

**Remuneration Report
of Members of the Management Board and Supervisory Board
of Arctic Paper S.A.
for year 2024**

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 2023" was prepared and approved by the Supervisory Board on 19th April, 2024.

"Remuneration Report of Members of the Management Board and Supervisory Board of Arctic Paper S.A. for year 2023" was assessed by Grant Thornton Polska Prosta Spółka Akcyjna.

On 22nd April 2024 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 29th May, 2024 the Annual General Meeting of Arctic Paper S.A. by Resolution No. 19/2024, expressed its positive opinion on the submitted report.

In 2024, 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 2024

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 2024, the remuneration of Management Board of Arctic Paper S.A. consisted of fixed remuneration and variable remuneration.

1.2 Supervisory Board

In 2024, 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 2024

Management Board	Fixed remuneration for performance of duties	Variable remuneration	Additional benefits	TOTAL
Michał Jarczyński – President of the Management Board	1 134 000	434 577	-	1 568 577
Katarzyna Wojtkowiak* - Member of the Management Board	805 020	170 439	-	975 459
Fabian Langenskiöld** - Member of the Management Board	23 671	-	-	23 671
TOTAL	1 962 691	605 016	-	2 567 707

* since 29th May 2023

** since 14th August 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	72%	28%	-	100%
Katarzyna Wojtkowiak* - Member of the Management Board	83%	17%	-	100%

Fabian Langenskiöld** - Member of the Management Board	100%	-	-	100%
TOTAL	85%	15%	-	100%

* since 29th May 2023

** since 14th August 2023

The remuneration of Member of the Management Board - 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 2024 consisted of 85 % 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. 03/12/2018 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 17th October 2023 on the remuneration of the Member of the Management Board;
- employment agreement concluded with the Member of the Management Board on 22nd May 2023;
- resolution of the Supervisory Board of Arctic Paper S.A. no. 01/03/2024 dated 17th March 2023 on the remuneration of the Members of the Management Board;

The variable remuneration represented 15% of the total remuneration of the Management Board in 2024.

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 2024 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 2024 was cash remuneration on appointment. The remuneration is based on Resolution No. 21/2024 of the Annual General Meeting of the Company of 29th May 2024 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 2024

Supervisory Board	Cash remuneration on appointment	Additional cash remuneration	TOTAL
Per Lundeen – Chairman of the SVB	369 935	-	369 935
Thomas Onstad – Member of the SVB	187 097	-	187 097
Roger Mattsson – Member of the SVB	261 935	-	261 935
Zofia Dzik – Member of the SVB	224 516	-	224 516
Anna Jakubowski – Member of the SVB	187 097	-	187 097
TOTAL	1 230 581	-	1 230 581

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%
TOTAL	100%	-	100%

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.

	2020	2021		2022		2023		2024	
Fixed remuneration of Members of Supervisory Board Arctic Paper S.A.	Amount	Amount	Change	Amount	Change	Amount	Change	Amount	Change
Per Lundeen	300 000	300 000	0%	340 057	13%	353 167	4%	369 935	5%
Thomas Onstad	150 794	150 000	-1%	161 970	8%	176 583	9%	187 097	6%
Roger Mattsson	210 000	210 000	0%	227 010	8%	247 417	9%	261 935	6%
Mariusz Grendowicz (do 22.06.2021)	181 906	87 919	*	-	-	-	-	-	-
Dorota Raben (od 28.05.2019 do 22.06.2021)	155 223	71 667	*	-	-	-	-	-	-
Zofia Dzik (od 22.06.2021)	-	87 692	*	199 326	*	216 121	8%	224 516	4%
Anna Jakubowski (od 22.06.2021)	-	75 177	*	169 999	*	180 946	6%	187 097	3%
Fixed and variable remuneration of Members of Management Board Arctic Paper S.A.	2020	2021		2022		2023		2024	
	Amount	Amount	Change	Amount	Change	Amount	Change	Amount	Change
Michał Jarczyński (od 01.02.2019)	1 011 702	1 454 448	44%	1 119 625	-23%	1 504 276	34%	1 568 577	4%
Göran Eklund (od 01.09.2017 do 29 maja 2023 roku)	1 403 495	1 511 232	8%	1 495 890	-1%	1 086 078	-27%	-	-
Katarzyna Wojtkowiak (od 29 maja 2023 roku)	-	-	-	-	-	416 679	*	975 459	134%
Fabian Langenskiöld (od 14 sierpnia 2023 roku)	-	-	-	-	-	605 503	*	2 194 024	262%
Average remuneration of the Company's employees who are not members of the Management Board or Supervisory Board	12 664	14 636	16%	14 589	0%	16 237	11%	17 210	11%
Consolidated revenue in thousands PLN	2 847 450	3 412 576	19,8%	4 894 276	43,4%	3 549 153	-27,5%	3 434 693	-3,2%
*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

2024

Michał Jarczyński - Arctic Paper Kostrzyn S.A.	895 308
Michał Jarczyński - Arctic Paper Munkedals AB	45 216
Michał Jarczyński - Arctic Paper Grycksbo AB	45 216
Fabian Langenskiöld - Arctic Paper Munkedals AB	2 170 353

In 2024, 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 2024 does not include remuneration from subsidiaries belonging to the Arctic Paper SA Capital Group.

6.2. Supervisory Board

2024

Per Lundeen - Arctic Paper Munkedals AB	67 792
Per Lundeen - Arctic Paper Grycksbo AB	80 665
Per Lundeen - Rottneros AB	263 760
Roger Mattsson - Rottneros AB	113 040

In 2024, 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 2024 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 2024 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

Per Lundeen

Thomas Onstad

Zofia Dzik

Anna Jakubowski

Roger Mattsson

Independent auditor's report on a reasonable assurance engagement on the assessment of a remuneration report

Grant Thornton Polska P.S.A.
ul. Abpa Antoniego Baraniaka 88 E
61-131 Poznań
Poland

T +48 61 62 51 100
F +48 61 62 51 101
www.GrantThornton.pl

For Shareholders and the Supervisory Board of Arctic Paper S.A.

We have been engaged to assess the attached remuneration report of Arctic Paper S.A. (Company) with its registered office in Fabryczna 1, Kostrzyn Nad Odrą for the year 2024 as regards the completeness of the information included therein, required pursuant to Article 90g sections 1-5 and 8 of the Act of 29 July 2005 on public offering, conditions governing the introduction of financial instruments to organised trading and on public companies (Public Offering Act).

Identification of the criteria and description of the subject matter of the engagement

The remuneration report was prepared by the Company's Supervisory Board in order to meet the requirements of Article 90g section 1 of the Public Offering Act. The applicable requirements for the remuneration report are set out in the Public Offering Act.

The requirements described in the preceding sentence set out the basis for the preparation of a remuneration report and, in our opinion, constitute appropriate criteria for us to make a conclusion that provides reasonable assurance.

In accordance with the requirements of Article 90g section 10 of the Public Offering Act, a remuneration report shall be assessed by a statutory auditor as regards the inclusion of information required under Article 90g section 1-5 and 8 of the Public Offering Act. This report fulfils the above requirement.

The statutory auditor's assessment which forms the basis for us to make a conclusion that provides reasonable assurance, as referred to in the preceding sentence, shall be understood as an assessment of whether the scope of information presented in the remuneration report is complete, in all material respects, and whether the information has been disclosed in sufficient detail required by the Public Offering Act.

Responsibility of the Supervisory Board Members

In accordance with the Public Offering Act, Members of the Company's Supervisory Board are responsible for preparing a remuneration report in accordance with applicable laws, in particular for the completeness of the report and for the information contained there.

The Supervisory Board's responsibility also includes the design, implementation and maintenance of an internal control system ensuring the preparation of a complete remuneration report free from material misstatements due to fraud or error.

Auditor's responsibility

Our objective was to assess the completeness of the information contained in the attached remuneration report against the criterion set out in the *Identification of the criteria and description of the subject matter of the engagement* section and to express, on the basis of the evidence obtained, an independent conclusion on the performed reasonable assurance engagement.

We completed the engagement in accordance with the regulations of the National Standard for Assurance Engagements other than Audits or Reviews 3000 (R) in the wording of International Standard on Assurance Engagements (ISAE) 3000 (revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, adopted by resolution of the National Chamber of Statutory Auditors, as amended (NSAE 3000 (R)).

The standard imposes on a statutory auditor an obligation to plan and perform procedures in such a manner as to obtain reasonable assurance that a remuneration report has been prepared in accordance with the specified criteria.

Reasonable assurance means a high level of assurance, but it does not guarantee that an engagement performed in accordance with NSAE 3000 (R) would always detect an existing material misstatement.

The selection of the procedures depends on the statutory auditor's judgement, including their estimation of the risks of material misstatement, whether due to fraud or error. When assessing the risk, the statutory auditor considers internal control associated with the preparation of a complete report in order to plan the relevant procedures which are to provide the auditor with sufficient and appropriate evidence. The assessment of the functioning of the internal control system was not conducted for the purpose of expressing a conclusion on the effectiveness of its operation.

Summary of work performed and limitations of our procedures

The procedures planned and performed by us included in particular:

- reading the content of the remuneration report and comparing the information contained therein with the applicable requirements,
- reading the resolutions of the Company's General Meeting concerning the remuneration policy for Members of the Management Board and the Supervisory Board, as well as the Supervisory Board's resolutions that further specify the above resolutions,
- preparation (by comparison with corporate documents) of a list of persons for whom information is required to be included in the remuneration report and determining (by enquiring the persons responsible for preparing the report and, where we deemed it appropriate, also directly the persons subject to the requirement to include information) whether all information required in the criteria has been disclosed.

Our procedures were only aimed at obtaining evidence that the information provided by the Supervisory Board in the remuneration report complies (in terms of its completeness) with the applicable requirements. Our work was not intended to assess the sufficiency of the information contained in the remuneration report in terms of the purpose of preparation of remuneration report, nor to assess the correctness and accuracy of the information contained there, in particular as regards the amounts disclosed, including the previous years' estimates, figures, dates, inclusion in the breakdown, allocation methods, compliance with the adopted remuneration policy.

The remuneration report was not audited within the meaning of the National Auditing Standards. During our assurance procedures, we did not audit or review the information used to prepare the remuneration report and, therefore, we are not responsible for issuing or updating any reports or opinions on the Company's historical financial information.

We believe that the evidence we have obtained provides sufficient and appropriate basis for us to express the following conclusion.

Ethical requirements, including independence

In performing the engagement, the statutory auditor and the audit firm complied with the requirements of independence and other ethical requirements set out in *Handbook of the International Code of Ethics for Professional Accountants* (including the *International Independence Standards*) of the International Ethics Standards Board for Accountants, adopted by the National Council of Statutory Auditors' resolution on the principles of professional ethics of statutory auditors (IESBA Code). The IESBA Code is based on fundamental principles relating to integrity, objectivity, professional competence and due diligence, confidentiality and professional conduct. We also complied with other independence and ethical requirements that apply to this assurance engagement in Poland.

Quality management requirements

The audit firm applies national quality control standards in the wording adopted by resolution of the Council of the Polish Audit Oversight Agency, which requires the audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Conclusion

The statutory auditor's conclusion is based on the considerations described above, therefore, the conclusion should be read in the light of these considerations.

In our opinion, the attached remuneration report contains, in all material respects, all the elements listed in Article 90g sections 1-5 and 8 of the Public Offering Act.

Limitation of use

This report has been prepared by Grant Thornton Polska Prosta spółka akcyjna (Grant Thornton) for the General Meeting of Shareholders and the Supervisory Board of the Company and is intended solely for the purpose described in the *Identification of the criteria and description of the subject matter of the engagement* section and should not be used for any other purposes.

Therefore, Grant Thornton assumes no liability associated with this report and arising out of any contractual or non-contractual relationship (including due to negligence) towards third parties in the context of this report. This does not release us from liability in situations where such release is excluded by operation of law.

Elżbieta Grześkowiak

Statutory auditor No. 5014 performing the engagement on behalf of
Grant Thornton Polska Prosta spółka akcyjna,
Poznań, ul. Abpa Antoniego Baraniaka 88 E, Audit Firm No. 4055

Poznań, May 5, 2025.