



REMUNERATION REPORT

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 **ASPO**

Aspo Plc's Remuneration Report 2024

The progress of several strategic projects marked the year 2024. The transformation initiated a couple of years ago has steered Aspo from east to west and toward a more environmentally friendly direction. While the financial results have remained historically strong, Aspo has invested significantly in growth and strategic initiatives. The impact of these investments on the results will only be visible in the coming years.

Variable remuneration plays a significant role in Aspo's reward system. Aspo's financial performance did not reach the targeted level, but there was recognition for the success of strategic initiatives. The Group Executive Committee's short-term incentive (STI) remuneration was approximately 50% of the maximum amount. Long-term performance targets were not achieved, but the environmental, social responsibility, and governance targets (ESG performance targets with a 20% weighting) were. For these reasons, the remuneration from the long-term incentive (LTI) programs in 2024 was relatively low.

To implement Aspo's portfolio vision, the Board of Directors decided to change the structure of the remuneration system starting in 2025. Short-term remuneration offers a significant earning opportunity if performance targets are exceeded. Part of this remuneration will be paid in Aspo shares. All ongoing LTI programs will be discontinued and replaced with a new three-year program, where the focus of the earning metric is on the development of total shareholder return (TSR). The goal of the new LTI program is significant growth in total shareholder return. We believe that this change will further enhance the alignment of interests between key personnel and shareholders.

Heikki Westerlund

Chair of the human resources and remuneration committee

1. INTRODUCTION

Aspo Plc's Remuneration Report was prepared in accordance with the Corporate Governance Code 2025 entered into force on January 1, 2025, and issued by the Finnish Securities Markets Association. The Remuneration Report includes a description of fees paid and other financial benefits awarded to the members of the Board of Directors and the CEO during the financial year 2024. For comparison, the Remuneration Report also presents the fees paid during the four previous financial years. This Remuneration Report was published simultaneously with Aspo Plc's consolidated financial statements, management report and corporate governance statement for 2024.

Remuneration of Aspo Plc's Board of Directors, Committees and CEO is entirely in compliance with the Remuneration Policy adopted by Aspo Plc's Board of Directors on March 10, 2023 and there has been no deviation from the Remuneration Policy. Moreover, Aspo Plc's Annual Shareholders' Meeting of 2023 has made an advisory resolution concerning the Remuneration Policy. Aspo Plc's Remuneration Policy is available on the company's website at <https://www.aspo.com/en/governance/remuneration/remuneration-policy>.

By remuneration, Aspo harmonizes the short- and long-term goals striven by its shareholders and management to increase the company's shareholder value and to fulfil its business strategy. The objective of remuneration is to ensure that resources necessary for the achievement of the strategic goals are committed to the company.

2. AVERAGE REMUNERATION AND THE COMPANY'S FINANCIAL DEVELOPMENT IN 2020–2024

Monthly fees paid to members of Aspo Plc's Board of Directors were raised in the Annual Shareholders' Meeting 2023, from which the decisions are available on Aspo's website. Before the Annual Shareholders' Meeting 2023 the fees had remained unchanged during the previous five years. At the 2024 Annual General Meeting, it was decided to keep the monthly fees of the Board members unchanged. The development of the CEO's salary differs from year to year as the total remuneration varies annually. This makes

it challenging to draw any comparison between the remuneration and the employees' salary development, and different years are not mutually comparable. The average change of the remuneration of Aspo Plc's employees has ranged from -0.4% to 18%. The table below shows the development of the remuneration of Aspo Plc's Board of Directors, CEO and employees, as well as Aspo Plc's financial development in euros during the previous five financial years.

EUR	2020	2021	2022	2023	2024
Chair of the board	70,400	72,240	69,000	72,467	76,800
Vice chair of the board	52,100	53,500	54,200	50,783	56,800
Board members on average	38,000	36,665	36,295	36,613	43,340
Total remuneration of the CEO	1,093,834	¹⁾ 894,620	³⁾ 667,408	1,139,282	607,136
Fixed salary portion of the CEO	437,655	²⁾ 604,593	⁴⁾ 437,308	442,765	467,697
Average salary development of an Aspo employee ⁵⁾	43,812	46,999	49,750	49,534	58,448
Aspo's operating profit, continuing operations	16,716,000	36,926,000	33,910,000	25,871,000	18,556,000

¹⁾ Total remuneration of the current and former CEO in 2021

²⁾ Share of fixed salary of the current and former CEO in 2021

³⁾ Total remuneration of the current CEO in 2022

⁴⁾ Share of fixed salary of the current CEO in 2022

⁵⁾ The average salary development of an Aspo employee is calculated by dividing salary costs by the average number of personnel during the year. The large difference between 2023 and 2024 is due, on the one hand, to the withdrawal of business from countries with lower salary levels (Russia and Belarus) and, on the other hand, to the increase in personnel in Western Europe due to acquisitions.

3. FEES PAID TO THE BOARD OF DIRECTORS AND ITS COMMITTEES

Members of the Board of Directors are not in an employment or service relationship with Aspo or Aspo Group's subsidiaries, and they cannot participate in Aspo's short- or long-term incentive plans. Fees are paid to the members of the Board of Directors and its committees as monetary compensation.

Based on the decision of the Annual General Meeting of Aspo Plc held on 12 April 2024, the remuneration of the Board of Directors and its committees in 2024 was as follows:

Board

Chair of the Board	EUR 6,000 per month
Vice Chair of the Board	EUR 4,400 per month
Board member	EUR 3,000 per month

Committees

Chair of a committee	EUR 1,200 per meeting
Committee member	EUR 800 per meeting

If the Chair of a committee is also the Chair or the Vice Chair of the Board of Directors, the fee paid to the Chair of the committee will be the same as that paid to members of the committee. Board members having a full-time position in an Aspo Group company are not paid a fee.

Total fees paid to the members of Aspo Plc's Board of Directors in 2024 were EUR 346,714. In addition to fees, the board members were reimbursed travel expenses related to Board or committee meetings.

4. FEES PAID TO BOARD MEMBERS IN 2024 (EUR)

Name	Board of Directors	Audit Committee	Remuneration Committee	Total annual fees
Westerlund Heikki	72,000		4,800	76,800
Allam Patricia	36,000	1,600	3,200	40,800
Kolunsarka Tapio	36,000		4,800	40,800
Laine Mikael	52,800	4,000		56,800
Pöyry Salla ¹⁾	15,000		1,600	16,600
Ekman Annika ²⁾	25,714	2,400		28,114
Ståhlberg Kaarina	36,000	6,000		42,000
Vehmas Tatu	36,000	4,000	4,800	44,800
Total	309,514	18,000	19,200	346,714

¹⁾ Until 12.4.2024

²⁾ Since 12.4.2024

5. REMUNERATION OF THE CEO

The remuneration paid to the CEO consists of a fixed salary, such as basic salary and fringe benefits, and variable components, such as short- and long-term incentives.

In 2024, the CEO Rolf Jansson was paid EUR 607,136 in salary, incentives, and fringe benefits, of which the short term incentive paid for 2023 was 87,117 euros.

The CEO was included in the share-based incentive system 2022–2024, from which he was paid 2,700 Aspo shares and a cash bonus corresponding

to their value in March 2024 as a reward for the second earning period, with a total value of 32,853 euros.

The CEO was included in the share-based incentive system 2023–2025, from which he was paid 1,600 Aspo shares and a cash bonus corresponding to their value in March 2024 as a reward for the first earning period, with a total value of 19,468 euros.

6. CEO'S TOTAL REMUNERATION IN 2024

	EUR
Fixed salary	
Salary and fringe benefits	467,697
Variable remunerations	
Short-term incentive for 2023 (STI)	87,118
Share-based incentive for 2023 (LTI)	¹⁾ 52,321
Total	607,136

¹⁾ Includes an amount equaling the value of the shares which is paid in cash to cover taxes and tax-like levies

The short-term and long-term incentives paid to the CEO in 2023 accounted 23% of the total amount of remuneration and fixed annual salary accounted 77%.

7. REMUNERATION DUE TO THE CEO FOR 2025

The remuneration to the CEO for 2024 that will fall due in 2025 is presented below.

	EUR / shares
Variable remuneration	
Short-term incentive from 2024 (STI)	EUR 114,075
Share-based incentive plan 2022–2024 (LTI), earnings period 2024 ¹⁾	1,200 shares
Share-based incentive plan 2023–2025 (LTI), earnings period 2024 ¹⁾	1,600 shares
Share-based incentive plan 2024–2026 (LTI), earnings period 2024 ¹⁾	2,240 shares

¹⁾ Does not include the amount equaling the value of the shares which is paid in cash to cover taxes and tax-like levies

8. EARNINGS POTENTIAL AND PERFORMANCE INDICATORS FOR THE CEO'S VARIABLE REMUNERATION COMPONENTS

The CEO's earnings criteria, earnings potential, and the level of achievement for the short-term incentive are presented in the table below.

8.1. SHORT TERM INCENTIVE 2024

Earnings criteria	Weight	Level of achievement	Earnings potential, % of annual basic salary
Short-term incentive, year 2024			50%
i) Group EBIT	40%	8%	
ii) Successful strategy implementation	50%	75%	
iii) Achieving the defined sustainability goals	10%	100%	

Aspo Plc's Board of Directors approved the performance indicators and the payments to be made based on them according to the Human Resources and Remuneration Committee's proposal.

8.2. LONG-TERM INCENTIVE PLANS

The following tables present the CEO's earning potential, earning criteria and achievement level in the long-term incentive plans.

SHARE-BASED INCENTIVE PLAN 2022–2024

Earnings criteria	Weight	Level of achievement	Earnings potential, EUR
Share-based incentive plan 2022–2024, earnings period 2024			
Group earnings per share (EPS)	80%	0%	¹⁾ 71,808
Sustainability indicators:			
emission intensity (CO ₂ (Tn) / net sales (t€))	10%	100%	¹⁾ 8,976
accident frequency (TRIF)	10%	100%	¹⁾ 8,976

¹⁾ at the share price on the date of issue

¹⁾ includes the amount equaling the value of the shares which is paid in cash to cover taxes and tax-like levies

In February 2022, the Board of Directors of Aspo Plc decided to establish a new share-based incentive plan for 2022–2024. The share-based incentive plan consists of three earnings periods, with the earned reward being based on the Group's earnings per share (EPS, weight value 80%) and two sustainability indicators (emission intensity and accident frequency, weight value 20%). Participation in the plan and obtaining rewards require that the CEO allocates the freely transferable company shares he holds to the plan or acquires the company's shares up to the quantity determined by the Board of Directors.

The potential reward will be paid partly in the company's shares and partly in cash in 2023, 2024 and 2025. The cash proportion is intended to cover taxes and tax-related levies arising from the reward. As a rule, no reward will be paid if the CEO's employment or service ends before the reward payment.

SHARE-BASED INCENTIVE PLAN 2023–2025

Earnings criteria	Weight	Level of achievement	Earnings potential, EUR
Share-based incentive plan 2023–2025, earnings period 2024			
Group earnings per share (EPS)	80%	0%	¹⁾ 88,960
Sustainability indicators:			
emission intensity (CO ₂ (Tn) / net sales (t€))	10%	100%	¹⁾ 11,120
accident frequency (TRIF)	10%	100%	¹⁾ 11,120

¹⁾ at the share price on the date of issue

¹⁾ includes the amount equaling the value of the shares which is paid in cash to cover taxes and tax-like levies

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SHARE-BASED INCENTIVE PLAN 2024–2026

Earnings criteria	Weight	Level of achievement	Earnings potential, EUR
Share-based incentive plan 2024-2026, earnings period 2024			
Group earnings per share (EPS)	80%	0%	¹⁾ 108,954
Sustainability indicators:			
emission intensity (CO ₂ (Tn) / net sales (t€))	10%	100%	¹⁾ 13,619
accident frequency (TRIF)	10%	100%	¹⁾ 13,619

¹⁾ at the share price on the date of issue

¹⁾ includes the amount equaling the value of the shares which is paid in cash to cover taxes and tax-like levies

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9. NEW LONG-TERM SHARE-BASED INCENTIVE SYSTEM TO CEO, REPLACING PREVIOUS LONG-TERM INCENTIVE PLANS

In order to support the implementation of the portfolio vision published at the Capital Markets Day organized by Aspo Plc on 14 May 2024, the company's Board of Directors has decided to change the structure of key personnel remuneration, both long-term and short-term, from 2025.

The Board of Directors has decided to establish a new long-term share-based incentive system for the Group's key personnel. The purpose of the system is to combine the objectives of the company's owners and key personnel to increase the company's value in the long term, to commit key personnel to implementing the company's strategy, objectives and long-term benefits, and to offer them a competitive incentive system based on the earning and accumulation of the company's shares.

The Board of Directors noted that the CEO's participation in the program is in line with the company's remuneration policy.

The performance-based share-based incentive system 2025–2027 has one (1) three (3) year earning period, which applies to the financial years 2025–2027. Any rewards earned under the system will be paid no later than five (5) months after the end of the earning period.

The earning criteria for the earning period are based on the Group/business responsibility indicators (weight 20%) and the company's total share return ("TSR") (weight 80%). The value and targets of the responsibility indicator will be defined during 2025. The target for the TSR criterion is 8–12 EUR for the final share price, which is the average price weighted by the company's share turnover during the period 1.10.–31.12.2027, increased by dividends paid and other distribution of assets during the period 1.1.2025–31.12.2027.

Achieving the targets set for the earning criteria determines the share of the maximum reward paid to the CEO for the earning period in accordance with the terms of the system. The remuneration to be paid to the CEO for the performance period is a maximum of 60,000 Aspo Plc shares (net remuneration). In addition, the remuneration includes a cash component of the same value, which covers the taxes and statutory social insurance contributions incurred by key personnel from the remuneration.

In addition, the Board of Directors decided that of the remuneration earned by the CEO under the **short-term remuneration system 2025**, approximately 40% will be paid in Aspo Plc shares and approximately 60% in cash, however, taking into account the weightings of the performance criteria and achievement levels. If the performance criteria are met, the share-based remuneration paid under the program will be transferred in spring 2026.

Earnings criteria	Weight	Earnings potential, EUR
Short-term incentive, year 2025		max 18 months basic salary
Earnings per share (Aspo EBITA, cash)	60%	
Earnings per share (Aspo EBITA, shares)	20%	
ESG: emission intensity (CO ₂ (Tn) / net sales (t€), shares)	10%	
ESG: accident frequency (TRIF, shares)	10%	

10. THE OTHER TERMS OF THE CEO'S EMPLOYMENT RELATIONSHIP

The terms of the CEO's service relationship have been agreed in writing in the CEO agreement. The period of notice applied to the CEO's service relationship is six months. If notice is given by the company, a severance pay corresponding to six months' salary will be paid in addition to the salary for the notice period. The CEO's retirement age is the lowest statutory retirement age.

March 20, 2025

Aspo Plc