



HYPO

THE MORTGAGE SOCIETY OF FINLAND
2021 REMUNERATION REPORT FOR GOVERNING BODIES

Approved by the Board of Directors on the 25th of February 2022

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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.

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 2017 to 2021.

	2017	2018	2019	2020	2021
The Supervisory Board, total remunerations	EUR 35,377.50	EUR 68,470.00	EUR 69,940.00	EUR 85,600.00	EUR 96,355.00
The Board of Directors, total remunerations	EUR 150,005.18	EUR 186,911.94	EUR 214,000.00	EUR 244,593.03	EUR 245,396.71
The CEO, total salary and remunerations	EUR 291,800.00	EUR 352,860.00	EUR 329,280.00	EUR 355,440.00	EUR 360,960.00
The Deputy CEO, total salary and remunerations	EUR 153,734.00	EUR 169,100.00	EUR 177,255.00	EUR 205,538.00	EUR 202,331.00
Development of the salaries and the remunerations of the company’s employees (incl. The CEO and the Deputy CEO)*	EUR 79,436.95	EUR 88,543.93	EUR 88,935.95	EUR 89,743.59	EUR 91,930.83
Financial development (the turnover)	EUR 6,651,447.99	EUR 7,165,243.66	EUR 8,406,671.60	EUR 804,4424.16	EUR 806,3869.98

*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 22 March 2021, the following remunerations for the Board of Directors were confirmed as follows:

Chair, annual fee	EUR 34,520
Vice Chair, annual fee	EUR 21,130
Member, annual fee	EUR 16,910
Meeting attendance fee / meeting, Chair	EUR 1,120
Meeting attendance fee / meeting, Vice Chair and member	EUR 860
Chair of the Risk Management Committee	
Meeting attendance fee / meeting	EUR 1,120
Vice Chair and member of the Risk Management Committee	
Meeting attendance fee / meeting	EUR 860
Member of the Nomination Committee	
Meeting attendance fee / meeting	EUR 860

From 1 January 2021 to 21 March 2021, the remunerations were paid as confirmed in 2020, during which period the remunerations were 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	EUR 840

In 2021, the remunerations paid to the Board of Directors were in total:

Board of Directors 2021	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 Lounasmeri, Chair	EUR 17,174.97	EUR 21,090.00	13/13	EUR 38,264.97	EUR 17,260.00	EUR 2,735.94	EUR 58,260.91
Harri Hiltunen, Vice Chair	EUR 10,512.54	EUR 16,970.00	13/13	EUR 27,482.54	EUR 10,565.00	EUR 2,377.27	EUR 40,424.81
Kai Heimonen	EUR 8,412.48	EUR 13,680.00	13/13	EUR 22,092.48	EUR 8,455.00	EUR 1,579.65	EUR 32,127.13
Pasi Holm	EUR 8,412.48	EUR 10,260.00	13/13	EUR 18,672.48	EUR 8,455.00	EUR 1,615.20	EUR 28,742.68
Hannu Kuusela	EUR 8,412.48	EUR 10,260.00	13/13	EUR 18,672.48	EUR 8,455.00	EUR 1,335.12	EUR 28,462.60
Teemu Lehtinen	EUR 8,412.48	EUR 10,260.00	13/13	EUR 18,672.48	EUR 8,455.00	EUR 1,615.20	EUR 28,742.68
Tuija Virtanen	EUR 8,412.48	EUR 10,260.00	13/13	EUR 18,672.48	EUR 8,455.00	EUR 1,508.42	EUR 28,635.90

The above table includes all the meetings of the Board of Directors in 2021. The Board held 13 meetings of which 12 were general meetings. One (1) meeting was conducted via email. No meeting attendance fee was paid for the latter.

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 2021, 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 2021, the Nomination Committee held two (2) meetings in which in which the chairpersons of the Board of Directors were present.

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 2021 are presented later in this document. The remunerations paid to the CEO and to the Deputy CEO in 2021 are published separately in a note to the Financial Statements.

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

As of 22 March 2021, the following remunerations for the Supervisory Board were confirmed as follows:

Chair, annual fee	EUR 9,230
Vice Chair, annual fee	EUR 3,890
Member, annual fee	EUR 2,930
Meeting attendance fee / meeting	EUR 520
Inspectors of the Supervisory Board, attendance fee	EUR 860
Member of the Nomination Committee, attendance fee	EUR 860

From 1 January 2021 to 21 March 2021, the remunerations were paid as confirmed in 2020, during which period the remunerations were 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, meeting attendance fee	EUR 840

In 2021, the remunerations paid to the Supervisory Board were in total:

	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
Supervisory Board 2020						
Hannu Hokka, Vice Chair	EUR 4,615.00	EUR 6,530.00	5/5	EUR 11,145.00	EUR 4,615.00	EUR 15,760.00
Markku Koskela, Chair until 22 March 2020	EUR 0.00	EUR 750.00	0/0	EUR 750.00	EUR 0.00	EUR 750.00
Timo Kaisanlahti, Vice Chair	EUR 1,945.00	EUR 5,780.00	5/5	EUR 7,725.00	EUR 1,945.00	EUR 9,670.00
Aro Timo	EUR 1,465.00	EUR 500.00	1/4	EUR 1,965.00	EUR 1,465.00	EUR 3,430.00
Elina Bergroth	EUR 1,465.00	EUR 2,400.00	4/4	EUR 3,865.00	EUR 1,465.00	EUR 5,330.00
Borsos Julianna	EUR 1,465.00	EUR 2,400.00	4/4	EUR 3,865.00	EUR 1,465.00	EUR 5,330.00
Mikael Englund	EUR 1,465.00	EUR 1,540.00	3/3	EUR 3,005.00	EUR 1,465.00	EUR 4,470.00
Markus Heino	EUR 1,465.00	EUR 1,540.00	3/3	EUR 3,005.00	EUR 1,465.00	EUR 4,470.00
Timo Hietanen	EUR 1,465.00	EUR 1,540.00	3/3	EUR 3,005.00	EUR 1,465.00	EUR 4,470.00
Kaleva Hanna	EUR 1,465.00	EUR 1,540.00	3/3	EUR 3,005.00	EUR 1,465.00	EUR 4,470.00
Laakso Seppo	EUR 1,465.00	EUR 1,540.00	3/3	EUR 3,005.00	EUR 1,465.00	EUR 4,470.00
Metsälä Juha	EUR 1,465.00	EUR 1,040.00	2/3	EUR 2,505.00	EUR 1,465.00	EUR 3,970.00
Elias Oikarinen	EUR 1,465.00	EUR 1,020.00	2/3	EUR 1,020.00	EUR 1,465.00	EUR 2,485.00
Kallepekka Osara	EUR 0.00	EUR 1,540.00	3/3	EUR 3,005.00	EUR 1,465.00	EUR 4,470.00
Anni Sinnemäki	EUR 1,465.00	EUR 0.00	0/3	EUR 1,465.00	EUR 1,465.00	EUR 2,930.00
Liisa Suvikumpu	EUR 1,465.00	EUR 1,540.00	3/3	EUR 3,005.00	EUR 1,465.00	EUR 5,310.00
Mari Vaattovaara	EUR 1,465.00	EUR 2,380.00	4/4	EUR 3,845.00	EUR 1,465.00	EUR 5,310.00
Riitta Vahela-Kohonen	EUR 1,465.00	EUR 2,380.00	4/4	EUR 3,845.00	EUR 1,465.00	EUR 5,310.00
Ira van der Pals	EUR 1,465.00	EUR 1,020.00	2/4	EUR 2,485.00	EUR 1,465.00	EUR 3,950.00

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 2021, the Supervisory Board held altogether three (3) meetings and the inspectors of the Supervisory Board held two (2) meetings. For one member of the Supervisory Board the part of the annual fee paid in cash for the year 2021 was paid in February 2022 due to an administrative error.

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 2021, the Nomination Committee held two (2) meetings in which in which the chairpersons of the Supervisory Board were present. The attendance fee for one meeting held in 2020 was paid for the former Chair of the Supervisory Board 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 2021:

Fixed salary 2021	EUR
- salary	336,720.00
- fringe benefits	240.00
Total fixed salary	336,960.00
Variable remuneration components 2021	
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	24,000.00
Total compensations	24,000.00
Total salary and remuneration	360,960.00

As regard to the CEO, the variable compensation is based on an overall assessment of accomplishment of Hypo Group's scorecard and performance targets. Business objectives and performance targets are established annually in the scoreboard confirmed by the Board of Directors. The main targets having an impact on the performance-related pay and incentive scheme are related to the level of the core earning established for the Hypo Group as well as the capital adequacies of CET1 and RAC. In order to be entitled to the variable compensation in its entirety, one has to significantly exceed the set targets.

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

Salaries and remunerations paid to the Deputy CEO in 2021:

Fixed salary 2021	EUR
- salary	171,554.04
- fringe benefits	15,555.96
Total fixed salary	187,110.00
Variable remuneration components 2021	
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	15,221.00
Total compensations	15,221.00
Total salary and remuneration	202,331.00