



**HYPO**

**THE MORTGAGE SOCIETY OF FINLAND  
2023 REMUNERATION REPORT FOR GOVERNING BODIES**

Approved by the Board of Directors on 28<sup>th</sup> of February 2024

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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.

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 2019 to 2023.

	2019	2020	2021	2022	2023
The Supervisory Board, total remunerations	69 940,00 €	85 600,00 €	95 515,00 €	102 665,00 €	102 300,00 €
The Board of Directors, total remunerations	213 983,22 €	244 593,03 €	245 396,71 €	256 997,97 €	264 516,04 €
The CEO, total salary and remunerations	329 280,00 €	355 440,00 €	360 960,00 €	393 840,00 €	369 840,00 €
The Deputy CEO, total salary and remunerations	177 255,00 €	205 538,00 €	202 331,00 €	228 462,50 €	214 333,20 €
Development of the salaries and the remunerations of the company’s employees (incl. The DEO and the Deputy CEO)*	88 935,95 €	89 743,59 €	91 930,83 €	96 729,34 €	95 825,88 €
Financial development (the turnover)	8 406 671,60 €	8 044 424,16 €	8 063 869,98 €	7 079 125,80 €	8 502 822,47 €

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

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

As of 22<sup>nd</sup> of March 2023, the following remunerations for the Board of Directors were confirmed as follows:

Chair, annual fee	EUR 36 810
Vice Chair, annual fee	EUR 22 530
Member, annual fee	EUR 18 040
Meeting attendance fee / meeting, Chair	EUR 1 200
Meeting attendance fee / meeting, Vice Chair and member	EUR 930
Chair of the Risk Management Committee	
Meeting attendance fee / meeting	EUR 1 200
Vice Chair and member of the Risk Management Committee	
Meeting attendance fee / meeting	EUR 930
Member of the Nomination Committee	
Meeting attendance fee / meeting	EUR 930

During the period from 1<sup>st</sup> of January until 21<sup>st</sup> of March 2023, the remunerations confirmed in 2022 were applied as follows:

Chair, annual fee	EUR 35 390
Vice Chair, annual fee	EUR 21 660
Member, annual fee	EUR 17 340
Meeting attendance fee / meeting, Chair	EUR 1 150
Meeting attendance fee / meeting, Vice Chair and member	EUR 890
Chair of the Risk Management Committee	
Meeting attendance fee / meeting	EUR 1 150
Vice Chair and member of the Risk Management Committee	EUR 890

In 2023, the remunerations paid to the Board of Directors were in total:

Board of Directors 2023	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	18 227,49 €	22 910,00 €	21/21	41 137,49 €	18 227,49 €	2 941,32 €	62 306,30 €
Harri Hiltunen, Vice Chair	11 156,25 €	18 360,00 €	21/21	29 516,25 €	11 156,25 €	2 553,16 €	43 225,66 €
Hanna-Maria Heikkinen	6 765,03 €	8 370,00 €	10/11	15 135,03 €	6 765,03 €	1 082,15 €	22 982,21 €
Kai Heinonen	8 932,53 €	15 650,00 €	18/18	24 582,53 €	8 932,53 €	1 757,63 €	35 272,69 €
Pasi Holm	8 932,53 €	11 970,00 €	14/14	20 902,53 €	8 932,53 €	1 808,04 €	31 643,10 €
Hannu Kuusela	8 932,53 €	11 970,00 €	14/14	20 902,53 €	8 932,53 €	1 494,51 €	31 329,57 €
Teemu Lehtinen	2 167,50 €	2 670,00 €	3/3	4 837,50 €	2 167,50 €	418,44 €	7 423,44 €
Salla Seppä	6 765,03 €	8 370,00 €	10/11	15 135,03 €	6 765,03 €	1 082,14 €	22 982,20 €
Tuija Virtanen	2 167,50 €	2 670,00 €	3/3	4 837,50 €	2 167,50 €	345,87 €	7 350,87 €

The above table includes all the meetings of the Board of Directors, Risk Management Committee and Nomination Committee in 2023. The Board held 14 meetings of which 12 were general meetings. One (1) meeting was conducted via email and one

(1) meeting was an additional meeting, and no meeting attendance fee were paid for either of them.

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 2023, 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 2023, the Nomination Committee held three (3) meetings in which in which the chairpersons of the Board of Directors were present.

The table below shows the attendance of board members in meetings in 2023:

	Meetings of the Board of Directors	Meetings of the Risk Management Committee	The meetings of the Nominations Committee
<b>Board of Directors 2023</b>			
Sari Lounasmeri, Chair	14/14	4/4	3/3
Harri Hiltunen, Vice Chair	14/14	4/4	3/3
Hanna-Maria Heikkinen	10/11	-	-
Kai Heinonen	14/14	4/4	-
Pasi Holm	14/14	-	-
Hannu Kuusela	14/14	-	-
Teemu Lehtinen	3/3	-	-
Salla Seppä	10/11	-	-
Tuija Virtanen	3/3	-	-

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 2023 are presented later in this document. The remunerations paid to the CEO and to the Deputy CEO in 2023 are published separately in a note to the Financial Statements.

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

As of 22<sup>nd</sup> of March 2023, the following remunerations for the Supervisory Board were confirmed as follows:

Chair, annual fee	EUR 9 850
Vice Chair, annual fee	EUR 4 160
Member, annual fee	EUR 3 140
Meeting attendance fee / meeting	EUR 570
Inspectors of the Supervisory Board, attendance fee	EUR 930
Member of the Nomination Committee, attendance fee	EUR 930

During the period from 1<sup>st</sup> of January until 21<sup>st</sup> of March 2023, the remunerations confirmed in 2022 were applied as follows:

Chair, annual fee	EUR 9 470
Vice Chair, annual fee	EUR 3 990
Member, annual fee	EUR 3 010
Meeting attendance fee / meeting	EUR 540
Inspectors of the Supervisory Board, meeting attendance fee	EUR 890

In 2023, the remunerations paid to the Supervisory Board were in total:

Supervisory Board 2023	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
Hannu Hokka, Chair	4 925,00 €	6 210,00 €	8/8	11 135,00 €	4 925,00 €	16 060,00 €
Timo Kaisanlahti, Vice Chair	2 080,00 €	4 140,00 €	5/8	6 220,00 €	2 080,00 €	8 300,00 €
Timo Aro	1 570,00 €	1 680,00 €	3/3	3 250,00 €	1 570,00 €	4 820,00 €
Elina Bergroth	1 570,00 €	2 570,00 €	4/4	4 140,00 €	1 570,00 €	5 710,00 €
Julianna Borsos	1 570,00 €	2 000,00 €	3/4	3 570,00 €	1 570,00 €	5 140,00 €
Mikael Englund	1 570,00 €	2 610,00 €	4/4	4 180,00 €	1 570,00 €	5 750,00 €
Markus Heino	1 570,00 €	2 040,00 €	3/4	3 610,00 €	1 570,00 €	5 180,00 €
Timo Hietanen	1 570,00 €	1 680,00 €	3/3	3 250,00 €	1 570,00 €	4 820,00 €
Hanna Kaleva	1 570,00 €	1 680,00 €	3/3	3 250,00 €	1 570,00 €	4 820,00 €
Seppo Laakso	0,00 €	540,00 €	1/1	540,00 €	0,00 €	540,00 €
Erika Launonen	1 570,00 €	1 140,00 €	2/2	2 710,00 €	1 570,00 €	4 280,00 €
Juha Metsälä	1 570,00 €	570,00 €	1/3	2 140,00 €	1 570,00 €	3 710,00 €
Elias Oikarinen	1 570,00 €	1 680,00 €	3/3	3 250,00 €	1 570,00 €	4 820,00 €
Kallepekka Osara	1 570,00 €	1 680,00 €	3/3	3 250,00 €	1 570,00 €	4 820,00 €
Salla Seppä	0,00 €	540,00 €	1/1	540,00 €	0,00 €	540,00 €
Läisa Suvikumpu	1 570,00 €	1 680,00 €	3/3	3 250,00 €	1 570,00 €	4 820,00 €
Maija Urponen	1 570,00 €	570,00 €	1/2	2 140,00 €	1 570,00 €	3 710,00 €
Mari Vaattovaara	1 570,00 €	1 680,00 €	3/3	3 250,00 €	1 570,00 €	4 820,00 €
Riitta Vahela-Kohonen	1 570,00 €	1 680,00 €	3/3	3 250,00 €	1 570,00 €	4 820,00 €
Ira van der Pals	1 570,00 €	1 680,00 €	3/3	3 250,00 €	1 570,00 €	4 820,00 €

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. And the attendance at the meetings of Nomination Committee of the chairpersons. In 2023, the Supervisory Board held altogether three (3) meetings and the inspectors of the Supervisory Board held two (2) 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 2023, the Nomination Committee held three (3) meetings in which the chairpersons of the Supervisory Board were present.

The table below shows the attendance of Supervisory Board members in meetings in 2023:

	Meetings of the Supervisory Board	The meetings of the inspectors of the Supervisory Board	The meetings of the Nominations Committee
<b>Supervisory Board 2023</b>			
Hannu Hokka, Chair	3/3	2/2	3/3
Timo Kaisanlahti, Vice Chair	1/3	2/2	2/3
Timo Aro	3/3	-	-
Elina Bergroth	3/3	1/1	-
Julianna Borsos	2/3	1/1	-
Mikael Englund	3/3	1/1	-
Markus Heino	2/3	1/1	-
Timo Hietanen	3/3	-	-
Hanna Kaleva	3/3	-	-
Seppo Laakso	1/1	-	-
Enka Launonen	2/2	-	-
Juha Metsälä	1/3	-	-
Elias Oikarinen	3/3	-	-
Kallepekka Osara	3/3	-	-
Salla Seppä	1/1	-	-
Liisa Suvikumpu	3/3	-	-
Maija Urponen	1/2	-	-
Mari Vaattovaara	3/3	-	-
Riitta Vahela-Kohonen	3/3	-	-
Ira van der Pals	3/3	-	-

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

Salaries and remunerations paid to the CEO in 2023:

Fixed salary 2023	EUR
- salary	378 840,00
- fringe benefits	240,00
Total fixed salary	379 080,00
	0,00
<b>Variable remuneration components 2023</b>	
	0,00
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	0,00
Total compensations	0,00
	0,00
<b>Total salary and remuneration</b>	<b>379 080,00</b>

As regards 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 2023:

<b>Fixed salary 2023</b>	<b>EUR</b>
- salary	200 346,60
- fringe benefits	13 986,60
Total fixed salary	214 333,20
<b>Variable remuneration components 2023*</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	0,00
Total compensations	0,00
<b>Total salary and remuneration</b>	<b>214 333,20</b>

\* In 2022 report, the performance-related pay and incentive of EUR 12 750 paid as insurance premium to Department M of Hypo's Pension Foundation was missing by mistake. Therefore, the correct amount of Deputy CEO's variable remuneration in 2022 was EUR 31 312,50 and the total salary and remuneration was EUR 241 212,50.

## 6. Language versions

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