



F-Secure.

REMUNERATION STATEMENT

F-Secure Corporation

May 2018

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Board of Directors and Compensation of the Board of Directors

Members of the Board of Directors

It was decided that the number of Board members is six (6).

The following current members were re-elected: Pertti Ervi, Matti Heikkonen, Bruce Oreck, Päivi Rekonen and Risto Siilasmaa. Christine Bejerasco was elected as a new member of the Board. The Board elected in its organizational meeting Siilasmaa as the Chairman of the Board. The Board nominated Siilasmaa as the Chairman of the Personnel Committee and Bruce Oreck and Päivi Rekonen as members of the Personnel Committee. Pertti Ervi was nominated as the Chairman of the Audit Committee and Päivi Rekonen, Matti Heikkonen and Christine Bejerasco were nominated as members of the Audit Committee.

Remuneration of the Board of Directors

Remuneration of the Board members is decided annually in the Annual General Meeting. It was decided in the AGM that the annual compensation remains on the previous year's level. Approximately 40% of the annual remuneration will be paid as company shares.

Position	Reward Paid as Cash	Reward Paid as Shares	Total
Chairman of the Board	48 000 EUR	32 000 EUR	80 000 EUR
Committee Chairmen	28 800 EUR	19 200 EUR	48 000 EUR
Members of the Board	22 800 EUR	15 200 EUR	38 000 EUR
Member belonging to the personnel of the Company	7 600 EUR	5 067 EUR	12 667 EUR

For Members of the Board, changes in the holdings of the Company shares and rewards paid as shares are reported according to the Market Abuse Regulation. Related stock exchange releases are available on the company web pages. Full ownership details are reported in the Annual Report.

Compensation of CEO and the Leadership Team

The Board of Directors nominates the Chief Executive Officer and decides on his/her remuneration and benefits. Mr. Samu Konttinen has acted as the Chief Executive Officer since 1st August 2016.

Key principles of rewarding considering the CEO and Leadership Team members

The compensation of the CEO and other members of the Leadership Team consists of base salary, benefits, short-term incentives and long-term incentives.

The CEO and other members of the Leadership Team are entitled to receive a performance based rewards which are paid based on achievements in specific financial and operative criteria set by the BoD. About half of the total compensation of the CEO and other members of the Leadership Team is paid as fixed monthly salary and the rest consists of short and long term incentives and fringe benefits.

Fixed Remuneration of the CEO and the Leadership Team

The fixed remuneration on the CEO and other members of the Leadership Team consists of base salary and fringe benefits. The CEO and other members of the Leadership Team do not receive any additional compensation for their work in the Leadership Team or for acting in other decision making bodies of the Corporation.

Base Salary (Monthly Fixed Pay)

Base salaries of the CEO and other members of the Leadership Team are decided by the BoD. Changes to Leadership Team members' salaries are proposed by the CEO and changes to CEO's base salary are proposed by the Personnel Committee.

Fringe Benefits

Fringe Benefits of the CEO and other members of the Leadership Team are decided by the BoD. Changes to CEO's or Leadership Team Members' Fringe Benefits are proposed by the Executive Committee.

CEO and other members of the Leadership team have same taxable (car, mobile phone and lunch benefit) and non-taxable fringe benefits which the company offers to its employees in Finland.

Pensions

Pension arrangements of the CEO and other members of the Leadership Team are decided by the BoD. Pension accumulation and retirement age of the CEO and other members of the Leadership Team are determined by the terms of the Finnish Pension Act (TEL).

Terms of notice for the CEO

The period of notice for the CEO is six (6) months on CEO's and on the Company's side. Possible termination of CEO's contract does not include any other compensation.

Variable Compensation and Performance Based Rewarding

The variable compensation of the CEO and other members of the Leadership Team consists of short term incentives and long term incentive programs. The BoD decides on the terms and conditions, the earning criteria and the payment of the rewards from the plans.

Short Term Performance Based Incentive Rewarding (STI)

The target reward for the CEO is 50% of his annual base salary and 30% for the other members of the Leadership Team. The maximum reward from the short term incentive program for the CEO is 100% of his annual base salary. The maximum reward for other Leadership Team members is 60% of their annual base salary.

Long-term Performance Based Pay

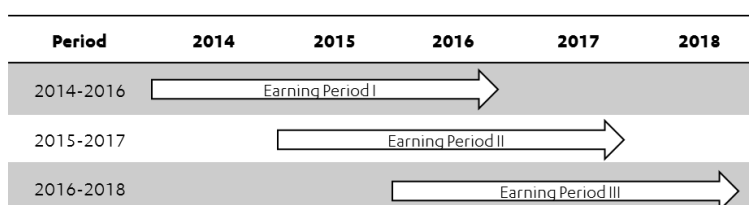
The purpose of F-Secure's long-term incentive programs is to support company's strategy by aligning the interests of the shareholders and the key employees in order to increase the value of the company and to commit the key employees to the company.

Performance Based Share programs (Long-term Share Based Incentive Programs)

F-Secure Corporation has two share based incentive programs for 2014-2016 and 2017-2019 in force for its key employees. Participants in the programs may earn shares of F-Secure Corporation based on achievements against performance criteria set for each earning period.

Share Based Incentive Program 2014–2016

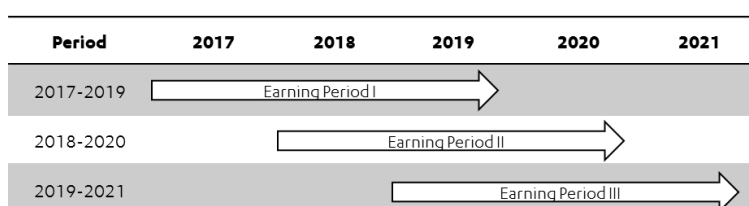
The Share Based incentive program 2014–2016 was established in April 2014. The total duration of the program is five years and it comprises of three annually commencing earning periods each lasting three years. Program ends 31st December 2018.



The possible gross rewards from the programs are paid as 50% in shares and 50% in cash to cover taxes. The shares will be bought from the market and transferred to the participants entitled to payments. The maximum total reward of the entire program is 10.000.000 shares.

Share Based Incentive Program 2017–2019

The Share Based incentive program 2017–2019 was established in February 2017. The total duration of the program is five years and it comprises of three annually (1st Jan 2017, 1st Jan 2018 and 1st Jan 2019) commencing earning periods each lasting three years. Program ends 31st December 2021.



The possible gross rewards from the programs are paid as 50% in shares and 50% in cash to cover taxes. The shares will be bought from the market and transferred to the participants entitled to payments. The maximum total reward of the entire program is 10.000.000 shares.

The participants in share-based incentive programs are recommended hold at least 50% of the received shares and to cumulate the shares from the incentive programs until the value of the shares received from the share programs equals the annual gross base salary of the employee.

Restricted Share Based Incentive Program

F-Secure Corporation has a long-term Restricted Share Program for individually selected key employees. The program comprises of three annually commencing earning periods. Participants in the programs may earn shares of F-Secure Corporation based on achievements against set performance criteria.

Long-term Cash Program

F-Secure Corporation has a cash-based incentive program for separately selected key employees. Long-term cash program replaces the synthetic options program.

The total duration of the program is five years and it comprises of three annually (1st Jan 2017, 1st Jan 2018 and 1st Jan 2019) commencing earning periods each lasting three years. Program ends 31st December 2021.

Participants in the program may earn rewards paid in cash based on achievements against performance criteria set for each earning period. The maximum total reward of the earning period 2017-2019 is 1 350 000 EUR.

Käteispalkkio-ohjelma 2017 - 2020

Period	Grant year	Earning period ends
Earning Period I	2017	December 2019
Earning Period II	2018	December 2020
Earning Period III	2019	December 2021

Synthetic Options Program

F-Secure Corporation has two synthetic option-based incentive program in force for its key employees.

The total duration of a Synthetic option based incentive program is five years. It comprises of three annually commencing earning periods each lasting for three years. The initial value of each synthetic option is the volume weighted average price of F-Secure share between October and December before the commencement of each earning period. The vesting price is the volume weighted average price in the period from September to November at the end of the earning period.

Metrics for each earnings period is the F-Secure share price development. The program entitles participants a possibility to receive a cash reward which is based on the share price development of F-Secure share during the earning period.

Synthetic options will not be granted for earning period 2017-2019. The Program is replaced by a long-term cash program from 1st January 2017 (above).

Synthetic option-based incentive program 2015–2017

Period	Grant year	Initial value	Earning period ends
Earning period I	2015	2.01 €	December 2017
Earning period II	2016	2.65 €	December 2018

Rewarding of the CEO and the Leadership Team in 2017

Leadership Team compensation in 2017

Position	Fixed payments	Benefits	Bonuses and incentives	Share-based rewards	Total
CEO and President Konttinen Samu	282 629 €	240 €	- 73 951 €	- 50 250 €	407 070 €
Other Leadership Team*	1 210 910 €	93 826 €	190 699 €	33 500 €	1 710 935 €
Total	1 493 539 €	94 066 €	264 650 €	83 750 €	2 118 005 €

Board Compensation in 2017

Position	Reward paid in Cash	Reward paid as shares	Total
Members of the Board of Directors	135 021 €	89 979 €	225 500 €

Current shareholdings of the CEO and other members of the Leadership Team

According to the Market Abuse Regulation (MAR) stock exchange releases are published of all share transactions of the CEO, the CFO and other members of the Leadership Team, as well as of all rewards paid to them as shares. Stock exchange releases are available on the Company web-pages. The total amounts of company shares held by the top management listed above is published in the Annual Report:

http://www.f-secure.com/en_EMEA/about-us/investor-relations/shareholders/insiders.html