

REMUNERATION REPORT 2020

Aspo Plc's Remuneration Report was prepared in accordance with the Corporate Governance Code 2020 in force since January 1, 2020, published by the Finnish Securities Markets Association. The Remuneration Report contains a description of compensation paid and other financial benefits awarded to the members of the Board of Directors and the CEO during the financial period from January 1 to December 31, 2020. For comparison, the Remuneration Report also contains compensation paid during the four previous financial periods. This Remuneration Report was published simultaneously with Aspo Plc's Financial Statements and Management report 2020, and the Corporate Governance Statement 2020.

Introduction

Remuneration of Aspo Plc's Board of Directors, its Committees and CEO is entirely in compliance with the remuneration policy adopted by Aspo Plc's Board of Directors on February 13, 2020, and there has been no deviation from the remuneration policy. Moreover, Aspo Plc's Annual Shareholders' Meeting of 2020 has made an advisory confirming decision concerning the remuneration policy. Aspo Plc's Remuneration Policy is available on the company's website at www.aspo.com/remuneration.

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.

Development during the previous five years of the compensation to Aspo Plc's Board of Directors has been uneven. Development of the CEO's salary is also different 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 been more even, and the growth has varied between 1.7 and 4.5 percent. 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 EUR during the previous five financial periods.

Average remuneration and the company's financial development (in EUR)					
	2016	2017	2018	2019	2020
Chairman of the Board *)	185,765	117,187	64,800	66,900	70,400
Vice Chairman of the Board	45,300	47,250	48,063	53,500	52,100
Board members on average	29,900	33,075	36,173	36,075	38,000
Total remuneration of the Group CEO	930,596	642,385	924,625	635,168	1,093,834
Fixed salary portion of the CEO	372,265	372,283	381,289	387,367	437,655
Average salary development of an Aspo employee **)	36,810	38,450	39,110	40,490	41,340
Aspo's operating profit (EUR 1,000)	20,391	23,136	20,555	21,123	19,346

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

**) average salary development of an Aspo employee is calculated by dividing the labor costs by the average number of employees during the year.

COMPENSATION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

Compensation of the Board of Directors was determined by the Annual Shareholders' Meeting 2020 according to the proposals of the Shareholders' Nomination Committee.

The total compensation of Aspo Plc's Board members in 2020 was EUR 274,500.

Compensation of the Board of Directors in 2020 (in EUR)

Name	Board of Directors	Audit Committee	Remuneration Committee	Total annual remuneration
Nyberg Gustav	64,800		5,600	70,400
Kaario Mammu	48,600	3,500		52,100
Laine Mikael	32,400	3,500		35,900
Pöyry Salla	32,400	1,400	4,900	38,700
Salo Risto *	10,800		700	11,500
Vehmas Tatu	32,400	2,100	5,600	40,100
Westerlund Heikki **	21,600	2,100	2,100	25,800
Total	243,000	12,600	18,900	274,500

* Member of the Board until May 4, 2020

** Member of the Board from May 4, 2020

REMUNERATION OF THE GROUP'S CEO

In 2020, the CEO received in salary, compensation and fringe benefits a total of EUR 1,093,834, of which the bonus amount from 2019 was EUR 84,952, the amount based on the Restricted Share Plan published in 2020 was EUR 468,392, and the amount of the voluntary pension insurance was EUR 102,835. On the basis of the share-based incentive plan 2018-2020, no share bonus was paid in 2020, because the bonus plan criteria approved by the Aspo Plc's Board of Directors were not fulfilled. Under the share-based incentive plan 2018-2020, no share reclamation has been implemented.

Total remuneration of the Group's CEO in 2020 (in EUR)

Fixed salary	
Salary	433,080
Fringe benefits	4,575
Variable remuneration	
Short term bonus from 2019	84,952
Share-based incentive from 2019	0
Restricted Share Plan 2020	468,392
Pension benefits	
Voluntary Pension Insurance	102,835
Total	1,093,834

In 2020, the maximum amount of the short-term incentive to be paid to the Group's CEO was defined as the amount corresponding to 8 months' salary. The criteria for determining the short-term performance bonus were development opportunities within the individual area of responsibility, such as quantitative goals based on annual result and cash flow, as well as success in the tasks or projects aimed at the fulfilment of the Group strategy. Aspo Plc's Board of Directors approved the bonus criteria and payments to be made on the basis of these according to the Remuneration Committee's proposal. The short term bonus paid in 2020 was based on the result criteria set for the CEO and the success of the qualitative projects concerning Group development in 2019. The result achievement level was 35% and the short term bonus paid was EUR 84,952.

Based on the Restricted Share Plan 2020, the CEO was granted 40,000 Aspo Plc shares in June 2020. The reward from the Restricted Share Plan 2020 is based on a valid employment or service contract and a continuing employment during the 36 month vesting period. The compensation was paid in company shares and as a cash portion corresponding the share value. The cash proportion paid in addition to company shares is intended to cover taxes and tax-like levies arising from the compensation, without any other cash amounts being paid. Shares granted as compensation cannot be assigned during the vesting period ending after three years from the transfer of the shares.

The proportion of the short-term and long-term incentive bonuses paid in 2020 of the total amount of remuneration was 50,6%, and the proportion of the fixed annual salary was 40,0%. The proportion of other remuneration (9.4%) consists of voluntary pension insurance.

The retirement age of the CEO is the lowest statutory retirement age minus three years. The CEO has a cash-based voluntary pension insurance where the pension is determined according to the accumulated insurance savings at the moment of retirement.

The period of notice applied in the employment relationship of the CEO is six months. If notice is given by the company, severance pay corresponding to 18 months' salary will be paid in addition to the salary for the notice period.

May 4, 2021

Aspo Plc