

Long-term incentive plan (2013)

Neste Oil's Board of Directors decided on 13 December 2012 to establish a new long-term share-based incentive plan (Performance Share Plan) for the Group's senior management and nominated key personnel. The aim of the plan is to align the objectives of the Company's owners and key personnel to increase the Company's value and to commit key personnel to the Company through an incentive system based on ownership of Neste Oil shares.

The Board is responsible for annually selecting the members of Neste Oil's senior management entitled to participate in this long-term incentive plan (LTI scheme). Approximately 100 key people at Neste Oil come within the scope of the plan. The new long-term share-based incentive plan complies with the Statement by the Cabinet Committee on Economic Policy on 13 August 2012. PCA Corporate Finance and Mercer assisted Neste Oil's Board of Directors in drawing up the plan.

The plan includes three individual share plans, each with a three-year earning period. The share plans will start in 2013, 2014, and 2015. The Board of Directors will decide on the participants in this plan, the earning criteria and targets to be applied, as well as the maximum level of incentive payable for each earning period, either annually or for the entire earning period. The earning criteria for the 2013–2015 earning period of the first plan will be the Group's cumulative comparable free cash flow and the comparable operating profit of Renewable Fuels in the earning period. The earning criteria for the 2014–2016 earning period will be the Group's cumulative comparable free cash flow and the total return yielded by Neste Oil's share compared to a group of peers. The Board of Directors has selected a peer group that consists of comparable oil industry companies.

Any possible payments will be made partly in Company shares and partly in cash in 2016, 2017, and 2018. The proportion to be paid in cash will cover taxes and other tax-related costs. The target long-term incentive for the President & CEO and the other members of the Neste Executive Board (NEB) will be 40% of individuals' annual fixed salary on average. The maximum long-term incentive for the President & CEO will be 100% of his annual

fixed salary and 80% for the other members of the NEB. The combined amount of incentives paid based on target-level earnings under the long-term incentive program that has now been decided on, together with the incentive paid on the annual short-term program, may not exceed 60% of participants' annual fixed salary in any given year. In addition, the combined amount of incentives to be paid based on maximum-level earnings under the short-term program and this new long-term incentive program may not exceed 120% of participants' annual fixed salary in any given year.

Participants shall not be entitled to sell or transfer the shares they receive as incentives during a restriction period following the end of the earning period. The length of this period will be three years in respect of the President & CEO and the other members of the NEB, and one year in respect of other participants.

Under the share ownership policy followed by the Company, the President & CEO and the other members of the NEB shall accumulate and, once achieved, maintain a level of share ownership corresponding to their annual fixed salary for as long as they remain a member of the NEB. Each participant subject to the above share ownership requirement shall use 100% of the shares received on the basis of the incentive plan for fulfilling the share ownership requirement referred to above, until their share ownership, based on these shares or shares otherwise received or acquired, fulfills the above share ownership requirement. Once share ownership has reached the required level, the restriction period may be shortened from three years to one year.

If the targets set for the 2013–2015 and 2014–2016 earning periods of the share plan are met, the estimated aggregate value of shares to be paid on the basis of this plan for both earning periods will be approximately EUR 3.5 million. The estimated maximum value of shares to be paid on the basis of the share plans, should an excellent level of performance be achieved, will be approximately EUR 7 million.