

# REMUNERATION REPORT FOR GOVERNING BODIES 2023

**glaston**  
seeing it through®



# Remuneration Report for Governing Bodies 2023

## Introduction

This Remuneration Report for the financial year 2023 (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 2023 and has been approved by the Board of Directors (also the “Board”) of Glaston.

The principles, decision-making processes, and practices 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 and further information about remuneration is available at Glaston website: [www.glaston.net/](http://www.glaston.net/) investors.

The remuneration principles in Glaston are designed to attract and retain the Company’s management persons who 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 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 temporary deviations from the policy have

taken place during the financial year 2023. Further, no clawbacks of the remuneration have taken place during the said financial year 2023.

## Development of remuneration in relation to the 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 2019–2023.

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 2019–2023, 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 totaled 790 on 31 December 2019 (31 December 2018: 357) while net sales in January–December 2019 totaled 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 temporarily cut by 10% during Q2/2020. Some of these labor cost reduction actions continued to have an effect also in 2021 but were canceled in early 2021 as a result of the improved market situation. In 2021, these actions did not concern the President and CEO and the Deputy CEO. No actions

affecting the remuneration were taken after 2021 due to the pandemic.

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

## Remuneration development

EUR	2019	2020	2021	2022	2023
Annual remuneration of the Board	283,550	331,300	353,700	345,900	365,700
Annual remuneration of the President and CEO	467,466	163,598 <sup>1</sup>	330,622 <sup>2</sup>	644,244	472,977 <sup>3</sup>
Annual remuneration of the Deputy CEO <sup>4</sup>	305,777	108,645 <sup>5</sup>	337,574	378,192	367,872 <sup>6</sup>
Annual remuneration of the Acting President and CEO	-	254,558 <sup>7</sup>	-	-	43,772 <sup>8</sup>
Average salary development <sup>9</sup>	61,500	60,400	66,500	70,500	72,000

## Key financial metrics

EUR 1000	2019 <sup>10</sup>	2020	2021	2022	2023
Net sales	181,018	170,067	182,662	213,520	219,708
Comparable operating result (EBIT)	5,941	3,225	6,569	9,917	11,418
Comparable EBITA	9,746	7,742	11,098	13,624	14,869

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

<sup>2</sup> Remuneration for Anders Dahlblom.

<sup>3</sup> Remuneration for Anders Dahlblom until 15 November 2023.

<sup>4</sup> Deputy CEO's (Sasu Koivumäki) remuneration presented here for 2019-2023 is excluding reimbursement of costs and expenses paid directly to third parties based on the expatriate agreement.

<sup>5</sup> Remuneration from the period 1 January to 31 May 2020 to Sasu Koivumäki, who was appointed as an Acting President and CEO for the rest of the year 2020.

<sup>6</sup> In FY2023, the reimbursement of costs and expenses paid directly to third parties amounting to in total EUR 148,780. Total remuneration including also third party fees thus amounting to EUR 516,652.

<sup>7</sup> 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.

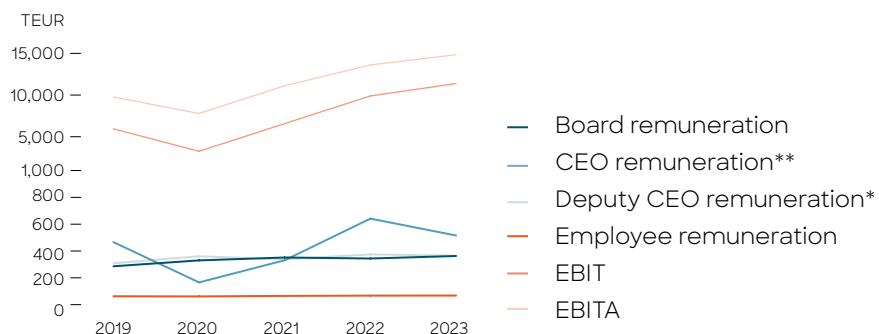
<sup>8</sup> Remuneration from period 15 November to 31 December 2023 to Interim CEO Antti Kaunonen.

<sup>9</sup> 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.

<sup>10</sup> Bystronic glass consolidated as of April 1, 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.

\*\* CEO remuneration for 2023 includes also the remuneration paid to Interim CEO Antti Kaunonen.

### Remuneration of the Board of Directors

The 2023 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 2023 Annual General Meeting resolved that a member of the Board may 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 2023 of the Company is published.

A meeting fee of EUR 800 shall be paid to the Chair for meetings in the Chair's home country and EUR 1,500 for meetings held 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 Chair 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 2023 were in compliance with the Remuneration Policy.

In the financial year 2023, the following fees were paid to the members of the Board: an annual fee and meeting fees including both Board and committee related remuneration. As set out below, four 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		Chair	77,500	16,700	94,200
Sebastian Bondestam, Deputy Chair of the Board		Member	43,000 Of which EUR 17,200 paid in Glaston shares	8,500	51,500
Antti Kaunonen		Member <sup>11)</sup>	33,000 Of which EUR 13,200 paid in Glaston shares	8,000	41,000
Sarlotta Narjus	Member		33,000	9,000	42,000
Arja Talma	Chair		43,000 Of which EUR 13,200 paid in Glaston shares	9,000	52,000
Tero Telaranta	Member		33,000 Of which EUR 13,200 paid in Glaston shares	9,000	42,000
Michael Willome		Member	33,000	10,000	43,000
<b>Total</b>			<b>295,500</b>	<b>70,200</b>	<b>365,700</b>

<sup>11</sup> Until 15 November 2023



### Remuneration of the President and CEO, the Deputy CEO and the Interim CEO

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

Anders Dahlblom served as the President and CEO until 15 November 2023, after which Antti Kaunonen has served as the Interim CEO in addition to his role as a member of the Board of Directors. Anders Dahlblom continued to support the Interim CEO for a transition period during the financial year 2023. Chief Sales Officer Sasu Koivumäki served as the Deputy CEO during the financial year 2023.

In 2023, the President and CEO Anders Dahlblom was paid the total remuneration of EUR 472,977. The relative proportion of the fixed pay was 63% and variable pay 37% (supple-

mentary pension not included). The different components are described in more detail below.

In 2023, Deputy CEO Sasu Koivumäki was paid total remuneration of EUR 367,872. The relative proportion of the fixed pay was 77% and variable pay 23% (supplementary pension not included). The different components are described in more detail below.

Further, total remuneration paid to Sasu Koivumäki in 2023 is excluding reimbursement of costs and expenses in the amount of EUR 148,780 paid directly to third parties based on the expatriate agreement. Koivumäki has worked as an expatriate in Singapore as of November 2021.

In 2023, Interim CEO Antti Kaunonen was paid the total remuneration of EUR 43,772, which did not include any variable pay.

### Actualised remuneration of the President & CEO, and Deputy CEO for 2023

#### CEO & President Anders Dahlblom



■ Base salary .....	56%
■ Benefits .....	2%
■ Variable pay (STI+LTI).....	34%
■ Supplementary pension.....	8%

#### Deputy CEO Sasu Koivumäki



■ Base salary .....	52%
■ Benefits .....	27%
■ Variable pay (STI+LTI).....	15%
■ Supplementary pension.....	6%

### Performance Actualisation 2023 (STI and LTI)

President and CEO and Deputy CEO participated in the short-term incentive plan in 2023.

The **short-term incentive (STI)** opportunity of the President and CEO was in 2023 tied to the following metrics:

KPI	Weight	Achievement
Glaston EBITA	70%	Above min, below target
Glaston Order Intake	30%	Above min, below target

The **short-term incentive (STI)** opportunity of the Deputy CEO was in 2023 tied to the following metrics:

KPI	Weight	Achievement
Glaston EBITA	40%	Above min, below target
Glaston Order Intake	50%	Above min, below target
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 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 the participant's 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%
<b>Total</b>	<b>100%</b>

For the second performance period under the Performance Share Plan 2022–2026 (LTI 2023–2025), objectives were set regarding the Group as follows:

KPI	Weight
Group Cumulative Comparable EBITA after LTI and STI	30%
Service Net Sales	30%
EPS	40%
<b>Total</b>	<b>100%</b>

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:

<b>KPI</b>	<b>Weight</b>
Group Cumulative Comparable EBITA	80%
Average Net Gearing	20%
<b>Total</b>	<b>100%</b>

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 was approximately 9.7% and for the performance period LTI 2020–2022 approximately 14%.

For the third performance period under the plan (LTI2021–2023) objectives were set regarding Group as follows:

<b>KPI</b>	<b>Weight</b>
Group Cumulative Comparable EBITA	80%
Service Net Sales	20%
<b>Total</b>	<b>100%</b>

The maximum opportunity for the third performance period was 128,000 shares for the President and CEO, and 56,000 shares for the Deputy CEO. The achievement (%) for the performance period LTI 2021–2023 was 39.7%. Anders Dahlblom stepped down from his role as the President and CEO and will therefore not be entitled to the payout from LTI 2021–2023 plan.



## Summary of remuneration to the President and CEO and Deputy CEO

Element	Remuneration Description		
	President and CEO	Deputy CEO	Interim CEO (as of 15 November 2023)
FIXED	EUR 297,369	EUR 283,026	EUR 43,772
Base salary and benefits	Including taxable fringe benefits: mobile phone, company car, lunch benefit	Excluding utilities and fees paid directly to third parties amounting to in total of EUR 148,780 (EUR 516 652 such fees included)	Including taxable fringe benefits: mobile phone
VARIABLE	Performance year 2022 (paid in 2023): EUR 175,608	Performance year 2022 (paid in 2023): EUR 79,447	Performance year 2023 (paid in 2024): N/A
Short-term incentive (STI)	Performance year 2023 (paid in 2024): EUR 81, 840 <sup>12</sup> The maximum amount of the President & CEO's annual bonus: 80% of the annual salary.	Performance year 2023 (paid in 2024): EUR 34,011 The maximum amount of the Deputy CEO's annual bonus: 40% of the annual salary.	For 2024, the Interim CEO shall be entitled to pro rata STI for each full quarter the Interim CEO serves in the position in line with the principles of the President & CEO.
VARIABLE	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. The maximum reward for the LTI 2021–2023 is 128,000 shares, including also the portion to be paid in cash. <sup>13</sup>	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). LTI 2020–2022 (paid in 2023): EUR 5,399 (The maximum reward was 40,000 shares, including also the portion to be paid in cash). LTI 2021–2023 (payable in 2024): 22,232 shares (The maximum reward was 56,000 shares, including also the portion to be paid in cash). Monetary value will be determined at the time of the payout.	-
VARIABLE	Finalized plans: N/A	Finalized plans: N/A	-
Long-term incentive (LTI) 2019–2023	Ongoing 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. The maximum reward for the ongoing LTI 2023–2025 is 56,000 shares, including also the portion to be paid in cash.	
For additional information on long-term incentive plans, please see Glaston's website.			
VARIABLE	Finalized plans: N/A	Finalized plans: N/A	-
Long-term incentive (LTI) 2022–2026	Ongoing 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. The maximum reward for the ongoing LTI 2023–2025 is 56,000 shares, including also the portion to be paid in cash.	
For additional information on long-term incentive plans, please see Glaston's website.			
OTHER	The President and CEO participates in a non-statutory defined contribution supplementary pension scheme. The cost is 12% of fixed earnings amounting to EUR 39,962 in 2023. The President and CEO may retire in accordance with the stipulations of the applicable law.	The Deputy CEO participates in a non-statutory defined contribution supplementary pension scheme. The cost is 12% of fixed earnings amounting to EUR 31,579 in 2023. The Deputy CEO may retire in accordance with the stipulations of the applicable law.	-
Pensions			

<sup>12</sup> Calculated pro rata until 15 November 2023

<sup>13</sup> There will be no payout for LTI 2021–2023 plan for Anders Dahlblom due to his resignation



**Glaston Corporation**

Lönnrotinkatu 11, 00120 Helsinki, Finland

Finland

Tel. +358 500 500

Website: [www.glaston.net](http://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, mobility, 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..