



Remuneration Report

2022

COMPONENTA

Remuneration Report 2022

Introduction

The remuneration report of Componenta Corporation (“Componenta” or “the company”) has been prepared in accordance with the 2020 Corporate Governance Code 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 2022 financial year.

The remuneration report is published at the same time as the financial statements, the Board of Directors’ report and the Corporate Governance Statement, and will be presented to 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 approved 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 2022 Annual General Meeting did not find any matters 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 opportunities 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

Componenta’s net sales, EBITDA and market share continued to grow throughout 2022 in a very challenging operating environment, thanks to increased delivery volumes and systematic development measures. The full-year profitability was burdened by the very exceptional development of the prices of raw materials, materials and electricity in particular, which caused our production costs to increase significantly.

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

EUR	2018	2019	2020	2021	2022
Chair of the Board - Annual remuneration	50,000	50,000 ¹⁾	50,000	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 ²⁾ - salary, remuneration and other benefits	260,330	327,566	274,418	282,270	383,875
Componenta's personnel, excluding the President and CEO, salaries and remuneration on average excluding overheads ³⁾	32,000	38,000	43,000	40,700	42,800
Financial key figures, EUR million					
Group net sales ³⁾	39.3	50.7	70.0	87.3	109.1
Group EBITDA ³⁾	3.2	1.6	3.7	5.0	7.1

¹⁾ 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 Komax Oy (now Componenta Manufacturing Oy) was implemented 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, who served as Chair of the Board until 2 September 2019, became a member of the Board, and his remuneration was adjusted accordingly.

²⁾ In 2018, the President and CEO's salary and remuneration included a short-term incentive bonus 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 bonus 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. In 2021, the President and CEO's salary and remuneration included a long-term incentive bonus of EUR 27,506. In 2022, the President and CEO's salary and remuneration included a short-term incentive bonus of EUR 122,406.

³⁾ Additional information about continuing operations is provided in the financial statements for the year in question.

Remuneration of the Board of Directors in 2022

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 2022 decided not to make any changes to the Board's remuneration for the term of office lasting until the 2023 Annual General Meeting.

In 2022, 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 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 during the 2022 financial year. 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 2022.

Remuneration of the Board of Directors in 2022

Board of Directors 2022		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
Total		125,000

Remuneration of the President and CEO in 2022

The remuneration of the President and CEO was consistent with the remuneration policy during 2022.

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. Under the remuneration policy, any remuneration paid as part of a short-term incentive scheme may amount to up to half of the President and CEO's fixed annual salary. The Board of Directors may adjust the criteria for short-term incentives at its discretion.

The President and CEO is entitled to a short-term incentive bonus related to the achievement of financial targets. In 2022, the bonus paid in cash for 2021 under the short-term incentive scheme was based on the Group's EBITDA, which was conditional on a positive cash flow after investments. The maximum bonus corresponded to the President and CEO's salary for six months. No bonus will be paid to the President and CEO for 2022 under the short-term incentive scheme, as the targets set for the Group's EBITDA were not met despite favourable development.

Long-term incentive schemes

The purpose of any long-term incentive schemes is to provide an incentive to key employees and to align their fringe benefits with the shareholders' benefits and the long-term strategy aimed at the sustainability of business operations. Long-term incentives may consist of both performance-based remuneration schemes 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 fair value of the potential bonus paid under a long-term incentive scheme can be no more than 30% of the CEO's fixed annual salary. The fair 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 bonuses 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 option programme for the Group's key employees, introduced by the Board decision on 12 November 2018. As a result of the pre-emptive subscription right share issue and the reverse share split in 2020, the number, subscription ratio and subscription prices of option rights in 2018 have been revised to ensure equal treatment of shareholders and employees covered by remuneration schemes. In 2021, the Board of Directors decided to convert 2018A and 2018B option rights returned to the company into 2018C option rights. The subscription period for the 2018A option programme began in December 2021 and ends at the end of November 2023. The subscription period for the 2018B option programme began in December 2022 and ends at the end of November 2024. Subscription rights had not been exercised by the financial statement date.

Option programme

Option programmes are used to encourage key employees to commit to long-term employment at the company in order to increase shareholder value. Option rights are also intended to commit key personnel to the company. It is a prerequisite for receiving remuneration based on an option programme 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 option programme had a total of 146,410 option rights on 31 December 2022, of which 33,650 are marked as option 2018A, 36,298 are marked as option 2018B, and 76,462 are marked as option 2018C. Each option right in 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 to 30 November 2023 for option 2018A, 1 December 2022 to 30 November 2024 for option 2018B, and 1 December 2023 to 30 November 2025 for option 2018C.

The President and CEO's participation in the option programme

Option rights	Number of option rights granted to the President and CEO based on the option programme	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

Overall remuneration of the President and CEO in 2022

In 2022, in accordance with the remuneration policy, the President and CEO was paid a fixed monthly salary consisting of cash and fringe benefits. In 2022, there were no requests for refunds regarding the remuneration paid to the President and CEO.

No bonus accrued for the President and CEO for the 2022 financial year under the short-term incentive scheme. In 2022, a bonus of EUR 122,406 was paid to the President and CEO for 2021 under the short-term incentive scheme.

President and CEO's total remuneration in 2022, EUR	Fixed remuneration (salary, including fringe benefits)	Short-term incentive scheme	Long-term incentive schemes	Total
President and CEO Sami Sivuranta	261,469	122,406	0	383,875
Percentages	68%	32%	0%	100%

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



COMPONENTA

Componenta Corporation, Head Office
Address: Teknobulevardi 7, 01530 Vantaa, Finland
Telephone: +358 10 403 00
Email addresses: firstname.lastname@componenta.com
www.componenta.com