

Metso's Board of Directors decides to continue the long-term incentive plan for senior management

17 December 2015 by Metso

The Board of Directors of Metso has decided to continue the long-term share-based incentive plan for the Group's senior management, with a Performance Share Plan (PSP) as the main structure. In addition, the Board decided to continue the Restricted Share Plan (RSP) as a complementary share-based incentive structure for specific situations.

The aim of this long-term incentive plan is to align the interests of the management with those of the shareholders in order to increase the value of Metso and to commit the senior management to Metso by offering them a competitive long-term incentive plan in the company.

Performance Share Plan

The Performance Share Plan consists of annually commencing performance share plans, each with a three-year earning period. The commencement of each new plan will be subject to a separate approval by the Board. In accordance with the decision taken by the Board, PSP 2016-2018 will commence at the beginning of 2016 and potential share rewards will be delivered in the spring 2019 if the performance targets set by the Board are achieved.

The potential share reward payable under the PSP 2016-2018 is based on the total shareholder return of Metso's share during calendar years 2016-2018. The PSP 2016-2018 may include a maximum of 100 employees and will comprise a maximum of 460,000 reward shares (gross before the deduction of applicable payroll tax).

Restricted Share Plan

The complementary Restricted Share Plan (RSP) consists of annually commencing restricted share plans, each with a three-year vesting period after which the allocated share rewards will be delivered to the participants provided that their employment with Metso continues until the delivery date of the share rewards. The commencement of each new plan is subject to a separate approval by the Board. In accordance with the decision taken by the Board, RSP 2016 will commence at the beginning of 2016 and any potential share rewards will be delivered in the spring 2019.

The maximum number of shares that may be allocated and delivered within the RSP 2016 totals 40,000 shares (gross before the deduction of applicable payroll tax).

Other terms

Metso applies a share ownership recommendation policy for the members of Metso Executive Team. In accordance with this policy at least fifty per cent of the share rewards (net shares after the deduction of applicable payroll tax) received by these individuals under the above plans shall be retained until the share ownership of the individual participant in Metso amounts to his/her annual gross base salary.

The incentive plans will have no diluting effect as no new shares will be issued in connection with them.

Source: Metso Corporation