

Remuneration of Glaston Corporation's Board of Directors, President & CEO and Executive Management Group in 2010

Remuneration of the Members of the Board

The 2010 Annual General Meeting approved annual remuneration to the Chairman of the Board of Directors amounting to EUR 40,000, to the Deputy Chairman EUR 30,000 and to other Members of the Board EUR 20,000. In addition, the Chairman of the Board was paid a meeting fee of EUR 800 and the other Members of the Board EUR 500 for those meetings of the Board that they attended. Remuneration for meetings held by telephone was paid on a different basis. In 2010 the Board of Directors' remuneration totalled EUR 187,600. The travel expenses of Members of the Board are compensated in accordance with the company's travel rules. None of the Members of the Board receives from the company remuneration unconnected with their work on the Board of Directors. The Members of the Board are covered by voluntary pension insurance accrued from their Board of Directors remuneration. The value of the pension insurance corresponds with the Finnish TyEL pension scheme.

Remuneration of the President & CEO and the Executive Management Group

The company's Board of Directors decides on the terms and conditions and other compensation of the President & CEO. The Board of Directors also decides on the remuneration of the Executive Management Group.

Remuneration of the President & CEO and the members of the Executive Management Group consists of a fixed monthly salary, an annual performance bonus (variable salary component) and a share-based incentive scheme (variable salary component) intended as a long-term reward. The annual bonus is determined on the basis of Glaston's financial performance. In 2010 the indicators used were the Group's result, the business area's or business unit's result as well as personal targets agreed with supervisors at the beginning of the year. The maximum amount of the President & CEO's annual bonus is 50% of annual salary. For the members of the Executive Management Group, the maximum amount of annual bonus is 40% of annual salary.

In addition, the President & CEO has a separate share bonus scheme, on the basis of which he received one year after the start of his employment relationship, i.e. on 3 September 2010, 50,000 Glaston Corporation shares as well as cash to the sum required for the taxes and tax-related payments arising from the distributed shares on the date that the shares were awarded. The awarded shares cannot be conveyed or otherwise used within two years of the date they were awarded.

The President & CEO's period of notice is three months. In addition, the President & CEO is paid compensation corresponding to 12 months' salary if he is dismissed by the company. If more than 50% of the company's shares are transferred to a new owner in connection with a merger or acquisition, the President & CEO has the right to terminate his employment contract with 1 month's notice, in which case he is paid one-off severance pay of EUR 200,000.

The President & CEO and members of the Executive Management Group are entitled to a statutory pension. The President & CEO and one member of the Executive Management Group are entitled to a supplementary pension that exceeds the statutory scheme. The President & CEO has the opportunity to retire at 63 years of age. The retirement age of other members of the Executive Management Group is in accordance with normal local legislation.

The table below presents the total remuneration of the President & CEO and the members of the Executive Management Group in 2010.

Salaries and bonuses paid to the Group's Executive Management Group

EUR	2010
President & CEO Arto Metsänen	
Cash salary	316,920
Share-based incentive scheme, paid in cash	70,312
Share-based incentive scheme, value of shares awarded	65,500
Total salary	452,732
Fringe benefits	19,080
Total	471,812
Statutory pension contributions (TyEL or similar scheme)	54,768
Voluntary pension contributions	61,844
Other Executive Management Group, total	
Cash salaries	1,140,288
Severance pay	327,161
Performance bonuses	44,819
Total salary	1,512,268
Fringe benefits	81,058
Total	1,593,326
Statutory pension contributions (TyEL or similar scheme)	163,143

Voluntary pension contributions	20,515
---------------------------------	--------

Share-based incentive scheme

On 9 June 2010, Glaston's Board of Directors decided on a new share-based incentive scheme for the Group's key personnel. The scheme has one performance period covering 2010 and 2011, with the performance criterion being the development of the Group's operating profit.

The performance criterion consists of the following operating profit percentages calculated on net sales:

	Minimum level	Target level	Maximum level
Operating profit %	+4	+6	+10

Any bonus will be paid after the result for 2011 is published in spring 2012. The target group for the scheme will consist during the performance period of at most 12 people.

On the basis of the scheme, a maximum total gross number of approximately 2.5 million Glaston shares can be distributed. Any income taxes and other statutory payments arising from the payment of the bonus will be deducted from the gross number of shares before their distribution.