

Follow-up and evaluation of remuneration to senior executives

The Remuneration Committee of ÅF Pöyry AB's Board of Directors includes the Chairman of the Board Anders Narvinger and the Board members Joakim Rubin and Henrik Ehrnrooth. Anders Narvinger is the chairman of the Remuneration Committee.

The role and responsibility of the Remuneration Committee is the salary, pension, variable remuneration and other terms of employment for the CEO and other senior executives. In addition, thereto, the Remuneration Committee makes proposals to the Board of Directors for long term incentive programmes.

In accordance with 9.1 of the Swedish Corporate Governance Code, the Remuneration Committee evaluates the programmes for variable remuneration which have been in force during the year (including continuing as well as expired programmes), the compliance with the principles for remuneration to the senior executives adopted by the annual general meeting, as well as current remunerations at ÅF Pöyry.

The Board of Directors report from the review and evaluation is as follows.

Description of the remunerations to senior executives during the past year

The remunerations to senior executives include both fixed and variable salary, as well as the possibility to participate in a convertible debenture programme (long term incentive programme - LTI), pension and other benefits. The purpose is to make sure that ÅF Pöyry attracts, motivates and retains senior executives and key staff. The remunerations shall be based on market conditions and be competitive on the markets where ÅF Pöyry is active, as well as promoting the interests of the shareholders.

Variable compensation during the year

The short-term variable compensation (Short Term Incentive – STI) is based on the achievement of yearly targets. STI to senior executives for 2019 have not exceeded 60% of their fixed salary, in accordance with the principles resolved upon by the Annual General Meeting 2019.

Since 2015, a convertible programme is offered as LTI to senior executives and key staff. At the Annual General Meeting 2019, it was again decided to offer a convertible programme to senior executives and key staff. The programme was subscribed to 85,7% of the financial limit. More information about the long-term incentive programmes is available in the annual report for 2019 and on the ÅF Pöyry website www.afry.com.

In addition to the convertible programme, a 3-year cash-based programme was offered to the CEO of ÅF Pöyry, to the group executive management team and to a number of key employees. The number of participants is 35 persons and the goals of the programme are based on organic growth and EBITA margin.



Follow-up of programmes for variable remuneration

The Remuneration Committee follow up and evaluates the STI and LTI and the expected results are reported to the Board and have been discussed at Board Meetings. Further, the Remuneration Committee follow up on the senior executives' participation in the offered long term incentive programmes.

Evaluation of principles for remuneration to senior executives

The Remuneration Committees evaluation shows that the principles for remuneration to senior executives resolved upon by the Annual General Meeting of 2019 have been adhered to. This view is shared by the auditors.

Evaluation of current remuneration structure

The Remuneration Committee has evaluated the fixed and variable compensation levels and has found them to follow market practice. Since ÅF Pöyry is an increasingly international business, it is proposed that the Annual General Meeting 2020 resolves upon a three-year convertible debenture programme aimed at employees in several countries, with the same design as in recent years, along with a three-year cash based long term incentive programme. Senior executives shall be offered participation in both programmes, while key staff can participate in the convertible debenture programme.

Stockholm, March 2020
ÅF Pöyry AB (publ)
Board of Directors

This English version is a translation of the Swedish original. The Swedish text is the binding version and shall prevail in the event of any discrepancies.