



Remuneration principles in Metso

Annual General Meeting of Metso Corporation
March 22, 2018

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Chair of the Board

Metso performance and reward principles

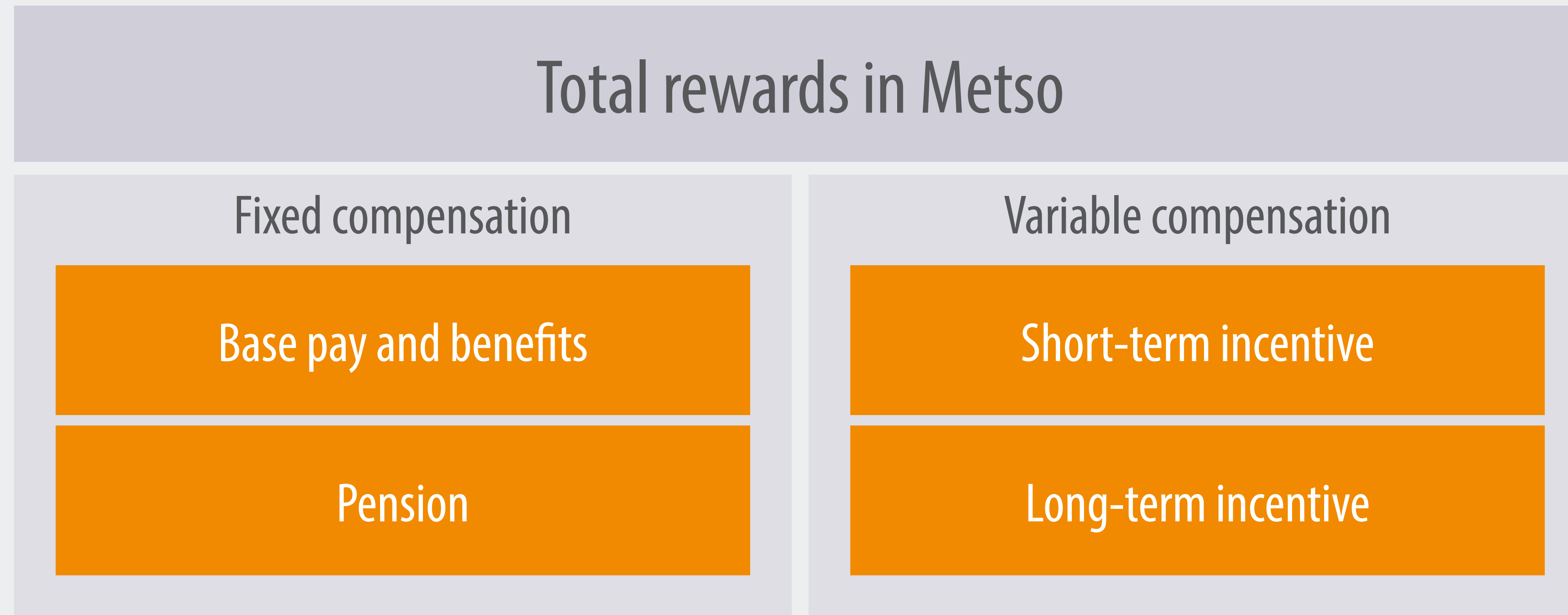
Effective communication

Integrity and legal/statutory compliance

Pro-active
performance
management

Market and
performance
driven rewards

Remuneration principles



2017 variable compensation

Short-term incentive

President and CEO	Group adjusted EBITA 40 %	Group free cash flow 30 %	Group orders received 30 %	
Business area presidents	Group adjusted EBITA 25 %	Business area free cash flow 20 %	Business area adjusted EBITA 30 %	Business area orders received 25 %

Long-term incentive

Total shareholder return

3-year plan

2017 variable compensation results

	Measure	Outcome
Short-term incentive	2017 Group free cash flow	Below threshold
	2017 Group adjusted EBITA	Below threshold
	2017 Group orders received	Maximum
President and CEO's bonus achievement for 2017 is 30% of maximum. Business area presidents' bonus achievement for 2017 is on average is 38% of maximum.		
Long-term incentive	Total shareholder return for 2015-2017 plan	Below threshold
No payout took place from Performance Share Plan 2015-2017		

2018 compensation priorities

Short-term incentive

- Adjusted target-setting principles to support the profitable growth strategy and the new operating model
- Target setting was brought closer to business and market areas

Long-term incentive

- Performance Share Plan for Metso Executive Team with total shareholder return as main target
- New Deferred Share Unit Plan for key personnel is based on both the business results and Metso's share price development