



EVLI

Remuneration Report 2021

EVLI BANK PLC

Remuneration Report 2021

This Remuneration Report sets out how Evli has implemented its Remuneration Policy in 2021 and presents the remuneration and other financial benefits paid to the members of the Board of Directors ("Board") and the Group's CEO during the year.

Remuneration of the company's governing bodies is based on the Remuneration Policy that was presented for an advisory decision at the Annual General Meeting held on March 9, 2020. The policy will be applied until the Annual General Meeting 2024, unless the Board decides to bring it forward for an advisory decision at an earlier General Meeting.

The Remuneration Report has been reviewed by Evli's Compensation Committee and approved by the Board. The shareholders will make an advisory decision on the approval of the Remuneration Report 2021 at Evli's Annual General Meeting 2022. The shareholders made an advisory decision on Evli's Remuneration Report 2020 at the Annual General Meeting on March 9, 2021, with 99.99% of the vote.

Overview of remuneration in 2021

The decision-making process on remuneration, as defined in the Remuneration Policy, has been followed in the remuneration decision-making in 2021. No temporary deviations from the Remuneration Policy were applied in 2021. Furthermore, the Board did not observe any circumstances or activities that would have resulted in a need to apply claw-back clauses applicable to the CEO's variable remuneration in 2021. Regardless of the extraordinary business environment caused by the COVID-19 pandemic, the Board did not deem it necessary to use its right to adjust the performance criteria applied in 2020.

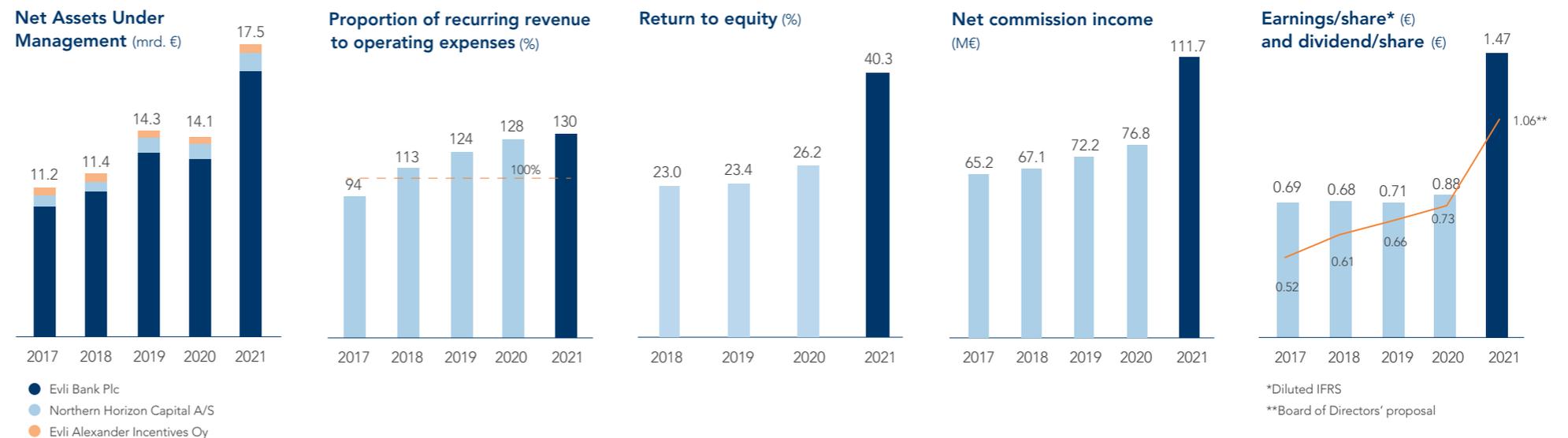
In line with the Remuneration Policy, remuneration in 2021 has supported Evli's business strategy with a focus on creating long-term growth and shareholder value. Although a significant part of the CEO's total remuneration is in the form of fixed payments, performance-based components are set to encourage the achievement of targets. Remuneration is balanced to avoid

excessive risk-taking. The Compensation Committee has evaluated the CEO's remuneration for 2021 to ensure a competitive and fair total remuneration opportunity compared to relevant peers and the market. To encourage share ownership in the company, shareholding guidelines for the CEO were in place to further support and align shareholder and top executive interests.

Development of financial performance and remuneration

5-year development of financial performance

Evli's business has developed positively over the past five years. The company has set four key performance indicators that it considers to be good proxies for its business performance. These are the development of assets under management, the recurring revenue ratio, return on equity and net commission income. From a shareholder perspective, the company has been



5-year Development of Remuneration

	2017	2018	2019	2020	2021
Board of Directors					
Chairman of the Board of Directors, EUR	72,100	86,500	90,000	84,000	90,000
Development, %	0.1%	20%	4%	-7%	7%
Chairmen of the committees (on average), EUR	52,400	70,834	72,000	67,200	70,500
Development, %	-	35%	2%	-7%	5%
Other members of the Board of Directors (on average), EUR	49,200	60,000	60,000	56,000	60,000
Development, %	-	22%	-	-7%	7%
CEO					
CEO, EUR	422,673	440,109	488,116 ³⁾	446,605 ⁴⁾	699,888
Development, %	-2%	4%	11%	-9%	57%
Average employee salary					
Total salary costs, EUR	23,200,000	22,700,000	24,200,000	24,600,000	29,500,000
Number of employees at the end of the year	240	254	249	261	290
Average salary for the employees, EUR ¹⁾	96,667	89,370	97,189	94,253	101,724
Development, %	-	-8%	9%	-3%	8%

¹⁾The salary development of the average employee is calculated from personnel expenses by deducting other personnel expenses from the total and dividing it by the number of employees at the end of the year.

²⁾Development of net revenue.

³⁾In addition, the CEO subscribed to the 212,500 shares granted to him in the Option-program 2014. The total value of the subscription was EUR 1,810,500 based on the closing price on the subscription day.

⁴⁾In addition, the CEO subscribed to the 40,000 shares granted to him in the Option-program 2016. The total value of the subscription was EUR 372,000 based on the closing price on the subscription day.

able to provide stable returns to investors as depicted by dividend per share development.

Remuneration of the Board of Directors in 2021

Evli Bank Plc's General Meeting decides on the compensations payable to the Board members. The Annual General Meeting of March 9, 2021 made the following resolution on the compensation for attendance at meetings payable to the Chairman of the Board and other members:

- Chairman of the Board EUR 7,500 per month
- Chairmen of the committees EUR 6,000 per month
- Members EUR 5,000 per month

The Board has established and appointed an Audit Committee and a Compensation Committee to prepare matters to be handled by the Board. In 2021, the total compensation paid

Compensation paid to the members of the board, €

	2021
Henrik Andersin, Chairman of the Board	90,000
Fredrik Hacklin, member of the Board of Directors	60,000
Sari Helander, member of the Board of Directors Chairman of the Compensation Committee	69,000
Robert Ingman, member of the Board of Directors	60,000
Teuvo Salminen, Chairman of the Audit Committee	72,000
Mikael Lilius (until March 9, 2021)	18,000
Total	369,000

to the Evli Group Board members amounted to EUR 369,000. This sum is made up of meeting participation fees related to the work carried out in the Board and its committees. In 2021, the Board members did not receive any shares or share-based rights as compensation for their work, nor were they granted any other benefits.

Remuneration of the CEO

The Board of Evli Group adopts the principles and elements of the remunerations for the CEO on an annual basis. The remuneration of the CEO follows Evli's Remuneration Policy in force. All changes in the CEO's salary and remuneration are subject to the Board's approval.

Application of performance criteria in 2021

In 2021, Evli had a short-term incentive plan in place for the CEO. No long-term incentive plans were issued to the CEO during 2021. The short-term and long-term incentive plan performance criteria are evaluated annually by the Board. In accordance with the remuneration principles, the short-term variable bonus may not exceed 100 percent of the annual fixed salary. Correspondingly, the short-term and long-term variable remuneration may not exceed 200 percent of the annual fixed salary. The purpose of the short-term incentive is to incentivise for the achievement of stretched financial and non-financial short-term targets aligned with the business strategy. The short-term incentive plan remuneration is dependent on the financial performance of Evli, as well as reaching strategic targets. The Board of Directors decided on the performance targets and maximum amount of the short-term incentive plan for 2021 at the beginning of the financial year as follows:

Short-term incentive plan criteria 2021	Weight
Evli Group financial performance	50%
Group level Key Performance Indicator targets	30-50%
Finalising strategic projects	0-20%

Although the business environment turned out to be extraordinary during 2021 due to the COVID-19 pandemic, no adjustments were made to the performance targets, due to Evli's excellent performance. The criteria for the 2021 short-term incentive scheme exceeded the target level. In accordance with the regulations, the remuneration will be paid in two installments.

During 2021, the company paid the CEO remuneration in accordance with the performance targets set for the financial year 2020, which were based on the performance targets of the 2020 short-term incentive plan and the delayed 2017 short-term variable remuneration.

Share-Based Incentives

Evli's long-term incentive plans have been implemented mainly as restricted share plan (RSP) schemes. The purpose of the share-based retention plans is to encourage the executives and the selected key employees to work on a long-term basis to increase shareholder value and to commit to the company. The Board decides annually on the issuance of new plans based on the Compensation Committee's proposal within limits provided by the General Meeting.

The Restricted Share Plan offers an opportunity to earn a predetermined number of the company's shares as a reward for continuous service and retention. Evli's Restricted Share Plans consist of one to three, annually commencing periods followed by vesting periods of a minimum of three years. After the vesting period, shares in the Restricted Share Plans are usually delivered to the participants provided that their employment with the company has continued uninterrupted throughout the duration of the plan and until the shares are delivered. The vesting period is further followed by a one-year waiting period in accordance

Summary of share based incentives paid to the CEO during the reporting period

Plan - installment	Grant date	Granted installments, number of shares*		Vesting period	Payment year	Waiting period
		CEO	Deputy CEO			
Restricted share plan 2017 - Installment 2	30.9.2018		9,200	3 years	2021	+1 year
Restricted share plan 2017 - Installment 3	30.9.2019		9,200	3 years	2022	+1 year
Restricted share plan 2018 - Installment 1	8.6.2018		4,667	3 years	2021	+1 year
Restricted share plan 2018 - Installment 2	11.6.2020		4,667	3 years	2023	+1 year
Restricted share plan 2019 - Installment 1	14.6.2019	50,000	30,000	3 years	2023	+1 year

*Gross number of shares before income taxes on the payment of shares.

with the regulation set for the financial sector. The possible rewards under the Restricted Share Plans are paid as a combination of shares and cash. The cash component is dedicated to cover the taxes and tax-related costs related to restricted shares.

Remuneration of the CEO in 2021

Evli's CEO in 2021 was Maunu Lehtimäki. The CEO was paid EUR 417,840 in salary and fringe benefits, performance bonuses amounting to EUR 219,372 and a supplementary pension of EUR 62,676, totalling EUR 699,888.

The CEO has no significant separate fringe benefits and is covered by the shared Evli Group reward system. The CEO is covered by a six-month period of notice binding to both parties. The CEO is entitled to receive a severance pay corresponding to 12-months' salary if the CEO's contract is terminated by the company.

Remuneration of the CEO in 2021

CEO, €	Base salary	Additional pension payment	Paid annual incentive 2021	Paid long-term retention	Total paid compensation	Earned annual incentive	Earned long-term retention	Total earned compensation
CEO, Maunu Lehtimäki	417,840 ¹⁾	62,676	219,372 ²⁾	- ³⁾	699,888	298,000 ⁴⁾	- ⁵⁾	298,000 ⁶⁾

¹⁾ Including fringe benefits.

²⁾ Annual incentives earned in 2020 and annual incentives earned and delayed in 2017.

³⁾ No installments paid in 2021.

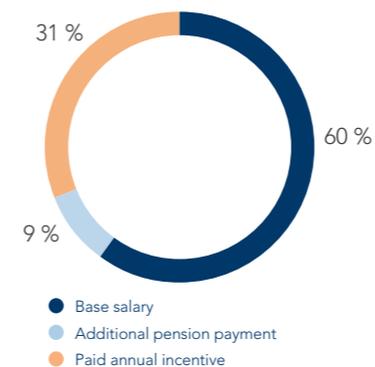
⁴⁾ Earned in 2021. In accordance with the regulations, part of the remuneration will be paid in 2022 and part will be delayed for 3 years and will be paid in 2025.

⁵⁾ No long-term compensation program has been introduced for the CEO in 2021.

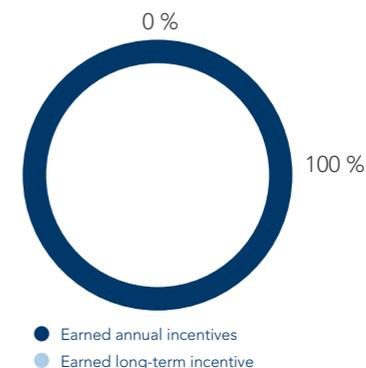
⁶⁾ Total compensation earned in 2021. The base salary will be paid in 2021 and the incentives partly in 2022 and partly in 2025.

*Actual value depends on Company share price at the reward payment date. For illustration purposes valued here using share price when plan was introduced.

Structure of paid Compensation in 2021



Structure of Earned Compensation in 2021



Remuneration of the Deputy CEO in 2021

Deputy CEO, €	Base salary	Additional pension payment	Paid annual incentive	Paid long-term retention	Total paid compensation	Earned annual incentive	Earned long-term retention	Total earned compensation
CFO, Deputy CEO, Juho Mikola	190,920 ¹⁾	-	136,228 ²⁾	285,783 ³⁾	612,931	152,800 ⁴⁾	- ⁵⁾	152,800 ⁶⁾

¹⁾ Including fringe benefits.

²⁾ Annual incentives earned in 2020 and annual incentives earned and delayed in 2017.

³⁾ Payment of the long-term incentives for 2017 and 2018.

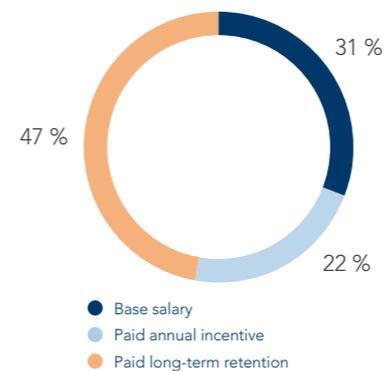
⁴⁾ Earned in 2021. In accordance with the regulations, part of the remuneration will be paid in 2022 and part will be delayed for 3 years and will be paid in 2025.

⁵⁾ No long-term compensation program has been introduced for the Deputy CEO in 2021.

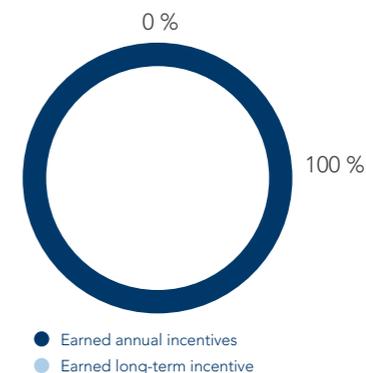
⁶⁾ Total compensation earned in 2021. The base salary will be paid in 2021 and the incentives partly in 2022 and partly in 2025.

*Actual value depends on Company share price at the reward payment date. For illustration purposes valued here using share price when plan was introduced.

Structure of paid Compensation in 2021



Structure of Earned Compensation in 2021



 Evli Pankki_WM (in Finnish)
Evli Fund Management Company (in English)

 Evli - Sijoittajan Pankki (in Finnish)
Evli Fund Management Company (in English)
Evli Research (in Finnish)

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