



# Remuneration Report

2024

COMPONENTA

# Remuneration Report 2024

## Introduction

The remuneration report of Componenta Corporation ("Componenta" or "the company") has been prepared in accordance with the valid recommendations of the Corporate Governance Codes 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 2024 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 10 April 2024. The remuneration policy will be valid until the Annual General Meeting of 2028.

The new remuneration policy has been subject to mainly minor changes. The main changes concern, among other things, enabling of sustainability targets in the variable remuneration of the President and CEO and clarifications of the other terms and conditions applicable to the contract of service of the President and CEO. In addition, a new clarifying paragraph, 6. *Minor changes*, has been added to the policy.

The Annual General Meeting 2024 did not find any issues to consider in relation to 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.

## Performance development of the company

Despite the positive development at the end of the year, 2024 net sales decreased, but due to non-recurring items the EBITDA improved from the previous year. As a whole, the trend in 2024 was upward. The volume and order book development in the weak first quarter remained well below expectations. Especially this was due to the low level of demand in the agricultural machinery industry in Europe as a whole and the low level of the main raw materials and energy indices included in sales prices. During the first half of the year, during the low utilization rate of our iron foundries, we ramped up serial production for volume products, which had a negative impact on production efficiency and quality level. Starting in the second quarter, our high quality production capability has improved through systematic measures, and our order book began to grow slightly.

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

EUR	2020	2021	2022	2023	2024
Chair of the Board - Annual remuneration	50,000	50,000	50,000	50,000	50,000
Member of the Board of Directors - Annual remuneration <sup>1</sup>	25,000	25,000	25,000	25,000	30,000
President and CEO <sup>2</sup> - salary, remuneration and other benefits	274,418	282,270	383,875	281,175	277,083
Componenta's personnel, excluding the President and CEO, salaries and remuneration on average excluding overheads <sup>3</sup>	43,000	40,700	42,800	43,570	41,520
<b>Financial key figures, EUR million</b>					
Group net sales <sup>3</sup>	70.0	87.3	109.1	101.8	97.1
Group EBITDA <sup>3</sup>	3.7	5.0	7.1	5.3	7.9 <sup>4</sup>

<sup>1</sup> In addition, in accordance with the resolution of the Annual General Meeting of 10 April 2024, a meeting specific fee of EUR 1,000 is paid to a Board member who lives outside Finland and travels to Finland for a meeting.

<sup>2</sup> 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.

<sup>3</sup> Regarding the years 2020 and 2021 additional information about continuing operations is provided in the financial statements for the year in question.

<sup>4</sup> EBITDA for 2024 includes EUR 2.9 million of non-operational non-recurring revenue from the purchase of the Kalajoki factory and Sepänkylä Machining and Service Center businesses.

## Remuneration of the Board of Directors in 2024

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 2024 decided to increase the Board's remuneration for the term of office lasting until the 2025 Annual General Meeting.

In 2024, in accordance with the decision of the General Meeting, the Board members were paid a total of EUR 176,000 as annual remuneration. A meeting specific fee of EUR 1,000 was paid to a Board member who lives outside Finland and travels to Finland for a meeting. 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 2024 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 2024.

## Remuneration of the Board of Directors in 2024

Board of Directors 2024		Total annual remuneration, EUR
Harri Suutari	Chair	50,000
Anne Koutonen	Vice Chair	30,000
Tomas Hedenborg	Board member	30,000
Petteri Walldén	Board member	30,000
Lars Wrebo (from 10 April 2024) <sup>1</sup>	Board member	36,000
<b>Total</b>		<b>176,000</b>

<sup>1</sup> Includes EUR 6,000 meeting specific fees.

## Remuneration of the President and CEO in 2024

The remuneration of the President and CEO was consistent with the remuneration policy during 2024.

### 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 2024, no bonus was paid to the President and CEO under the short-term incentive scheme for 2023, as the Group's cash flow after investments in 2023 did not meet the minimum target set in the terms of the incentive scheme. In 2024, the company did not have a short-term incentive scheme for the President and CEO, and therefore no remuneration is paid to the CEO for the short-term incentive scheme for 2024.

### Long-term incentive schemes

The purpose of any long-term incentive schemes is to provide an incentive to key employees and to align their 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 President and 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.

### Stock Option Plans

Stock option plans 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 stock option plans had a total of 343,136 option rights held by employees or the company on 31 December 2024, of which 76,462 are marked as option 2018C, 133,348 are marked as option 2023A and 133,326 are marked as option 2023B. Each option right 2018C entitles its holder to subscribe for two shares in the company, and each option right 2023A and 2023B entitles to subscribe for one share in the company. At the date of the financial statements, the subscription rights for the stock option plans had not been used.

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

Option rights	Option rights granted/year	Number of option rights granted to the President and CEO based on the stock option plans	Number of shares that an option right entitles its holder to subscribe for	Share subscription price, EUR	Share subscription period
2018B	2020	5,566	2	3.85	1 Dec 2022 to 30 Nov 2024
2018C	2021	7,540	2	3.025	1 Dec 2023 to 30 Nov 2025
2023A	2023	16,668	1	3.00	1 Jun 2026 to 31 May 2028
2023B	2024	16,668	1	2.35	1 June 2027 to 31 May 2029

The option rights 2018B have expired on 30 November 2024, and the subscription rights were not used.

## Overall remuneration of the President and CEO in 2024

In 2024, in accordance with the remuneration policy, the President and CEO was paid a fixed monthly salary consisting of cash and fringe benefits. In 2024, 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 2024 financial year under the short-term incentive scheme. In 2024, no bonus was paid to the President and CEO under the short-term incentive scheme for 2023.

President and CEO's total remuneration in 2024, EUR	Fixed remuneration (cash, including fringe benefits)	Short-term incentive scheme	Long-term incentive schemes	Total
President and CEO Sami Sivuranta	277,083	0	0	277,083
Percentages	100%	0%	0%	100%

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



# COMPONENTA

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