

# Aktia

## Statement on Aktia Group's remuneration to the Executive Committee and administrative bodies

This statement is prepared in compliance with recommendation 47 in the Finnish Corporate Governance Code (Remuneration Statement 1 October 2010) according to which Aktia shall describe the remuneration of the Managing Director, Executive Committee, Board of Directors and Board of Supervisors, as well as for the decision-making process and main principles of remuneration.

### 1. Main principles and decision-making process

Aktia applies a remuneration system with fixed and varying parts. Remuneration for the Executive Committee including the Managing Director comprises the following elements:

- fixed compensation (basic salary)
- benefits in kind (car, phone)
- variable compensation (short-term result- and performance-based bonus system, long-term share-based incentive scheme)
- membership in Aktia Group's personnel fund (not as of 2012)
- pensions.

The fixed compensation in the form of a basic salary is a stable starting point for basic functions and the development of these. The aim of the annual bonus payment is to support growth during the financial period as well as short-term changes in operations. The aim of the share-based incentive scheme is to support Aktia's long-term strategy. Aktia's remuneration system is evaluated on a yearly basis and continuously up-dated to comply with company development.

The Managing Director's salary, other forms of remuneration and terms of employment are established by the Group's Board of Directors. The Remuneration and Corporate Governance Committee of the Board establishes terms of employment for other members of the Executive Committee. The Group's Board of Directors decides on other remuneration systems, such as bonus systems and share-based incentive schemes. The Boards Remuneration and Corporate Governance Committee prepares matters related to remuneration.

### 2. Remuneration for the Executive Committee

In addition to the fixed monthly salary paid in the form of money and benefits in kind, the Managing Director and other members of the Executive Committee responsible for business areas or with functional areas of responsibility are offered a short-term result- and performance-based bonus system as well as a long-term share-based incentive scheme.

#### **Result- and performance-based bonus system**

The individual performance-based salaries for the Managing Director and other members of the Executive Committee are based on strategy-related goals set for the Group's result and individual goals related to this. The bonuses are based on Group results (1/3), individual goals (1/3), and general evaluation (1/3) in relation to expectations. The goals are updated on certain intervals and evaluations are made after approving the financial statement. The individual bonus may amount to a maximum of three times the basic monthly salary. Decisions concerning the bonus system are made by the Board of Directors, for the Managing Director, and by the board's remuneration and Corporate Governance Committee for other members of the Executive Committee.

Based on the result for 2010, bonuses between 2.5 and 3 times the monthly salary were paid to members of the Executive Committee. In 2011, a result-based salary totalling EUR 69 120 has been paid to the Managing Director and to the other members of the Executive Committee a total of EUR 301 391. The result- based salaries for 2011 will be defined during Q1 of 2012

### ***Share-based incentive scheme 2010***

The share-based incentive scheme for 2010 gave the Managing Director and other members of the Executive Committee an extra bonus for acquisition of shares in the company. The scheme 2010 gave them the opportunity to subscribe for a maximum of 55,833 A series shares.

The share-related bonus for 2010 was based on the Group's long-term strategic goals such as equity per share, profitable growth, cost efficiency and increased customer closeness.

Based on the result for 2010, the Board of Directors decided that members of the Executive Committee may subscribe for 27,918 series A shares based on the share-based incentive scheme, corresponding 50% of the total scheme.

Appropriated shares may be divested 2 years from acquisition at the earliest, in compliance with normal insider rules and other general restrictions concerning trading with company shares applicable at the time.

### ***Share-based incentive scheme 2011***

A new share-based incentive scheme is introduced for the Managing Director and other members of the Executive Committee in 2011.

The reward will be paid partly as the A shares in Aktia plc and partly in cash. The proportion to be paid in cash is intended for taxes and tax-related costs arising from the reward to a key person. The incentive scheme is divided in two parts.

The first part of the scheme is based on earnings criteria and includes three earning periods; the calendar years 2011—2012, 2012—2013 and 2013—2014. The earnings criteria for the earning period 2011—2012 are based on the development of the Aktia Group's cumulated adjusted equity during the period 1 January 2011 – 31 December 2012 (NAV) (impact 50%) and of the Group's total net provision and insurance income in the period 1 January 2011 – 31 December 2012 (impact 50%).

The potential reward for each earning period will be paid in four instalments over a time of approximately three years after each earning period. The Board of Directors has stipulated a maximum level for the reward per key person. In general, the reward is not paid to a key person who is no longer employed by the Aktia Group at the time of payment of rewards.

The second part of the scheme enables key personnel to receive also a conditional reward on the basis of acquisition of A shares in Aktia plc when the incentive scheme is implemented. This conditional reward is paid to key personnel by the end of April 2016 at the latest, and it consists of both shares and cash providing that the key person is employed by the Aktia Group, and that the shares required for payment of the conditional reward have not been transferred, at the time of payment of rewards.

Key persons are obliged to hold half of all shares received through the incentive scheme until the total value of the shares amounts to the value of their gross annual salary. They shall hold the shares throughout their employment in the Group.

The maximum reward paid on the basis of the scheme may amount to 401,200 A shares in Aktia plc and a sum in cash corresponding the value of the shares. The new incentive scheme has been prepared in accordance with new regulations concerning remuneration schemes in the financial sector.

As the earning period of the share based incentive scheme is two years, no reward will be paid to the Managing Director or other members of the Executive Committee for 2012.

### ***Membership in the personnel fund***

The Managing Director and other members of the Executive Committee were members of the Group's personnel fund in 2011, but not as of 2012.

The Board of Directors establishes the calculation basis for a profit-sharing provision payable to the Group's pension fund annually. For 2011 a profit-sharing provision of 10% of the part of the operating profit for the period from 1 January to 31

December 2011 exceeding EUR 35 million according to Aktia plc's consolidated income statement, however, a maximum of EUR 3 million.

Based on Aktia's good result in 2010, the personnel fund received the maximum profit-sharing provision, i.e. EUR 3 million which was paid in 2011. The individual shares of the profit-sharing provision for the Managing Director and Executive Committee will be decided later during the year. The profit-sharing provisions for 2011 will be defined during Q1 of 2012

### **Pension scheme**

In addition to statutory pensions, Aktia has taken out supplementary pension insurance for the members of the Executive Committee. The retirement age of Executive Committee members is between 60 and 63. On reaching retirement age, members of the Executive Committee receive a pension of 60% of the pensionable salary. The cost for the supplementary pension insurance (excluding the Managing Director) amounted to EUR 206,194 in 2011.

### **Remuneration paid to members of the Executive Committee, excluding the Managing Director**

	<b>2010</b>	<b>2011</b>
	<b>EUR</b>	<b>EUR</b>
<b>Fixed compensation</b>		
Basic salary	1 326 136	848 696
Benefits in kind (car, phone)	95 913	62 859
<b>Variable compensation based on the result</b>		
Result-based salary	218 563	186 377
Share to the personnel fund	59 448	54 078
Share-related remuneration	409 513	133 854
<b>Total remuneration paid</b>	<b>2 109 573</b>	<b>1 285 864</b>
<b>Number of shares subscribed based on share-related incentive scheme</b>	<b>30 067</b>	<b>11 421</b>

### **3. CEO's terms of employment**

Managing Director Jussi Laitinen's financial benefits and terms of employment are established by the Board of Directors. The Managing Director receives a basic monthly salary of EUR 23,500 and benefits in kind.

In addition to the basic salary, the Managing Director is enrolled in the Executive Committee's result- and performance-based bonus system and share-based incentive scheme as well as in the Group's personnel fund. More information about these is given in the paragraph concerning Remuneration for the Executive Committee.

#### **Pension scheme and retirement terms**

In addition to the statutory pension, the Managing Director is included in the supplementary pension insurance for members of the Executive Committee. The Managing Director's retirement age is 63 years. On reaching retirement age, the Managing Director receives a pension of 60% of the pensionable salary. The cost for the supplementary pension insurance (excluding the Managing Director) amounted to EUR 100,560 in 2011.

The period of notice of the Managing Director's employment contract is 18 months on the part of Aktia plc and 6 months on the part of the Managing Director. An exception to this is a situation where Aktia undergoes a restructuring process, resulting in a change of the character of the Managing Director's post, due to which the Managing Director has the right to 18 months' period of notice. In addition to basic salary and benefits in kind, no severance pay is granted if the employment is terminated by Aktia plc.

#### Remuneration paid to the Managing Director

	2010 EUR	2011 EUR
<b>Fixed compensation</b>		
Basic salary	277 200	284 700
Benefits in kind (car, phone)	12 480	11 460
<b>Variable compensation based on the result</b>		
Result-based salary	51 747	69 120
Share to the personnel fund	11 119	18 304
Share-related remuneration	148 009	74 363
<b>Total remuneration paid</b>	<b>500 555</b>	<b>457 947</b>
<b>Number of shares subscribed based on share-related incentive scheme</b>	<b>10 867</b>	<b>6 345</b>

#### 4. Remuneration to the Board of Directors

Remuneration payable to members of the Board is established annually by the Board of Supervisors.

Each Board member is entitled to an annual fee and a fee per Board meeting and Board Committee meeting attended. The fees are paid, mainly in the form of money.

The members are entitled to compensation for cost for travel and lodging in accordance with government travel rules. Further, Aktia has taken out a voluntary statutory (TyEL) insurance for the members of the Board. The costs for this insurance amounted to EUR 56,146 in 2011. Board members are not included in Aktia's share-based incentive schemes. The members of the Board have no other financial benefits of the annual remuneration, 10 % is paid as A shares in Aktia.

The Board of Supervisors established the following remuneration for members of Aktia plc's Board of Directors for 2012:

Chair, annual remuneration	EUR 48,200 (2010: EUR 43,000)
Deputy Chair, annual remuneration	EUR 26,900 (EUR 24 000)
Member, annual remuneration	EUR 21,300 (EUR 19,000)
Remuneration per meeting	EUR 500 (EUR 490)

The committee chairman is entitled to a double meeting remuneration for meetings where he/she acts as chairman.

Of the annual remuneration for 2012 (gross amount) 10% was paid to the members of the Board of Directors in the form of Aktia plc A shares. The shares were acquired for the Board members from the Stock Exchange at market price when Aktia plc's Accounts Announcement was published. The Board members received shares as follows:

- Chair of the Board, 831 shares
- Deputy Chair of the Board, 463 shares
- other members, 376 shares/member

Remuneration paid to Board members

EUR		Annual remuneration		Per meeting		Meetings attended		Total	
		2010	2011	2010	2011	2010	2011	2010	2011
Dag Wallgren	Chairman 2011	39 000	43 008	9 860	13 190	23	24	48 860	56 198
Nina Wilkman	Deputy Chair 2011	23 004	24 000	9 310	13 150	21	23	32 314	37 150
Marcus H. Borgström	member	18 000	19 008	13 910	9 270	32	19	31 910	28 278
Hans Frantz	member	18 000	19 008	10 380	10 740	24	22	28 380	29 748
Lars-Erik Kvist	member	18 000	19 008	10 830	6 860	25	15	28 830	25 868
Kjell Sundström	member	18 000	19 008	11 420	10 780	26	17	29 420	29 788
Nils Lampi	member	18 000	19 008	8 550	9 760	19	20	26 550	28 768
Marina Vahtola	member	18 000	19 008	7 440	7 310	17	15	25 440	26 318
<b>Totalt</b>		<b>170 004</b>	<b>181 056</b>	<b>81 700</b>	<b>81 060</b>			<b>251 704</b>	<b>262 116</b>

Meetings attended includes Board meeting and meetings of the Board's committees.

## 5. Remuneration to the Board of Supervisors

Remuneration payable to members of the Board of Supervisors is established annually by the Annual General Meeting.

Each member of the Board of Supervisors is entitled to an annual fee and a fee per meeting of the Board of Supervisors, of the Board of Supervisors' presiding officers and of the Board of Supervisors' Audit Committee attended. The Chairman of the Board of Supervisors is entitled to a fee per meeting also for Board meetings attended. The fees are paid in the form of money. The members are entitled to compensation for cost for travel and lodging in accordance with government travel rules. Further, Aktia has taken out a voluntary statutory (TyEL) insurance for the members of the Board of Supervisors. The costs for this insurance amounted to EUR 60,975 in 2011. Members of the Board of Supervisors are not included in Aktia's share-based incentive schemes. Members of the Board of Supervisors have no other financial benefits.

Aktia plc's ordinary Annual General Meeting established the following remuneration for members of the Board of Supervisors for 2011 (unchanged from 2010):

Chair, annual remuneration	EUR 21,500
Vice Chair, annual remuneration	EUR 9,500
Member, annual remuneration	EUR 4,200
Remuneration per meeting	EUR 450

Remuneration paid to members of the Board of Supervisors

		Annual remuneration		Per meeting		Meetings attended		Total	
		2010	2 011	2010	2 011	2010	2011	2010	2 011
Henry Wiklund	Chair	21 000	21 500	7 890	5 520	18 (*)	12 (**)	28 890	27 020
Johan Bardy	Deputy Chair	5 375	1 050	3 010	450	7	1	8 385	1 500
Christina Gestrin	Deputy Chair	9 350	9 500	3 080	3 150	7	7	12 430	12 650
Patrik Lerche	Deputy Chair	8 100	9 500	3 980	3 600	9	8	12 080	13 100
Henrik Sundbäck	Deputy Chair	9 350	9 500	4 360	3 600	10	8	13 710	13 100
Lorenz Uthardt	Deputy Chair	9 350	9 500	4 360	3 150	10	7	13 710	12 650
Bo-Gustav Wilson	Deputy Chair	9 350	9 500	4 360	3 600	10	8	13 710	13 100
Harriet Ahlnäs	Member	4 125	4 200	1 730	1 350	4	3	5 855	5 550
Anna Bertills	Member	4 125	4 200	2 560	1 800	6	4	6 685	6 000
Roger Broo	Member	4 125	4 200	2 180	1 350	5	3	6 305	5 550
Sten Eklundh	Member	4 125	4 200	1 730	1 350	4	3	5 855	5 550
Agneta Eriksson	Member	4 125	4 200	2 560	1 350	6	3	6 685	5 550
Håkan Fagerström	Member	4 125	4 200	2 560	1 800	6	4	6 685	6 000
Sven-Erik Granholm	Member		3 150		1 800		4		4 950
Christoffer Grönholm*	Member	4 125	1 400	1 730		4	0	5 855	1 400
Peter Heinström	Member	4 125	4 200	1 730	1 800	4	4	5 855	6 000
Gun Kapténs	Member	4 125	4 200	3 010	2 250	7	5	7 135	6 450
Erik Karls	Member	4 125	4 200	2 560	2 250	6	5	6 685	6 450
Kari Kyttälä	Member	4 125	4 200	830	0	2	0	4 955	4 200
Bo Linde	Member	4 125	4 200	2 180	1 800	5	4	6 305	6 000
Per Lindgård	Member	4 125	4 200	2 180	1 800	5	4	6 305	6 000
Kristina Lyytikäinen	Member	4 125	4 200	1 730	1 800	4	4	5 855	6 000
Håkan Mattlin	Member	4 125	4 200	1 730	1 800	4	4	5 855	6 000
Clas Nyberg	Member	4 125	4 200	2 180	1 800	5	4	6 305	6 000
Jorma J. Pitkämäki	Member	4 125	4 200	830	1 800	2	4	4 955	6 000
Henriks Rehnberg	Member	4 125	4 200	1 730	1 350	4	3	5 855	5 550
Gunvor Sarelin-Sjöblom	Member	4 125	4 200	1 350	900	3	2	5 475	5 100
Peter Simberg	Member	4 125	4 200	2 180	1 800	5	4	6 305	6 000
Bengt Sohlberg	Member	4 125	4 200	2 180	1 800	5	4	6 305	6 000
Jan-Erik Stenman	Member	4 125	4 200	1 730	900	4	2	5 855	5 100
Maj-Britt Vääriskoski	Member	4 125	4 200	2 180	1 800	5	4	6 305	6 000
Lars Wallin	Member	4 125	4 200	1 730	900	4	2	5 855	5 100
Mikael Westerback	Member		3 150		1 800		4		4 950
Ann-Marie Åberg	Member	4 125	4 200	1 730	1 800	4	4	5 855	6 000
Marianne Österberg	Member	4 125	4 200	830	1 350	2	3	4 955	5 550
<b>Total</b>		<b>183 250</b>	<b>186 950</b>	<b>82 800</b>	<b>66 270</b>			<b>266 050</b>	<b>253 220</b>

\* Passed away 2011

Meetings attended includes meetings of the Board of Supervisors, its presiding officers and Controlling Committee.