

Oma Savings Bank Plc

Remuneration statement



Contents

1	Reward schemes	3
2	Decision-making procedure relating to remuneration	3
2.1	Board of Directors	3
2.2	CEO	3
2.3	Management Team	4
3	Main principles of remuneration	4
3.1	Relationship between remuneration and financial performance	4
3.2	Relationship between fixed and variable parts of remunerations	4
3.3	Key parameters and criteria applied when determining variable remuneration and other fringe benefits	4
3.4	Principles for the remuneration of the Board of Directors	5
3.5	Remuneration principles of the President and CEO and members of the Management Team	5
4	Remuneration report	5
4.1	Board of Directors	5
4.2	CEO and Management Team	6



This document provides Oma Savings Bank Plc's (hereinafter the Company) remuneration statement for 2018, including comparison years, in compliance with the Finnish Corporate Governance Code approved by the Securities Market Association. This Remuneration Statement provides a description of the remuneration of the Company's Board of Directors and management. This statement does not include a remuneration statement concerning the Board of Directors or the management of the Group's subsidiaries.

1 Reward schemes

The Company abides by the requirements on reward schemes laid down in Section 8 of the Act on Credit Institutions. The Company's Board of Directors has approved the general principles concerning the reward schemes and supervises and assesses their functioning and compliance with them.

2 Decision-making procedure relating to remuneration

2.1 Board of Directors

Remuneration payable to the members of the Board of Directors is decided by the shareholder in the Annual General Meeting, in accordance with the Limited Liability Companies Act.

The Company has established a Nomination Board consisting of the representatives of the five largest shareholders. Its task is to prepare proposals pertaining to the remuneration of the members of the Board of Directors for the next Annual General Meeting and, when necessary, an Extraordinary General Meeting.

The Nomination Board's charter describes the remuneration principles, and the procedures concerning the preparing of proposals and decision-making. The remuneration for the chairman and members of the bank's Board of Directors shall be reasonable in relation to the nature and scope of their tasks. The remunerations shall be competitive to ensure the ability to recruit and retain required competence in the Board of Directors.

The Nomination Board shall submit annually its proposal concerning the remunerations of the Board of Directors to the bank's Board of Directors by the end of January. The proposal for an Extraordinary General Meeting shall be submitted in a similar manner well before the General Meeting.

2.2 CEO

The Board of Directors decides on the service contract terms and the remuneration of the CEO. The Remuneration Committee of the Company's Board of Directors is responsible for preparing the CEO's remuneration and other financial benefits.



The Remuneration Committee comprises three Board members, and its duties and practices are described in its charter.

2.3 Management Team

The Board of Directors decides on the service contract terms and the remuneration of the members of the Management Team. The Remuneration Committee of the Company's Board of Directors is responsible for preparing the Management Team member remuneration and other financial benefits.

3 Main principles of remuneration

The reward scheme of the Company is a tool for long-term steering, and is responsible in respect of both owners and employees. Remuneration as a whole is planned so that it encourages employees to try their best and achieve the set targets. Work performed successfully according to the mutually agreed practices and the bank's risk strategies is rewarded fairly. The reward scheme takes into account the principles of the Company's risk management and ensures that the scheme does not encourage excessive or unwanted risk-taking.

In the Company's remuneration principles, remuneration is divided into a fixed basic salary and any variable remuneration. The basic salary is based on job grading and the person's competence, qualifications, work experience and performance. Variable remuneration complements the basic salary and encourages personnel to focus on matters that are essential for achieving the goals. The variable reward scheme is reviewed annually.

3.1 Relationship between remuneration and financial performance

The reward scheme is aligned with the Company's business strategy, goals and targets, and the Company's long-term benefit. The reward scheme is also in line with the Company's good and efficient risk management and risk-bearing capacity and promotes these.

3.2 Relationship between fixed and variable parts of remunerations

Variable remuneration in the Company's reward scheme may be a maximum of 100% of the fixed annual salary.

3.3 Key parameters and criteria applied when determining variable remuneration and other fringe benefits

The following principles are applied to the Company's variable remuneration: the remuneration is based on an overall assessment of the performance of the recipient of the remuneration and the relevant business unit, and of the total result of the Company and its development. When assessing the performance, financial and



other factors as well as the long-term achievement of the performance or result are taken into account.

3.4 Principles for the remuneration of the Board of Directors

The remuneration of the Board of Directors consists of the annual fee and meeting fees. The role of the Chairman of the Company's Board of Directors is full-time, and his overall remuneration is composed of a monthly salary and normal fringe benefits. The members of the Board of Directors are paid travel expense compensation in a manner and amount approved by the Tax Administration. The Board of Directors is not given shares or share-based rights as remuneration.

3.5 Remuneration principles of the President and CEO and members of the Management Team

The remuneration of the CEO and members of the Management Team consists of a monthly salary and bonus.

The Company pays the CEO an annual bonus, if business development and realised results are at a sufficient level in relation to the goal set by the Board of Directors. When the CEO's bonus is determined, information obtained from the Hay grading system concerning the euro levels of performance-based remuneration components is taken into account and, also in this respect, the competitiveness of the CEO's remuneration in proportion to the actual results is ensured.

The Company's Board of Directors decides on the bonus of the Management Team members, if the actual results are at a sufficient level in comparison to the targets established for the members.

The company does not have share-based reward schemes.

4 Remuneration report

4.1 Board of Directors

The Company's Annual General Meeting decided at its meeting on 14 April 2018 that the full-time chairman of the Company's Board of Directors is paid a monthly remuneration of EUR 24,053. The annual remuneration of the deputy chairman of the Board of Directors is EUR 8,000, and that of the members is EUR 6,000. A meeting fee of EUR 1,000 per meeting is paid to the members of the Board of Directors.



Remunerations, annual fees and meeting fees paid to the members of the Board of Directors for the accounting periods given are specified in the following table:

(EUR 1,000)	1 Jan. – 31 Dec.		
	2018	2017 (audited)	2016
Jarmo Partanen	303	303	290
Aila Hemminki	16	10	-
Aki Jaskari.....	16	16	17
Timo Kokkala	16	16	17
Heli Korpinen.....	15	15	16
Jyrki Mäkynen	18	17	19
Jarmo Salmi.....	16	16	16
Ari Yli-Kaatiala ¹⁾	-	6	17
Total	400	399	392

¹⁾ Member of the Board of Directors until 22 April 2017

The Company has not given any guaranties or contingent liabilities for the members of the Board of Directors.

4.2 CEO and Management Team

The salary, other remunerations and fringe benefits paid to the Company's CEO in 2018 totalled EUR 354,300 (EUR 354,300 in 2017, EUR 354,300 in 2016, and 307,900 in 2015). The expenses caused by the CEO's pension commitments or other similar commitments totalled EUR 101,500 in 2018 (EUR 103,600 in 2017, EUR 103,800 in 2016, and EUR 90,000 in 2015). This included, in addition to the CEO's statutory pension insurance, a voluntary pension insurance acquired by the Company, the annual costs of which were EUR 40,000 in 2018 (EUR 40,000 in 2017 and 2016, and EUR 34,700 in 2015). Based on voluntary pension insurance, old-age pension will be paid upon application by the insured based on the insurance terms and conditions when the insured is 60 years and 1 month to 70 years of age. The pension amount is calculated based on the calculation bases, insurance terms and conditions and the insurance savings accrued for the insured according to the price list. If the insured dies or becomes permanently disabled, the beneficiary is paid a lump sum as compensation based on the insurance terms and conditions, which is 100% of the insured's insurance savings.

The table below shows the fringe benefits of the Management Team members (not including the CEO) for the accounting periods given:

(EUR 1,000)	1 Jan. – 31 Dec.		
	2018	2017 (audited)	2016
Salaries, bonuses and benefits	651	553	411
Pension expenses	126	113	87
Total	777	666	499





omasp
Lähellä ja läsnä

Oma Savings Bank Plc
Valtakatu 32, 53100 Lappeenranta
tel. +358 20 764 0600
omasp.fi