

CARGOTEC REMUNERATION POLICY

This Remuneration Policy (“the Policy”) presents the remuneration framework for the governing bodies of Cargotec, applicable to the members of the Board of Directors (“the Board”) and the CEO (“the CEO”) of Cargotec. This Policy shall also be applied to any Deputy CEO, should such Deputy CEO be appointed.

This Remuneration Policy has been prepared based on the guidance set out in the amended EU Shareholders’ Rights Directive, which has been mainly implemented into the Limited Liability Companies Act, Securities Markets Act, Decree of the Ministry of Finance and the 2020 Finnish Corporate Governance Code.

This Policy will be presented at the Annual General Meeting (AGM) on 30 May 2024. The AGM resolution is advisory, but all remuneration shall be in line with this Policy presented to shareholders. The Policy is intended to remain in place for four years until the AGM of 2028.

Our approach to remuneration

Our Remuneration Policy reinforces Cargotec’s values and ethical principles, aligns remuneration with the successful delivery of our strategy, and creates long-term shareholder value.

Our approach to remuneration is characterised by six key principles:

- We align total compensation funding with our strategy and business plans. – Our compensation and benefits programmes reinforce the link between rewards and achievement of business results. Programmes are funded based on business affordability to justify the spending
- We reinforce a high-performing culture. – We pay for strong and sustainable performance and behaviours that reinforce the underlying shared performance culture. Cargotec has a standard approach for managing performance on a global basis to reward top performers and support low performers, while promoting performance differentiation. Our

compensation programmes enable robust differentiation based on individual performance contributions to results. Further, we ensure that our people understand their impact on the business results.

- We aim to balance shareholder and employee needs. – Our compensation and benefits programmes are designed to optimise the needs of both shareholders and employees.
- We enhance our ability to attract, retain, and motivate a diverse group of talented individuals. – Our compensation and benefits programmes are fair, well understood and valued by employees. We regularly conduct market assessments against relevant geographies and industries.
- We ensure effective communication of our remuneration principles and programs to enhance transparency, both internally and externally. – The reward principles and programs are regularly communicated to employees and external stakeholders.
- We ensure compliance with local laws and regulations. – Cargotec’s remuneration principles are a prerequisite for the remuneration of our employees. We have internal controls to ensure compliance.

The performance-based incentive schemes for both short- and long-term are designed with these principles in mind, and shall be the largest component of remuneration. Their aim is to strengthen the alignment between remuneration and company performance, and reflect our philosophy based on which the remuneration should be closely tied to the strategy of Cargotec and aimed at long-term and sustainable value creation.

These principles are also applicable to the wider employee population, and the Board’s Nomination and Compensation Committee reviews and considers employee pay, conditions and engagement when making decisions related to the CEO compensation.

Performance measures for short-term incentives (STI) and long-term incentives (LTI) are assessed annually and reflect our key performance indicators. The ability to set non-financial STI performance measures further contributes to alignment between the Remuneration Policy and sustainability as well as our values.

The Remuneration Policy is designed with appropriate consideration of the views and interests of stakeholders. This means listening to our shareholders, representative bodies, and employees to ensure that their views are appropriately considered when making decisions regarding remuneration

Remuneration governance

Remuneration at Cargotec is managed through clearly defined processes and involves the Annual General Meeting of Shareholders, the Board of Directors, and the Board’s Nomination and Compensation Committee (NCC).

The AGM resolves annually on the remuneration for the members of the Board of Directors, based on a proposal made by the Board’s Nomination and Compensation Committee, taking into account the remuneration principles of the Cargotec Board. The Board remuneration principles shall not restrict the shareholders’ ability to resolve on Board remuneration.

Upon the recommendation of the NCC, the Board submits the Remuneration Policy in case of material changes (or at least every 4 years) and Remuneration Report (annually) to the AGM. The Board approves annually the remuneration of the CEO based on the proposal by the NCC within the confines of this Remuneration Policy.

Remuneration of the Board of Directors

Under the regulations applicable to Cargotec, the shareholders resolve annually on Board's remuneration based on a proposal made by the NCC. The Board Remuneration Policy shall not restrict the shareholders' ability to resolve on Board remuneration.

In determining such remuneration, the committee takes into account the Board members' responsibilities and obligations towards the company. Furthermore, the NCC compares the Board's remuneration to other companies of similar size in Finland and internationally that operate in a comparable business environment to ensure that Cargotec is able to attract and retain Board members with relevant skills, industry knowledge and international experience.

Given the nature of the Board duties and responsibilities, the remuneration is not linked to the Company performance, and therefore includes fixed remuneration only, which can be paid in cash, shares or a combination thereof.

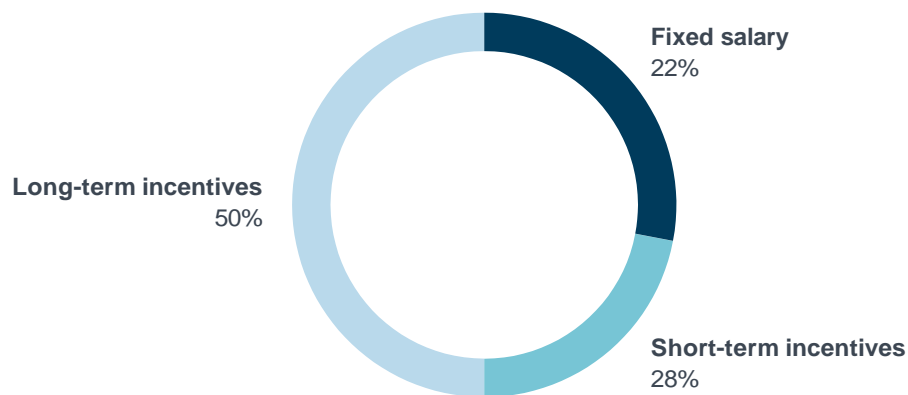
Details of the Board's actual annual remuneration, as resolved by the shareholder meetings, are reported each year in the Remuneration Report.

Remuneration of the CEO

Remuneration elements

Cargotec follows a total remuneration approach, where all remuneration elements are taken into account when setting and reviewing compensation. The remuneration of the CEO and the Deputy CEO (if any) may consist of fixed salary, pension and other benefits and programmes, and of variable pay components. The variable pay includes both short- and long-term incentives. To illustrate how the Policy will be implemented, the chart below shows the relative proportions of the different elements of pay at maximum level.

CEO'S RELATIVE PROPORTION OF PAY COMPONENTS (maximum allocation)



Note to the relative proportion of pay components: Long-term incentives valued at the date of grant.

Remuneration element	Purpose and link to strategy	Description and operation
Fixed salary	To attract and retain individuals with the required skills and experience to lead our businesses	<p>Fixed salary is typically reviewed annually.</p> <p>The Board may consider various factors when determining any fixed salary changes, including the level of salary increases for Cargotec's employees globally, market benchmark data, business performance, role scope and individual performance. Market assessments shall be conducted against listed Finnish companies that are similar in size to Cargotec, as well as relevant European companies operating in a similar industry.</p> <p>The actual fixed salary and annual increases will be reported in the annual Remuneration Report.</p> <p>The Board considers the remuneration of wider employee population and the average annual global increases an important element in determining the annual base salary increase for the CEO. Definition of the fixed salary varies per country based on local legislation and market practice. In Finland, fixed salary includes base salary and fringe benefits. Annual fixed salary may additionally include holiday pay based on the local legislation and market practice.</p>
Short-term incentive (STI)	To reward and incentivise achievement of our annual financial, strategic, operational and sustainability targets aligned with our business strategy	<p>The short-term incentive can range between 0% and 130% of the fixed salary. The STI plan shall typically be cash based.</p> <p>Performance measures, weightings and targets for the selected measures are set annually by the Board of Directors to ensure they continue to support Cargotec's short-term business strategy. These can vary from year to year to reflect business priorities and can include a balance of Group's financial performance measures (for example profitability and cash flow revenue), non-financial measures (for example key operational, strategic, environmental, social, governance or other sustainability related measures) or individual performance measures, provided that in any given year the majority of weighting will be on financial performance measures. The STI performance period is 1 year.</p> <p>The aim of the STI is to contribute to the long-term interests and sustainability of the company. Details of actual performance measures and their respective weightings applied for each year and how they support the business strategy will be disclosed in the annual Remuneration Report.</p> <p>Following the end of the year, the Board of Directors reviews the performance and determines the extent to which each of the targets have been achieved, to determine the final pay-out level.</p> <p>The Board of Directors has discretion to adjust the formulaic STI outcome in changed circumstances to improve the alignment of pay with value creation for shareholders, and to ensure the outcome is a fair reflection of the company performance.</p> <p>Incentive deferral can be applied, if decided by the Board.</p>
Long-term incentive (LTI)	To commit to the long-term interests of the company and offer a competitive, ownership-based reward scheme.	<p>The long-term incentive can range between 0% and 230% of the fixed salary.</p> <p>The long-term incentive reward is paid in the form of performance shares with a three-year vesting period. The LTI performance period is three years.</p> <p>Performance measures, weightings and targets for these selected measures are set annually by the Board of Directors to ensure they continue to support Cargotec's long-term strategy. Performance measures may include, but are not limited to, financial and share-price related measures, as well as non-financial measures considered of strategic importance (including environmental, social and governance measures). Majority of the LTI award in any given year will be based on financial and share-price related performance measures.</p> <p>Details of performance measures and their respective weighting for each year and how they support the long-term strategy will be disclosed in the annual Remuneration Report.</p> <p>Following the end of the performance period or measuring period, the Board of Directors reviews the performance and determines the extent to which each of the targets have been achieved, to determine the final pay-out level.</p> <p>The Board has discretion to adjust the formulaic LTI outcome in changed circumstances to improve the alignment of pay with value creation for shareholders, and to ensure the outcome is a fair reflection of the company performance.</p>
Pension	To provide a competitive retirement in line with local market practice	<p>Pension arrangements shall reflect the relevant market practice and may evolve year on year.</p> <p>The CEO may participate in the pension programmes reflecting the market practice in the country of employment.</p> <p>Details of current pension arrangements will be reported in the annual Remuneration Report.</p>
Other benefits and programmes	To provide competitive level of benefits and support recruitment, engagement and retention	<p>Benefits will be provided in line with appropriate levels indicated by local market practice in the country of employment and may evolve year on year.</p> <p>Other benefits may include phone, company car, health insurance, private accident, life and disability insurance, business travel and director's and officers' liability insurance. Additional benefits and allowances may be offered in certain circumstances such as relocation or international assignment in line with Cargotec's international mobility policy. The CEO is eligible to participate in programmes which may be offered to Cargotec's other employees at any given point, such as co-investment share programmes, project, recognition and retention awards paid in cash or shares.</p>

Share ownership recommendation	To encourage to build a meaningful shareholding in Cargotec and ensure alignment in the interests of the CEO and shareholders.	The CEO is required to accumulate and maintain a shareholding which is equivalent to one-year gross fixed salary.
Claw-back and malus provision	To ensure pay for performance and payments are based on actual achievements	Variable pay awards to the CEO (STI and LTI awards) are subject to malus (adjustment before pay-out) and claw-back (reclaimed after pay-out) provisions, which can be applied in case of material financial misstatement, misconduct, significant environmental or health and safety issue, reputational damage, failure of risk management or any other circumstances, as determined by the Board.

Service contract and end of employment payments

The terms of the service agreement of the CEO shall be specified in writing and approved by the Board. The terms specify the remuneration elements as well as the payments upon termination of employment.

The service agreement of the CEO is typically in force until further notice, but it may be in force for a certain fixed period as well.

The notice period of the CEO is determined so that it is in line with the market practice existing at the time of entering into the contract. The notice period for both parties is typically six months.

Severance pay is determined so that it is in line with the market practice existing at the time of entering into the managing director contract. If the company terminates the contract, the CEO is entitled to the fixed compensation for the notice period and a severance pay equal to 12 months of the fixed salary. No severance compensation is paid if the contract is terminated by the CEO.

The treatment of STI and LTI awards will depend on the circumstances of departure. No award shall be paid to the CEO, if Cargotec or the CEO gives notice of termination, or terminates the CEO's contract before the award payment. The Board may, however, in these cases resolve upon the CEO's right to the award accrued by the end of employment and upon the award payment date.

Deviations from the Remuneration Policy

The Board of Directors upon recommendation of the Nomination and Compensation Committee may temporarily deviate from any sections of this Policy based on its full discretion in the circumstances described below:

- Upon change of the CEO and the Deputy CEO (if applicable) in accordance with the new hire policy,
- Upon appointment of an interim CEO or a deputy CEO,
- Upon material changes in the company structure, organization, ownership and business (for example merger, takeover, demerger, acquisition, etc.), which may require adjustments to STI and LTI plans or other remuneration elements to ensure continuity of management,
- Upon material change in the company's financial position, strategy or governance structure,
- Upon change in applicable legislation,
- Upon other significant and justified reason for adjusting the remuneration of the CEO, and
- In any other circumstance where the deviation may be required to serve the long-term interests and sustainability of the Company or to assure its viability.

New hire policy

Cargotec's policy on recruitment is to offer a remuneration package which is sufficient to attract, retain and motivate the individual with the right skills for the required role. When determining remuneration for a new CEO or Deputy CEO, the Board will consider the requirements of the role, the needs of the business, the relevant skills and experience of the individual and the relevant external market for talent. Where an individual is recruited externally, the Board will also consider the remuneration package of that individual in their prior role.

Generally, the Board will seek to align the new CEO's or the Deputy CEO's remuneration package to Cargotec's Remuneration Policy and principles. On occasion, in case of external hires and when deemed necessary, Board may also determine to grant one-off awards to compensate for remuneration the candidate held prior to joining Cargotec, which lapsed at leaving their previous employment, or as an incentive to join Cargotec, in cash and/or equity. When determining the terms of such awards, the Board may modify the terms, considering the structure, time horizon, value and performance targets associated with arrangements forfeited. The rationale and detail on any such award will be disclosed in the annual Remuneration Report.

Where an individual is appointed to CEO or Deputy CEO position as a result of internal promotion or following a corporate transaction (e.g. following an acquisition), the Board retains the ability to honour any legally binding legacy arrangements agreed prior to the individual's appointment.

In addition, where necessary, additional benefits may also be provided such as, but not limited to, relocation support, expatriate allowance, tax equalisation and other benefits which reflect local market practice and/or relevant legislation.