

CAPMAN PLC – REMUNERATION STATEMENT

Updated on 2 February 2012. The Board of Directors of CapMan Plc is responsible for confirming the Group's Remuneration Statement.

Remuneration Statement of CapMan Plc (CapMan) has been prepared in accordance with the Recommendation 47 of the Finnish Corporate Governance Code (Code), which entered into force on 1 October 2010. The Code as a whole is publicly available on the website of the Securities Market Association at www.cgfinland.fi.

When deliberating the remuneration elements set out in this Remuneration Statement the Remuneration Committee and the Board of Directors have applied foremost principles of fairness and competitiveness, balancing of interests of shareholders, fund investors as well as employees, and promoting as well as strengthening the performance culture both short and long term.

1 Board of Directors

1.1 Principles of remuneration and the decision-making process

The remuneration of the members of the Board of Directors is confirmed by the AGM. According to the decision of the AGM 2011, the Chairman and Vice Chairman of the Board of Directors are paid a monthly remuneration of EUR 4,500, and members of the Board are each paid a monthly remuneration of EUR 4,000. In addition, Board committee members shall be paid a remuneration of EUR 800 per committee meeting. These remunerations are not currently payable in shares. All members of the Board shall be reimbursed for reasonable travel expenses. Board members employed by a CapMan Group company are entitled to the employee benefits provided from time to time by the company in question.

1.2 Remuneration and benefits related to an employment contract or service agreement with the company

The Chairman of the Board, Heikki Westerlund, is also employed by a CapMan Group company and works actively with CapMan's investment operations as a Senior Partner. The salary and bonuses paid to Westerlund in 2011 are described in section 1.5. As a Senior Partner he is also entitled to the additional pension insurance described in section 2.2. Westerlund has a 6-month mutual notice period and is entitled to a severance fee corresponding to six months' salary, if his employment is terminated by the company.

Conny Karlsson functions as an Operating Partner to the Buyout team and invoices for his services under a separate agreement.

1.3 Participation in share-related compensation systems

CapMan deviates from the Code's Recommendation 43, which covers the participation of non-executive directors in share-related remuneration schemes. Non-executive members of the Board can participate in a share-related remuneration scheme in accordance with the decision of the General Meeting, in which case the shareholders have the opportunity to evaluate whether such remuneration is in their interest. Over the past years the practice has been that non-executive Board members do not participate in share-related compensation systems. All shares and share-related rights that are granted to Board members are published on CapMan's website www.capman.com/capman-group/governance/insider-issues.



Currently, one Board member is part of a share-related compensation system, the stock option program 2008. Chairman Heikki Westerlund, who is also CapMan's Senior Partner, was granted stock options in January 2010 before he joined the Board.

1.4 Biographical details of the members of the Board

The biographical details of the members of the Board are available at the company's website: www.capman.com/capman-group/governance/board-of-directors and www.capman.com/capman-group/governance/insider-issues.

1.5 Remuneration of the members of the Board in 2011

Name	Position	Main occupation	Board remuneration, €	Other remuneration paid to members of the Board employed by CapMan or members acting as advisors to CapMan, €
Heikki Westerlund	Chairman	Senior Partner, CapMan	54,000	238,933
Teuvo Salminen	Vice Chairman	Senior Advisor to Pöyry Plc	55,600	14,760
Sari Baldauf *	Member	Board professional	24,000	-
Tapio Hintikka *	Member	Board professional	24,000	-
Conny Karlsson	Member	Board professional	49,600	50,717
Nora Kerppola	Member	Managing Director of Nordic Investments Oy	38,400	-
Claes de Neergaard	Member	Board professional	38,400	-
Koen Dejonckheere **	Member	CEO of Gimv NV	-	-

* CapMan Board member from 1 January 2011 to 31 March 2011.

** Mr. Dejonckheere has informed the company that he prefers not to accept board remuneration.

2 CEO and Management Group

2.1 Principles of remuneration and the decision-making process

The Board of Directors of CapMan confirms the overall remuneration principles and elements covering the CEO and Management Group members on an annual basis. The Board's Remuneration Committee, consisting of at least two independent Board members and no executives, prepares remuneration-related matters for the Board.

Currently, the total compensation program consists of a monthly fixed salary, additional pension insurance, performance bonuses as short-term incentives (STI) and stock options as long-term incentives (LTI). No share plans are currently in use. The CEO and other Management Group members do not receive any payment or remuneration for their work on any CapMan-related boards, committees, or other decision-making or preparatory bodies. The monthly salary of individual Management Group members (apart from the



CEO) can be increased on the basis of a proposal by the CEO and subsequent approval by the Remuneration Committee / the Board.

The CEO of CapMan, Lennart Simonsen, enjoys the same benefits as other members of the Management Group as explained below and has no separate or special compensation elements. Any adjustments to the CEO's salary and other compensation can only be made with the Board's approval. The CEO has a 12-month mutual notice period. No special severance fee has been agreed upon for the potential termination of the CEO's agreement with the company.

2.2 Additional pension insurance

The CEO, Senior Partners appointed after 1 January 2010 and Management Group members are covered by an additional payment-based pension insurance, for which the company pays an annual premium equivalent to 5% of the participant's annual salary. This premium can be increased by up to 10% of the annual salary if the Board so decides. The individual's entitlement to a premium-free policy grows gradually after 3 years and after 6 years covers 100% of the cumulative additional pension saving. The retirement age is set at 60 years of age.

2.3 Performance bonuses

The annual performance-based bonus program is tied to the annual individual performance evaluation process and to CapMan Group's profit level. The actual bonus payout to each individual is dependent on both the annual result of the CapMan Group and the individual overall performance during the year in question. The CEO's and the Management Group members' bonuses are approved by the Board.

On an annual basis, the Board defines in advance a minimum profit level (threshold) for any bonuses to be paid out, together with a profit level at which the maximum bonuses are payable subject to individual performance. The maximum bonus potential for each individual is defined based on career path level and/or role. The bonus potential of both the CEO and other Management Group members is currently set at twelve times their monthly salary.

Of the members of the Management Group, the Head of Sales, Marketing, Investor Relations and Communications participates in a success fee-type of sales and marketing bonus program defined by the Board on a fund by fund basis. The bonus is typically defined as a percentage of the total amount of capital raised (excl. CapMan's own investment). The sales and marketing bonus is divided principally between the members of the fundraising team, and the amount of payable bonus depends on fundraising success, the individual's role and individual performance. The sales and marketing bonus is paid out in three installments over typically a three-year period.

2.4 Stock option program

Stock options are used to commit key individuals/executives to the company and reinforce the alignment of interests of key individuals/executives and CapMan shareholders. CapMan currently has one stock option program in force, the stock option program 2008. The terms and conditions of the program are available at www.capman.com/capman-group/shares-and-shareholders/stock-option-programs/stock-option-terms-2008-.

In January 2010, all Management Group members were granted 2008A and 2008B stock options. In November 2011 the Board granted the CEO Lennart Simonsen och CFO Niko Haavisto additional 2008B stock options with a lock-up period until 31 December 2012. The Management Group members' holdings are specified on the company's website at www.capman.com/capman-group/governance/insider-issues.



2.5 Biographical details of Management Group members

The Management Group's biographical details are available at the company's website: www.capman.com/capman-group/governance/management-group.

2.6 Remuneration of CEO and Management Group in 2011

Name	Salary, €	Bonus linked to financial performance and achievement of personal goals, €	Other variable amount, €	In total, €	Option rights granted
CEO Lennart Simonsen	336,672	97,200	16,877	450,749	500,000
Management Group*	1,345,333	1,207,064	33,633	2,586,030	925,000

* Excluding the CEO. The figures include the aggregate remuneration paid by CapMan during the financial year 2011 to the members of the Management Group.

3 Carried interest income and Maneq funds

The investment team responsible for the fund's investment activities receives a share of carried interest from funds established in 2004 and thereafter. In connection with the establishment of a new fund, the Board makes a decision on the division of the possible carried interest between CapMan and the investment team responsible for the fund's investment activities. The investment team's share of carried interest received from a fund is typically at least 50%.

It is common practice in the private equity industry to direct part of the carried interest income to the members of the investment teams. The aim of the carried interest split is to align the interests of the fund investors and the investment professionals and to commit the investment professionals to the company in a long term. A new fund typically starts to generate carried interest after 6 or 7 years, provided that the original investment and a preferred annual return, which is generally 7% to 8%, have been paid to investors. The investment team's share of carried interest is further divided among the team members. An individual investment professional's right to receive carried interest income requires that he or she has made an investment in the carried interest vehicle of the fund. The amount of carried interest income also depends on the fund's overall performance (i.e. on the success of the investment operations) and on the investment professional's career path level.

CapMan employees have historically had the opportunity to invest in portfolio companies alongside the funds managed by CapMan through so called Maneq funds. The Board decides annually on the structure and size of the possible Maneq funds as well as the target employee groups. If the Maneq is to be allocated to personnel, this is done based on the career roles.

