Sakari Tamminen, Vice Chairman (until 9 April 2015)	34								
Annet Aris (until 9 April 2015)	32								
Anne Brunila	73	910							
Susan Duinhoven (as of 8 April 2015)	48								
Mika Ihamuotila	67	100 000							
Nils Ittonen ***	69	59 000							
Denise Koopmans (as of 8 April 2015)	49								
Robin Langenskiöld	70	12 273 371							
Rafaela Seppälä	69	10 273 370							
Kai Öistämö	72	8 265							
Total	758	40 686 716							
President and CEO									
Susan Duinhoven (as of 1 October 2015)	135								
Harri-Pekka Kaukonen (until 18 September 2015) *	878	25 050	60 000	60 000		20 439	21 875	21 400	
Total	1 013	25 050	60 000	60 000	76	20 439	21 875	21 400	
Executive Management Group									
Jacqueline Cuthbert		6 500		30 000		7 641		8 000	
Arthur Hoffman						14 327		15 000	
Kim Ignatius		18 000	30 000	30 000		7 641	15 750	8 000	5 250
Pia Kalsta (as of 1 March 2015)			4 000	5 000		2 149	18 750	6 750	6 250
John Martin		7 844	10 000	30 000		8 596	18 750	9 000	6 250
Peter de Mönnink						23 400	45 000	24 500	15 000
Pekka Soini (until 28 February 2015)		10 000	30 000	30 000		8 596		9 000	
Heike Tyler (until 30 June 2015)				15 000					
Total	5 411	42 344	74 000	140 000	376	72 350	98 250	80 250	32 750

* In addition, salary for the notice period and the severance payment payable to the President and CEO amounts to EUR 1,071,379.

** Includes the holdings of interest parties.

*** Includes the holdings of persons closely related.

**** Sanoma Performance Share Plan has been adopted in 2013. Sanoma Restricted Share Plan has been adopted in 2014. Number of Sanoma performance shares and restricted shares conditionally granted to the President and CEO and EMG members is presented on target level. Shares conditionally granted to the President and CEO and EMG members under the Performance Share and Restricted Share Plan 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 25% of performance and restricted shares received.

Figures include the remuneration that has been paid for assignments handled by those persons during the period including severance payments related to the termination of employment. Remuneration includes fringe benefits. Performance and restricted share plan costs include costs during membership. The Group had no outstanding receivables or loans from the management. Remuneration does not include pension costs. The pension cost of the President and CEO and EMG is presented in paragraph 'Other benefits of the management'.

The remuneration and benefits payable to the President and CEO and Executive Management Group (EMG) members are approved by the Board of Directors of Sanoma, in accordance with the Human Resources Committee's proposal. In addition, the President and CEO and EMG members receive bonuses according to the short-term incentive plan approved each year by the Board of Directors. For the year 2016 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 2016 are based on achieving financial targets of EBIT and cash flow as well as Sanoma's employee satisfaction objective.

The President and CEO and EMG members are part of Sanoma's long-term incentive schemes. The long-term incentives are part of the Group's incentive and commitment programme and are distributed by the Sanoma Board of Directors, in accordance with the Human Resources Committee's proposal.

⊕ Notifications of the President & CEO's transactions are announced on Group's website Sanoma.com as of 3 July 2016. More details on remuneration principles are available in the Corporate Governance section at Sanoma.com.

Other benefits of the management

The President and CEO Susan Duinhoven's period of notice is six months either from the President and CEO's or the Company's part. If the executive contract is terminated by the Company, a severance payment equaling 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.

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 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.

For the President and CEO Susan Duinhoven, the additional pension contribution cost was EUR 107,110 for the year 2016, and the statutory pension cost for the year 2016 was EUR 95,829 (2015: 22,258). The pension costs of EMG members were EUR 529,411 in 2016 (2015: 534,417).

34. Events after the balance sheet date

The management of Sanoma has not become aware of any major events after the balance sheet date that would have resulted in major adjustments to the figures in the financial reports.

No such events have arisen after the balance sheet date that would have a significant impact on the Group's financial position.