



REMUNERATION REPORT 2021



Aspo Plc Remuneration Report 2021

Dear shareholders,

As the Chair of the Remuneration Committee, it is my pleasure to present Aspo's 2021 Remuneration Report. The aim of market-driven and competitive remuneration is to ensure the availability and permanence of competent resources. Another key goal is to steer activities towards the successful implementation of the strategy to increase the share value.

In 2021, we sharpened Aspo's strategy and defined new financial targets, which were announced at the Aspo Capital Markets Day at the beginning of December 2021. Aspo accelerates growth for the businesses it owns, aims to improve their profitability and ensures steady cash flows. The goal is to secure sustainable value development for Aspo's businesses. The strategy focuses on operations in selected sectors following the so-called compounder model. This means seeking growth not only from organic growth, but also from systematic and continuous business acquisitions.

Rolf Jansson started as the CEO of Aspo Group in August after the retirement of Aki Ojanen, the former CEO. In the 2021 Remuneration Report, the remuneration expenses associated with this change are unusually high. The aim was to secure a successful and controlled change of leadership, and I believe we succeeded well in this.

The coronavirus pandemic continued in 2021, also requiring the Board of Directors to assume an active role. The coronavirus crisis affected our business operations through such factors as availability issues and restrictions but, all in all, 2021 was historically good for Aspo. The Group's net sales increased, reaching the pre-pandemic level, and operational profitability strengthened significantly supported by the positive general economic development. Despite the disruptions in supply chains due to the coronavirus pandemic, we exceeded our previously set financial targets, and our operating profit was record-high, driven especially by the strong development of ESL Shipping and Telko. The pandemic had a particularly significant impact on Leipurin's operations through restrictions, among other factors. Of our performance indicators, our high profitability (operating profit and earnings per share) was particularly significant in 2021, and the achievement of goals was reflected in remuneration amounts.

In 2021, we published key environmental, social and corporate governance (ESG) themes and sustainability goals for Aspo and its businesses. Aspo's businesses aim to be pioneers in sustainability in their respective fields. Aspo's key goal is to reduce the emission intensity, CO₂e (tn) per net sales (EUR thousand), by 30% by 2025. The achievement of the ESG goals plays an increasing part in Aspo's remuneration.

The total structure of our remuneration focuses on variable components. We have set performance criteria for our profitability and the fulfilment of key operational criteria for our strategy. In 2021, the latter criteria included the purchase of new environmentally friendly Green Coaster vessels, the launch of our sustainability goals and program, the sharpening of Aspo's overall strategy, and the separate strategic goals of each business. With regard to long-term incentives (LTI), earnings periods will be extended to three years. Currently, the LTI plan's earnings and commitment periods have been three years in total. In the LTI plan, payments are made in Aspo's shares. This ensures that the development of the share value remains attractive to key employees and that interests are aligned with shareholders' interests.

An attractive strategy, a desired position as an employer, a demanding, albeit encouraging, culture of positive energy, and the responsible operating model of sustainable development are vital in taking care of Aspo's current employees and in recruiting new ones. In addition, market-driven remunerations, linked firmly to successes, help to also secure Aspo's ability to succeed in the future.

Heikki Westerlund,

Chair of the Remuneration Committee

INTRODUCTION

Aspo Plc's Remuneration Report was prepared in accordance with the Corporate Governance Code 2020 entered into force on January 1, 2020, 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 from January 1 to December 31, 2021. 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 2021.

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, 2021, and there has been no deviation from the remuneration policy. Moreover, Aspo Plc's Annual Shareholders' Meeting of 2021 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 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.

Monthly fees paid to members of Aspo Plc's Board of Directors have remained unchanged during the previous five years. 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 1.7% to 13%. 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 euro during the previous five financial years.

AVERAGE REMUNERATION AND THE COMPANY'S FINANCIAL DEVELOPMENT IN 2017–2021

Euroa	2017	2018	2019	2020	2021
Chair of the Board ¹⁾	117,187	64,800	66,900	70,400	72,240
Vice Chair of the Board	47,250	48,063	53,500	52,100	53,500
Board members on average	33,075	36,173	36,075	38,000	36,665
Total remuneration of the Group CEO ²⁾					156,909
Fixed salary portion of the CEO ²⁾					156,909
Total remuneration of the Group CEO ³⁾	642,385	924,625	635,168	1,093,834	737,711
Fixed salary portion of the CEO ³⁾	372,283	381,289	387,367	437,655	447,684
Average salary development of an Aspo employee ⁴⁾	38,450	39,110	40,490	41,340	46,700
Aspo's operating profit, continuing operations (1,000€)	23,136	20,555	21,123	16,716	36,926

¹⁾ Chair of the Board of Directors was a full-time position until April 5, 2017

²⁾ CEO Rolf Jansson, as of August 16, 2021

³⁾ CEO Aki Ojanen, until August 15, 2021

⁴⁾ Average salary development of an Aspo employee is calculated by dividing the total of wages and salaries the average number of employees during the year

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 Aspo Plc's Annual Shareholders' Meeting held on April 8, 2021, the following fees were paid to the members of the Board of Directors and its committees in 2021:

Board of Directors

Chair of the Board	EUR 5,400 per month
Vice Chair of the Board	EUR 4,050 per month
Board member	EUR 2,700 per month

Committees

Chair of a committee	EUR 1,050 per meeting
Committee member	EUR 700 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 2021 were EUR 272,400.

No unpaid expiring fees payable to Board members remain for 2021.

FEES PAID TO BOARD MEMBERS IN 2021 (EUR)

Name	Board of Directors	Audit Committee	Remuneration Committee	Total annual fees
Westerlund Heikki	56,160	700	4,200	61,060
Allam Patricia ¹⁾	23,760	2,800		26,560
Kaario Mammu	48,600	3,500	1,400	53,500
Laine Mikael	32,400	3,500		35,900
Pöyry Salla	32,400		4,200	36,600
Vehmas Tatu	32,400	3,500	4,200	40,100
Nyberg Gustav ²⁾	17,280		1,400	18,680
Total	243,000	14,000	15,400	272,400

¹⁾ As of April 8, 2021

²⁾ Until April 8, 2021

REMUNERATION OF THE GROUP'S CEO

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

Rolf Jansson started as Aspo Group's CEO on August 16, 2021. In 2021, he received a total of EUR 156,909 in salary and fringe benefits.

Aki Ojanen was Aspo Group's CEO until August 15, 2021. In 2021, Aki Ojanen was paid EUR 737,711 in salary, incentives and fringe benefits. The proportion of the short-term incentive paid for 2020 was EUR 140,821 and the proportion of voluntary defined contribution pension plan EUR 102,835. Approximately EUR 46,000 of pension and unemployment insurance premiums were paid relating to the 2020 restricted share-based incentive plan. On the basis of the share-based incentive plan for 2018–2020, no

share-based payments were made in 2021, because the share-based incentive plan criteria approved by the Aspo Plc's Board of Directors were not met. Under the share-based incentive plan for 2018–2020, there was no return of the shares to the company.

On the basis of the share-based incentive plan for 2021–2023 published in 2021, a total of 22,300 shares will be transferred to Aki Ojanen, and an amount equaling the value of the shares will be paid in cash to cover taxes and tax-like levies in 2022.

On the basis of the Executive Committee share-based incentive plan 2018–2020, no share-based payment was made in 2021, because the share-based incentive plan criteria approved by the Aspo Plc's Board of Directors were not met.

TOTAL REMUNERATION OF THE GROUP'S CEO IN 2021 (EUR)

	Rolf Jansson *)	Aki Ojanen **)
Fixed salary		
Salary and fringe benefits	156,909	447,684
Variable remuneration		
Short-term incentive from 2020 (STI)	-	140,821
Share-based incentive from 2020 (LTI)	-	-
Restricted share plan from 2020	-	46,371
Pension benefits		
Voluntary defined contribution pension plan	-	102,835
Total	156,909	737,711

*) CEO as of August 16, 2021

***) CEO until August 15, 2021

REMUNERATION DUE TO CEO FOR 2021

The incentive earned by CEO Rolf Jansson for 2021 that will fall due in 2022 is presented below.

	EUR
Variable remuneration	
Short-term incentive from 2021 (STI)	78,246
Total	78,246

The incentives earned by former CEO Aki Ojanen for 2021, the severance pay and the fixed salary from January 1, 2022 until February 14, 2022 are presented below. The table includes salaries and other remuneration falling due in 2022.

	EUR
Fixed salary and termination benefit	
Salary including vacation pay and fringe benefits	170,261
Severance pay	646,368
Variable remuneration	
Short-term incentive from 2021 (STI)	168,534
Share-based incentive plan 2021–2023 (LTI), based on share price on February 16, 2022	461,164
Pension benefits	
Voluntary defined contribution pension plan	12,960
Total	1,459,287

EARNINGS CRITERIA AND POTENTIAL INDICATORS FOR THE CEO'S VARIABLE REMUNERATION COMPONENTS

Rolf Jansson, present CEO

The following table presents the CEO's earnings criteria and potential, and the level of achievement for the short-term incentive, in relation to the time period serving as a CEO.

SHORT-TERM INCENTIVE

Earnings criteria	Weight	Level of achievement	Earnings potential, % of annual basic salary
Short-term incentive from 2021 (STI)			50%
Determining Aspo's new responsible strategy and defining the changes needed to implement it, with related goals, resources and indicators.	100%	Exceeding target level	

The following table presents the CEO's earnings criteria and potential, and the level of achievement for the long-term incentive plan.

LONG-TERM INCENTIVE PLAN

Earnings criteria	Weight	Level of achievement	Earnings potential, EUR
Share-based incentive plan 2021–2023, one earnings period (2021)			
Rolf Jansson is not involved in the plan	-	-	-

Rights to shares given to the CEO in 2021 on the basis of incentive plans

In 2021, CEO Rolf Jansson was provided with the right to participate in the Restricted Share-based Incentive Plan so that the CEO is required to acquire 20,000 Aspo shares. The CEO's remuneration is 20,000 Aspo shares (net). The plan includes a vesting period, during which the company requires that the CEO holds the shares received based on the plan and the shares based on the requirement for participation. The vesting period is 36 months.

AKI OJANEN, former CEO

The following table presents Aki Ojanen's earnings criteria and potential, and the level of achievement for the short-term incentive, in relation to the time period serving as a CEO.

SHORT-TERM INCENTIVE

Earnings criteria	Weight	Level of achievement	Earnings potential, % of annual basic salary
Short-term incentive from 2021 (STI)			67%
Group EBIT	50%	100%	
Supporting the change of CEO Environmentally friendly vessel investments Implementing an ESG program and increasing target levels	50%	Exceeding target level	

The following table presents Aki Ojanen's earnings criteria and potential, and the level of achievement for the long-term incentive plan.

LONG-TERM INCENTIVE PLAN

Earnings criteria	Weight	Level of achievement	Earnings potential, EUR
Share-based incentive plan 2021–2023, one earnings period (2021)			
Group earnings per share (EPS)	100%	100%	461,167

Rights to shares given to Aki Ojanen in 2020 on the basis of incentive plans

In 2020, Aki Ojanen was provided with the right to participate in the Restricted Share-based Incentive Plan. Aki Ojanen's remuneration was 40,000 Aspo shares (net). The plan's terms and conditions will no longer apply to Ojanen when the period of notice ends in February 2022.

Group CEO Rolf Jansson

The maximum amount of the short-term incentive to be paid to Group CEO Rolf Jansson has been defined as an amount corresponding to six months' salary. The criteria, weight and achievement level for the short-term incentive in 2021 are listed in the table on Page 6. Aspo Plc's Board of Directors approved the incentive criteria and payments to be made on the basis of them according to the Remuneration Committee's proposal.

The terms of the CEO's employment relationship have been agreed in writing in the CEO agreement. The period of notice applied to the CEO's employment 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.

Aki Ojanen, Group CEO until August 15, 2021

For 2021, the maximum amount of the short-term incentive to be paid to Aki Ojanen was defined as an amount corresponding to eight months' salary. The bonus criteria are listed in the table on Page 6. Aspo Plc's Board of Directors approved the incentive criteria and payments to be made on the basis of them according to the Remuneration Committee's proposal.

The short-term incentive paid in 2021 was based on the earnings criteria set for Aki Ojanen and success in the qualitative projects concerning the Group's development in 2020. Indicators for these goals were: Aspo's operating profit (weight 50%); crisis management and ensuring the coping of key employees during the coronavirus pandemic, strategic future planning, and providing support for planning the CEO's successor (weight 50%). The goal achievement level was 50% and the short-term bonus paid was EUR 140,821.

The short-term and long-term incentives paid in 2021 accounted for 25.4% of the total amount of remuneration and 60.7% of the fixed annual salary. The proportion of other remuneration (13.9%) consists of voluntary defined contribution pension plan.

Aki Ojanen's retirement age was the lowest statutory retirement age minus three years. Aki Ojanen had payment-based voluntary pension insurance where the pension is determined according to the accumulated insurance savings at the time of retirement.

March 4, 2022

Aspo Plc