

PONSSE PLC REMUNERATION STATEMENT 2011

In its decision-making and administration, the company observes the Finnish Limited Liability Companies Act, other regulations governing publicly listed companies and the company's Articles of Association. The Board of the company has ratified the company's code of governance complying with the Corporate Governance Code 2010 for Finnish listed companies approved by the Board of the Securities Market Association. This Remuneration Statement has been prepared in accordance with Recommendation 47 of section 7 (Remuneration) of the Corporate Governance Code. The Code is publicly available on the website of the Securities Market Association at www.cgfinland.fi, for example.

REMUNERATION OF THE MEMBERS OF THE BOARD

Ponsse Plc's Annual General Meeting decides on the remuneration payable to members of the Ponsse Plc Board of Directors. On 12 April 2011, the AGM confirmed the annual remuneration payable to the Chairman of the Board as EUR 43,000, the remuneration payable to the Deputy Chairman as EUR 38,000 and the remuneration payable to other members as EUR 32,000. Travel expenses are also compensated for. No remuneration is paid to members in the employment of the Company, with the exception of the Chairman of the Board.

	Period	Meeting fee	Other remuneration	Total
Hortling Heikki	1 January – 31 December 2011	36,500.00		36,500.00
Kaario Mammu	1 January – 31 December 2011	32,000.00		32,000.00
Kyläivainio Ilkka	1 January – 31 December 2011	32,000.00		32,000.00
Saksman Ossi	1 January – 31 December 2011	32,000.00		32,000.00
Vidgrén Juha, Chairman	1 January – 31 December 2011	43,000.00	25,879.20	68,879.20
Vidgrén Jukka	12 April – 31 December 2011	23,022.25		23,022.25
Total		198,522.25	25,879.20	224,401.45

REMUNERATION OF THE PRESIDENT AND CEO AND THE MANAGEMENT TEAM

The compensation of the President and CEO and the Management Team consists of a fixed monthly salary, a performance bonus and a share-based incentive. The performance bonus is based on the operational and performance objectives set by the Board of Directors annually; the share-based incentive is based on longer-term objectives. Ponsse Plc's Board of Directors

23.3.2012

decides on the salaries of the President and CEO and members of the Management Team, the contents and objectives of the bonus and share-based incentive schemes, the persons included within the scope of the schemes and ultimately the payment of the bonuses and incentives. The annual performance bonus of the President and CEO and members of the Management Team may be at most 50 per cent of the previous year's salary.

Juho Nummela has acted as President and CEO since 1 June 2008. In 2011, the President and CEO was paid salary and other benefits totalling EUR 261,466.08. He was paid a performance and profit bonus of EUR 69,600. The retirement age of the President and CEO is 65 years, and the pension benefit is determined in compliance with valid legislation.

Under the contract of service concluded between the Company and its President and CEO, both parties may terminate the agreement by giving six (6) months' notice. Should the Company terminate the agreement, it shall pay the President and CEO a sum equal to 12 months' salary in addition to salary and other benefits accruing during the period of notice.

The following persons were members of the Management Team: Juho Nummela, President and CEO, acting as the chairman; Pasi Arajärvi, Purchasing and Logistics Director; Juha Haverinen, Factory Director; Petri Härkönen, CFO; Juha Inberg, Technology and R&D Director; Timo Karppinen, Executive Director, Corporate Development and Strategy (as of 3 January 2011); Tapio Mertanen, Service Director; Paula Oksman, HR Director; and Jarmo Vidgrén, Deputy CEO, Sales and Marketing Director.

The company management has regular management liability insurance. In 2011, the salaries and other benefits of the other Management Team members totalled EUR 985,609.24. In 2011, a total of EUR 234,761.00 was paid as performance and profit bonuses. No share-based incentives were paid to the President and CEO or the Management Team in 2011. The retirement age of members of the Management Team is 65 years, and the pension benefit is determined in compliance with valid legislation. The Management Team members' period of notice is 6 months. If the Company terminates the agreement, the Company shall pay the salary determined for the notice period.

	Period	Salary and fringe benefits	Performance and profit bonuses	Taxable income
Nummela Juho	1 January – 31 December 2011	261,466.08	69,600.00	331,066.08
Other Management Team members	1 January – 31 December 2011	985,609.24	234,761.00	1,220,370.24
Total		1,247,075.32	304,361.00	1,551,436.32

SHARE-BASED INCENTIVE SCHEME

Ponsse's share-based incentive scheme directed to key personnel has three earning periods, which are the calendar years 2010-2012, 2011-2013 and 2012-2014. The Board of Directors decides on the earning criteria for each earning period and the objectives set for them. The earning criteria for the earning period 2010-2012 are the Ponsse Group's cumulative cash flow, average operating profit percentage and the total yield on the share.

Any incentives payable for the earning period 2010-2012 will be paid partly in Company shares and partly in cash. The aim of the part paid out in cash is to cover the taxes and tax-like levies payable for the incentive by the key employees. No shares may be assigned during a two-year commitment period. If the employment relationship of a key employee with the Company is terminated during the commitment period, the key employee shall return any shares received as an incentive to the Company free of charge.

After the commitment period, the Group's President and CEO must own half of the shares paid on the basis of the system until the total value of the Company's shares owned by him or her corresponds to his or her gross annual salary, and other members of the Management Team must own all of the shares until the total value of the Company shares owned by them corresponds to one half of their gross annual salary.

During the earning period 2010-2012, about 20 people are included in the target group of the scheme. The incentives to be paid for the earning period 2010-2012 will correspond to a maximum of approximately 211,000 Ponsse shares (also including the share paid in cash).