

## OMA SAVINGS BANK PLC'S CORPORATE GOVERNANCE STATEMENT

Oma Savings Bank Plc (hereinafter OmaSp or the Company) complies with the Finnish Corporate Governance Code approved by the Securities Market Association and valid at any given time. This Corporate Governance Statement has been drawn up in accordance with the Corporate Governance Code, which took effect on 1 January 2020. The Company has also published a separate Remuneration Statement (<https://sijoittaminen.omasp.fi/en/remuneration>) accordance with the Corporate Governance Code. The Corporate Governance Code is available in its entirety on the Securities Markets Association's website at [www.cgfinland.fi](http://www.cgfinland.fi).

This statement, which has been approved by the Company's Board of Directors, is published separately from the report of the Board of Directors. This statement and other information required by the Corporate Governance Code, the Company's Financial Statements, the report of the Board of Directors, and the Auditor's Report for 2019 are available on the Company's website at <https://sijoittaminen.omasp.fi/en>.

In its decision-making and governance, the Company complies with the Finnish Limited Liability Companies Act, regulations applying to publicly listed companies, OmaSp's Articles of Association, the charters of OmaSp's Board of Directors and its committees, and the rules and regulations of Nasdaq Helsinki Ltd.

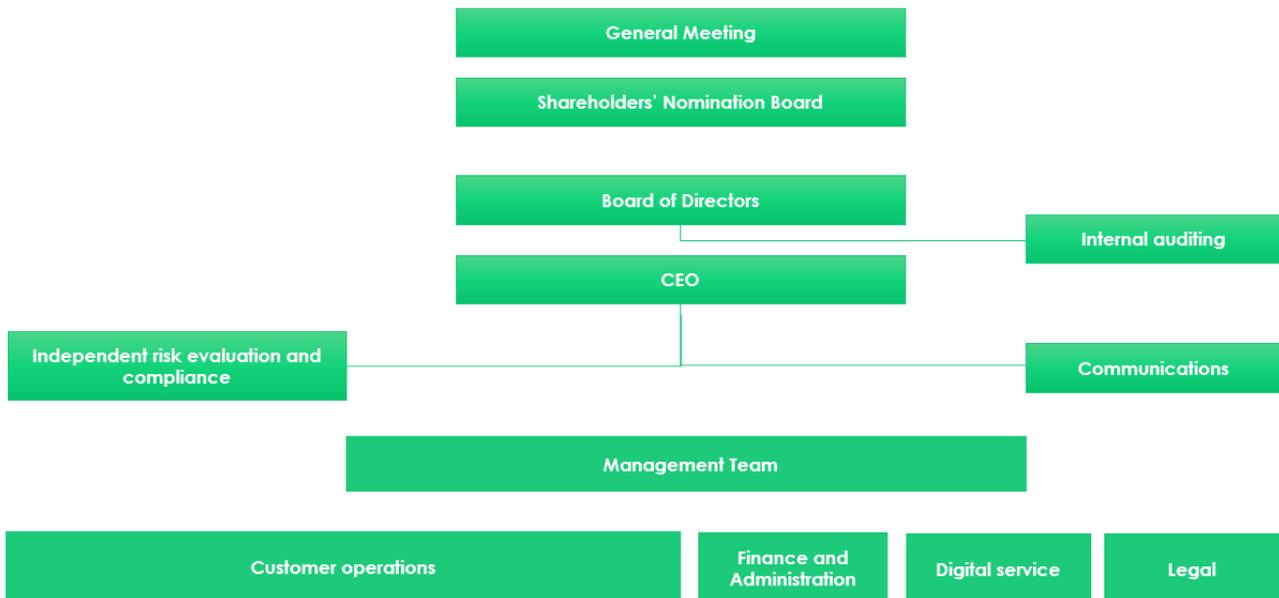
Efficient management of insider issues of a publicly listed company requires that insider administration is arranged in a consistent and reliable manner. The obligations concerning the arrangement of insider administration are binding to publicly listed companies. OmaSp complies with the insider guidelines of Nasdaq Helsinki Ltd (Helsinki Stock Exchange). The company also has internal Insider Guidelines approved by the Board of Directors which are based on the guidelines of Helsinki Stock Exchange. Monitoring compliance with the Insider Guidelines and the notification obligation, and maintenance of the insider registers are the responsibility of OmaSp's Head of Legal.

### Group structure

The Group's parent company is Oma Savings Bank Plc, whose domicile is in Seinäjoki. Oma Savings Bank Group comprises the parent company Oma Savings Bank Plc, its two subsidiaries (real estate company Lappeenrannan Säästökeskus, 100% holding, and SAV-Rahoitus Oyj, 50.7% holding). In addition, the Group has an associate GT Invest Oy (48.7%), which is consolidated using the equity method and the joint venture Paikallisspankkien PP-Laskenta Oy (25% holding).

### Governance structure

OmaSp's administration, management and supervision are divided between the General Meeting, the Board of Directors, and the Chief Executive Officer (CEO). Internal audit is the responsibility of the internal audit unit, which operates under the Board of Directors. External audit is the responsibility of auditors. The CEO is in charge of the day-to-day operations with the assistance of the Group's management team.



## General Meeting

OmaSp's highest decision-making body is the General Meeting of Shareholders. The Annual General Meeting is held once a year before the end of June on a day specified by the Board of Directors.

The Annual General Meeting makes decisions pertaining to, among other things, the election of the members, the auditor and deputy auditor, remuneration paid to these, validating the financial statements and consolidated financial statements, discharging from liability the Board members and the CEO, and the use of the profit shown on the balance sheet. Other matters to be discussed at the Annual General Meeting according to the Limited Liability Companies Act or matters requested to be addressed by a shareholder in accordance with the Limited Liability Companies Act may also be discussed at the meeting. An Extraordinary General Meeting is held when the Board of Directors considers it necessary, or when it must be held pursuant to the law. In order to ensure interaction between shareholders and the Company's governing bodies and to implement the shareholders' right to request information, the CEO, and the chairman and the members of the Board of Directors will attend the General Meetings. Board member candidates must attend the General Meeting that decides on the election. Each Company share entitles to one vote at a General Meeting.

In 2019, the Company's Annual General Meeting was held on 29 April 2019. Shareholders who attended the meeting represented approximately 86% of the Company's shares and votes.

## Board of Directors

Under the Articles of Association, the Board of Directors of OmaSp has a minimum of five and a maximum of eight regular members and a maximum of two deputy members. The General Meeting decides on the number of members on the Board of Directors, elects the Board members, and

decides on their remuneration based on the proposal of the Nomination Board, which consists of representatives of the shareholders. The term of office of the members of the Board of Directors begins at the closing of the Annual General Meeting and ends at the closing of the next Annual General Meeting. The Board elects a chairman and deputy chairman from among its members.

### Composition of the Board of Directors until April 29, 2019 Annual General Meeting

Name	Birth year	Education	Main occupation	Board member since	Position on the Board
Jarmo Partanen	1956	MA, eMBA	Chairman of the Board of Directors	2014	Chairman
Jyrki Mäkynen	1964	M.Sc. (Economics)	Oy HM Profiili Ab, entrepreneur	2009	Deputy chairman
Aila Hemminki	1966	M.Sc. (Business and Administration)	Etelä-Pohjanmaan Yrittäjät ry, ownership change expert	2017	Member
Aki Jaskari	1961	M.Sc. (Business and Administration)	Nerkoon Höyläämö Oy, Managing Director	2014	Member
Timo Kokkala	1960	M.Sc. (Agriculture and Forestry)	Farmer	2014	Member
Heli Korpinen	1965	M.Soc.Sc.	Saimaa University of Applied Sciences, Lecturer	2014	Member
Jarmo Salmi	1963	Master of Laws	Asianajotoimisto Jarmo Salmi Oy, CEO	2014	Member

### Composition of the Board of Directors as of April 29, 2019 Annual General Meeting

Name	Birth year	Education	Main occupation	Board member since	Position on the Board
Jarmo Salmi	1963	Master of Laws	Asianajotoimisto Jarmo Salmi Oy, CEO	2014	Chairman
Jyrki Mäkynen	1964	M.Sc. (Economics)	Oy HM Profiili Ab, entrepreneur	2009	Deputy Chairman
Aila Hemminki	1966	M.Sc. (Business and Administration)	Etelä-Pohjanmaan Yrittäjät ry, ownership change expert	2017	Member
Aki Jaskari	1961	M.Sc. (Business and Administration)	Nerkoon Höyläämö Oy, Managing Director	2014	Member
Timo Kokkala	1960	M.Sc. (Agriculture and Forestry)	Farmer	2014	Member
Heli Korpinen	1965	M.Soc.Sc.	Saimaa University of Applied Sciences, Lecturer	2014	Member
Jaana Sundström	1963	D.Sc. (Tech.)	Lappeenranta University, Professor of accounting	2019	Member

All members of the Board of Directors are independent of the Company and all Board members with the exception of Jarmo Partanen are independent of the company's major shareholders.

Members of the Board of Directors of OmaSp and executive directors meet the trustworthiness and qualification requirements laid down in chapter 7, section 4, of the Act on Credit Institutions.

### Diversity of the Board of Directors

OmaSp's Board of Directors has approved the diversity principles for the Board. OmaSp's aim is to promote the election of the most qualified members of the Board of Directors while ensuring equal opportunities for candidates of both genders to be elected. Both genders are represented in the

Board of Directors, and candidates for Board membership are appointed in accordance with this equality goal so that, in the election, attention is paid to the added value brought by the members to the composition of the Board in terms of maintaining and developing sufficient diversity, among other aspects. Diversity is maintained and developed by ensuring broad competence and experience, regional representation and sufficient representation of both genders and different age groups among the nominees.

In 2019, women accounted for 29% of the members of the Board of Directors until April 29, 2019, and subsequently 43% of the members of the Board of Directors.

### Duties of the Board of Directors

The Board of Directors represents the company, and takes care of the administration of the Company and the trustworthy and appropriate organisation of its operations. The Board of Directors ensures that the Company has business strategies, operating principles and an appropriate organisational structure, and an authorisation system and that the executive directors of the company are competent, trustworthy and suitable to their tasks.

The Board shall see to it that the Company has sufficient risk management systems and ensure that business risks are identified and evaluated. The Board of Directors shall approve risk-taking principles, establish the procedures used to mitigate risks, and oversee compliance with these. The Board shall ensure that internal control and internal audit are appropriately organised.

In its activities, the Board complies with the charter it has approved. In the charter, the tasks of the Board of Directors, its chairman and members, organising the meetings, and evaluation of the Board of Directors' work are described in more detail. The charter of the Board of Directors is accessible on the Company's website at <https://sijoittaminen.omasp.fi/en/board-and-its-committees>.

### Meetings of the Board of Directors

The Board of Directors held 18 meetings during the previous financial year, of which 5 were e-mail meetings.

Jarmo Partanen was Chairman of the Board until April 29, 2019 and attended the meetings as follows: 7/7

Board members who have been members throughout the year attended the meetings as follows:

Jarmo Salmi	18/18
Jyrki Mäkynen	18/18
Aila Hemminki	18/18
Aki Jaskari	17/18
Timo Kokkala	18/18
Heli Korpinen	18/18

Jaana Sandström was elected to the Board of Directors on 29 April 2019 and has since attended the meetings as follows: 11/11

### Notifications by executives of the Company

The Company maintains a list of executives and their related parties. The Company's executives shall inform the company of their related parties upon taking on their responsibilities and of any changes in their related parties immediately and no later than three days from the change.

The Company executives and their related parties are subject to trading restrictions applying to Company shares, and the executives' and their related parties' notification obligations concerning such transactions are described in the Company's Insider Guidelines.

## Shareholdings of Board members and companies controlled by them on December 31, 2019

Name	Shares
Jarmo Salmi	128
Jyrki Mäkynen	6,775
Aila Hemminki	2,449
Aki Jaskari	6,000
Timo Kokkala	6,000
Heli Korpinen	2,700
Jaana Sandström	0

Fit and proper regulation is a key component of the trustworthiness of good governance. The Company's Board of Directors has approved and endorsed the guidelines on fit and proper assessment, which establishes the requirements concerning the assessment of the trustworthiness, suitability, professional skills and professional management of the members of the supervised entity's management bodies.

## Board of Directors' Committees

### Audit Committee

The company deviates from the Finnish Corporate Governance Code in that the company has no nominated Audit Committee. The Company's Board of Directors performs the duties of the Audit Committee according to regulations.

### Remuneration Committee

The Board of Directors has a Remuneration Committee. The Remuneration Committee is composed of a minimum of three members, which are elected by the Board of Directors from among its members annually. The Board of Directors specifies the Remuneration Committee's tasks in its adopted charter. The duties of the Remuneration Committee include preparing matters pertaining to the remuneration and other financial benefits of the CEO and other management members, preparing matters pertaining to reward schemes, assessment of the remuneration of the CEO and other management members, attending to the appropriateness of the reward schemes, preparing matters pertaining to the appointment of the CEO and other management members and identifying their potential successors, and the development of the remuneration of other personnel and the organisation.

The members of the Remuneration Committee until 29 April 2019 were: Jarmo Partanen, Jyrki Mäkynen and Heli Korpinen. The Remuneration Committee met once and all members of the Committee attended the meeting.

Following the Annual General Meeting, the Board of Directors appointed the following Board members to the Remuneration Committee on 29 April 2019: Jarmo Salmi, Jyrki Mäkynen and Heli Korpinen. The Remuneration Committee convened once during the previous financial year and all members attended.

## Shareholders' Nomination Board

The Company's Extraordinary General Meeting decided in its meeting on 9 November 2018 to amend the Company's Articles of Association with a provision on the Shareholders' Nomination Board (hereinafter Nomination Board). The Nomination Board's task is to prepare proposals

pertaining to the appointment and remuneration of the members of the Board of Directors for the next Annual General Meeting or, when necessary, an Extraordinary General Meeting.

Each of the five largest shareholders of the Company is entitled to appoint a representative to the Nomination Board. If a shareholder does not wish to exercise its right to nominate a member, the right will be transferred to the next largest shareholder who would not otherwise have a nomination right. The Company's largest shareholders are determined on the basis of the registered holdings in the Company's list of shareholders on the 1st of June preceding the Annual General Meeting. The Nomination Board shall submit its proposal concerning the members of the Board of Directors and their remuneration to the Company's Board of Directors by the end of the January preceding the Annual General Meeting. The Nomination Board's proposals for an Extraordinary General Meeting shall be submitted in a similar manner well ahead of the General Meeting and taking into account the relevant regulations.

The Nomination Board's meetings are convened by the chairman of the Board of Directors, who also attends the meetings in his/her role as an expert. In its work, the Nomination Board complies with the charter approved by the Annual General Meeting.

**Composition of the Shareholders' Nomination Board:**

Raimo Härmä (Etelä-Karjalan Säästöpankkisäätiö)  
Ari Lamminmäki (Parkanon Säästöpankkisäätiö)  
Aino Lamminmäki (Töysän Säästöpankkisäätiö)  
Jukka Sysilampi (Kuortaneen Säästöpankkisäätiö)  
Jukka Kuivaniemi (Hauhon Säästöpankkisäätiö)

The Shareholders' Nomination Board convened once during the previous financial year and all members of the Nomination Board attended.

## CEO and his/her responsibilities

The CEO is appointed by the Board of Directors. Pasi Sydänlammi has been the Company's CEO since 2009. The CEO manages the Company, develops its business and is in charge of operative administration in accordance with the Board of Directors' instructions. The CEO presents matters to be dealt with and reports to the Board of Directors. The CEO oversees the company's day-to-day administration in line with the Board of Directors' guidelines and sees to it that the accounts of the Company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

If the CEO is prevented from carrying out his/her tasks, he/she is deputised by a person appointed by the Board of Directors. Customer Operations Director Pasi Turtio is the Deputy CEO.

## Management Team

The Management Team is a decision-making body, whose areas of responsibility include operative administration, financial administration, ICT functions, business development, product and service entities, communications and supervision. The Management Team shall convene approximately every two weeks as summoned by the CEO. Minutes shall be kept of the meetings. The Management Team's role is to assist the CEO.

The Group's Management Team comprises the CEO and other members appointed by the Board of Directors.

## Composition of the Management Team

Name	Birth year	Education	Job	Member since
Pasi Sydänlammi	1974	M.Sc. (Admin), MBA	CEO	2009
Pasi Turtio	1974	Diploma in Agriculture	Deputy CEO, Customer Operations Director	2009
Helena Juutilainen	1958	Master of Laws with court training	Head of Legal	2017
Sarianna Liiri	1981	M.Sc. (Business and Administration)	Chief Financial and Administrative Officer	2014
Ville Rissanen	1971	M.Sc. (Business and Administration)	Chief Information Officer	2019
Minna Sillanpää	1970	MBA, Industrie- und Aussenhandels-assistent, Gross- und Aussenhandelskaufmann and college degree in foreign trade	Chief Communications Director	2017
Kimmo Tapionsalo	1963	M.Sc. (Business and Administration), eMBA	Chief Risk Officer	2019

## Management Team holdings

Share holdings of the Management Team members and companies controlled by them on December 31, 2019

Name	Shares
Pasi Sydänlammi	77,750
Pasi Turtio	55,400
Helena Juutilainen	16,775
Sarianna Liiri	25,000
Ville Rissanen	2,500
Minna Sillanpää	20,181
Kimmo Tapionsalo	23,600

## Main features of the internal control and risk management systems connected with the financial reporting process

Internal control and risk management are a part of the bank employees' everyday tasks. The aim of internal control is to ensure that the laws, regulations and internal guidelines are complied with, the financial and operational reporting is reliable and sufficient, while maintaining effective operations and supporting the achievement of strategic objectives.

## Financial reporting

In terms of financial reporting, the principles for internal control are clear roles and responsibilities within the organisation. As regards internal control, clear responsibilities between the bank and service providers and efficient procedures for monitoring processes are key. OmaSp has drawn up reporting practices for the implementation of financial reporting. In order to ensure the accuracy of financial reporting, internal control processes have been established.

The unit of Financial Administration is responsible for the financial reporting of the Oma Savings Bank Group as a whole and for external and internal accounting. Financial Administration is responsible for, among other things, the Group's financial reporting, the Group's accounting

principles and maintenance thereof, drawing up and updating the Group's forecasting models, and the bank's internal financial reporting and its monitoring. The Group's reporting is centralised to Financial Administration.

The bookkeeping of OmaSp is handled by Paikallispankkien PP-Laskenta Oy, which is partly owned by the bank. Purchased services include basic bookkeeping, drawing up the consolidated financial statements according to IFRS along with producing the numeric content for the notes to the financial statements, securities ledger and purchase ledger accounting, and fixed assets bookkeeping. These services are produced in accordance with service agreements, and they comply with the guidelines and regulations of the Finnish Financial Supervisory Authority and other authorities. The bank holds regular meetings with the service providers to develop the collaboration and monitor their operations.

OmaSp's Management Team and the Board of Directors receive regular management reports, which cover reports for the period, forecasts, and analyses of deviations by earnings item and balance sheet item. The reporting framework also includes key figures that are to be reported.

Controllers involved in the Group's financial reporting do not participate in business activities or making business decisions. Controllers report to OmaSp's CFO, who is a member of the Management Team.

## Functions independent of business operations

The Company has arranged functions that are independent of business operations to ensure efficient and comprehensive internal control as follows:

- risk control function
- compliance function
- internal audit function.

The Company's Board of Directors has appointed the persons in charge of these functions. In this way, the Board of Directors has ensured that the risk control function, compliance function, credit risk evaluation function and internal audit function have adequate and competent personnel resources with respect to the nature, scope and diversity of the Company's operations.

## Risk management

Risk management is an essential part of internal control. The purpose of risk management is to ensure that risks arising from the Company's business are identified, assessed and quantified, and that the risks are monitored as part of day-to-day business management.

The Board of Directors approves the operating principles of the function, and the function reports on its activities to the Board of Directors and executive management. The Company maintains and develops risk management procedures to ensure that all new, previously unidentified essential risks will be covered by risk management.

## Compliance

The compliance function assists the Board of Directors and executive management in managing risks related to non-compliance. The Board of Directors has adopted the goals and responsibilities of the function by approving its operating principles and confirming its annual plan each year.

The compliance function supervises and regularly assesses the adequacy and efficiency of all business areas' activities and procedures through which the Company ensures compliance with regulations. The function assesses and ensures that the procedures and instructions are appropriate with respect to legislation and the requirements arising from other regulations. The function evaluates the adequacy of the measures taken to rectify the deficiencies identified as regards compliance with regulations and the implementation of equal treatment of customers. The function works in co-operation with the internal audit and risk control functions, and monitors the execution of the recommendations based on internal audit's observations.

### Internal audit

Internal audit refers to evaluation and assurance activities that are objective and independent of business operations. Its purpose is to examine the adequacy, functioning and efficiency of internal control.

The company's internal auditor is Jussi Korhonen, M.Sc.

The Board of Directors decides annually on the principles and audit plan of internal audit. Internal audit reports at least once a year or, when necessary, more frequently on its main observations, follow-up on measures taken, and the implementation of the audit plan directly to the Board of Directors.

### Auditors

According to the Articles of Association, at minimum one (1) and at maximum two (2) auditors shall be elected for the Company. The auditors shall be Authorised Public Accountants approved by Finland Chamber of Commerce. If only one auditor is elected and this is not from an authorized public accountants firm approved by Finland Chamber of Commerce, a deputy auditor shall also be elected. The auditors are chosen for their assignment until further notice. The auditor of OmaSp is the firm of auditors KPMG Oy Ab (Business ID 1805485-9), with Fredrik Westerholm, APA, as the auditor in charge. The auditor's term of office begins at the close of the Annual General Meeting and continues until the end of the next Annual General Meeting. The company discloses the fees payable to the firm of auditors in the notes to the financial statements (G22).