

**TAALERI**

**CRR 450 DOCUMENT**

2019

## Basic information of the document

Purpose	To describe remuneration procedures
Update frequency	Estimate upon closing the books, actual figures to be updated after 15 April
Approved by and date (original date)	Taaleri Plc's Board of Directors 11.2.2020
Effective from	11.2.2020
Responsible organisation	HR
Contact person	Ann-Sofi Reims
Regulation upon which the instruction is based	

## Version history

Approved (date)	Applied as of (date)	Changes made
11.2.2020	11.2.2020	Updated based on estimated 2019 bonus figures
	18.5.2020	Updated based on actual figures

**Pursuant to Article 450 of the CRR, Taaleri publishes the following details of personnel groups whose professional activities have a significant impact on its risk profile:**

<p>a) decision-making process used for determining the incentive scheme and the total number of meetings held by the primary body monitoring remunerations during the financial year, including details of the Remuneration Committee's composition and authorisations, external consultants used in defining the incentive scheme, and the role of the relevant stakeholders;</p>	<p>Taaleri Plc's Board of Directors approves the incentive schemes.</p> <p>The incentive schemes applied within the Taaleri Group are prepared by Taaleri Plc's Remuneration Committee. Peter Fagernäs and Juha Laaksonen were members of the Remuneration Committee for the entire duration of the 2018 financial period. Esa Kiiskinen was a member of the Committee until 20 March 2019, and Elina Björklund and Tuomas Syrjänen have been members since 21 March 2019. In the 2019 financial period, the Audit Committee convened five times.</p> <p>Taaleri Plc's Audit Committee supervises the compliance of the remuneration systems. In the 2019 financial period, the Audit Committee convened six times.</p>
<p>b) Information on the ratio of remunerations and results;</p>	<p>Remuneration is based on the achievement of set targets. The targets are both qualitative and quantitative.</p>
<p>c) More specific details on the structural characteristics of the incentive scheme, including information on the criteria used in assessing performances and risk-based changes to remuneration amounts, deferral practices and the payment criteria of remunerations;</p>	<p>Taaleri Group's incentive scheme consists of the Group's annual incentive scheme, operation-specific models and long-term remuneration. The Group's annual remuneration is determined by the operating profit percentage achieved. The operation-specific models are based on the growth of profits, activity and qualitative criteria, for example.</p> <p>The variable components of remuneration, including any deferred portion, are paid, or the right to them only arises, if they are sustainable taking into account the overall financial status of Taaleri Group, and if they are justified based on the performance of Taaleri Group, the business unit or company making the payment and the employee in question. The criteria for reducing any remuneration based on risk or the conditions of reclaiming any remuneration are applied as specified in the remuneration system. If, during the financial period, fundamental changes</p>

	<p>occur within the company or its operating environment, the Board of Directors of Taaleri Plc may revise the remuneration system, even in the middle of the year.</p> <p>The remuneration of a person defined as a designated person will be deferred if the total amount exceeds €50,000. The remuneration of a designated person will be paid half in cash and half in the company's shares. The deferred portion will be 40% of the total remuneration if the total remuneration amounts to less than one year's fixed salary, and 60% of the total remuneration if the total remuneration exceeds one year's fixed salary. The payment of the deferred remuneration will be distributed over the following three years.</p>
<p>d) Ratio between fixed and variable remuneration components set in accordance with Article 94(1)(g) of Directive 2013/36/EU;</p>	<p>On 29 March 2017, Taaleri Plc's Annual General Meeting approved that the variable component of remuneration cannot exceed 200% of the fixed component of remuneration.</p>
<p>e) Information on performance criteria applied to the granting of shares, options or other variable remunerations;</p>	<p>In the granting of shares, options and variable components of remuneration, personal performance is assessed based on key financials and qualitative criteria. In the granting of shares and options, the significance of the person's role and their commitment is also assessed.</p>
<p>f) Main parameters and rationale for any variable component scheme and any other non-cash benefits;</p>	<p>All personnel are included in the system of variable components of remuneration. The Group's annual performance bonus is the same for everyone with the exception of the energy and finance segment, the Group CEO, the Deputy CEO, those working in the control function and Taaleri Kapitaali's minority shareholders. Function-specific models, in turn, guide towards shared goals those working in these functions. Fringe benefits are determined according to the personnel procedures.</p>
	<p>Remuneration by business area, 2019:</p> <p>Financing/Fixed = €2,348,807</p> <p>Financing/Variable = €221,916</p>

	<p>Energy/Fixed = €1,755,050</p> <p>Energy/Variable = €182,826</p> <p>Wealth Management/Fixed = €10,173,878</p> <p>Financing/Variable = €987,268</p> <p>Balance investments/Fixed = €2,569,639</p> <p>Balance investments/Variable = €265,280</p>
<p>h) Aggregate quantitative information on remuneration <u>broken down by senior management and members of staff whose actions have a material impact on the risk profile of the institution</u>, indicating the following:</p>	
<p>i) Amounts of remuneration for the financial year, split into fixed and variable compensation, and the number of beneficiaries;</p>	<p>Fixed 2019 = €4,079,487</p> <p>Variable 2019 = €496,005</p> <p>Deferred remunerations earned through share incentive schemes in 2019: €193,694</p> <p>Persons 38 (31 December 2019)</p>
<p>ii) Amounts and forms of variable remuneration, split into cash, shares, share-linked instruments and other types;</p>	<p>Paid in cash = €476,414</p> <p>Paid in shares = €19,591</p> <p>Deferred to the next three years = €0 (50% paid in shares)</p>
<p>iii) Amounts of outstanding deferred compensation, split into vested and unvested portions;</p>	<p>Remunerations deferred from previous years (payment in conjunction with the 2020 performance bonuses):</p> <p>€202,313 (at least 50% in shares, which are vested after a waiting period of one year)</p>

iv) Amounts of deferred remuneration awarded during the financial year, paid out, and reduced through performance adjustments;	There was no such remuneration in the 2019 financial period.
v) The sign-on bonuses paid to new recipients during the financial period, severance payments made, and the number of the recipients of these payments	Sign-on payments have not been made.  Severance payments have been made to four designated persons in the amount of €167,000 in total.
vi) Amounts of severance payments awarded during the financial year, number of beneficiaries and highest such remuneration to a single person;	Severance payments have been determined for four designated persons in the amount of €260,000 in total. The largest severance payment determined for an individual recipient stood at €186,000.
i) The number of individuals being remunerated €1 million or more per financial year, broken down into pay bands of €500,000 for compensation between EUR 1 million and EUR 5 million, and EUR 1 million pay bands for compensation of EUR 5 million and above.	There were no such persons in the 2019 financial period.
j) The total amount of pay and remunerations to members of the highest administrative body or acting management, by request of a member state or competent authority.	The authority has not presented such requests.