

# REMUNERATION OF CARGOTEC LEADERSHIP TEAM MEMBERS 2021 (EXCLUDING CEO)

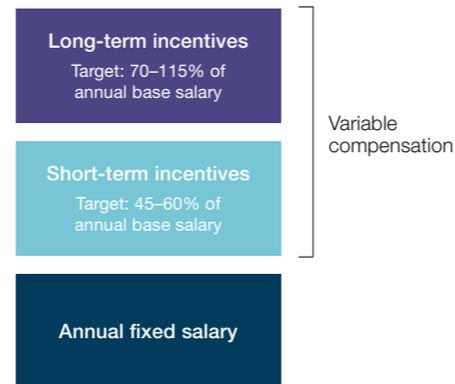
## Decision-making procedure

Cargotec's compensation and benefits policy is applied in determining the total remuneration of Cargotec's Leadership Team. The policy is approved by the Board of Directors (Board). Based on a proposal by the CEO and the Board's Nomination and Compensation Committee (NCC), the Board decides on the annual base salary, short-term incentive programmes and benefits of the Leadership Team. In addition, the Board decides on long-term incentive programmes and on the target group and allocation of such programmes based on a proposal by the NCC.

## Remuneration structure

The total target remuneration structure of the Leadership Team comprises a fixed base salary including fringe benefits and incentive plans, for which both short- and long-term targets have been defined. The variable salary component consists of share-based incentive programmes linked to the company's long-term targets, as well as a short-term incentive programme. Relevant market practices are closely followed when defining the remuneration elements.

## Total target remuneration



## Short-term incentives

### Annual Bonus Programme:

<b>Programme purpose</b>	To reward and incentivise achievement of financial, strategic, operational and sustainability targets aligned with Cargotec's business strategy.
<b>Performance period</b>	1 year, no bonus deferral applied.
<b>Performance criteria</b>	Cargotec or Business Area specific financial targets and strategic individual targets
<b>Maximum earning opportunity</b>	90-120% of annual base salary. Varies by role.

## Cargotec's annual performance management process links strategic targets, performance and pay:



## Long-term incentives

### Ongoing share-based incentive programmes as of May 2022:

Programme	2019	2020	2021	2022	2023	2024	2025
2020–2022 Performance Share Programme		Measuring period 1: - Comparable operating profit	Measuring period 2: - Service gross profit	Measuring period 3: - Eco portfolio order intake & Mission Climate Roadmap	€		
2021–2023 Performance Share Programme			Measuring period 1: - Comparable operating profit	Measuring period 2: - Service gross profit	Measuring period 3: - TBD	€	
2022–2024 Performance Share Programme				Measuring period 1: - Comparable operating profit	Measuring period 2: - TBD	Measuring period 3: - TBD	€
2019–2022 Matching Share Programme	Share investment	€	€	€			
2022–2024 Restricted Share Unit Programme					€	€	

€ = share delivery / incentive payment.

### 2020–2024 share-based incentive programme

The Performance Share Programme includes three performance periods, calendar years 2020–2022, 2021–2023 and 2022–2024. Each performance period includes one to three measuring periods. One measuring period can be three calendar years at maximum, which is the total length of one performance period. The reward is granted and settled in Cargotec class B shares on top of which Cargotec pays taxes and tax-related expenses. No reward will be paid, if a key employee's employment or service ends before the reward payment.

Other share-based incentive programmes in which selected Leadership Team members are participating:

- 2019–2022 Matching Share Programme
- 2022–2024 Restricted Share Unit Programme

Performance period	3 years.
Performance criteria	Cargotec or Business Area specific financial targets.
Maximum earning opportunity	140–230% of annual base salary. Varies by role.

## Purpose and operation of the other share-based incentives

### 2019–2022 Matching Share Programme

Programme participants have made an investment in Cargotec shares at the inception of the programme and receive an equivalent amount of shares in accordance with the matching share programme. The reward is granted and settled in Cargotec class B shares on top of which Cargotec pays taxes and tax-related expenses. The vesting condition related to matching shares is tied to a working condition, so that one third of the reward is earned annually over the three year period, after which the vested shares have a lock-up period of one year except for shares vested during the last year for which there is no lock-up period.

### 2022–2024 Restricted Share Unit Programme

The reward from the Restricted Share Unit Programme 2022–2024 is conditional on the achievement of strategic goals set by the Board of Directors. The reward is paid in two installments, half in the spring of 2023 and half in the spring of 2024. The shares received as a reward from the programme's first installment may not be sold, transferred, pledged or otherwise assigned during a lock-up period which ends on 31 December 2023. In addition, a cash proportion is included in the reward to cover taxes and tax-related costs arising from the reward.

### Share ownership recommendation

One-year gross base salary, the recommendation is to be fulfilled through refraining from transferring shares received under the Cargotec share-based incentive programmes.

### Pension

Finnish members of the Leadership Team are entitled to a statutory pension. Their retirement age is determined in accordance with the statutory pension scheme in Finland. Additionally, one Finnish member has a supplemental defined contribution pension plan. The Kalmar Mobile Solutions Business Area President has a supplemental defined contribution pension plan, following the local market practice.

### Severance pay

The members of the Leadership Team have a period of notice of 6 months and are entitled to compensation, for termination of employment, corresponding to 6 months' salary.

## Remuneration paid in 2021

Remuneration paid during 2021, euros	Leadership Team (in aggregate)*
Annual fixed salary (base salary including fringe benefits)	3,113,543
Short-term incentives (based on 2020 performance, taxable gross amount before deduction of taxes and employment-related expenses)	2,165,518
Long-term incentives: 2019 share-based incentive programme payout (taxable gross amount before deduction of taxes and employment-related expenses)	650,659
Restricted shares: 2019 restricted shares programme payout (taxable gross amount before deduction of taxes and employment-related expenses)	233,946
Matching shares: 2nd installment in 2021 (taxable gross amount before deduction of taxes and employment-related expenses)	1,807,063
<b>Total</b>	<b>7,970,729</b>

\* Outi Aaltonen, Leif Byström (since 28 October 2021), Carina Geber-Teir, Antti Kaunonen, Mikael Laine, Stefan Lampa (until 28 October 2021), Soili Mäkinen, Mikko Pelkonen, Mikko Puolakka, Scott Phillips, Michel van Roozendaal.

Actual number of shares delivered in 2021	Leadership Team (in aggregate)
2019 share-based incentive programme: 2019–2020 earning period + value creation period 2021; class B shares	6,938
Restricted shares: 2019 Restricted Shares Programme; class B shares	2,755
2019–2022 Matching Share Programme: 2nd installment in 2021; class B shares	20,640
<b>Total</b>	<b>30,333</b>

Actual number of shares granted in 2021	Leadership Team (in aggregate)
2021 share-based incentive programme: 2021–2023 earning period; On target performance, net number of class B shares. Additionally, a cash portion to cover taxes and employment-related expenses.	50,550
<b>Total</b>	<b>50,550</b>