

**Remuneration Report  
of Members of the Management Board and Supervisory Board  
of Arctic Paper S.A.  
for year 2023**

The binding Remuneration Policy for the Members of the Management Board and Supervisory Board of Arctic Paper S.A. ("the Company", "the Policy") was approved on 31 August 2020 by Resolution No. 18 of the Annual General Meeting of Shareholders of Arctic Paper S.A.

In accordance with Art. 7.1 of the Policy, the Supervisory Board shall annually prepare a Remuneration Report in order to provide the General Meeting with information on the remuneration received in the preceding financial year by the Management Board and the Supervisory Board of the Company. The report is reviewed by the auditor.

The General Meeting shall adopt a resolution with an opinion on the remuneration report. The nature of such resolution is advisory.

In 2021 the Supervisory Board of Arctic Paper S.A. prepared first remuneration report for 2019 and 2020 combined.

The most recent "Remuneration Report of Members of the Management Board and Supervisory Board of Arctic Paper S.A. for year 2022" was prepared and approved by the Supervisory Board on 9<sup>th</sup> May, 2023.

"Remuneration Report of Members of the Management Board and Supervisory Board of Arctic Paper S.A. for year 2022" was assessed by Grant Thornton Polska spółka z ograniczoną odpowiedzialnością sp. k.

On 9<sup>th</sup> May 2023 the auditor has issued a report with an opinion on the Remuneration Report which was enclosed to the draft of the resolution of the Annual General Meeting. On 6<sup>th</sup> June, 2023 the Annual General Meeting of Arctic Paper S.A. by Resolution No. 17/2023, expressed its positive opinion on the submitted report.

In 2023, the Company did not apply deviations from the Remuneration Policy, deviations from its temporary application, or deviations from the procedure for implementing the Policy.

The current version of the Policy is available on the website of Arctic Paper S.A.

All values presented in the report are expressed in Polish zlotys.

## **I. Components of the remuneration of the Management Board and the Supervisory Board in 2023**

### **1.1 Management Board**

In reference to §4 point 7 of Remuneration Policy, the remuneration of the Members of the Management Board of Arctic Paper S.A. consists of the following elements:

- Fixed remuneration – due to the members of the Management Board of Arctic Paper S.A. for the function they hold;
- Variable remuneration – rewards for achieving short, medium or long-term objectives in line with the Company's strategy;
- Additional benefits – including those not directly of a pecuniary nature, allowances and benefits such as: use of a company car (including for private purposes), co-financing of health care (including for immediate family members such as spouse and minor children), coverage of premiums under life insurance contracts and D&O (Directors&Officers) liability insurance contracts.

Fixed Remuneration shall be the only mandatory part of remuneration disbursed to the Members of the Management Board of Arctic Paper S.A. In 2023, the remuneration of Management Board of Arctic Paper S.A. consisted of fixed remuneration and variable remuneration.

## 1.2 Supervisory Board

In 2023, the remuneration of the Supervisory Board of Arctic Paper S.A. consisted exclusively of fixed remuneration based on the appointment as Chairman of the Supervisory Board or Member of the Supervisory Board by the General Meeting of Shareholders of the Company ("General Meeting").

Members of the Supervisory Board who serve on committees of the Supervisory Board are entitled to additional monthly remuneration in an amount to be determined by the General Meeting by resolution.

## II. Total remuneration

### 2.1 Management Board

#### Remuneration charged at Arctic Paper S.A. in 2023

Management Board	Fixed remuneration for performance of duties	Variable remuneration	Additional benefits	TOTAL
Michał Jarczyński – President of the Management Board	1 026 511	477 765	-	1 504 276
Katarzyna Wojtkowiak* - Member of the Management Board	416 679	-	-	416 679
Fabian Langenskiöld** - Member of the Management Board	8 737	-	-	8 737
Göran Eklund*** – Member of the Management Board	10 224	-	-	10 224
<b>TOTAL</b>	<b>1 462 150</b>	<b>477 765</b>	-	<b>1 939 915</b>

\* since 29th May 2023

\*\* since 14th August 2023

\*\*\* till 29th May 2023

#### Proportions of individual remuneration components

Management Board	Fixed remuneration for performance of duties	Variable remuneration	Additional benefits	TOTAL
Michał Jarczyński – President of the Management Board	68%	32%	-	100%

Katarzyna Wojtkowiak* - Member of the Management Board	100%	-	-	100%
Fabian Langenskiöld** - Member of the Management Board	100%	-	-	100%
Göran Eklund – Member of the Management Board	100%	-	-	100%
<b>TOTAL</b>	<b>92%</b>	<b>8%</b>	<b>-</b>	<b>100%</b>

\* since 29th May 2023

\*\* since 14th August 2023

\*\*\* till 29th May 2023

The remuneration of Members of the Management Board - Mr. Göran Eklund and Mr. Fabian Langenskiöld is presented broken down into the amounts of remuneration received from Arctic Paper SA for being appointed to serve as Members of the Management Board of Arctic Paper SA (table 2.1) and the amount of remuneration received from related entities for employment (table 6.1). The sum of these components is shown in point V of this report.

The remuneration of the Management Board of Arctic Paper S.A. in 2023 consisted of 92 % fixed remuneration by virtue of appointment, the amount of which was determined respectively by:

- resolution of the Supervisory Board of Arctic Paper S.A. no. 03/08/2017 dated 30th August 2017 on the remuneration of the Member of the Management Board;
- resolution of the Supervisory Board of Arctic Paper S.A. no. 03/12/2018 dated 10th December 2018 on the remuneration of the President of the Management Board;
- employment agreement concluded with President of the Management Board on 1st October 2022;
- resolution of the Supervisory Board of Arctic Paper S.A. no. 01/10/2023 dated 17<sup>th</sup> October 2023 on the remuneration of the Member of the Management Board;
- employment agreement concluded with the Member of the Management Board on 22<sup>nd</sup> May 2023;

The variable remuneration represented 8% of the total remuneration of the Management Board in 2023.

In accordance with the Remuneration Policy, the value of the variable remuneration of the President of the Management Board of Arctic Paper S.A. in 2023 did not exceed 50% of the gross Fixed Remuneration for the year.

The allocation of variable remuneration to the members of the Management Board is based on the result of the Supervisory Board's assessment of their work efficiency and the achievement of the objectives set. The selection of indicators (as well as their level of detail) for individual Board Members is considered on an individual basis, taking into account their scope of duties and responsibilities.

The amount of the variable remuneration shall be determined in particular on the basis of

- Quantitative indicators e.g. specific levels of financial indicators;

- Targeted indicators e.g. implementation of investment, financial, modernisation and environmental projects.

The remuneration of the members of the Management Board of Arctic Paper S.A. did not include cash or non-cash benefits granted to the close relatives of members of the Management Board of Arctic Paper S.A.

## 2.2 Supervisory Board

The only component of the remuneration of the Supervisory Board of Arctic Paper S.A. in 2023 was cash remuneration on appointment. The remuneration is based on Resolution No. 18/2023 of the Annual General Meeting of the Company of 6th June 2023 on the determination of the principles and amount of remuneration of the Members of the Supervisory Board of the Company.

### Remuneration charged at Arctic Paper S.A. in 2023

Supervisory Board	Cash remuneration on appointment	Additional cash remuneration	TOTAL
Per Lundeen – Chairman of the SVB	353 167	-	353 167
Thomas Onstad – Member of the SVB	176 583	-	176 583
Roger Mattsson – Member of the SVB	247 417	-	247 417
Zofia Dzik – Member of the SVB	216 121	-	216 121
Anna Jakubowski – Member of the SVB	180 946	-	180 946
<b>TOTAL</b>	<b>1 174 233</b>	-	<b>1 174 233</b>

### Proportions of individual remuneration components

Supervisory Board	Cash remuneration on appointment	Additional cash remuneration	TOTAL
Per Lundeen – Chairman of the SVB	100%	-	100%
Thomas Onstad – Member of the SVB	100%	-	100%
Roger Mattsson – Member of the SVB	100%	-	100%
Zofia Dzik - Member of the SVB	100%	-	100%
Anna Jakubowski – Member of the SVB	100%	-	100%
<b>TOTAL</b>	<b>100%</b>	-	<b>100%</b>

The remuneration of the members of the Supervisory Board of Arctic Paper S.A. did not include cash or non-cash benefits granted to the close relatives of members of the Supervisory Board of Arctic Paper S.A.

### III. Compatibility of the remuneration of the members of the Management Board and Supervisory Board with the adopted Remuneration Policy, including how it contributes to the Company's long-term performance.

The current Remuneration Policy has been in force in Arctic Paper S.A. since 31 August 2020. The remunerations paid so far to the Members of the Management Board and the

Supervisory Board of Arctic Paper S.A. meet the requirements of the adopted Remuneration Policy.

The remuneration of the Members of the Management Board and the Supervisory Board of Arctic Paper S.A. is awarded and paid in the form provided for by the Remuneration Policy.

The remuneration of the Members of the Management Board and the Supervisory Board of Arctic Paper S.A. contributes to the implementation of the business strategy and the long-term development of the Arctic Paper S.A. group, among other things, through adequate remuneration, which is determined based on the scope of duties performed and the competence and experience required to properly manage and supervise the Company.

The amount of remuneration of the Members of the Management Board and the Supervisory Board of Arctic Paper S.A. takes into account the current financial situation of the Company and its size and business environment.

#### **IV. Information on how the performance criteria were applied.**

The objectives set for the implementation by the members of the Management Board may be non-financial (e.g. qualitative indicators, purposeful indicators – process improvements, involvement, innovations) or financial (e.g. the Company's results, specific levels of particular financial indicators). The performance evaluation forms the basis for determining the individual level of variable remuneration.

Performance evaluation, which includes financial and non-financial criteria, takes place annually. The Remuneration Committee makes a recommendation to the Supervisory Board on the value of the variable remuneration of the members of the Management Board. The final decision on the amount of the annual bonus awarded to individual members of the Management Board is taken by the Supervisory Board.

**V. Information on changes, on an annual basis, in remuneration, the Company's results and the average remuneration of the Company's employees who are not members of the Management Board or the Supervisory Board.**

	2019	2020		2021		2022		2023	
<b>Fixed remuneration of Members of Supervisory Board Arctic Paper S.A.</b>	Amount	Amount	Change	Amount	Change	Amount	Change	Amount	Change
Per Lundeen	300 000	300 000	0%	300 000	0%	340 057	13%	353 167	4%
Thomas Onstad	150 000	150 794	1%	150 000	-1%	161 970	8%	176 583	9%
Roger Mattsson	210 000	210 000	0%	210 000	0%	227 010	8%	247 417	9%
Mariusz Grendowicz (till 22.06.2021)	180 000	181 906	1%	87 919	*	-	-	-	-
Dorota Raben (from 28.05.2019 till 22.06.2021)	84 881	155 223	*	71 667	*	-	-	-	-
Maciej Georg (till 28.05.2019)	62 500	-	-	-	-	-	-	-	-
Zofia Dzik (from 22.06.2021)	-	-	-	87 692	*	199 326	*	216 121	8%
Anna Jakubowski(from 22.06.2021)	-	-	-	75 177	*	169 999	*	180 946	6%
<b>Fixed and variable remuneration of Members of Management Board Arctic Paper S.A.</b>	2019	2020		2021		2022		2023	
	Amount	Amount	Change	Amount	Change	Amount	Change	Amount	Change
Michał Jarczyński (from 01.02.2019)	660 000	1 011 702	53%	1 454 448	44%	1 119 625	-23%	1 504 276	34%
Göran Eklund (from 01.09.2017 till 29 May 2023)	1 175 964	1 403 495	19%	1 511 232	8%	1 495 890	-1%	1 086 078	-27%
Per Skoglund ( till 31.01.2019)	138 316	-	-	-	-	-	-	-	-
Katarzyna Wojtkowiak ( from 29 May 2023)	-	-	-	-	-	-	-	416 679	*
Fabian Langenskiöld (from 14 August 2023)	-	-	-	-	-	-	-	605 503	*
<b>Average remuneration of the Company's employees who are not members of the Management Board or Supervisory Board</b>	9 824	12 664	29%	14 636	16%	14 589	0%	16 237	11%
<b>Consolidated revenue in thousands PLN</b>	3 117 118	2 847 450	-8,7%	3 412 576	19,8%	4 894 276	43,4%	3 549 153	-27,5%

\*no comparability of data for individual years due to the performance of the function by the member only for a part of the financial year

**VI. Amount of remuneration from entities belonging to the Arctic Paper S.A. Capital Group.**

**6.1 Management Board**

**2023**

Michał Jarczyński - Arctic Paper Kostrzyn S.A.	892 537
Michał Jarczyński - Arctic Paper Munkedals AB	47 544
Michał Jarczyński - Arctic Paper Grycksbo AB	47 544
Göran Eklund - Arctic Paper Munkedals AB	1 075 854
Fabian Langenskiöld - Arctic Paper Munkedals AB	596 766

In 2023, the other Members of the Management Board did not receive remuneration from entities belonging to the Arctic Paper S.A. Capital Group.

The remuneration of Members of the Management Board shown in the standalone and consolidated financial statement for 2023 does not include remuneration from subsidiaries belonging to the Arctic Paper SA Capital Group.

**6.2. Supervisory Board**

**2023**

Per Lundeen – Arctic Paper Munkedals AB	51 893
Per Lundeen – Arctic Paper Grycksbo AB	61 529
Per Lundeen - Rottneros AB	261 492
Roger Mattsson - Rottneros AB	129 424

In 2023, the other Members of the Supervisory Board did not receive remuneration from entities belonging to the Arctic Paper S.A. Capital Group.

The remuneration of Members of the Supervisory Board shown in the standalone and consolidated financial statement for 2023 does not include remuneration from subsidiaries belonging to the Arctic Paper SA Capital Group.

**VII. The number of financial instruments granted or offered and the main conditions for the exercise of the rights attached to those instruments, including the price and exercise date and any modification thereof.**

Arctic Paper S.A. does not envisage granting or offering financial instruments.

**VIII. Information on the use of the option to claim back variable remuneration components.**

In accordance with the Remuneration Policy, the Company assumes the possibility of recovery and also of deferring the granting or payment of the Variable Remuneration, in the event of:

- a) violation of a non-compete prohibition while holding a function of a Member of the Management Board and after a year following the end of a legal relation binding a Member of the Management Board and the Company;
- b) the disclosure of irregularities in the management of the Company resulting in damage;

No circumstances have arisen in 2023 that would justify the exercise of the option to seek repayment or defer the award or payment of the Variable Remuneration.

**IX. Information on deviations from the procedure for implementing the Remuneration Policy.**

To the knowledge of the Supervisory Board, there have been no deviations from the procedure for implementing the Remuneration Policy

[signatures on the following page]

**PODPISY / SIGNATURES**

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Per Lundeen

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Thomas Onstad

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Zofia Dzik

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Anna Jakubowski

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Roger Mattsson