

REMUNERATION REPORT
2023

Aspo Plc's Remuneration Report 2023

The goal of Aspo's remuneration is to ensure our competitiveness in recruiting and motivating skilled employees to work at Aspo, and aligning the interests of the personnel with the value development of our shares. At the same time, remuneration must be sufficiently transparent and understandable.

Our financial performance in 2023 was reasonable, but the year was challenging because of structural change and events in the operating environment. Our comparable operating profit, around EUR 26 million, did not meet the set targets. Our strategy based on organic growth in eastern markets, which we had been building successfully over the long term, came to an end because of the Russian attack on Ukraine. The strategy for growth in the West has progressed, but it takes patience to complete the transformation. The withdrawal from eastern markets was estimated to play an important role in Aspo's value creation, and it was therefore agreed, as in the previous year, that these items be removed from the earnings metrics.

In short-term incentives, earnings metrics have included the operating result, as well as the achievement of selected strategic goals. The key principle of strategic goals is to lay a foundation for a significant value increase in the next few years to benefit shareholders. For example, the aim of ESL Shipping's strategy last year was to strengthen the financing base by seeking minority investors for ESL. Telko's strategic goal is to grow in compounder style through acquisitions. The achievement of this goal progressed

in identifying potential acquirees, but the market situation was not favorable for acquisitions. Leipurin's strategic goal is to reach its full potential by combining the synergies arising from the Kobia acquisition in Sweden with the operations in Finland and the Baltic countries, and to strengthen commercial processes. Aspo's employer image and the integration of sustainability into the management system have also been part of the earnings metrics. For the CEO, 72.5% of these goals were achieved (on a scale from 0 to 100%).

With regard to long-term incentives (LTI), earnings metrics have included earnings per share (EPS), with a weighted value of 80%, and responsibility goals (20%). Earnings periods have ranged from one to three years. Based on the 2023 performance, 17% of these metrics were achieved. The comparable EPS was significantly lower than in the previous year, and all sustainability goals have not yet been achieved. In this plan, remuneration is paid in Aspo's shares which further aligns the interests of the company's managers and shareholders.

The foundation of our current remuneration is solid and places us in a good position to develop Aspo responsibly, while addressing all stakeholders.

Heikki Westerlund

Chair of the human resources and 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 2023. 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 2023.

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.

The present CEO of Aspo started in his position on August 2021. The expenses related to the change of CEO will still appear in the Remuneration Report 2022, as the previous CEO's service relationship ended in August 2021 and the term of employment in February 2022.

AVERAGE REMUNERATION AND THE COMPANY'S FINANCIAL DEVELOPMENT IN 2019–2023

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. 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 8.2%. 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	2019	2020	2021	2022	2023
Chair of the Board	66,900	70,400	72,240	69,000	72,467
Vice Chair of the Board	53,500	52,100	53,500	54,200	50,783
Board members on average	36,075	38,000	36,665	36,295	36,613
Total remuneration of the CEO	635,168	1,093,834	¹⁾ 894,620	³⁾ 667,408	1,139,282
Fixed salary portion of the CEO	387,367	437,655	²⁾ 604,593	⁴⁾ 437,308	442,765
Average salary development of an Aspo employee ⁵⁾	40,490	43,812	46,999	49,750	49,534
Aspo's operating profit, continuing operations	21,123,000	16,716,000	36,926,000	33,910,000	25,871,000

¹⁾ Total remuneration of present and previous CEO in 2021

²⁾ Fixed salary portion of present and previous CEO in 2021

³⁾ Total remuneration of present CEO in 2022

⁴⁾ Fixed salary portion of present CEO in 2022

⁵⁾ Average salary development of an Aspo employee is calculated by dividing the total of wages and salaries by 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 4, 2023, the following fees were paid to the members of the Board of Directors and its committees in 2023:

Board of Directors

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 2023 were EUR 319,615. In addition to fees, the board members were reimbursed travel expenses related to Board or committee meetings.

No unpaid expiring fees payable to Board members remain for 2023.

FEES PAID TO BOARD MEMBERS IN 2023 (EUR)

Nimi	Board of Directors	Audit Committee	Remuneration Committee	Total annual fees
Westerlund Heikki	70,167		2,300	72,467
Allam Patricia	35,083	2,300		37,383
Kaario Mammu ¹⁾	12,600	700		13,300
Kolunsarka Tapio	35,083		2,300	37,383
Laine Mikael	47,683	3,100		50,783
Pöyry Salla	35,083		2,300	37,383
Ståhlberg Kaarina ²⁾	26,833	3,600		30,433
Vehmas Tatu	35,083	3,100	2,300	40,483
Total	297,615	12,800	9,200	319,615

¹⁾ Until April 4, 2023

²⁾ Since April 4, 2023

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 2023, the CEO Rolf Jansson was paid EUR 1,139,282 in salary, incentives, and fringe benefits.

The proportion of the short-term incentive paid for 2022 was EUR 174,903 and the share of the restricted share plan announced in 2020 was EUR 140,756.

In 2021, the CEO was provided with the right to participate in the restricted share plan 2020. On the basis of the restricted share plan 2020, a total of 10,000 Aspo shares were transferred to the CEO in June 2022 and a total of 10,000 shares in June 2023.

The CEO was included in the share-based incentive plan 2022–2025, for which he was paid 22,500 Aspo shares and an amount equaling the value of the shares in cash as a reward for the first performance period, totaling EUR 380,858.

CEO'S TOTAL REMUNERATION IN 2023 (EUR)

	eur
Fixed salary	
Salary and fringe benefits	442,765
Variable remuneration	
Short-term incentive for 2022 (STI)	174,903
Share-based incentive for 2022 (LTI)	¹⁾ 380,858
Restricted share plan 2020 (RSP)	¹⁾ 140,756
Total	1,139,282

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 61% of the total amount of remuneration and fixed annual salary accounted 39%.

REMUNERATION DUE TO THE CEO FOR 2024

The remuneration to the CEO for 2023 that will fall due in 2024 is presented below.

	EUR / shares
Variable remuneration	
Short-term incentive from 2023 (STI)	95,037 EUR
Share-based incentive plan 2022–2024 (LTI), earnings period 2023 ¹⁾	2,700 shares
Share-based incentive plan 2023–2025 (LTI), earnings period 2023 ¹⁾	1,600 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

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.

SHORT-TERM INCENTIVE

Earnings criteria	Weight	Level of achievement	Earnings potential, % of annual basic salary
Short-term incentive, year 2023			50%
i) Group EBIT	40%	4%	
ii) Successful strategy implementation	40%	76%	
iii) Achieving the defined sustainability goals	10%	80%	
iv) Strategy-based increase in Aspo's attractiveness	10%	50%	

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.

LONG-TERM INCENTIVE PLAN

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

SHARE-BASED INCENTIVE PLAN 2022–2024

Earnings criteria	Weight	Level of achievement	Earnings potential, EUR
Share-based incentive plan 2022–2024, earnings period 2022–2023			
Group earnings per share (EPS)	80%	25%	¹⁾ 107,712
Sustainability indicators:			
emission intensity (CO ₂ (tn) / net sales (t€))	10%	0%	¹⁾ 13,464
accident frequency (LTIFR)	10%	100%	¹⁾ 13,464

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. The shares paid as reward may not be transferred during the restriction period. If the CEO contract of the CEO terminates during the restriction period, they must gratuitously return the shares earned as reward.

SHARE-BASED INCENTIVE PLAN 2023–2025

Earnings criteria	Weight	Level of achievement	Earnings potential, EUR
Share-based incentive plan 2023–2025, earnings period 2023			
Group earnings per share (EPS)	80%	0%	¹⁾ 177,920
Sustainability indicators:			
emission intensity (CO ₂ (tn) / net sales (t€))	10%	0%	¹⁾ 22,240
accident frequency (LTIFR)	10%	100%	¹⁾ 22,240

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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RESTRICTED SHARE PLAN 2020

	Earnings potential, shares	Monetary share	Payment year	Other
Restricted share plan 2020				
Participation Prerequisite was to acquire 20,000 Aspo shares, which was full filled in July 2022	10,000 shares	EUR 75,927	2022	The vesting period is 36 months
	10,000 shares	EUR 69,248	2023	The vesting period is 36 months

In 2021, the CEO was provided with the right to participate in the Restricted share plan so that the CEO is required to acquire 20,000 Aspo shares. The CEO's remuneration is 20,000 Aspo shares (net).

On the basis of restricted share plan 2020, a total of 10,000 Aspo shares were transferred to the CEO in June 2022 and a total of 10,000 shares in June 2023, when a year had passed since the participation prerequisite was fulfilled. For both share payments, a cash proportion equalling the value of the shares was also paid.

The reward from the restricted share plan 2020 is based on the CEO's valid employment or service and continuation of employment during the vesting period of 36 months. The reward is paid in company shares and a cash contribution not exceeding the value of the shares. The cash proportion to be paid in addition to the company's shares is intended to cover taxes and tax-like levies arising from the remuneration to the CEO. The restricted share 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.

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 maximum amount of the short-term incentive to be paid to CEO has been defined as an amount corresponding to six months' salary. 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 7, 2024

Aspo Plc