

## OMA SAVINGS BANK PLC'S REMUNERATION REPORT 2020

This Remuneration report of Oma Savings Bank Plc (hereinafter Oma Savings Bank or company) explains to the Annual General Meeting the remuneration paid and due to the company's Board of Directors and the CEO for the previous financial year.

### 1. Introduction

Oma Savings Bank's Annual General Meeting on 15 June 2020 confirmed the company's Remuneration Policy that is in line with the company's business strategy, objectives and values and corresponds to the long-term interest of the company.

The Remuneration Policy defines the principles and processes of the remuneration of the governing bodies in a way that best supports the successful implementation of the company's strategy and, consequently, the increase in ownership value. The remuneration policy also enables the recruitment and commitment of talented management and the Board to the company.

The company has followed the established Remuneration Policy for the Board of Directors and the CEO, as well as the Deputy CEO, without exception. This Remuneration Report describes in more detail the remuneration of the governing bodies for the financial year 2020.

Section five below describes the development of the Remuneration of the Board of Directors and the CEO in relation to the development of the average remuneration of the company's employees and the company's financial development from the previous five financial years.

### 2. Remuneration of the Board of Directors for the previous financial year

Regarding the Board of Director's remuneration from 1 January to 15 June 2020, the Annual General Meeting decided at its meeting in accordance with the Nomination Committee's proposal made on 29 April 2019, that the Board members will be remunerated for the term ending at the Annual General Meeting 2020 as follows:

- The Chairman of the Board was paid an annual fee of EUR 43,000, the Vice Chairman of the Board was paid an annual fee of EUR 26,000, and each member of the Board was paid an annual fee of EUR 16,000. These annual fees were paid to the Board members during the financial year 2019.
- In addition, the Board members were paid a meeting fee of EUR 1,000 per meeting. A meeting fee of EUR 500 per meeting were paid for remote meetings and committee meetings.

The Annual General Meeting on 15 June 2020 decided, in accordance with the proposal of the Shareholders' Nomination Committee, that the members of the Board of Directors will be remunerated as of 15 June 2020 for the term ending at the 2021 Annual General Meeting as follows:

- The Chairman of the Board is paid an annual fee of EUR 50,000, the Vice Chairman of the Board is paid an annual fee of EUR 37,500 and a member of the Board is paid an annual fee of EUR 25,000.
- In addition, the members of the Board are paid a meeting fee of EUR 1,000 per meeting. A meeting fee of EUR 500 per meeting is paid for remote meetings and committee meetings.

As a condition for receiving and paying the fixed annual remuneration the member of the Board of Directors, commits to purchase Oma Savings Bank Plc shares amounting to 40% of the fixed annual remuneration on the regulated market (Nasdaq Helsinki Ltd) at a price determined by trading. In addition,

the recommendation is that the member of the Board of Directors would not transfer the shares acquired with an annual remuneration until the membership in the Board has expired.

There were no changes in the composition of the Board of Directors during 2020 and the members of the Board of Directors were paid remuneration in 2020 as follows:

	Annual fees	Meeting fees
Jarmo Salmi, Chairman	50,000 €	13,500 €
Jyrki Mäkynen, Vice Chairman	37,500 €	11,500 €
Aila Hemminki	25,000 €	12,000 €
Aki Jaskari	25,000 €	13,000 €
Timo Kokkala	25,000 €	13,000 €
Heli Korpinen	25,000 €	11,000 €
<u>Jaana Sandström</u>	<u>25,000 €</u>	<u>13,000 €</u>
In total	212,500 €	87,000 €

In 2020, the Remuneration Committee consisted of Jarmo Salmi, Heli Korpinen and Jyrki Mäkynen. The Remuneration Committee met twice during the year and the members of the committee were remunerated as follows:

	Meeting fees
Jarmo Salmi	1,000 €
Heli Korpinen	1,000 €
<u>Jyrki Mäkynen</u>	<u>1,000 €</u>
In total	3,000 €

### 3. Remuneration of the CEO and Deputy CEO for the previous financial year

#### Fixed reward

CEO Pasi Sydänlammi's fixed annual salary for the financial year 2020 was EUR 598,500 and intrinsic benefits EUR 1,960.40.

In addition to the statutory pension insurance, the annual cost of voluntary pension insurance acquired by the company for Sydänlammi in the financial year 2020 was EUR 118,750. On the basis of voluntary pension insurance, according to the terms of the insurance, the insurance policy will be paid for the retirement pension of the insured from 60 years 1 month to 70 years. The amount of the pension is calculated on the basis of the calculation criteria, the terms of insurance and the price list of the accumulated insurance savings per insurer. In the event of death or becoming permanently incapacitated, a lump sum of 100% of the insurance savings per insured shall be paid to the beneficiary under the terms of insurance.

In addition, a performance bonus of EUR 49,000 was paid to Sydänlammi in December 2020 for the financial year 2019. The criteria for remuneration were the company's capital adequacy, ability to pay dividends, cost/income ratio, and ROA-%.

The fixed annual salary of Pasi Turtio, who is standing in for the CEO and the Director of Customer Operations, was EUR 252,000 for the financial year 2020, an additional pension of EUR 37,500 and intrinsic benefits of EUR 240.

No other benefits were paid or due to the CEO and Deputy CEO during the financial year ended.

### Variable remuneration

On 17 February 2020 the Board of Directors of Oma Savings Bank Plc decided to establish a share-based incentive scheme for the group's key personnel. The share-based incentive scheme 2020-2021 has one two-year earning period, 1.1.2020-31.12.2021. The target group of the plan includes a maximum of 15 key employees, including the company's CEO and Deputy CEO. Key personnel have no other variable compensation schemes during the earning period. The Board will confirm the amount of the earned remuneration as soon as possible after the end of the earning period, but nevertheless by the end of May 2022.

The potential reward of the scheme is based on a comparable cost-income ratio, growth in operating income (in comparable figures) and customer and employee satisfaction. The reward will be paid after the end of the earning period within approximately three years in four installments. The reward is paid partly in company shares and partly in cash. The purpose of the cash contribution is to cover taxes and tax-like payments arising from the remuneration to the key employee. If a key employee's employment or employment relationship ends before the remuneration is paid, the remuneration is generally not paid. Shares paid as a reward may not be transferred during the one-year waiting period set for the shares.

The maximum amount of remuneration payable for the entire earning period in shares for the CEO is 141.935 shares and respectively for the replacement of the CEO 59.797 shares.

The CEO and deputy of the CEO of the company shall own at least 50% of the net shares paid to him/her on the basis of the scheme until the value of the CEO's share ownership in the company corresponds to the value of his gross yearly salary and, respectively, the deputy's share ownership in the company corresponds to a total of half the value of his gross annual salary. This amount of shares shall be owned as long as the CEO's relationship or the role of Deputy CEO continues.

The terms of the share-based incentive scheme follow the principles of variable remuneration outlined in the company's remuneration policy.

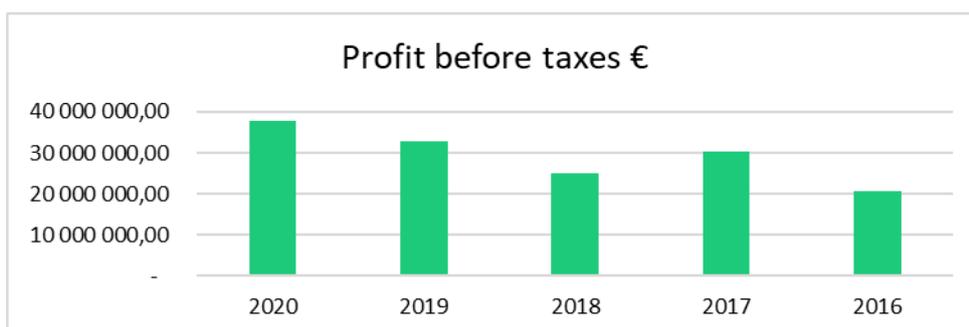
### 4. Deviation from remuneration policy and modification of remuneration policy

The company has not deviated from its remuneration policy during the 2020 financial year. The company's Board of Directors believes that the company has no need to temporarily deviate from the remuneration policy presented to the General Meeting on 15 June 2020, to ensure the company's long-term interests.

No changes have been made to the remuneration policy during the 2020 financial year and the Board of Directors of the company will not present any changes to the Annual General Meeting.

### 5. Comparison of remuneration over five years

The table below describes how the remuneration paid to the members of the Board of Directors and the CEO has developed during the previous five financial years, compared to the average remuneration development of employees and the company's financial development during the same period.



Board of Directors	2020	2019	2018	2017	2016
annual fees	212,500.00	143,666.67	38,000.00	38,000.00	38,000.00
meeting fees	90,000.00	85,500.00	59,000.00	58,000.00	64,000.00
other economic. benefits					
	302,500.00	229,166.67	97,000.00	96,000.00	102,000.00

Partanen Jarmo (full-time COB until 4/2019)	2020	2019	2018	2017	2016
salary		125,316.13	303,067.80	303,067.80	289,708.80
reward		48,106.00			
supplementary pension				16,500.00	
inherent benefits		160.00	240.00	240.00	721.10
	0,00	173,582.13	303,307.80	319,807.80	290,429.90

CEO and Deputy CEO	2020	2019	2018	2017	2016
fixed annual salary	850,500.00	787,500.00	542,567.80	492,067.80	456,931.98
changing rewards.parts.	49,000.00	49,000.00	79,100.00	49,100.00	79,528.60
supplementary pension contributions	156,250.00	156,250.00	53,284.48	53,284.48	53,284.48
other - intrinsic benefits	2,200.40	2,125.60	3,073.10	2,811.10	2,985.50
	1,057,950.40	994,875.60	678,025.38	597,263.38	592,730.56

CEO, Sydänlammi Pasi	2020	2019	2018	2017	2016
salary	598,500.00	598,500.00	352,067.80	303,067.80	303,067.80
reward	49,000.00	49,000.00	49,000.00	49,100.00	49,000.00
supplementary pension	118,750.00	118,750.00	40,000.00	40,000.00	40,000.00
inherent benefits	1,960.40	1,885.60	2,245.40	2,171.10	2,264.40
	768,210.40	768,135.60	443,313.20	394,338.90	394,332.20

Deputy CEO, Turtio Pasi	2020	2019	2018	2017	2016
salary	252,000.00	189,000.00	190,500.00	189,000.00	153,864.18
reward			30,100.00		30,528.60
supplementary pension	37,500.00	37,500.00	13,284.48	13,284.48	13,284.48
inherent benefits	240.00	240.00	827.70	640.00	721.10
	289,740.00	226,740.00	234,712.18	202,924.48	198,398.36

Personnel	2020	2019	2018	2017	2016
Bonus	250,361.53	162,431.16	172,279.98	24,639.99	126,168.00
Personnel fund	362,500.00	437,500.00	180,000.00	200,000.00	60,000.00
	612,861.53	599,931.16	352,279.98	224,639.99	186,168.00

Personnel	2020	2019	2018	2017	2016
Performance bonuses	612,862	599,931	352,280	224,640	186,168
Minus CEO + Deputy CEO	15,807,567	16,075,306	15,643,145	12,540,044	13,492,269
Average number of employees	299	300	288	256	246
Personnel costs / person	52,868	53,584	54,316	48,985	54,847