

Oma Savings Bank Plc

Remuneration statement



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This document provides Oma Savings Bank Plc's (hereinafter the Company) remuneration statement for 2019, 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 CEO and members of the Group's 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.

In 2019, the company did not have any share-based reward schemes.

4 Remuneration report

4.1 Board of Directors

The Company's Annual General Meeting decided at its meeting on 29 April 2019 in accordance with the Nomination Board's proposal, that the Board members will be paid the following annual fees for the term ending at the AGM 2020: to the Chairman of the Board EUR 43,000 per year, to the Deputy Chairman EUR 26,000 per year and to other Board members EUR 16,000 per year. In addition, attendance fees for each Board meeting are EUR 1,000 and for each Committee meeting EUR 500. When a Board member attends a Board or Committee meeting remotely, a meeting fee of EUR 500 is paid.

The Chairman of the Board of Directors was full-time until 29 April 2019. In addition, the Annual General Meeting resolved to pay the Chairman of the Board, Jarmo Partanen, an additional remuneration equal to two months' salary, ie EUR 48,106, as proposed by the Nomination Board.



The table below presents remunerations, annual fees and meeting fees paid to the members of the Board of Directors for the accounting periods presented:

(EUR 1,000)	1 Jan. –31 Dec.		
	2019	2018	2017
Jarmo Partanen ¹⁾	174	303	303
Aila Hemminki	30	16	10
Aki Jaskari.....	30	16	16
Timo Kokkala	30	16	16
Heli Korpinen.....	30	15	15
Jyrki Mäkynen	39	18	17
Jarmo Salmi.....	57	16	16
Jaana Sandström ²⁾	17	-	-
Ari Yli-Kaatiala ³⁾	-	-	6
Yhteensä.....	406	400	399

¹⁾ Member of the Board of Directors until 29 April 2019

²⁾ Member of the Board of Directors until 29 April 2019

³⁾ 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 Group's Management Team

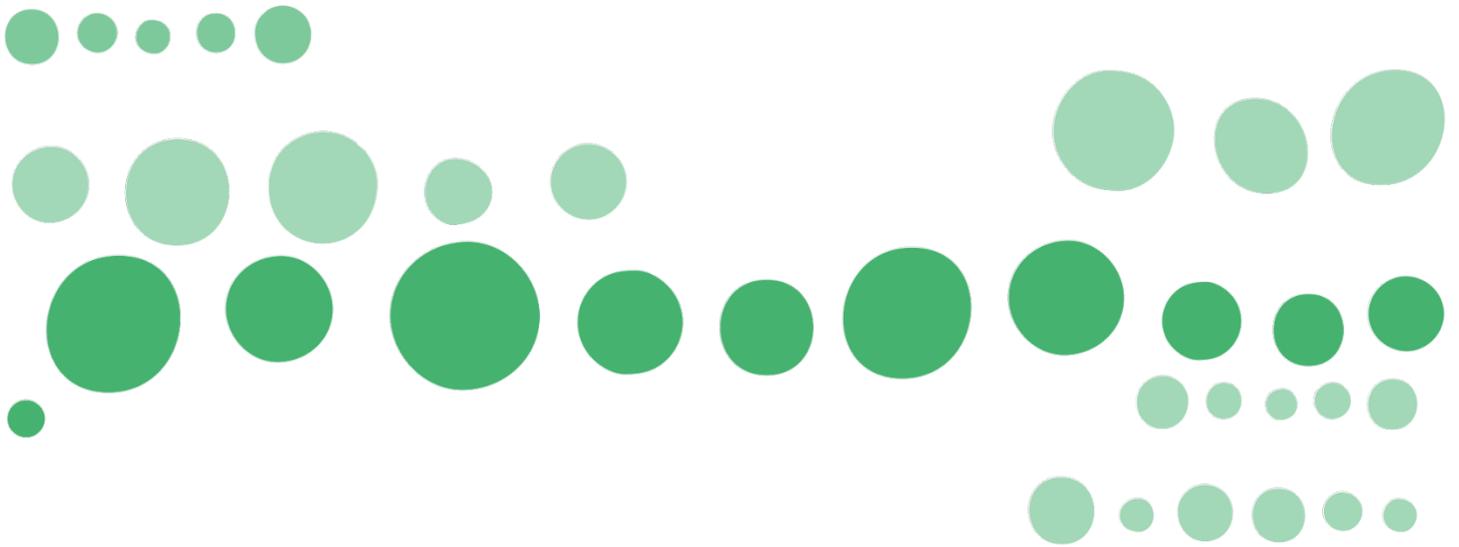
The salary, bonuses and fringe benefits paid to the CEO in 2019 totalled EUR 649 thousand (EUR 354 thousand in 2018 and EUR 354 thousand in 2017). The expenses caused by the CEO's pension commitments or other similar commitments totalled EUR 217 thousand in 2019 (EUR 102 thousand in 2018 and EUR 104 thousand in 2017). 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 104 thousand in 2019 (EUR 40 thousand in 2018 and 2017). 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 presents the employee benefits of the Group's Management Team members (excluding the CEO) for the accounting periods presented:

(EUR 1,000)	1 Jan.– 31 Dec.		
	2019	2018	2017
Salaries, bonuses and benefits	742	651	553
Pension expenses	181	126	113
Yhteensä.....	923	777	666





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Lähellä ja läsnä

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