ASPO PLC'S REMUNERATION POLICY

This remuneration policy defines the principles of remuneration of the members of Aspo Plc's Board of Directors and Aspo Plc's CEO.

This remuneration policy will be presented at Aspo Plc's Annual Shareholders' Meeting, and the Annual Shareholders' Meeting will decide whether to confirm the proposed remuneration policy. The decision made at the Annual Shareholders' Meeting is advisory. This remuneration policy must be complied with until the Annual Shareholders' Meeting to be held in 2024, unless a new remuneration policy is presented at a prior Annual Shareholders' Meeting.

This remuneration policy has been prepared in accordance with directive (EU) 2017/728 amending the directive on the encouragement of long-term shareholder engagement, primarily implemented in Finland in the Limited Liability Companies Act (624/2006, as amended), the Securities Markets Act (746/2012, as amended), decree 608/2019 of the Ministry of Finance and Finnish Corporate Governance Code 2020 for listed companies.

INTRODUCTION

The main purpose of the remuneration policy for Aspo Plc's bodies is to support the fulfillment of the company's business strategy. The particular objective of the remuneration policy is to secure recruitment opportunities for the personnel required for achieving the company's strategic goals and to make these individuals committed to working for the company. The purpose of remuneration is also to support Aspo Plc's financial success in the short and long term, and to be in line with the interests of Aspo's shareholders.

The division of Aspo Plc's remuneration policy between short- and long-term remuneration supports the company's business strategy and long-term financial success in accordance with the goals set.

The terms and conditions of the remuneration and employment relationships of the company's employees are addressed in deciding on the structure and level of remuneration. Initially, remuneration paid to the CEO are based on the same remuneration principles and practices that apply to remuneration paid to employees. However, benefits other than those provided for other employees can be offered to the CEO, considering the special position of the CEO.

DESCRIPTION OF THE DECISION-MAKING PROCESS

Aspo Plc's Board of Directors prepares Aspo Plc's remuneration policy. The Nomination Board of Aspo Plc's shareholders prepares the remuneration policy regarding remuneration paid to members of the Board of Directors. Aspo Plc's Board of Directors presents the remuneration policy at Aspo Plc's Annual Shareholders' Meeting.

The Shareholders' Nomination Board appointed by Aspo Plc's Annual Shareholders' Meeting prepares proposals for the Annual Shareholders' Meeting regarding remuneration and other financial benefits provided for members of Aspo Plc's Board of Directors and its committees.[1] This prevents any conflicts of interest regarding remuneration paid to members of the Board of Directors. Aspo Plc's Annual Shareholders' Meeting decides on the remuneration and other financial benefits provided for members of the Board of Directors.

Aspo Plc's Remuneration Committee prepares matters related to remuneration paid to the CEO for the Board of Directors. Aspo Plc's Board of Directors decides on the CEO's salary and other financial benefits, as well as the principles of performance- and share-based remuneration plans concerning the CEO. In share-based remuneration plans, the provision of shares, options or any specific rights entitling the recipient to these is based on a decision issued at the Annual Shareholders' Meeting or by the Board of Directors as authorized by the Annual Shareholders' Meeting. The company's CEO cannot participate in the handling of matters concerning remuneration paid to the CEO or in related decision-making processes.

Aspo Plc's Board of Directors assesses the remuneration policy and any needs to update it, its use and its implementation regarding remuneration paid to the CEO. Aspo Plc's Nomination Board assesses the remuneration policy and any needs to update it, its use and its implementation regarding remuneration paid to members of the Board of Directors.

The remuneration policy must be presented to the Annual Shareholders' Meeting, at least, every four years and whenever significant changes are made to it. Permitted changes other than significant ones include technical changes in the decision-making process regarding remuneration or in the terminology related to remuneration. Furthermore, a legal amendment may provide sufficient grounds to make changes other that significant ones to the remuneration policy.

DESCRIPTION OF REMUNERATION PAID TO MEMBERS OF THE BOARD OF DIRECTORS

Aspo Plc's Annual Shareholders' Meeting decides on the remuneration paid to members of Aspo Plc's Board of Directors and its committees. Aspo Plc's Shareholders' Nomination Board prepares a proposal for remuneration paid to members of the Board of Directors and its committees for the Annual Shareholders' Meeting.

The remuneration of the Board of Directors of Aspo Plc is paid either in cash or shares in accordance with the decision of the Annual Shareholders' Meeting. In addition, the remuneration may include separate fixed fees paid for additional responsibilities and fees for meetings. Furthermore, the members of the Board of Directors are refunded the travel expenses and other expenses incurred due to their membership.

DESCRIPTION OF REMUNERATION PAID TO THE CEO

Remuneration paid to Aspo Plc's CEO can consist of a fixed salary, a short- and long-term variable remuneration, pension benefits and other benefits.

[1] The shareholders' Nomination Board principally consists of members appointed by the company's four largest shareholders. In addition, the Chairperson of the company's Board of Directors acts as the Chairperson of the Nomination Board. According to the Limited Liability Companies Act, the Chairperson cannot participate in the handling of matters concerning the Chairperson.

A fixed remuneration consists of the basic monthly salary, which includes any car and housing benefits. In addition, the remuneration can consist of other personnel benefits in accordance with the company's valid practices (e.g., telephone, lunch and sports benefits, as well as accident and health insurance).

Remuneration paid to the CEO can also include a variable component. The company's Board of Directors decides on the structure of the variable component, and its maximum annual amount cannot exceed 200 percent of the CEO's fixed annual earnings. This maximum annual amount does not apply to remuneration that is paid to the CEO as a one-off payment on the basis of any multi-year bonus plan, with the remuneration, therefore, being based on the CEO's multi-year performance. The purpose of the variable component is to encourage the CEO to lead the company so that it can achieve its important strategic goals in the short term (short-term remuneration plan) and in the long term (long-term remuneration plan). Aspo Plc's Board of Directors decides on the impact of any secondary occupations of the CEO on the remuneration paid to the CEO.

Component	**Purpose and link to Aspo Plc's strategy**	**Procedure and maximum amount**
Fixed salary and fringe benefits	Attracting and committing competent individuals to the company's management and providing competitive benefits for supporting the recruitment and commitment.	No fixed maximum amount is set for a fixed salary or annual increases. Initially, the salary level can be adjusted when necessary. In making a decision on any changes to a person's salary, the performance of the company and the person, areas of responsibility, general increases in employees' salaries, similar companies and any changes in market policies must be considered. Fringe benefits can be provided in accordance with the company's policies and practices. The CEO's fringe benefits regularly include telephone, lunch and sports benefits, as well as accident and health insurance.
Short-term remuneration plan	Monitoring the fulfillment of short-term goals and remuneration to advance the company's long-term strategy.	The short-term performance bonus paid to the CEO must not exceed 200 per cent of the fixed annual pay. The criteria used in the bonus plan include annual requirements and

Component	Purpose and link to Aspo Plc's strategy	Procedure and maximum amount
		opportunities for development within the individual area of responsibility. The fulfillment of the bonus plan criteria is monitored annually. Aspo Plc's Board of Directors approves the bonus plan criteria and any payments based on these. Bonuses determined annually are usually paid after the completion of annual financial statements.
Long-term remuneration plan	Advancing the company's business strategy and long-term financial success. The aim is to combine the objectives of shareholders and the CEO to increase the value of the company in the long term, to retain the CEO at the company, and to offer competitive remuneration plans based on earning and accumulating the company's shares.	Long-term remuneration paid to the CEO are based on the company's share-based incentive plans that are decided on by the company's Board of Directors. The incentive plans may include performance-based or conditional share reward schemes or other systems at the discretion of the Board of Directors. The earning period is usually several years. The Board of Directors defines earning criteria for each incentive plan and the required performance levels for each criterion at the beginning of each earning period. Different earning criteria may be assessed using a shorter measurement period of one to three years. Any remuneration paid under each plan for a specific earning period can be based, for example, on the Group's financial or share-specific figures. The Board of Directors assesses the fulfilment of goals after the end of each earning period and then approves the remuneration that may be payable.

Component	Purpose and link to Aspo Plc's strategy	Procedure and maximum amount
		The possible remuneration is usually paid in shares. However, part of the remuneration may be paid in cash for covering taxes and tax-like levies. In exceptional situations, the remuneration can also be paid entirely in cash when so decided by the Board of Directors. The terms and conditions of the share-based remuneration plan determine the maximum amounts of the share-based remuneration plan and any restrictions on the holding and sale of shares (restriction period). Therefore, the share-based incentive plans may include transfer restrictions or recommendations of holding a certain number of shares during a certain period. When a new CEO is appointed, a one-off fee may be paid in addition to the usual annual remuneration as compensation for any remuneration that may be lost as a result of changing the employer.
Supplementary pension	Provision of competitive pension benefits.	In addition to the statutory pension, the CEO can have access to a payment-based pension insurance plan. Initially, the pension is determined on the basis of insurance savings accumulated by the time of retirement. If the CEO's contract of service with the company ends prior to the contractual retirement age, the CEO will be entitled to a paid-up policy, i.e., a fee-exempted insurance policy corresponding to the insurance savings accumulated up to the end of service.
Restricted Share Plan		

Component	Purpose and link to Aspo Plc's strategy	Procedure and maximum amount
Can be granted in certain situations, for example, when appointing a new CEO as compensation for any loss of remuneration or other benefits from the previous employer	Typically, the Restricted Share Plan does not have any performance targets, because the shares are usually granted as compensation for loss of benefits from the previous employer. In special cases, the Board of Directors may set appropriate personal performance indicators and targets. No reward is paid if the contract of service with the company ends or is terminated, an agreement of ending the contract of service is signed, or a notice of terminating the contract of service is given. Continuation of the employment is an absolute prerequisite for payments from the Restricted Share Plan.	In certain situations, the Board of Directors may grant the CEO shares carrying a performance target from a Restricted Share Plan. The Board of Directors will carefully consider the criteria for granting the shares and set the number of shares – on a case by case basis and considering the circumstances – at an appropriate level that does not exceed the level required for recruiting a suitable candidate. The details of granting the shares are published in the next remuneration report.

Other key terms and conditions applied to contracts of service

Aspo Plc's Board of Directors decides on the period of notice, severance pay and any supplementary pension applied to the CEO's service relationship. The CEO's period of notice and severance pay are defined in a written CEO agreement, and regular periods of notice defined for CEOs apply to their principles and amounts. The CEO agreement includes a no-complete clause applied to the CEO.

Remuneration in accordance with the long-term remuneration plan are not usually paid if the company or the CEO ends the service relationship before the payment of the specific remuneration. Furthermore, any shares received as remuneration must be returned gratuitously to the company if the service relationship ends before the end of the restriction period. In both situations, the Board of Directors may also decide otherwise.

No separate remuneration is paid to the CEO for acting as a Chairperson in Aspo Plc's subsidiaries.

Terms and conditions applied to the restriction, postponement and collection of remuneration

In irregular situations, Aspo Plc's Board of Directors has the right to reduce the remuneration paid under the short- and long-term remuneration plans or to postpone their payment to a better date for the company in situations where, for example, changes in conditions independent of the company or other conditions would lead to a detrimental or unreasonable outcome for the company or an individual. Reductions are permitted to protect the interests of the company. Reductions are prepared by the Remuneration Committee and decided on by Aspo Plc's Board of Directors.

In addition, Aspo Plc's Board of Directors has the right, for a specifically weighty reason, to reduce, cancel or collect remuneration paid under the long-term remuneration plan in full or in part if Aspo Group's financial statements information needs to be changed and this has an impact on the amount of remuneration, if the plan's goals have been manipulated or if activities are contrary to the company's business interests, the Criminal Code, laws on service relationships or the company's Code of Conduct or are otherwise unethical.

DEVIATIONS FROM THE REMUNERATION POLICY

Aspo Plc's Board of Directors may temporarily deviate from any part of the remuneration policy in the situations presented below to protect the company's long-term interests if the deviation is made for protecting the company's long-term interests and adhering to the remuneration policy is no longer appropriate in the changed circumstances, including (but not limited to) the following:

- when a new CEO is appointed;
- when a deputy CEO is appointed;
- when there are significant changes in the company's group structure, organization, shareholding and/or business operations (including mergers, demergers, purchase offers and business acquisitions);
- when there are significant changes in relevant regulations (including tax regulations); or
- there is another exceptional situation or material change of circumstances.

Temporary deviations must be described in the annual remuneration report.

If the Board of Directors of Aspo Plc decides to deviate from the remuneration policy by means other than temporary, Aspo Plc will prepare a new remuneration policy to be discussed at the next possible Annual General Meeting.

March 10, 2021

Aspo Plc