



# United Bankers Plc

## Remuneration report



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### General

This remuneration report sets forth the remuneration of the Board of Directors (the "Board") and of the Chief Executive Officer (the "CEO") of United Bankers Plc ("United Bankers" or the "Company") for the 2022 financial period. The remuneration report is based on the requirements set out in the Companies Act, the Securities Market Act, the Government Decree on the Remuneration Policy and Remuneration Report of the Issuer of Shares as well as the recommendations of the Corporate Governance Code 2020 (the "CG Code") published by the Finnish Securities Market Association. The remuneration report also describes the Company's financial performance in the past five (5) years, so that the remuneration of the Board of Directors and the CEO can be reviewed accordingly.

The Remuneration Committee of United Bankers' Board of Directors and the Board of Directors have reviewed this Remuneration Report. The shareholders will resolve upon the adoption of the Remuneration Report at United Bankers' Annual General Meeting of Shareholders of 2023. The resolution of the Annual General Meeting of Shareholders is consultative in nature.

### Remuneration Principles

The remuneration of the Company's governing bodies is based on the Company's remuneration policy as stipulated under the CG Code (the "Remuneration Policy"), which has been reviewed at the Company's Annual General Meeting of Shareholders on 19 March 2021. The Remuneration Policy shall be valid until the Annual General Meeting of Shareholders of 2025, unless the Board of Directors decides to submit it to a prior General Meeting of Shareholders for an earlier revision.

The remuneration of the members of the Board of Directors and the CEO in the 2022 financial period adhered to the Company's effective Remuneration Policy. The Board of Directors has not temporarily

deviated from the Remuneration Policy during the 2022 financial period, nor has it discovered any circumstances or activities causing a need to apply the terms concerning the reduction, revocation, or claw-back of the CEO's long-term performance-based incentive in the 2022 financial period.

The Remuneration Policy seeks to promote a motivating remuneration culture and commitment to the Company. Together with the other key personnel, the CEO is part of a share incentive plan (the "Share Incentive Plan"), intended to support the Company's business strategy and align the objectives of the shareholders and key personnel in order to maximise the long-term value of the Company. The objective is also to commit the key personnel to the Company and to offer a competitive incentive scheme that is based on earning the Company's shares and the development of its value.

The CEO's partially performance-based remuneration aligns the Company's financial performance with the CEO's remuneration, and the targets set out in the Share Incentive Plan are directly connected to the performance of United Bankers' business operations. The CEO's share ownership ensures coherence between the interests of the shareholders and those of the management.

In 2022, the remuneration of the governing bodies has been carried out in accordance with the Remuneration Policy, which has provided support to United Bankers' business strategy. The Remuneration Committee and the Board of Directors have evaluated the CEO's remuneration for the year of 2022 to ensure a competitive and fair overall remuneration as compared to competitors and other market operators.

### The Development of United Bankers' Financial Performance and Remuneration

United Bankers' financial performance during the past five years has been positive and the Company's revenue and profitability

have been on the rise. Profitability improved in 2022, despite the weak development of the market in general. The Company has set four (4) key indicators that it considers to best describe its performance. These indicators include revenue, assets under manage-

ment, adjusted EBITDA and cost-to-income ratio. The Company has been able to provide its shareholders steady returns, as illustrated by the development of the Company's share price as well as the development of dividends per share.

	2018 IFRS	2019 IFRS	2020 IFRS	2021 IFRS	2022 IFRS
Revenue of the United Bankers Group, million EUR	29.7	32.5	34.4	43.8	48.6
Assets Under Management, billion EUR	2.9	3.6	3.8	4.8	4.4
Adjusted EBITDA, million EUR	7.1	8.4	10.3	16.3	18.5
Cost-to-Income Ratio	0.88	0.80	0.74	0.66	0.65
Year-End Share Price, EUR	6.60	8.80	10.70	14.20	13.60
Amount of Dividends, EUR/share	0.41	0.43	0.51	0.80	0.90 <sup>1</sup>

1) Board of Directors' proposal of distribution of assets (EUR 0,75 dividend per share and EUR 0,15 of capital distribution from the reserve for invested non-restricted equity, EUR 0,90 per share in total) to the Annual General Meeting of Shareholders to be held on 22 March 2023.

### Remuneration development for the past five (5) years (remuneration paid during the year)

Remuneration, EUR	2018	2019	2020	2021	2022
Chairman of the Board	30 000	30 000	30 000	30 000	33 990
Other Board members	20 000	20 000	20 000	20 000	23 750
CEO	155 843	163 566	262 286	325 474	381 469
Employee of the United Bankers Group, on average*	73 655	82 026	91 217	98 423	93 380

\* The average salary development of an employee of the United Bankers group is based upon personnel expenses, without social security costs, divided by the average number of personnel during the year.

According to the United Bankers' Remuneration Policy, the remuneration of the CEO is partially based upon the attainment of the targets set out in advance regarding the development of the Company's operating results as well as strategic and other quantitative

or qualitative targets. United Bankers' actualised performance is therefore reflected in the long-term performance-based incentives paid to the CEO.

United Bankers' General Meeting resolves upon the remuneration of the members of the Board of Directors. As resolved by the Annual General Meeting of Shareholders in 2021 the annual fee payable to the Chairman of the Board of the Board of Directors amounted to EUR 30 000 and annual fee for other board members who were not employed by the United Bankers group amounted to EUR 20 000 during the period between 1 January and 23 March 2022. Pursuant to the resolution of the Annual General Meeting of Shareholders of 23 March 2022, the annual fees of the Board of Directors were raised as of 23 March 2022 so that remuneration of the Chairman of the Board of Directors amounted to EUR 35 000. Other mem-

bers, who were not employed by the United Bankers group, were paid annual remuneration in the amount of EUR 25 000.

The Board of Directors has appointed an Audit Committee and a Remuneration Committee to prepare matters subject to decision-making of the Board of Directors. The annual remuneration paid to the members of the Board of Directors also included committee work. Members of the Board of Directors, who were working as employees of the United Bankers group, were not paid for their work in the Board of Directors as per the resolution of the General Meeting of Shareholders.<sup>1</sup>

## Board Remuneration in 2022

Board remuneration paid by United Bankers between 1 January and 31 December 2022:

Board member	Annual remuneration for Board work/EUR (incl. benefits-in-kind) *
Johan Linder, Chairman of the Board	33 990
Lennart Robertson, Vice Chairman of the Board	23 750
Antti Asunmaa, until 4 November 2022	19 583
Rainer Häggblom	23 750
Tarja Pääkkönen	23 750
Eero Suomela	23 750
Rasmus Finnilä**, as of 23 March 2022	0
Carl-Gustaf von Troil**, until 23 March 2022	0

\* No additional meeting or committee fee was paid

\*\* Employed by a company belonging to the United Bankers group

<sup>1</sup> The United Bankers group procured consultancy services from Häggblom & Partners Ltd Oy, the controlled corporation of a member of the Board of Directors, Rainer Häggblom, in the total amount of EUR 110 070,16 in 2022. Rainer Häggblom was paid Board remuneration and meeting fees by other United Bankers' group companies in the total amount of EUR 2 600,00 in 2022. The controlled corporation of a former Board member Antti Asunmaa, Taito Capital Oy, has concluded a tied agent agreement with a United Bankers group company. In 2022, the group company reimbursed Taito Capital Oy fees and commission income regarding distribution of investment products in the total amount of EUR 141 466,73. Antti Asunmaa was paid Board remuneration and meeting fees by United Bankers' other group companies in the total amount of EUR 63 000,00 in 2022. Antti Asunmaa resigned from the Board of Directors as of 4 December 2022. Former board member Carl-Gustaf von Troil is in an employment relationship with UB Asset Management Ltd. For the duration of his Board membership, from 1 January through 23 March 2022, he was paid a total of EUR 18 720,00 as salary and other benefits. Board member, Rasmus Finnilä, who is in an employment relationship with UB Asset Management Ltd, was paid during the period between 23 March and 31 December 2022, a total of EUR 56 880,00 as salary and other benefits. The salaries or remuneration paid to Board members that are also in an employment, service, or tied agent relationship to United Bankers group companies adhered to the customary employment, service, and tied agency agreement practices and remuneration principles of the United Bankers group.

## CEO's remuneration in 2022

The remuneration paid to United Bankers' CEO Patrick Anderson during 1 January through 31 December 2022 and the primary terms of his CEO agreement:

Remuneration element	Summary of the Remuneration Policy	Application in 2022
<b>Fixed remuneration</b>	The determination of the level of the CEO's fixed remuneration is based on the CEO's professional competence, educational background, expertise, and professional experience, as well as organisational responsibility and the general compensation level in corresponding positions.	CEO's fixed annual remuneration in 2022 was 177 774.72 EUR in total (including holiday pay and benefits in kind).
<b>Long-term performance-based incentive</b>	<p>The purpose of the long-term performance-based incentive is to align the interests of the CEO with those of the Company's shareholders through the financial performance of the United Bankers group, or the development of the Company's share price.</p> <p>Regarding the long-term performance-based incentive, the Company's CEO may be eligible for the Share Incentive Scheme of the key personnel of United Bankers group.</p> <p>The long-term performance-based incentive may be determined based on the attainment of the quantitative or qualitative targets set out by the Board of Directors, or the development of the Company's share price.</p> <p>Part of the remuneration shall be deferred in accordance with the regulations of the financial industry as applicable from time to time.</p>	<p>Based on the vesting period of the key personnel Share Incentive Plan between 2019 and 2021, the CEO received a total of 2 709 shares in the Company in 2022, at the price of EUR 14.0686 per share, which was the weighted average of the trading volume of United Bankers' share on 16 March 2022. The total value of the shares at the above-mentioned average rate amounted to EUR 38 111.84. Additionally, based on the vesting period of the key personnel Share Incentive Plan between 2019 and 2021, the CEO was paid a total of EUR 114 307.38 in cash.</p> <p>Furthermore, the payment of the long-term performance-based incentive of EUR 101 603.43 payable for the vesting period of the Share Incentive Plan between 2019 and 2021, and due as of 2022, has, in accordance with the remuneration regulation applicable to the financial industry, been postponed for the period between 2023 and 2025. Proportion of remuneration deferred from prior vesting periods pursuant to financial industry regulation paid out in 2022 totaled to EUR 51 275.53. A total of EUR 76 805.93 of deferred remuneration from previous vesting periods remains to be paid out.</p>



<b>Ratio of the variable and fixed remuneration</b>	<p>The proportion of the fixed salary of the overall compensation must be sufficiently high to avoid dependency on the variable remuneration and potentially excessive risk-taking.</p> <p>The ratio of the fixed and long-term remuneration must be proportional, taking into consideration the Company's long-term interest. The amount of long-term remuneration depends also on the targets set out by the Board of Directors. The amount of the CEO's variable remuneration and its proportional percentage compared to the fixed remuneration must, additionally, adhere the maximum limits imposed by the financial industry regulation in force from time to time. According to the resolution passed by the Annual General Meeting of Shareholders in 2021, the amount of the long-term incentive cannot be no more than 200 per cent of the annual fixed remuneration.</p>	<p>In 2022, the ratio of the long-term incentive and fixed remuneration paid was 114,6 %, including deferred remuneration from other vesting periods of the Share Incentive Plan.</p>
<b>Earning criteria of the long-term performance-based incentive</b>	<p>Long-term performance-based remuneration may be determined based on the attainment of the quantitative or qualitative targets set by the Board of Directors, or the development of the Company's share price.</p>	<p>Remuneration paid out in 2022 based on the Share Incentive Plan of the vesting period between 2019 and 2021, was based 100 % on the company's financial targets as well as the qualitative assessment of the CEO's performance. According to the Board of Directors' assessment, the success rate of United Bankers group of companies was 100 % as well as the success rate of the essential qualitative criteria was 100 %.</p>
<b>Pension</b>	<p>The CEO is covered by the statutory pension benefits system.</p>	<p>The CEO is not covered by any additional pension scheme.</p>
<b>Other benefits</b>	<p>The CEO may be granted other potential reasonable benefits in accordance with market practice to ensure the commitment of a competent CEO to the development of the Company.</p>	<p>The CEO has a phone benefit.</p>

<b>Termination of the CEO's service term</b>	<p>The CEO agreement contains written stipulations concerning notice of termination period, non-competition obligation, and severance payment.</p>	<p>The CEO's notice of termination period is four (4) months.</p> <p>In case the Company terminates the CEO agreement, or the agreement is terminated upon the mutual agreement of the Company and the CEO, the Company shall carry out a severance payment to the CEO that is equivalent to a six (6) month's fixed remuneration prior to the termination. The severance payment shall not be carried out in case the Company terminates the contract on the grounds that would warrant the termination or annulment of an employment contract in accordance with the Employment Contracts Act.</p>
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## Long-term performance-based remuneration

The purpose of the long-term performance-based remuneration is to support the United Bankers's business strategy and to commit key personnel to the Company. Share ownership creates a long-term incentive for the management to maximise the Company's long-term value and the possibility for competitive earnings. The CEO is a part of the United Bankers group's key personnel Share Incentive Plan. In 2022, the CEO was entitled to three (3) three-year (3-year) vesting periods of the United Bankers Group's Share Incentive Plan regarding periods between 2020 and 2022, 2021 and 2023, as well as 2022 and 2024. Remuneration earned from the Share Incentive Plan falls due after the termination of each vesting period.

According to the Share Incentive Plan, the CEO of United Bankers is entitled to a long-term incentive, whose vesting period has ter-

minated between the period from 1 January to 31 December 2022, and which falls due after the 2022 financial period. For the years between 2020 and 2022 of the Share Incentive Plan, in accordance to which the remuneration falls due in 2023, the emphasis was 100 % in the financial targets of the United Bankers group of companies and the qualitative parameters related thereto. The Board of Directors confirms the amount of remuneration falling due after the publication of this remuneration report and therefore they will be included in the remuneration report for the financial period of 2023.

In the ongoing years of the Share Incentive Plans of 2021 through 2023 and 2022 through 2024, applicable to the CEO, the targets set out by the Board of Directors shall be emphasized according to the table below. The Board of Directors confirms the final amount of the remuneration payable separately after the termination of each plan, and therefore they will be included in the remuneration reports in the subsequent years.

Target	Emphasis	Additional information
<b>Financial targets of the United Bankers group of companies</b>	70 %	Targets set by the Board of Directors of United Bankers, which evaluate the group's cumulative profitability during a period of three (3) years.
<b>Sustainability targets of the United Bankers group of companies</b>	20 %	Sustainability targets have been set out, among others, to the following criteria for the period of three (3) years: execution of the United Bankers' sustainability strategy, adherence to the Principles for Responsible Investment, results of the study conducted by the Scandinavian Financial Research Ltd (SFR), personnel's satisfaction measured by personnel research as well as the attainment of qualitative ESG objectives, including good governance.
<b>Essential qualitative criteria of the United Bankers group of companies</b>	10 %	The company's adherence to the internal guidelines and principles of the United Bankers group of companies as well as generating high-value services and products.

The Company's Board of Directors resolves upon the earnings criteria for the Share Incentive Plan and the targets to be set out in the beginning of each vesting period. In 2022, the remuneration was based upon the attainment of the group-level financial targets set out by the Board of Directors as well as of the individual targets set out for the CEO for the period between 2019 and 2021. In the vesting period between 2019 and 2021, the earning criteria were met so that the CEO's long-term performance-based remuneration actualised at 100 % of the maximum remuneration.

Any remuneration payable for each vesting period shall be paid out upon the expiration of the vesting period, in one (1), or in a maximum of four (4) separate instalments over a period of approximately three (3) years. The remuneration shall be payable partially as shares in the Company and partially in cash. The cash portion seeks to cover the taxes and tax-like charges in relation to the re-

muneration. Should the CEO's service relationship end prior to the payment of the remuneration under the Share Incentive Plan, the remuneration would not be paid out as a general rule.

During the term of the service relationship, the CEO or their controlled entity is not allowed to sell the shares obtained by them via the Share Incentive Plan, to the extent the value of such shares in the Company falls short of the amount of the CEO's fixed gross annual remuneration.

The CEO's long-term performance-based remuneration pursuant to the Share Incentive Plan paid out in 2022 amounted, within the confines of the resolution concerning long-term performance-based remuneration resolved by the Annual General Meeting of Shareholders on 19 March 2021, to no more than 200 per cent of the annual fixed remuneration.