

REMUNERATION REPORT 2022

Partner for positive change



Metso Outotec's Annual report 2022 consists of five sections:

All Annual report sections are available in English and in Finnish. They are downloadable on our Annual report website at mogroup.com/annualreport. In this Annual report, we apply integrated reporting elements.

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Business overview



Strategy, value creation and sustainability

Financial review



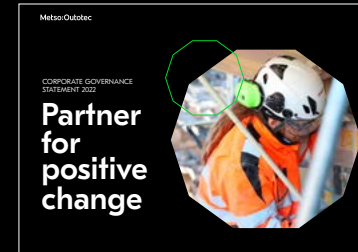
Board of Directors' report, financial statements and investor information

GRI supplement



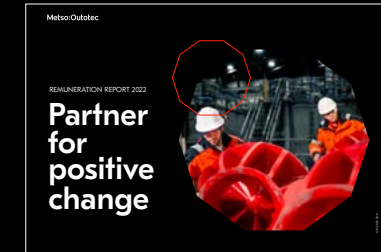
Externally assured sustainability information compliant with the GRI standards

Corporate governance statement



Corporate governance, internal control and risk management systems

Remuneration report



Remuneration of the Board of Directors and the CEO

This is the Remuneration report, consisting of the Remuneration of the Board of Directors and the CEO.



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Letter from the Chair of the Remuneration and HR Committee

Dear Shareholders,

It is my pleasure to present Metso Outotec's 2022 Remuneration report on behalf of the Board's Remuneration and HR Committee. This Remuneration report for the Board of Directors and the President and CEO has been prepared in line with the Finnish Corporate Governance Code 2020 issued by the Securities Market Association.

Metso Outotec's performance during 2022 was very pleasing. The year was unprecedented and turbulent and in addition to high market volatility it included the wind-down of our business in Russia. President and CEO Pekka Vauramo together with the Executive team has continued to successfully lead the organization and its employees, delivering a very strong performance. We were happy to announce in December, that CEO Pekka Vauramo's contract was extended by one year to the end of 2024.

Discussions concerning executive remuneration, diversity, inclusion and sustainability were actively pursued with our shareholders and other stakeholders during 2022. We continue to ensure our remuneration practices fairly recognize our employees for performance and forward-looking growth opportunities. As a concrete example of Metso Outotec's actions, during 2022 the Company analyzed and acted on results from our Fair Pay analysis and invested EUR 2.2 million to level unexplained gender-related pay gaps. We will continue our efforts to build awareness and capabilities globally to support equal treatment of our employees across the organization.

We are committed to be a sustainability leader in our industry and we have been ensuring that our remuneration practices are linked to the achievement of Metso Outotec's long-term sustainability targets. Since 2021, Metso Outotec has included a sustainability (ESG) target in the Company's long-term incentive (LTI) plan. For the LTI plan commencing in 2022, the Board decided to incentivize the long-term sales development of our Planet Positive offering and the same ESG target will continue in the 2023 LTI plan. The Planet Positive offering is our way to help our customers meet their sustainability targets and needs.

Metso Outotec continues to ensure that remuneration practices are linked to employee and Company performance and that the remuneration levels are aligned with market practices. The Remuneration report, together with our Remuneration Policy, creates a structure outlining the practices Metso Outotec utilizes in rewarding and illustrates the payments made to the Board of Directors and the President and CEO in 2022. I welcome any feedback or comments on Metso Outotec's 2022 Remuneration report.

Antti Mäkinen
Chair of the Remuneration and HR Committee



Discussion and actions related to sustainability, diversity and inclusion continued during 2022.



Introduction

The Remuneration and HR Committee of Metso Outotec's Board of Directors has prepared this report in accordance with the requirements set forth by the amended EU Shareholders' Rights Directive and the Finnish Corporate Governance Code 2020. Reporting and remuneration practices are based on the Remuneration Policy presented at the 2020 Annual General Meeting (AGM). This Remuneration report will be presented at Metso Outotec's 2023 AGM and the resolution on the matter will be advisory.

Metso Outotec's Remuneration and HR Committee regularly reviews the Remuneration Policy to ensure alignment with market practices, the Company strategy, and the long-term aspiration of the Company. The policy is valid for four years from its approval, with the next advisory resolution scheduled for the 2024 AGM. If any substantial changes are proposed to the Remuneration Policy, the Board of Directors may decide to bring the revised policy for AGM advisory resolution earlier.

The Remuneration report presents the terms of the payments made during 2022 and illustrates the alignment of the remuneration with Company performance and strategy. The 2021 Remuneration report was presented on April 21, 2022, at the Metso Outotec AGM and received support of the shareholders in the advisory resolution.

For 2022, the President and CEO's short-term incentive metrics were adjusted EBITA, sales, SGA % of Sales and achievement of other strategic objectives. The metrics for the long-term incentive plan commencing in 2022 (PSP 2022–2024) were absolute total shareholder return (TSR), adjusted earnings per share (EPS), and sales growth of company's Planet Positive product offering (ESG). The same metrics continue to be applied in the 2023 long-term incentive plan (PSP 2023–2025). 2023 will be the third year where ESG metrics have been set as part of long-term incentive plans to support the Company's commitment to the 1.5-degree journey in line with the Paris Agreement.

The remuneration of the Board of Directors in 2022 consisted of a fixed annual fee based upon each directors role on the Board and meeting fees. The fixed annual fee was paid partly in Metso Outotec shares and partly in cash.



Remuneration and Company performance

Metso Outotec's aim in remuneration is to create a clear link between Company performance and variable pay. This is achieved by utilizing key performance indicators and ensuring that targets are set at levels that support the achievement of Company strategy and financial targets. The main operational performance indicators at Metso Outotec are sales, adjusted EBITA and orders received. These indicators are also reported as part of Company's quarterly and annual reviews.

The remuneration of the Board of Directors is decided by the Annual General Meeting (AGM) based on the proposal by the Shareholders' Nomination Board. The Board of Director's remuneration for the 2022–2023 period was approved by the 2022 AGM, and the remuneration consists of a fixed annual fee based on the role in the Board (e.g. Chair or committee member) and additional compensation for participation in Board and committee meetings. At Metso Outotec, a portion of the fixed fee is used to purchase Company shares for the Board member with the balance of the fixed fee being paid in cash. The members of the Board of Directors are not entitled to participate in the Company's variable pay programs.

The compensation of the President and CEO is decided by the Board based on the evaluation and proposal by the Board's Remuneration and HR Committee and guided by the Company's Remuneration Policy. The short-term incentive payments made in 2022 to the President and CEO were based on 2021 performance. The total compensation of the President and CEO generally includes base salary, benefits, supplementary pension, and short- and long-term incentives paid during the evaluation period.

The merger of Metso Corporation's Minerals business and Outotec Corporation took effect on July 1, 2020. Therefore, there is no comparable and meaningful prior history on business performance or a remuneration comparison. Average compensation is calculated from the financial reporting system and does not include other indirect employment costs.

Average compensation (in EUR thousands)	2022	2021	2020 ¹⁾
Members of the Board	106	81	100
President and CEO	4,368	2,749	956
Average employee in Finland ²⁾	81	83	78
Average employee globally ²⁾	58	54	57

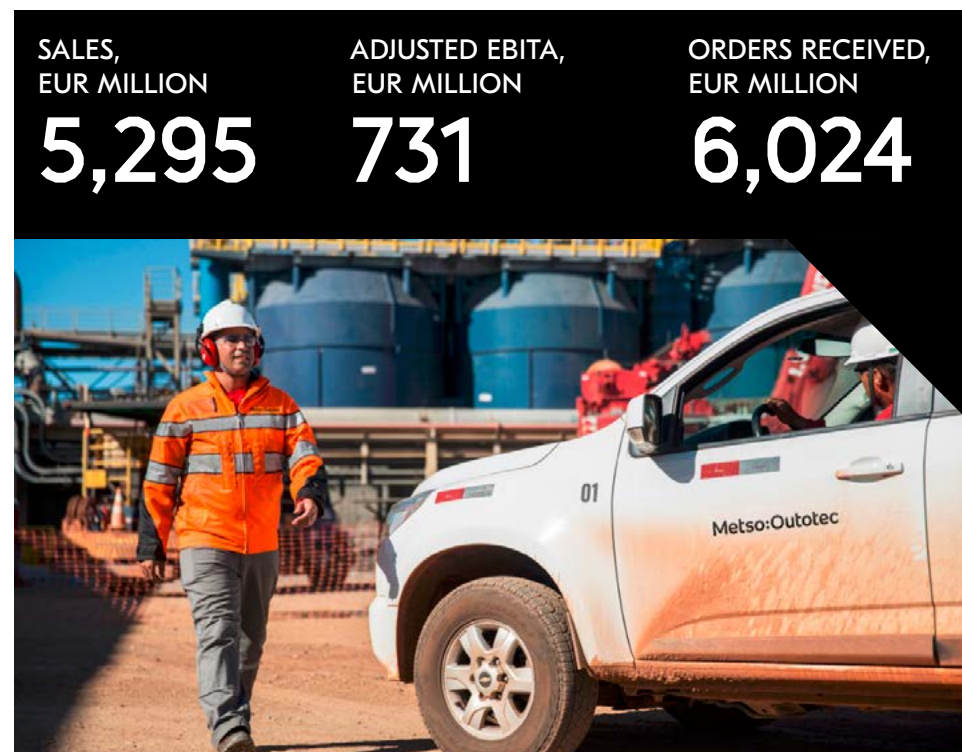
¹⁾ Average compensation for 2020 is illustrative from Outotec Corporation for January–June and from Metso Outotec Corporation for July–December

²⁾ Average personnel expenses excluding indirect employee costs divided by the average number of personnel during the evaluation period

Key Performance Indicators for Metso Outotec

(In EUR million)	2022	2021	2020 ¹⁾
Sales	5,295	4,236	3,897
Adjusted EBITA	731	547	448
Orders received	6,024	5,421	4,150

¹⁾ Performance indicators for 2020 are based on IFRS for July–December 2020 and illustrative combined for January–June 2020



Summary of the Remuneration Policy

The Remuneration Policy, adopted at the 2020 Annual General Meeting, outlines the remuneration structure for the members of the Board of Directors and for the President and CEO. Remuneration of the Board of Directors is decided by the Annual General Meeting based on the proposal by the Shareholders' Nomination Board, and the President and CEO's remuneration is decided by the Board based on the proposal by the Remuneration and HR Committee.

Key remuneration elements for the President and CEO contained in Remuneration Policy:

Remuneration element <i>Purpose and link to long-term strategy</i>	Key features of the policy
Fixed salary <i>To recruit and retain key talent</i>	Fixed salary is typically reviewed annually. The Board may consider various factors when determining fixed salary changes, including the level of salary increases for the Company's employees globally, external market benchmark data, business performance, scope of role, and individual performance.
Short-term incentives (STI) <i>To reward and encourage achievement of the Company's performance</i>	Performance measures, weightings, and targets for the selected measures are set annually by the Board to ensure they continue to support the Company's short-term business strategy. These can vary from year to year to reflect business priorities and typically include a set of the Group's financial performance measures (for example, profitability and growth) and non-financial measures (for example, key operational, strategic, environmental, social, governance, or other sustainability related measures). Following the end of the year, the Board reviews the performance and evaluates the extent to which each of the targets has been achieved in order to determine the final pay-out level.
Long-term incentives (LTI) <i>To commit and reward for targets supporting the Company's long-term strategy and to offer a competitive, ownership-based reward scheme</i>	Performance measures, weightings, and targets for the selected measures, for each annual plan, are set by the Board of Directors to ensure they continue to support the Company's long-term strategy. Following the end of the performance period, the Board of Directors reviews the performance and evaluates the extent to which each of the targets has been achieved in order to determine the final pay-out level.
Pension <i>To provide a retirement benefit in line with the prevailing market practice</i>	The President and CEO may participate in a supplementary pension program.
Other benefits and programs <i>To provide a competitive level of benefits</i>	Benefits are aligned with the prevailing market practice and may evolve year on year. 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. The President and CEO is eligible to participate in programs that may be offered to the Company's other employees at any given point.
Shareholding recommendation	The President and CEO is required to own Company shares either by retaining the shares earned as long-term incentive awards or by acquiring shares as determined by the Board at its discretion.

Remuneration of the Board of Directors

The Annual General Meeting decides on the remuneration to the members of the Board, based on the proposal of the Shareholders' Nomination Board, for one term of office at a time until the closure of the next Annual General Meeting.

The 2022 AGM resolved that the members of the Board of Directors will be paid as follows (in EUR)

	2022
Chair	156,000
Vice Chair	82,500
Other members	67,000
Committee membership (additional fee)	
Chair of the Audit and Risk Committee	23,800
Member of the Audit and Risk Committee	10,300
Chair of the Remuneration and HR Committee	12,400
Member of the Remuneration and HR Committee	5,150
Meeting fees (including Committee meetings)	
Meetings requiring travel within the Nordic countries	900
Meetings requiring travel within the continent	1,800
Meetings requiring intercontinental travel	3,000
Meetings with remote attendance	900

A condition for receiving the annual remuneration is that Board members are obliged, based directly on the AGM's decision, to use 20 or 40 percent of their annual fixed fee for the purchase of Metso Outotec shares from the market at a price formed in public trading; the purchase was required to be carried out within two weeks off the April 21, 2022, publication of the interim report for January 1 – March 31, 2022.

Details of Board and Committee memberships and meeting participation is reported in Metso Outotec's Corporate governance statement.

Metso Outotec Board of Directors' compensation 2022 (in EUR)

Board member	Fixed annual fee ¹⁾	Number of shares acquired ²⁾	Meeting fees	Total
Kari Stadigh, Chair	161,150	7,766	20,700	181,850
Klaus Cawén, Vice Chair	92,800	4,472	14,400	107,200
Brian Beamish ³⁾	72,150	1,738	14,400	86,550
Christer Gardell	72,150	3,477	14,400	86,550
Terhi Koipijärvi ³⁾	77,300	3,725	10,800	88,100
Antti Mäkinen	79,400	3,826	14,400	93,800
Ian W. Pearce	77,300	3,725	32,100	109,400
Emanuela Speranza	77,300	1,862	21,600	98,900
Arja Talma	90,800	4,376	15,300	106,100
Total	800,350	34,967	158,100	958,450

¹⁾ Annual fixed fee paid partly in cash, partly in shares

²⁾ Part of the annual fixed fee was used to purchase Metso Outotec shares on behalf of the Board member

³⁾ Board member since April 21, 2022

Remuneration of the President and CEO

Metso Outotec's Board of Directors decides on the remuneration of the President and CEO based on the proposal by the Board's Remuneration and HR Committee. The available remuneration elements are defined in the Company's Remuneration Policy and aligned with market practices. During 2022, Metso Outotec did not exercise any rights to reclaim or cancel any paid or unpaid incentives of the President and CEO.

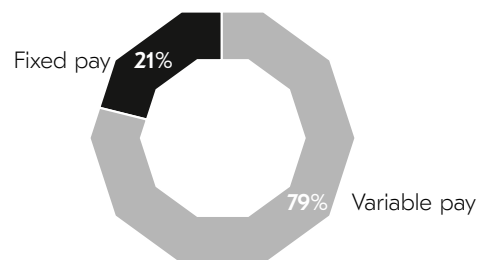
During 2022, variable pay for the President and CEO included an STI payment for performance in 2021, an LTI payment from the Performance Share Plan 2019–2021 and LTI payments from the Matching Share Plan. The supplementary pension is a defined contribution plan with a 25% contribution of the President and CEO's fixed annual salary.

Variable program payments during 2022 are well aligned with the 2021 result and growth of Metso Outotec. Short-term incentive payment was based on multiple targets including Company's performance with Integration initiatives. Long-term Incentive payment from PSP 2019 plan was based on company's share price development. Matching Share Plan (MSP) target for each installment was company profitability and the set targets were met for installments 2 and 3. Participation in MSP required a personal initial investment to the company shares by the President and CEO.

President and CEO's compensation in 2022 (in EUR)

Pekka Vauramo	2022
Fixed annual salary (including fringe benefits)	861,903
STI (from 2021 performance period)	791,484
LTI (Performance Share Plan 2019–2021 & CEO's Matching Share Plan installments 2 & 3)	2,499,528
Supplementary Pension	214,750
Total compensation	4,367,665

Fixed and variable pay for the President and CEO in 2022



Variable pay includes STI and LTI payments (supplementary pension contributions excluded)



Variable pay paid in 2022 was a result of strong business success and performance from previous years.

Short-term incentives

The President and CEO's short-term incentives (STI), including the terms and conditions for these plans, are determined by Metso Outotec's Board of Directors. The Board annually sets and evaluates targets for the President and CEO. Based on the Company's Remuneration Policy, the maximum STI reward is limited to 100% of the fixed annual salary.

STI Performance period 2021 (payable in 2022)

The STI payment made in 2022 was based on performance and targets from 2021. The targets were set for the full year, and the Board defined the maximum STI earning for 2021 to be 100% of the fixed annual salary. The Board evaluated the President and CEO's performance against the target set, and the earned 2021 STI payment is 94% of the fixed annual salary. STI was paid in April 2022 as per Company practices.

Performance metrics for 2021	Weight	Result
Metso Outotec Adjusted EBITA	40%	Above target level
Metso Outotec Sales	20%	Reached maximum level
Metso Outotec Integration initiatives	40%	Reached maximum level

STI Performance period 2022 (payable in 2023)

The STI payment to be made in 2023 is based on performance and targets from 2022. The targets were set for the full year, and the Board defined the maximum STI earning for 2022 to be 100% of the fixed annual salary. The Board evaluated the President and CEO's performance against the target set, and the earned 2022 STI payment is 90% of the fixed annual salary. STI is payable in April 2023 as per Company practices.

Performance metrics for 2022	Weight	Result
Metso Outotec Adjusted EBITA	40%	Reached maximum level
Metso Outotec Sales	30%	Reached maximum level
Metso Outotec SGA cost development compared to sales	15%	Above target level
Strategic objectives	15%	Below target level

STI performance from 2021 was driven by good overall performance and focus on successful integration initiatives.



Long-term incentives

The Board decides on and implements Metso Outotec's long-term incentive (LTI) plans and the earning opportunity for the President and CEO. The purpose of these plans is to align the interests of the President and CEO and shareholders in driving the Company's long-term sustainable growth and success.

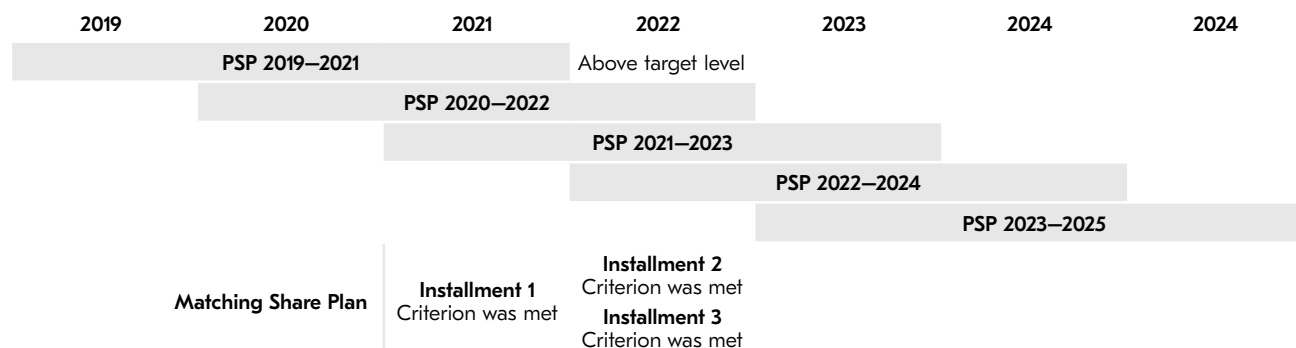
The Company applies a share ownership recommendation policy for the President and CEO. In accordance with this policy, at least 50 percent of the share rewards (net shares after deduction of the applicable payroll tax) received under the performance-based share plans shall be retained until the share ownership is equal to the annual fixed salary.

President and CEO Vauramo is eligible to participate in Metso Outotec's Performance Share Plan for the 2020–2022, 2021–2023, 2022–2024 and 2023–2025 plan periods. Vauramo has also been eligible to participate in LTI plans which started at Metso Corporation: Metso Performance Share Plan 2019–2021 and a Matching Share Plan.

Metso Outotec's LTI performance metrics currently include measurements related to share-price development, profitability and sustainability. Metso Outotec continues to utilize ESG (environmental, societal and governance) metrics in the Company's LTI plan. For PSP 2023–2025 plan we decided to continue to set Sales growth of Planet Positive offering metric which was initially introduced for PSP plan starting 2022.

The ESG metric drives the Company performance towards developing a broader and more sustainable product and service offering to our customers and ensures that the share of overall sales that comes from Planet Positive offering increases yearly. The set ambition level is high with the PSP 2023–2025 threshold set at group sales growth +3 percentage points. We have seen that employees are committed to our sustainability strategy.

Plan	Payout year	Performance metrics	Weight	Result
PSP 2019–2021	2022	Total shareholder return (TSR)	100%	Above target level
		Total shareholder return (TSR)	50%	
PSP 2020–2022	2023	Synergy improvements	50%	
		Total shareholder return (TSR)	50%	
PSP 2021–2023	2024	Earnings per share (EPS)	40%	
		ESG: CO ₂ equivalent emission improvement	10%	
		Total shareholder return (TSR)	40%	
PSP 2022–2024	2025	Earnings per share (EPS)	40%	
		ESG: Sales growth of Planet Positive offering	20%	
		Total shareholder return (TSR)	40%	
PSP 2023–2025	2026	Earnings per share (EPS)	40%	
		ESG: Sales growth of Planet Positive offering	20%	
		Total shareholder return (TSR)	40%	
Matching Share Plan	2021: Installment 1	Adjusted EBITA	100%	Criterion was met
	2022: Installment 2	Adjusted EBITA	100%	Criterion was met
	2022: Installment 3	Adjusted EBITA	100%	Criterion was met



Performance Share Plan 2019–2021

On June 10, 2020, Metso announced that Metso's Board of Directors resolved on the performance measurement of the Metso Performance Share Plan due to the merger of Metso Corporation's Minerals business and Outotec Corporation.

The 2019–2021 plan's total shareholder return target was achieved above target level which results in 244,369 gross shares for the President and CEO. President and CEO received net amount of 110,639 Metso Outotec shares on February 24, 2022 in alignment with the terms of the plan.

Performance Share Plan 2020–2022

PSP 2020–2022 commenced in 2020 and the potential share rewards will be paid in 2023, provided that the plan's performance targets set by the Board of Directors are achieved.

The President and CEO may earn a maximum of 330,700 gross shares (target 50% of maximum) based on achievement of two targets, including total shareholder return, to reward for the positive development of Company's share price and successful completion of the merger's synergy improvements during the plan period. The plan will be evaluated and paid in March 2023.

Performance Share Plan 2021–2023

PSP 2021–2023 commenced in 2021 and the potential share rewards will be paid in 2024, provided that the plan's performance targets set by the Board of Directors are achieved.

The President and CEO may earn a maximum of 280,700 gross shares (target 50% of maximum) based on achievement of three targets supporting Company performance and strategic targets. In addition to total shareholder return and EPS, an ESG metric was set to reward for the Company's CO₂-equivalent emissions improvement in our own operations. This metric supports Metso Outotec's commitment to the 1.5-degree journey.

Performance Share Plan 2022–2024

PSP 2022–2024 commenced in 2022 and the potential share rewards will be paid in 2025, provided that the performance targets set for the plan by the Board of Directors are achieved.

The President and CEO may earn a maximum of 177,000 gross shares (target 50% of maximum) based on achievement of three targets supporting Company performance and strategic targets. These targets include total shareholder return (TSR), earnings per share (EPS), and development in sustainability, which is linked to sales growth of the Company's Planet

Positive products. Metso Outotec's Planet Positive product portfolio consists of products and technologies which have the most significant impact on customers' targets related to the reduction of emissions or the improvement of energy and water efficiency.

Performance Share Plan 2023–2025

PSP 2023–2025 commenced in 2023 and the potential share rewards will be paid in 2026, provided that the performance targets set for the plan by the Board of Directors are achieved.

The President and CEO may earn a maximum of 215,000 gross shares (target 50% of maximum) based on achievement of three targets supporting Company performance and strategic targets. These targets include total shareholder return (TSR), earnings per share (EPS), and development in sustainability, which is linked to sales growth of the Company's Planet Positive products. Metso Outotec's Planet Positive product portfolio consists of products and technologies which have the most significant impact on customers' targets related to the reduction of emissions or the improvement of energy and water efficiency.

CEO's Matching Share Plan

The President and CEO has been entitled to participate in a Matching Share Plan, which requires a personal investment into Company shares. According to the terms of the Matching Share Plan, the President and CEO is entitled to receive a total of 117,075 gross Metso Outotec shares in three equal installments of 39,025 shares. Each installment is subject to achievement of the performance criterion measured as adjusted EBITA.

The first installment was paid in February 2021 as the performance criterion was met. The second and third installments, net amount of 17,669 each, were paid respectively February 2022 and June 2022. There are no undue payments from CEO's Matching Share Plan.

Metso Outotec Corporation

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