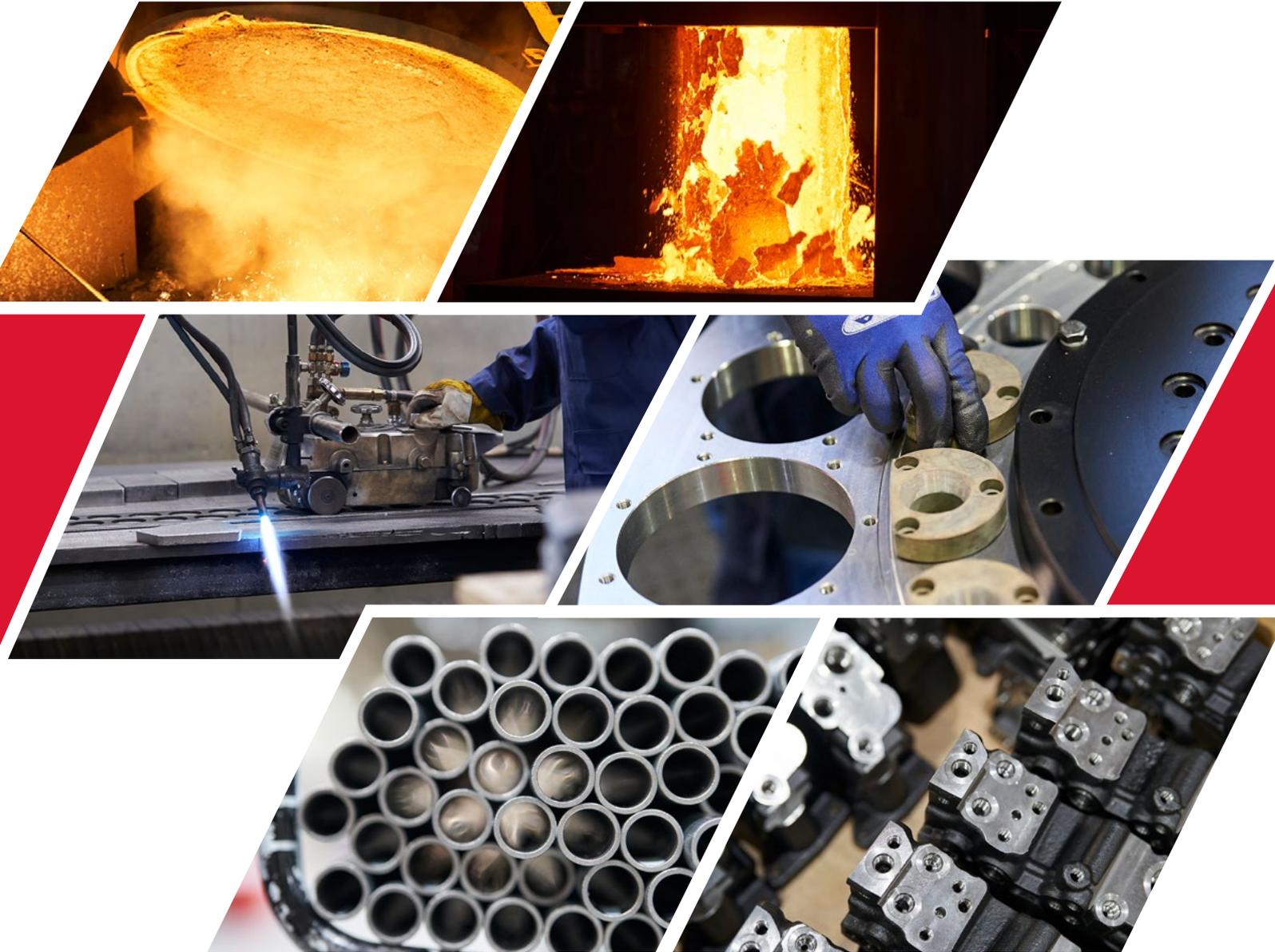


# Remuneration Report 2021



COMPONENTA

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## Introduction

The remuneration report of Componenta Corporation ("Componenta" or "the company") has been prepared in accordance with the Corporate Governance Code 2020 published by the Securities Markets Association. The report explains the remuneration paid and due to the Board of Directors and the President and CEO for the financial year 2021.

The remuneration report is published simultaneously with the financial statements, the report by the Board of Directors and the corporate governance statement, and will be presented to the shareholders at the Annual General Meeting following its publication.

The remuneration of the members of Componenta's Board of Directors and President and CEO is based on the company's current remuneration policy, which was adopted by Componenta's Annual General Meeting on 16 April 2020. The remuneration policy will be valid until the Annual General Meeting of 2024, unless it is replaced by a new or revised version before this.

The 2021 Annual General Meeting did not find any issues with the remuneration report.

Componenta's key remuneration principles are remuneration based on performance and the overall remuneration of personnel. Componenta seeks to motivate, attract and retain skilled persons with remuneration. The purpose of remuneration is to contribute to the favourable development of shareholder value, to develop the company's performance and to help the company in fulfilling its business strategy and attaining long-term financial benefits. Remuneration is one of the most important ways to ensure that the company's employees understand the performance targets, their own possibilities to influence the results and the causal connection between the result of operations and remuneration. Componenta aims to keep its remuneration principles and practices comprehensible and transparent.

In accordance with Componenta's values and management principles, all decisions regarding remuneration are based solely on the competence and achievements of each employee.

## Remuneration and performance development of the company over the last five years

The company's challenging financial situation in recent years and changes in the group structure have also been reflected in the company's remuneration policy. The annual remuneration of the Chair and members of the Board of Directors was reduced in 2017, after which it has remained unchanged.

In 2017, the President and CEO's total remuneration, consisting of a cash salary and possible benefits, was halved following the President and CEO's own initiative, which was based on the company's financial situation and changes in the group structure.

In 2021, net sales and profitability increased significantly due to higher delivery volumes and systematic development measures, although profitability was somewhat burdened by the increasing trend in the prices of raw materials and energy.

The restructuring programme of Componenta Corporation ended on 27 April 2021 when the restructuring programme supervisor approved the payments of restructuring debt carried out by the company on 31 March 2021 and provided the creditors with a final report on the restructuring programme. The restructuring programme of Componenta Castings Oy ended on 22 October 2021 when the restructuring programme supervisor approved the payments of restructuring debt carried out by the company on 15 October 2021 and provided the creditors with a final report on the restructuring programme.

## Remuneration and performance development of the company over the last five years

EUR	2017	2018	2019	2020	2021
Chair of the Board – Annual remuneration	50,000	50,000	50,000 <sup>1)</sup>	50,000	50,000
Member of the Board of Directors – Annual remuneration	25,000	25,000	25,000	25,000	25,000
President and CEO <sup>2)</sup> – salary, remuneration and other benefits	310,529	260,330	327,566	274,418	282,270
Componenta's personnel, excluding the President and CEO, salaries and remuneration on average excluding overheads <sup>3)</sup>	43,000	32,000	38,000	43,000	40,700
<b>Financial key figures, EUR million</b>					
Group net sales <sup>3)</sup>	122.4	39.3	50.7	70.0	87.3
Group EBITDA <sup>3)</sup>	29.8	3.2	1.6	3.7	5.0

<sup>1)</sup> The Extraordinary General Meeting held on 1 July 2019 elected Harri Suutari as a member of the Board, as he resigned the position of Componenta's CEO and took up Board membership when the acquisition of Kommas Oy (now Componenta Manufacturing Oy) was executed on 30 August 2019. The Extraordinary General Meeting held on 1 July 2019 resolved that the annual remuneration payable to a Board member, in accordance with the resolution of the Annual General Meeting on 16 May 2019, would be paid to Harri Suutari, who was appointed Chair of the Board of Directors on 2 September 2019, pro rata temporis for the duration of his term. Petteri Walldén, Chair of the Board until 2 September 2019, became a member of the Board and his remuneration was adjusted accordingly.

<sup>2)</sup> In 2018, the President and CEO's salary and remuneration included a short-term incentive fee of EUR 17,000. In 2019, the President and CEO's salary and remuneration were distributed as follows: Harri Suutari, until 30 August 2019, a total of EUR 246,555, including a short-term incentive fee of EUR 10,656, and Marko Penttinen, from 30 August 2019, a total of EUR 81,011. In 2020, the President and CEO's salary and remuneration were distributed as follows: Marko Penttinen, until 11 March 2020, a total of EUR 49,140, and Sami Sivuranta, from 11 March 2020, a total of EUR 225,278. The severance pay of EUR 120,346 paid to Marko Penttinen is not included in the President and CEO's remuneration for 2020.

<sup>3)</sup> Continued operations; additional information available in the financial statements for the year.

### Remuneration of the Board of Directors in 2021

The General Meeting decides on the remuneration of the Board of Directors. The Nomination Board, composed of the company's largest shareholders, prepares proposals for the General Meeting regarding the selection and remuneration of the Board members. As proposed by the Componenta Shareholders' Nomination Board, the Annual General Meeting of 2021 decided not to make any changes to the Board's remuneration for the term of office lasting until the 2022 Annual General Meeting.

In 2021, in accordance with the decision of the General Meeting, the Board members were paid a total of EUR 125,000 as annual remuneration. The remuneration of the Board of Directors was paid in full in cash. In accordance with the decision of the General Meeting, the travel expenses of the members of

the Board of Directors were reimbursed in accordance with the company's travel policy. The Board of Directors did not establish any committees from among its members in the financial year 2021. No variable compensation or performance-based bonuses were paid to the members of the Board of Directors. The remuneration of the Board of Directors was consistent with the remuneration policy during 2021.

### Remuneration of the Board of Directors in 2021

Board of Directors 2021		Total annual remuneration, EUR
Harri Suutari	Chair	50,000
Anne Leskelä	Vice Chair	25,000
Tomas Hedenborg	Board member	25,000
Petteri Walldén	Board member	25,000
<b>Total</b>		<b>125,000</b>

## Remuneration of the President and CEO in 2021

Remuneration of the President and CEO was consistent with the remuneration policy during 2021.

### Short-term incentive schemes

The purpose of a short-term incentive scheme is to support the achievement of the set targets and to promote commitment by setting unambiguous and measurable annual targets that have a direct impact on the company's result. Componenta's Board of Directors annually sets the terms and objectives of any short-term incentive schemes for the whole group. In accordance with the remuneration policy the maximum remuneration payable to the President and CEO from any short-term incentive scheme must not exceed half of his/her fixed annual salary. The Board of Directors may adjust the criteria for short-term incentives at its discretion.

The current President and CEO is entitled to an incentive fee related to achieving the financial objectives. In 2021, the performance fee paid in cash under the short-term incentive scheme was based on the EBITDA for the group's continued operations, which was conditional on a positive cash flow after investments. The maximum bonus corresponded to the President and CEO's salary for six months. Bonuses will be paid to the President and CEO under the short-term incentive scheme for 2021 in the amount of his salary for six months, because the cash flow from continued operations after investments was positive, and the group's EBITDA exceeded the maximum target.

### Long-term incentive schemes

The purpose of any long-term incentive schemes is to provide an incentive to key employees and to bring their fringe benefits in line with the shareholders' benefits and the long-term strategy aimed at the stability of business operations. Long-term incentives may consist of both performance-based and restricted share plans.

Based on the remuneration policy, the Board of Directors decides on any long-term incentive schemes,

such as share-based remuneration schemes, and determines the earning criteria for performance-based schemes at the beginning of each scheme. The current value of the potential bonus paid under a long-term incentive scheme can be no more than 30% of the President and CEO's fixed yearly salary. The current value is always calculated by using a method relevant for the incentive scheme at the beginning of the earning period. The Board of Directors decides on the fees paid under the scheme, and it may also change the criteria for any long-term incentives.

The current President and CEO is entitled to the share-based incentive schemes for the group's key employees, introduced by a Board decision on 12 November 2018, including a stock option plan and a restricted share plan. As a result of the rights issue and the reverse share split in 2020, the number, subscription ratio and subscription prices of the options rights 2018 and the maximum amount of rewards to be paid from the restricted share plan have been adjusted in order to secure that the shareholders and members of remuneration schemes are treated equally. In 2021, the Board of Directors decided to convert option rights 2018A and 2018B into option rights 2018C. The vesting period for the restricted share plan ended in November 2021, and the rewards were paid in December 2021 in accordance with the plan. The subscription period for the 2018A stock option plan began in December 2021. Subscription rights had not been exercised by the balance sheet date.

### Stock option plan

Stock options are used to encourage key employees to commit to long-term employment at the company in order to increase shareholder value. Stock options are also intended to commit key personnel to the company. It is a prerequisite for receiving remuneration based on an option plan that the participant's contract of employment or service is valid at the time the remuneration is paid, but the Board of Directors may decide otherwise at its discretion.

Componenta's stock option plan has a total of 146,410 option rights on 31 December 2021, 33,650 of which are marked as option 2018A, 36,298 are marked as option 2018B, and 76,462 are marked as option 2018C.

Each option right of 2018 entitles the holder to a subscription for two new shares or shares held by the company. The total number of shares subscribed for with option rights must not exceed 292,820 shares. The subscription price of the shares is EUR 5.25 per share with option 2018A, EUR 3.85 per share

with option 2018B, and EUR 3.025 per share with option 2018C. The subscription period is 1 December 2021–30 November 2023 for option 2018A, 1 December 2022–30 November 2024 for option 2018B, and 1 December 2023–30 November 2025 for option 2018C.

### The President and CEO's participation in the stock option plan

Option rights	Number of the option rights granted to the President and CEO based on the stock option plan	Number of shares that an option right entitles its holder to subscribe for	Share subscription price, EUR	Share subscription period
2018A	6,800	2	5.25	1 Dec 2021 to 30 Nov 2023
2018B	5,566	2	3.85	1 Dec 2022 to 30 Nov 2024
2018C	7,540	2	3.025	1 Dec 2023 to 30 Nov 2025

### Restricted share plan

The reward from the restricted share plan is based on the key employee's valid employment or service and the continuation of work during the vesting period. The amount of the remuneration payable under the plan was equal to the total value of 52,859 shares on 31 December 2021.

On 10 December 2021, the Board of Directors decided to carry out a directed share issue without consideration to pay rewards under the 2018 restricted share plan of the Componenta Group. The rewards were paid partly in new shares in the company and partly in cash. The cash portion covered the taxes and tax-like payments incurred by the key employees. In the share issue, a total of 25,369 new shares in the company were issued without consideration to key people covered by the restricted share plan under the

terms and conditions of the plan. In connection with this, a total of 3,897 new shares in the company were issued to the President and CEO without consideration.

### Overall remuneration of the President and CEO in 2021

In 2021, in accordance with the remuneration policy, the President and CEO was paid a fixed monthly salary consisting of cash and fringe benefits. In 2021, there were no requests for refunds regarding the remuneration paid to the President and CEO.

In addition, the President and CEO accumulated EUR 122,000 in performance-based annual fees in 2021, which will be paid during 2022. No performance fees were paid to the President and CEO in 2021 for 2020.

President and CEO's total remuneration in 2021, EUR	Fixed remuneration (cash, including fringe benefits)	Variable remuneration (share-based payments)	Total
Sami Sivuranta, President and CEO	282,270	27,506 <sup>1)</sup>	309,776
Percentages	91%	9%	100%

The President and CEO's cash salary included a mobile phone benefit and health insurance.

<sup>1)</sup> Share-based incentive bonus for 2018–2021: 3,897 shares at EUR 3.39 per share (volume-weighted average price) + EUR 14,303.29

**COMPONENTA**

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