



20
22

Remuneration
report 2022

glaston
seeing it through®

Remuneration Report for Governing Bodies 2022

Introduction

This Remuneration Report for the financial year 2022 (the “Remuneration Report”) describes the remuneration for Governing Bodies of Glaston Corporation (“Glaston” or the “Company”) as required by the Finnish Securities Market Act (746/2012, as amended), the Finnish Companies Act (624/2006, as amended) and the Finnish Corporate Governance Code 2020 (the “CG Code”) issued by the Securities Markets Association. In addition to aforementioned, Glaston complies with other legal provisions concerning listed companies, Glaston’s Articles of Association and the rules and guidelines issued by Nasdaq Helsinki Ltd.

The Remuneration Report presents information on the remuneration of the Board of Directors, the President and CEO and the Deputy CEO for the financial year 2022 and has been approved by the Board of Directors (also the “Board”) of Glaston.

The principles, decision-making processes, and practises for the remuneration of the Board of Directors, the President and CEO and the Deputy CEO are set forth in the Remuneration Policy of Glaston (the “Remuneration Policy”). The Remuneration Policy was approved at the Annual General Meeting on 28 May 2020 without any advisory votes. The Remuneration Policy shall be applied until the Annual General Meeting to be held in 2024 unless the Board determines that a revised policy should be presented for the general meeting at an earlier date.

The remuneration principles in Glaston are designed to attract and retain to the Company’s management persons that possess relevant skills, industry knowledge and experience to oversee the Company’s achievement of its performance and strategy goals with emphasis on long-term shareholder value creation. The structure of the total remuneration is to be aligned with the long-term value of Glaston, the business strategy, financial results as well as to the employee’s contribution. Remuneration is based on predetermined and measurable

performance and result criteria. The remuneration principles support the strategy of Glaston.

The remuneration of the Board, the President and CEO and the Deputy CEO follows the Remuneration Policy framework and principles. No temporarily deviations from the policy have taken place during the financial year 2022. Further, no clawbacks of the remuneration have taken place during the said financial year 2022.

Development of remuneration in relation to financial development of the Company

This section presents the trend of remuneration of the President and CEO, the Deputy CEO and the Board, the average employee remuneration and company performance for the financial years 2018-2022.

The Remuneration Policy and further information about remuneration is available at Glaston website: www.glaston.net/investors.

In accordance with the Remuneration Policy, part of the remuneration

payable to the President and CEO and the Deputy CEO may consist of short-term and long-term incentives. Criteria of such incentive plans are linked to the Company’s performance (pay-for performance) and thus incentive plans of Glaston ensure that the remuneration drives the best interest of the Company.

With respect to the remuneration development for the financial years 2018-2022, the following shall be noted.

Glaston is a global company and the remuneration levels vary significantly in markets where Glaston operates. Nevertheless, it is considered most transparent to compare the remuneration of the governing bodies with the remuneration of employees globally on group level. Thus, the figures on average employee remuneration below are based on data for all Glaston employees globally. Further, Glaston acquired Bystronic glass in 2019. Bystronic glass was consolidated to Glaston as of 1 April 2019 and as a result of such transaction the total

number of Glaston's employees grew by 121% and totalled 790 on 31 December 2019 (31 December 2018: 357) while net sales in January–December 2019 totalled EUR 181.0 million (2018: EUR 101.1 million).

Further, as reported in the remuneration report for the financial year 2020, due to the COVID-19 pandemic, Glaston took several proactive actions in 2020. Actions affecting employee remuneration included temporarily reducing labour costs by initiating temporary layoffs and reducing working hours. The fixed salaries of the executive management group, of which the President and CEO and the Deputy CEO are members, were tem-

porarily cut by 10 % during Q2/2020. Some of these actions continued to have effect also in 2021 but were cancelled in early 2021 as a result of the improved market situation. These actions did not concern the President and CEO and the Deputy CEO. No actions affecting the remuneration were taken in FY2022 due to the pandemic.

Due to the nature of the Board duties and responsibilities, the remuneration of the Board includes fixed remuneration only. The effect of Bystronic glass transaction on Glaston and its operations has also been reflected in the remuneration level of the Board of Directors.

Remuneration development

EUR	2018	2019	2020	2021	2022
Annual remuneration of the Board	237,425	283,550	331,300	353,700	345,900
Annual remuneration of the President and CEO	446,601	467,466	163,598 ¹	330,622 ²	644,244
Annual remuneration of the Deputy CEO	198,958	305,777 ³	108,645 ⁴	337,574 ⁵	378,192 ⁶
Annual remuneration of the Acting President and CEO	-	-	254,558 ⁷	-	-
Average salary development ⁸	49,600	61,500	60,400	66,500	70,500

Key financial metrics

EUR 1,000	2018	2019 ⁹	2020	2021	2022
Net sales	101,139	181,018	170,067	182,662	213,520
Comparable operating result (EBIT)	5,663	5,941	3,225	6,569	9,917
Comparable EBITA	7,556	9,746	7,742	11,098	13,624

¹ Remuneration for Arto Metsänen from the period 1 January to 31 May 2020. (Former President and CEO since 1 June 2020.)

² Remuneration for Anders Dahlblom.

³ Excluding reimbursement of costs and expenses paid directly to third parties based on the expatriate agreement.

⁴ Remuneration from the period 1 January to 31 May 2020, Deputy CEO appointed as an Acting President and CEO for the rest of the year 2020. Excluding reimbursement of costs and expenses paid directly to third parties based on the expatriate agreement.

⁵ Excluding reimbursement of costs and expenses paid directly to third parties based on the expatriate agreement.

⁶ Excluding reimbursement of costs and expenses paid directly to third parties based on the expatriate agreement and amounting to in total EUR 175,831. Total remuneration including also third party fees thus amounting to EUR 554,023.

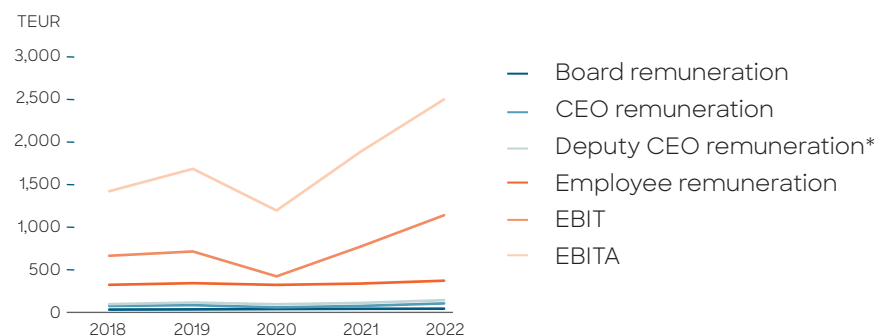
⁷ Remuneration from period 1 June to 31 December 2020. Excluding reimbursement of costs and expenses paid directly to third parties based on the expatriate agreement.

⁸ Average salary development at Glaston is calculated by dividing salaries and rewards by the average number of employees during the financial year. Employees of former Bystronic companies are included as of April 1, 2019 onwards. Amounts do not include employer's social security costs.

⁹ Bystronic glass consolidated as of 1 April 2019.

The relation between remuneration development and the Company's performance has been further illustrated in the chart below:

Remuneration and financial development



* Deputy CEO remuneration for 2019 includes also remuneration paid to Sasu Koivumäki as Acting CEO and President.

Remuneration of the Board of Directors

The 2022 Annual General Meeting resolved that an annual fee of EUR 70 000 shall be paid to the Chair of the Board, EUR 43,000 to the Deputy Chair and EUR 33,000 to other Members of the Board.

Further, the 2022 Annual General Meeting resolved that a member of the Board may, at his/her discretion, choose to receive the annual fixed

remuneration partly in company shares and partly in cash so that approximately 40% of the annual fixed remuneration is paid in Glaston Corporation's shares. The number of shares forming the above remuneration portion, which would be payable in shares, will be determined based on the share value in the stock exchange trading maintained by Nasdaq Helsinki Ltd, calculated as the trade volume weighted average quotation of the

share during the one-month period immediately following the date on which the interim report of January–March 2022 of the Company is published.

A meeting fee of EUR 800 shall be paid to the Chair for meetings in Chair's home country and EUR 1,500 for meetings elsewhere, and EUR 500 shall be paid to the other Members of the Board for meetings held in their home country and EUR 1,000 for meetings held elsewhere. Half of the normal fee shall be paid for a board meeting held per capsulam. In addition, it was decided that Board members shall be paid travel and accommodation expenses and other direct expenses arising from board work pursuant to the Company's normal practice.

Furthermore, the members of the Audit and People and Remuneration Committees shall be paid a meeting fee of EUR 500 for each meeting that the members have attended. In addition to the meeting fee, the Chair of the Audit Committee shall be paid an annual fee of EUR 10,000 and the

Chairman of the People and Remuneration Committee shall be paid an annual fee of EUR 7,500.

The members of the Board do not participate in any incentive plans.

All the payments to the members of the Board during the financial year 2022 were in compliance with the Remuneration Policy.

In the financial year 2022, the following fees were paid to the members of the Board, an annual fee and meeting fees including both Board and committee related remuneration (table on next page). As set out below, five members of the Board chose to receive the annual fixed remuneration partly in company shares.

Board	Audit Committee	People and Remuneration Committee	Annual fee (EUR)	Meeting fees (EUR)	Remuneration in total (EUR)
Veli-Matti Reinikkala, Chair of the Board	Member		67,500 Of which EUR 28,000 paid in Glaston shares	15,900	83,400
Sebastian Bondestam, Deputy Chair of the Board		Chair	49,750 Of which EUR 17,000 paid in Glaston shares	6,750	56,500
Antti Kaunonen		Member	32,250 Of which EUR 13,000 paid in Glaston shares	6,250	38,500
Sarlotta Narjus		Member	32,250	6,750	39,000
Arja Talma	Chair		42,250 Of which EUR 13,000 paid in Glaston shares	6,750	49,000
Tero Telaranta	Member		32,250 Of which EUR 13,000 paid in Glaston shares	7,250	39,500
Michael Willome		Member	32,250	7,750	40,000
Total			288,500	57,400	345,900

Remuneration of the President and CEO and the Deputy CEO

The remuneration of the President and CEO and the Deputy CEO comprises of a base salary, benefits and performance-based incentive plans.

Anders Dahlblom served as the President and CEO, and Chief Sales Officer Sasu Koivumäki as the Deputy CEO during the financial year 2022.

Sasu Koivumäki has worked as an expatriate in Singapore as of November 2021.

In 2022, the President and CEO Anders Dahlblom was paid the total remuneration of EUR 644,244. The relative proportion of the fixed pay was 51%

and variable pay 49% (supplementary pension not included). The different components are described in more detail below.

In 2022, Deputy CEO Sasu Koivumäki was paid the total remuneration of EUR 378,192. The relative proportion of the fixed pay was 75% and variable pay 25% (supplementary pension not included). The different components are described in more detail below.

Further, total remuneration paid to Sasu Koivumäki in 2022 is excluding reimbursement of costs and expenses in the amount of EUR 175,831 paid directly to third parties based on the expatriate agreement.

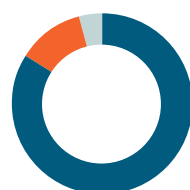
Actualised remuneration of the President & CEO, and Deputy CEO for 2022

CEO & President Anders Dahlblom



■ Fixed pay 87%
■ Pension 13%

Deputy CEO Sasu Koivumäki



■ Fixed pay 84%
■ Pension 12%
■ Benefits 4%

Performance Actualisation 2022 (STI AND LTI)

President and CEO and Deputy CEO participated in the short-term incentive plan in 2022.

The **short-term incentive (STI)** opportunity of the President and CEO was in 2022 tied to the following metrics:

KPI	Weight	Achievement
Glaston EBITA	70%	Above target
Glaston Order Intake	30%	Above target (max)

The **short-term incentive (STI)** opportunity of the Deputy CEO was in 2022 tied to the following metrics:

KPI	Weight	Achievement
Glaston EBITA	40%	Above target
Glaston Order Intake	50%	Above target (max)
South East Asia (SEA) Order Intake	10%	Above min, below target

Remuneration paid or due to be paid under the STI is specified in more detail at the end of this section.

Glaston has long-term incentive (LTI) plans to i.a. retain the key personnel and to offer them with a competitive reward plan based on the earning and accumulating the Company's shares.

President and CEO and the Deputy CEO participate in the Performance Share Plan 2022–2026 which comprise of three (3) performance periods: calendar years 2022–2024, calendar years 2023–2025 and calendar years 2024–2026. The participants shall hold 50% of the net number of shares received under the plan until the number of the Company's shares held by the participant corresponds to the value of his gross annual base salary. Such number of shares shall be held during the term of the employment or service of the participant. As a rule, no reward will be paid in case the employment or service terminates before the reward payment is made.

For the first performance period under the Performance Share Plan 2022–2026 (LTI 2022–2024), objectives were set regarding the Group as follows:

KPI	Weight
Group Cumulative Comparable EBITA after LTI and STI	80%
Service Net Sales	20%
Total	100%

Additionally, the President and CEO and the Deputy CEO participate(d) in the Performance Share Plan 2019–2023 which comprised of three (3) performance periods: calendar years 2019–2021, calendar years 2020–2022 and calendar years 2021–2023. However, as the President and CEO Anders Dahlblom joined the Company first in 2021, he did not participate in the two first performance periods of the said plan. The participants shall hold 50% of the net number of shares received under the plan until the number of the Company's shares held by the participant corresponds to the value of his gross annual base salary. Such number of shares shall be held during the term of the employment or service of the participant. As a rule, no reward will be paid in case the employment or service terminates before the reward payment is made.

For the two first performance periods under the Performance Share Plan 2019–2023 (LTI 2019–2021 and LTI 2020–2022) objectives were set regarding Group Cumulative Comparable EBITA and Average Net Gearing as follows:

KPI	Weight
Group Cumulative Comparable EBITA	80%
Average Net Gearing	20%
Total	100%

The maximum opportunity for the two first performance periods was 40,000 shares for the Deputy CEO. The achievement (%) for the performance period LTI 2019–2021 is approximately 9.7% and for the performance period LTI 2020–2022 approximately 14%.

For the third performance period under the plan (LTI 2021–2023) objectives were set regarding Group as follows:

KPI	Weight
Group Cumulative Comparable EBITA	80%
Service Net Sales	20%
Total	100%

The maximum opportunity for the third performance period is 128,000 shares for the President and CEO, and 56,000 shares for the Deputy CEO.

Summary of remuneration to the President and CEO and Deputy CEO

Element	Remuneration Description	
	President and CEO	Deputy CEO
FIXED Base salary and benefits	EUR 331,120 Including taxable fringe benefits: mobile phone, company car, lunch benefit	EUR 282,536 Excluding utilities and fees paid directly to third parties amounting to in total of EUR 175,831 (EUR 458,367 such fees included)
VARIABLE Short-term incentive (STI)	Performance year 2021 (paid in 2022): EUR 233,280 Performance year 2022 (paid in 2023): EUR 175,608 The maximum amount of the President & CEO's annual bonus is 80% of the annual salary.	Performance year 2021 (paid in 2022): EUR 99,691 Performance year 2022 (paid in 2023): EUR 79,447 The maximum amount of the Deputy CEO's annual bonus is 40% of the annual salary.
VARIABLE Long-term incentive (LTI) 2019–2023 For additional information on long-term incentive plans, please see Glaston's website.	Finalized plans: N/A. President and CEO joined the Company on 1 January 2021 and thus did not participate in LTI 2019–2021 or 2020–2022 . Ongoing plans: The maximum reward for the ongoing LTI 2021–2023 is 128,000 shares, including also the portion to be paid in cash.	Finalized plans: LTI 2019–2021 (paid in 2022): EUR 4,484 (The maximum reward was 40,000 shares, including also the portion to be paid in cash.) The maximum reward for the LTI 2020–2022 is 40,000 shares, including also the portion to be paid in cash. Ongoing plans: The maximum reward for the ongoing LTI 2021–2023 is 56,000 shares, including also the portion to be paid in cash.
VARIABLE Long-term incentive (LTI) 2022–2026 For additional information on long-term incentive plans, please see Glaston's website.	Finalized plans: N/A. Ongoing plans: The maximum reward for the ongoing LTI 2022–2024 is 128,000 shares, including also the portion to be paid in cash.	Finalized plans: N/A Ongoing plans: The maximum reward for the ongoing LTI 2022–2024 is 56,000 shares, including also the portion to be paid in cash.

Element	Remuneration Description	
	President and CEO	Deputy CEO
OTHER Pensions	<p>The President and CEO participates in a non-statutory defined contribution supplementary pension scheme.</p> <p>The cost is 12% of annual fixed earnings amounting to EUR 37,303 in 2022.</p> <p>The President and CEO may retire in accordance with the stipulations of the applicable law.</p>	<p>The Deputy CEO participates in a non-statutory defined contribution supplementary pension scheme. The cost is 12% of annual earnings amounting to EUR 31,579 in 2022.</p> <p>The Deputy CEO may retire in accordance with the stipulations of the applicable law.</p>
OTHER Bonus in Company shares (Signing bonus)	<p>The President and CEO received 110,000 shares in the Company on 1 January 2022.</p> <p>The President and CEO shall hold the shares for the period of two years and shall return the shares should notice of termination be given during the said two years period. The Board may however resolve upon the President and CEO's right to keep the shares.</p>	-



Glaston Corporation

Lönnrotinkatu 11, 00120 Helsinki, Finland

Finland

Tel. +358 500 500

Website: www.glaston.net

Business identity code: 1651585-0

Glaston Corporation is the glass processing industry's innovative technology leader supplying equipment, services and solutions to the architectural, automotive, solar and display industries. The company also supports the development of new technologies integrating intelligence to glass. Glaston is committed to providing its clients with both the best know-how and the latest technologies in glass processing, with the purpose of building a better tomorrow through safer, smarter, and more energy efficient glass solutions. Glaston operates globally with manufacturing, services, and sales offices in 9 countries. Glaston Corporation is a public limited liability and its shares (GLA1V) are listed on NASDAQ Helsinki Ltd. Small Cap..