



Kalmar Remuneration Policy

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1 Introduction

This Remuneration policy (“Policy”) presents the remuneration framework for the governing bodies of Kalmar Corporation (“Kalmar” or “Company”), applicable to the members of the Board of Directors (“Board”) and the President and CEO (“CEO”) of Kalmar. 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 Finnish Corporate Governance Code 2025.

This Policy will be presented at the Company’s Annual General Meeting (“AGM”) on 27 March 2025. The AGM resolution is advisory, but all remuneration shall be in line with this Policy presented to the shareholders. The Policy is intended to remain in place for four years until the AGM of 2029.

2 Approach to remuneration

Kalmar’s Remuneration policy reinforces the Company’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 with our strategy and business plans. Compensation and benefits programmes reinforce the link between rewards and achievement of business results.
- We reinforce a high-performing culture by paying for strong and sustainable performance and behaviours that reinforce the underlying shared performance culture. We reward top performers and support low performers, while promoting performance differentiation.
- We aim to balance shareholder and employee needs. Compensation and benefits programmes are designed to optimise the needs of both shareholders and employees.
- We build our compensation and benefits programmes to be fair, competitive and valued by employees to be able to attract, retain, and motivate a diverse group of talented individuals. We regularly conduct market assessments against relevant geographies and industries.
- We ensure effective communication of our remuneration principles and programmes to enhance transparency, both internally and externally. The reward principles and programmes are regularly communicated to employees and external stakeholders.
- We ensure compliance with local laws and regulations. Kalmar’s remuneration principles are a prerequisite for the remuneration of our employees. We have internal controls to ensure compliance.



The performance-based incentive schemes are designed with these principles in mind, and short-term incentives (“STI”) and long-term incentives (“LTI”) shall be the largest component of remuneration for the CEO. 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 Kalmar and aimed at long-term and sustainable value creation.

These principles are also applicable to the wider employee population, and the Board’s Personnel and Remuneration Committee (“PRC”) reviews and considers employee pay, conditions and engagement when making decisions related to the CEO compensation.

Performance criteria for the STI and LTI plans 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

3 Remuneration governance

Remuneration at Kalmar is managed through clearly defined processes and involves the Shareholders’ Nomination Board (“Nomination Board”), the AGM, the Board and the PRC.

The AGM resolves annually on the remuneration for the members of the Board, based on a proposal made by the Nomination Board. The Board approves annually the remuneration of the CEO based on the proposal by the PRC within the confines of this Remuneration policy.

Upon the recommendation of the PRC, the Board submits the Remuneration policy in case of material changes (or at least every 4 years) and the Remuneration report (annually) to the AGM.

4 Remuneration of the Board of Directors

Under the regulations applicable to the Company, the shareholders resolve annually on Board’s remuneration based on a proposal made by the Nomination Board.

Prior to making its recommendation, the Nomination Board regularly reviews the remuneration for the Chair and members of the Board against companies of similar size and complexity to the Company to ensure that the Company can attract and retain Board members with relevant skills, industry knowledge and international experience to oversee the Company strategy.

Given the nature of the Board duties and responsibilities, the Board members are not covered by the Company’s incentive plans. They receive fixed remuneration only which can be paid in cash or shares, or a combination of cash and shares.

Details of the Board actual annual remuneration, as resolved by the AGM, are reported each year in the Remuneration report.



4 Remuneration of the President and CEO

4.1 Remuneration elements

Kalmar 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. The chart below shows the relative proportions of the different elements of pay at maximum level. Long-term incentives are valued at the grant.

Actual pay mix based on the actual STI and LTI payments will be disclosed in the annual Remuneration report.

RELATIVE PROPORTION OF CEO'S PAY COMPONENTS



Remuneration element	Purpose and link to strategy	Description and operation
Fixed salary	To attract and retain individuals with the required skills and experience	When defining the fixed salary, the Board may consider various factors, including market benchmark data, performance and role scope. Market assessments are conducted against companies in relevant countries and industries. Fixed salary includes base salary and fringe benefits in accordance with local practice. Fixed salary is typically reviewed annually and the actual fixed salary and changes are reported in the annual Remuneration report.
Short-term incentive (STI)	To reward and incentivise achievement of annual financial, strategic, operational and sustainability targets aligned with business strategy	<p>The short-term incentive is an annual performance based bonus. For the CEO, the maximum short-term incentive reward is 130% of the fixed salary.</p> <p>Performance criteria, weightings and targets for the selected criteria are set annually by the Board. Criteria are aligned with business strategy and can include financial and non-financial measures, key operational, strategic and sustainability related measures. The performance period is typically one (1) calendar year, after which the Board reviews the performance, determines the extent to which each of the targets have been achieved, and approves the corresponding payments.</p> <p>Details of actual performance measures and their respective weightings applied for each year will be disclosed in the annual Remuneration report.</p> <p>The Board 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>



Remuneration element	Purpose and link to strategy	Description and operation
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 incentives are typically share-based incentive plans with three-year performance periods that the Board can decide on annually. For the CEO, the maximum value of the annual LTI grant is 230% of the fixed salary.</p> <p>Performance measures, weightings and targets for these selected measures are set annually by the Board to ensure they support Kalmar'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).</p> <p>Details of performance measures and their respective weighting for each year will be disclosed in the annual Remuneration report.</p> <p>Following the end of the performance period or restriction period, the Board reviews the performance and determines the extent to which each of the targets have been achieved and approves the payments.</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 retirement benefit in line with local market practice	<p>The CEO may participate in the pension programmes reflecting the market practice in the country of employment. Pension arrangements shall reflect the relevant market practice and may evolve year on year.</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, but are not limited to, phone, company car, health insurance, private accident, life and disability insurance, business travel and director's and officers' liability insurance.</p> <p>Additional benefits and allowances may be offered in certain circumstances such as relocation or international assignment in line with Kalmar's international mobility policy. The CEO is eligible to participate in programmes which may be offered to Kalmar'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 strengthen the alignment in the interests of the CEO and shareholders	The CEO is recommended to accumulate and maintain a shareholding equivalent to annual 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 payment) 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.



4.2. 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 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 rewards will depend on the circumstances of departure. As a main rule, no reward shall be paid to the CEO, if Kalmar 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 reward accrued by the end of employment and upon the award payment date.

5. Deviations from the policy

The Board upon recommendation of the PRC 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, organisation, 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.



5. New hire policy

Kalmar'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.

Generally, the Board will seek to align the new CEO's or Deputy CEO's remuneration package to Kalmar'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 Kalmar, or as an incentive to join Kalmar, 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. 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.

