



HYPO

## THE MORTGAGE SOCIETY OF FINLAND 2020 REMUNERATION REPORT FOR GOVERNING BODIES

Approved by the Board of Directors on the 25<sup>th</sup> of February 2021

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## 1. Introduction

This Remuneration Report of Governing Bodies of The Mortgage Society of Finland (hereinafter “Hypo”) covers the remuneration of the Board of Directors, the Supervisory Board, the Chief Executive Officer and the Deputy Chief Executive Officer.

Hypo has decided to temporarily deviate from the recommendation of the Finnish Corporate Governance Code regarding the approval of the Remuneration Policy of Governing Bodies. Thus, the Remuneration Policy of Governing Bodies will be approved at the General Meeting of Hypo in 2021 to apply on remunerations paid not earlier than in 2021. In 2020, the remuneration has complied with the principles of remuneration set out for the year in question and which has been described in the 2020 Remuneration Report for Governing Bodies.

The table below compares the development of the fees of the Board of Directors, the Supervisory Board, the Chief Executive Officer and the Deputy Chief Executive to the development of the average remuneration of Hypo’s employees and to Hypo’s financial development over financial years 2016 to 2020.

	2016	2017	2018	2019	2020
<b>The Supervisory Board, total remunerations</b>	EUR 39,160.00	EUR 35,377.50	EUR 68,470.00	EUR 69,940.00	EUR 85,600.00
<b>The Board of Directors, total remunerations</b>	EUR 125,094.67	EUR 150,005.18	EUR 186,911.94	EUR 214,000.00	EUR 213,983.22
<b>The CEO, total salary and remunerations</b>	EUR 282,240.00	EUR 291,800.00	EUR 352,860.00	EUR 329,280.00	EUR 355,440.00
<b>The Deputy CEO, total salary and remunerations</b>	EUR 151,200.00	EUR 153,734.00	EUR 169,100.00	EUR 177,255.00	EUR 205,538.00
<b>Development of the salaries and the remunerations of the company’s employees (incl. The DEO and the Deputy CEO)*</b>	EUR 77,340.77	EUR 79,436.95	EUR 88,543.93	EUR 88,935.95	EUR 89,743.59
<b>Company’s Financial development (the turnover)</b>	EUR 7,346,894.41	EUR 6,651,447.99	EUR 7,165,243.66	EUR 8,406,671.60	EUR 8,044,424.16

\*the company’s employees’ expenses from the financial statements divided by the number of employees

This document is an unofficial English translation of the Finnish version. In case of discrepancy, the Finnish version shall prevail.

## 2. Fees of the Board of Directors for the preceding financial year

As of 23 March 2020, the following remunerations for the Board of Directors were confirmed as follows:

Chair, annual fee	EUR 33,840
Vice Chair, annual fee	EUR 20,710
Member, annual fee	EUR 16,570
Meeting attendance fee / meeting, Chair	EUR 1,090
Meeting attendance fee / meeting, Vice Chair and member	EUR 840
Chair of the Risk Management Committee	
Meeting attendance fee / meeting	EUR 1,090
Vice Chair and member of the Risk Management Committee	
Meeting attendance fee / meeting	EUR 840
Member of the Nomination Committee	
Meeting attendance fee / meeting	EUR 840

From 1 January 2020 to 22 March 2020, the remunerations were paid as confirmed in 2019, during which period the remunerations were as follows:

Chair, annual fee	EUR 30,210
Vice Chair, annual fee	EUR 18,490
Member, annual fee	EUR 14,790
Meeting attendance fee / meeting, Chair	EUR 970
Meeting attendance fee / meeting, Vice Chair and member	EUR 750
Chair of the Risk Management Committee	
Meeting attendance fee / meeting	EUR 970
Vice Chair and member of the Risk Management Committee	EUR 750

In 2020, the remunerations paid to the Board of Directors were in total:

Board of Directors 2020	Part of the annual fees paid in cash	Meeting attendance fee	Meeting at which present	Total compensations fees paid in cash	Compensations paid as insurance premium	Fringe benefits/ TyEL insurance	Total remuneration
Sari Louasmeri, Chair	EUR 16,466.25	EUR 19,890.00	15/15	EUR 36,356.25	EUR 16,920.00	EUR 2,599.52	EUR 55,875.77
Harri Hiltunen, Vice Chair	EUR 10,077.54	EUR 15,510.00	15/15	EUR 25,587.54	EUR 10,355.00	EUR 2,213.31	EUR 38,155.85
Kai Heinonen	EUR 8,062.53	EUR 14,760.00	15/15	EUR 22,822.53	EUR 8,285.00	EUR 1,631.86	EUR 32,739.39
Pasi Holm	EUR 8,062.53	EUR 11,490.00	15/15	EUR 19,552.53	EUR 8,285.00	EUR 1,691.28	EUR 29,528.81
Hannu Kuusela	EUR 8,062.53	EUR 11,490.00	15/15	EUR 19,552.53	EUR 8,285.00	EUR 1,398.06	EUR 29,235.59
Teemu Lehtinen	EUR 8,062.53	EUR 11,490.00	15/15	EUR 19,552.53	EUR 8,285.00	EUR 1,691.28	EUR 29,528.81
Tuija Virtanen	EUR 8,062.53	EUR 11,490.00	15/15	EUR 19,552.53	EUR 8,285.00	EUR 1,691.28	EUR 29,528.81

The above table includes all the meetings of the Board of Directors in 2020. The Board held 15 meetings of which 12 were general meetings and two (2) extraordinary general meetings. In addition, the Board held one (1) meeting over the phone / via email.

The Chair and the Vice Chair of the Board of Directors are also members of the Risk Management Committee reporting directly to the Board. A meeting attendance fee is paid for the members of the Risk Management Committee. In 2020, the Risk Management Committee held four (4) meetings in which the chairpersons of the Board of Directors were present. Furthermore, the Chair and the Vice Chair of the Board are members of the Nomination Committee. A meeting attendance fee is paid for the meetings of the Nomination Committee. In 2020, the Nomination Committee held two (2) meetings in which in which the chairpersons of the Board of Directors were present. The attendance fee for the first meeting was paid in 2020. The attendance fee for the second meeting will be paid in March 2021 due to an administrative error.

The CEO and the deputy CEO are also members of the Board of Directors as stated in the Act on Mortgage Societies. With respect to them, the remuneration consists solely of the aforementioned fixed salary per their respective service agreements, as well as variable remunerations based on the performance and incentive scheme. With respect to the CEO and the Deputy CEO, the remunerations paid in 2020 are presented later in this document. The remunerations paid to the CEO and to the Deputy CEO in 2020 are published separately in a note to the Financial Statements.

### **3. Fees of the Supervisory Board for the preceding financial year**

As of 23 March 2020, the following remunerations for the Supervisory Board were confirmed as follows:

Chair, annual fee	EUR 9,040
Vice Chair, annual fee	EUR 3,810
Member, annual fee	EUR 2,870
Meeting attendance fee / meeting	EUR 500
Inspectors of the Supervisory Board, attendance fee	EUR 840
Member of the Nomination Committee, attendance fee	EUR 840

From 1 January 2020 to 22 March 2020, the remunerations were paid as confirmed in 2019, during which period the remunerations were as follows:

Chair, annual fee	EUR 8,070
Vice Chair, annual fee	EUR 3,400
Member, annual fee	EUR 2,560
Meeting attendance fee / meeting	EUR 375
Inspectors of the Supervisory Board, meeting attendance fee	EUR 750

In 2020, the remunerations paid to the Supervisory Board were in total:

Supervisory Board 2020	Part of the Annual fee paid in cash	Meeting attendance fee allowance	Meeting at which present	Total remunerations paid in cash	Remunerations paid as insurance premiums	Total remunerations
Markku Koskela, Chair until 22 March 2020	EUR 0.00	EUR 1,875.00	2/2	EUR 1,875.00	EUR 0.00	EUR 1,875.00
Hannu Hokka, Vice Chair until 22 March 2020, Chair from 23 March 2020	EUR 4,520.00	EUR 3,715.00	5/5	EUR 8,235.00	EUR 4,520.00	EUR 12,755.00
Aro Timo	EUR 1,435.00	EUR 500.00	1/3	EUR 1,935.00	EUR 1,435.00	EUR 3,370.00
Elina Bergroth	EUR 1,435.00	EUR 1,375.00	2/3	EUR 2,810.00	EUR 1,435.00	EUR 4,245.00
Borsos Julianna	EUR 1,435.00	EUR 875.00	2/3	EUR 2,310.00	EUR 1,435.00	EUR 3,745.00
Mikael Englund	EUR 1,435.00	EUR 1,375.00	3/3	EUR 2,810.00	EUR 1,435.00	EUR 4,245.00
Markus Heino	EUR 1,435.00	EUR 875.00	2/3	EUR 2,310.00	EUR 1,435.00	EUR 3,745.00
Timo Hietanen	EUR 1,435.00	EUR 1,375.00	3/3	EUR 2,810.00	EUR 1,435.00	EUR 4,245.00
Timo Kaisanlahti, member until 22 March 2020, Vice Chair from 23 March 2020	EUR 1,905.00	EUR 2,215.00	4/4	EUR 4,120.00	EUR 1,905.00	EUR 6,025.00
Kaleva Hanna	EUR 1,905.00	EUR 500.00	1/3	EUR 1,935.00	EUR 1,280.00	EUR 3,215.00
Laakso Seppo	EUR 1,905.00	EUR 500.00	1/2	EUR 1,935.00	EUR 1,435.00	EUR 3,370.00
Metsälä Juha	EUR 1,905.00	EUR 875.00	2/3	EUR 2,310.00	EUR 1,435.00	EUR 3,745.00
Elias Oikarinen	EUR 1,905.00	EUR 1,000.00	2/3	EUR 2,435.00	EUR 1,435.00	EUR 3,870.00
Kallepekka Osara	EUR 1,905.00	EUR 1,000.00	3/3	EUR 2,435.00	EUR 1,435.00	EUR 3,870.00
Anni Sinnemäki	EUR 1,905.00	EUR 1,375.00	3/4	EUR 2,810.00	EUR 1,435.00	EUR 4,245.00
Liisa Suvikumpu	EUR 1,905.00	EUR 2,125.00	4/4	EUR 3,560.00	EUR 1,435.00	EUR 4,995.00
Mari Vaattovaara	EUR 1,905.00	EUR 1,840.00	3/4	EUR 3,275.00	EUR 1,435.00	EUR 4,710.00
Riitta Vahela-Kohonen	EUR 1,905.00	EUR 2,215.00	4/4	EUR 3,650.00	EUR 1,435.00	EUR 5,085.00
Ira van der Pals	EUR 1,905.00	EUR 1,375.00	3/3	EUR 2,810.00	EUR 1,435.00	EUR 4,245.00

The table above takes into account the attendance at the meetings of the Supervisory Board of each member. With respect to the chairpersons and inspectors, attendance at the meetings of the inspectors of the Supervisory Board has also been taken into account. In 2019, the Supervisory Board held altogether three meetings and the inspectors of the Supervisory Board held two meetings.

The Chair and the Vice Chair of the Supervisory Board are also members of the Nomination Committee. A meeting attendance fee is paid for the meetings of the Nomination Committee. In 2020, the Nomination Committee held two (2) meetings in which in which the chairpersons of the Supervisory Board were present. The attendance fee for the first meeting was paid in 2020. The attendance fee for the second meeting will be paid in March 2021 due to an administrative error.

#### 4. Remuneration of the Chief Executive Officer for the preceding financial year

Salaries and remunerations paid to the CEO in 2020:

<b>Fixed salary 2020</b>	<b>EUR</b>
- salary	325,200.00
- fringe benefits	240.00
<b>Total fixed salary</b>	<b>325,440.00</b>
<b>Variable remuneration components 2020</b>	
Performance-related pay and incentive / paid in cash	0.00
Performance-related pay and incentive / paid as insurance premiums to Department M of Hypo's Pension Foundation	30,000.00
<b>Total compensations</b>	<b>30,000.00</b>
<b>Total salary and remuneration</b>	<b>355,440.00</b>

## 5. Remuneration of the Deputy Chief Executive Officer for the preceding financial year

Salaries and remunerations paid to the Deputy CEO in 2020:

<b>Fixed salary 2020</b>	<b>EUR</b>
- salary	178,572.13
- fringe benefits	8,537.87
<b>Total fixed salary</b>	<b>187,110.00</b>
<b>Variable remuneration components 2020</b>	
Performance-related pay and incentive / paid in cash	0.00
Performance-related pay and incentive / paid as insurance premiums to Department M of Hypo's Pension Foundation	18,428.00
<b>Total compensations</b>	<b>18,428.00</b>
<b>Total salary and remuneration</b>	<b>205,538.00</b>



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