

Fellow Bank Plc

Remuneration Report 2022

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Introduction

This Fellow Bank Plc's ("Fellow Bank" or "Company") Remuneration Report explains the remuneration of the company's Board of Directors and the CEO for the financial year 2022. Fellow Bank complies with the Finnish Corporate Governance Code 2020 issued by the Securities and Market Association. The company's Remuneration report is presented annually at Fellow Bank's Annual General Meeting.

The objective of the remuneration policy is to support the implementation of the company's strategy as well as to promote its competitiveness and long-term financial performance. A further aim is to contribute to a positive trend in shareholder value and to commit the company's Board of Directors and CEO to the company's objectives in the long term. In terms of remuneration for the 2022 financial year, the company has followed the established remuneration policy.

Fellow Bank was formed through the merger of Evli Bank Plc's banking company ("Evli Bank") and Fellow Finance Plc ("Fellow Finance") on 2 April 2022. Before the merger, Evli Plc ("Evli"), a new group focusing on asset management, was separated from Evli Bank through a partial demerger. In connection with the Merger, Evli Bank's name was changed to Fellow Bank Plc. The remuneration of the governing bodies changed in the middle of the financial year 2022 in connection with the restructuring and the change of the company's business model at the beginning of April.

Due to significant structural changes, fully comparable historical data on remuneration is not available. The pre-merger historical data presented in this remuneration report are data of the Fellow

Finance Group. The presentation is consistent with the bank's financial IFRS group reporting. In IFRS reporting, the arrangement is treated as a reverse acquisition in which Fellow Finance is the accounting acquirer and Evli Bank is the accounting acquiree. Therefore, the presented group figures for previous financial periods and 1.1.-1.4.2022 are figures for the Fellow Finance Group. The remuneration reports of Evli Bank and Fellow Finance for 2021 are available on Fellow Bank's website.

Remuneration of the board of directors

The remuneration of the board of directors is decided by the general meeting on the basis of a proposal by the Shareholders' Nomination Board. In the period of January 1–April 1, 2022, remuneration was paid to the board of directors in accordance with the decisions of the Fellow Finance annual general meeting held on March 31, 2021. It was decided that the amount of remuneration to be paid to the board members would be 15,000 euros per year and 20,000 euros per month for the chairman of the board.

Fellow Finance's board of directors was formed by Kai Myllyneva (chairman), Karri Haaparinne, Harri Tilev, Michael Schönach and Tero Weckroth until April 1, 2022.

In the period of April 2 – December 31, 2022, remuneration was paid to the board of directors of Fellow Bank in accordance with the decisions of the Evli Bank general meeting held on December 21, 2021. It was decided that the remuneration to be paid to the members of the board would be 3,400 euros per month, 4,000 euros per month for committee chairs and 5,000 euros per month

for the chairman of the board.

From April 2, 2022, Fellow Bank's board of directors was formed by Markku Pohjola (chairman), Teuvo Salminen, Lea Keinänen, Kai Myllyneva, Jorma Pirinen ja Tero Weckroth.

In the 2022 financial year, the board was paid the following fees (EUR):

	2022
Markku Pohjola Fellow Bank Plc, Chairman of the Board from April 2, 2022	40,000
Karri Haaparinne Fellow Finance Plc, member of the Board until April 1, 2022	7,500
Lea Keinänen Fellow Bank Plc, member of the Board from April 2, 2022	27,200
Kai Myllyneva Fellow Finance Plc, Chairman of the Board until April 1, 2022 Fellow Bank Plc, member of the Board from April 2, 2022	37,200
Jorma Pirinen Fellow Bank Plc, member of the Board from April 2, 2022	29,200
Teuvo Salminen Fellow Bank Plc, member of the Board, deputy Chairman from April 2, 2022	32,000
Michael Schönach Fellow Finance Plc, member of the Board until April 1, 2022	7,500

Harri Tilev Fellow Finance Plc, member of the Board until April 1, 2022	7,500
Tero Weckroth Fellow Finance Plc, member of the Board until April 1, 2022 Fellow Bank Plc, member of the Board from April 2, 2022	34,700
Board fees total	222,800

Remuneration of the CEO and deputy CEO

The company's board of directors confirms the principles and elements of remuneration for the CEO and deputy CEO. Teemu Nyholm was the CEO of Fellow Finance between January 1 and April 1, 2022 and Fellow Bank from 2.4.2022. Juha Saari was the deputy CEO of Fellow Finance between January 1 and April 1, 2022 and Fellow Bank from 2.4.2022.

Fixed reward

For the financial year 2022, the fixed annual salary for the CEO EUR 124,918 and fringe benefits EUR 240. The CEO had no variable remuneration in the financial year 2022. When the company terminates the CEO's employment, the CEO will be paid a separate severance payment equivalent to three (3) months' cash salary in addition to the six (6) months' notice salary.

For the financial year 2022, the fixed annual salary for the CEO EUR 99,427 and fringe benefits EUR 240.

No other benefits were paid or due to the CEO and Deputy CEO during the financial year ended.

Variable remuneration

The CEO's deputy is in the target group of the share-based incentive plan for the group's key personnel. The Board of Directors of Fellow Bank Plc decided on July 4, 2022 to launch a share plan for group's key employees. New share plan replaced Fellow Finance's discontinued option plans 2019 and 2020 due to merger. Old option plans were terminated.

The share appreciation rights plan ("SAR") 2022 includes one SAR period starting 1.4.2022 and ending 31.3.2024. In the plan, it is possible for the target group to earn a share reward based on value increase of Fellow Bank Plc share. One share unit entitles to appreciation of one share. Share units are divided into classes 2022A (around 650,000 units) and 2022B (around 2,500,000 units). Share appreciation is measured from the baseline of 1.27 euros (2022A) and 0.63 euros (2022B). The deputy CEO has 478,054 share units of class 2022B.

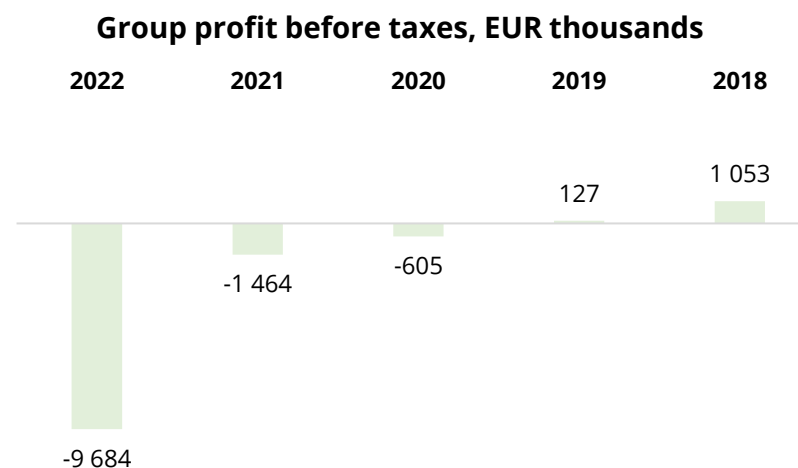
Accrued appreciation of the share units is converted to Fellow Bank Plc shares at the end of the SAR period and any possible rewards are paid deferred according to the legislation of the financial industry in two equal installments, in April 2025 and April 2026. Each reward payment is followed by a mandatory restriction period of 1 year, during which the received shares may not be sold.

Rewards are paid out partly in Fellow Bank Plc shares and partly

in cash. Cash rewards are to cover taxes and social security payments on participants. If the participant's employment or managerial contract expires before the reward is paid, the reward is generally not paid.

Development of remuneration

The financial development of the group during the previous five financial periods is shown in the diagram below. The figures for the years 2018–2021 are the figures of Fellow Finance group.



The table below shows how the average remuneration of the board members, CEO and employees has developed over the course of five years. In the years 2018–2020, one board member, Teemu Nyholm, has also had an employment relationship with the company and has been paid a salary in addition to board fees.

The average salary of the personnel has been calculated by deducting the salaries and bonuses of the board and CEO from the Group's salaries and rewards expense item and then dividing the cost by the average number of employees for the financial period, from which the CEO and employed board members have been removed.

Salaries and fees, EUR	2022	2021	2020	2019	2018
The board of directors	222,800	65,000	199,851	176,840	121,580
CEO	124,918	189,640	145,943	156,600	121,340
Personnel average	52,156	38,129	34,650	48,601	51,303