



United Bankers Plc

Remuneration report 2023



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General

This Remuneration Report sets forth the remuneration of the Board of Directors and of the Chief Executive Officer of United Bankers Plc ("United Bankers" or the "Company") for the 2023 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 published by the Finnish Securities Market Association. The Remuneration Report also describes the Company's financial performance in the past five 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 has reviewed this Remuneration Report and the Board of Directors has approved it to be presented and adopted by shareholders at United Bankers' Annual General Meeting 2024. The Annual General Meeting's resolution on the Remuneration Report is advisory.

The company's auditor has confirmed that the information required by the above-mentioned Government Decree have been presented in this Remuneration Report.

Remuneration principles

This Remuneration Report is based on the remuneration policy for the governing bodies of United Bankers (the "Remuneration Policy"), which has been reviewed at the Company's Annual General Meeting on 19 March 2021. The Remuneration Policy shall be presented to the Annual General Meeting in every four years unless the Board of Directors decides to revise or alter the Remuneration Policy prior to that. A revised Remuneration Policy shall

be presented to the Annual General Meeting 2024 for an advisory resolution.

The remuneration of the members of the Board of Directors and the CEO in the financial year 2023 adhered to the Company's effective Remuneration Policy. No temporary deviations from the Remuneration Policy were made during the financial year 2023, nor did the Board of Directors discover any circumstances or activities causing a need to apply the terms concerning the reduction, revocation, or claw-back of the CEO's variable remuneration.

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 their 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 the CEO.

In 2023, the remuneration of the governing bodies has supported to United Bankers' business strategy. The Remuneration Committee and the Board of Directors have evaluated the CEO's remuneration for the year of 2023 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 profit have been on the rise. The cost-to-income ratio weakened slightly due to growth-related investments in 2023, but the Company's turnover and profit rose to a record-breaking level despite the continued weak development of the market in general.

The Company has set four key indicators that it considers to best describe its performance. These indicators include revenue, assets under management, 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 distribution of funds per share.

The table below illustrates the development of the Company's financial indicators for 2019-2023:

Indicator	2019 IFRS	2020 IFRS	2021 IFRS	2022 IFRS	2023 IFRS
Revenue of the United Bankers Group, million EUR	32.5	34.4	43.8	48.6	52.1
Assets Under Management, billion EUR	3.6	3.8	4.8	4.4	4.6
Adjusted EBITDA, million EUR	8.4	10.3	16.3	18.5	19.1
Cost-to-Income Ratio	0.80	0.74	0.66	0.65	0.67
Year-End Share Price, EUR	8.80	10.70	14.20	13.60	14.40
Distribution of funds, EUR/share	0.43	0.51	0.80	0.90	1.00 ¹⁾

1) Board of Directors' proposal of distribution of funds (a dividend of EUR 0.50 per share and an equity repayment of EUR 0.50, EUR 1.00 per share in total) to the Annual General Meeting to be held on 22 March 2024.

The table below shows a comparison of the development of the remuneration of the Board of Directors, the CEO, and the average of an employee of the United Bankers group in 2019-2023:

Remuneration, EUR	2019	2020	2021	2022	2023
Chairman of the Board	30 000	30 000	30 000	33 990	35 240
Other Board members	20 000	20 000	20 000	23 750	25 000
CEO	163 566	262 286	325 474	381 469	510 040
Employee of the United Bankers Group, on average*	82 026	91 217	98 423	93 380	94 932

* 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 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.

Board remuneration

United Bankers' Annual General Meeting resolves upon the remuneration of the members of the Board of Directors based on the proposal by shareholders. Remuneration in 2023 was paid ac-

cording to the resolutions passed in the Annual General Meetings of 2022 and 2023. In 2023 the total remuneration paid to the members of the Board of Directors totalled EUR 135 240.

The fixed annual remuneration of the Chairman of the Board of Directors amounted to EUR 35 000 and other members, who were not employed by the United Bankers group, were paid annual remuneration in the amount of EUR 25 000. The remuneration was paid in cash. The annual remuneration paid to the members of the Board of Directors also covered committee work. Members of the Board of Directors employed by the United Bankers group, were not paid for their work in the Board of Directors as per the resolution of the General Meeting.¹

Board remuneration paid by United Bankers between 1 January and 31 December 2023:

Board member	Annual remuneration for Board work/EUR (incl. benefits-in-kind)*
Johan Linder (Chairman of the Board)	35 240
Lennart Robertsson (Vice Chairman of the Board)	25 000
Rainer Häggblom	25 000
Tarja Pääkkönen	25 000
Eero Suomela	25 000
Rasmus Finnilä**	0

* No additional meeting or committee fee was paid

** Employed by a company belonging to the United Bankers group. According to the resolution passed by the Annual General Meeting, no separate fee for the work in the Board of Directors shall be paid.

A part of the members of the Board of Directors participated in United Bankers' Employee Share Issue against consideration, which took place in September 2019. The Employee Share Issue was accompanied by an Employee Matching Share Plan, consummated on 24 January 2023. The participants of the Matching Share

Issue that met the conditions of the Matching Share Plan received the Company's shares in a directed share issue without consideration in deviation from the shareholders' pre-emptive subscription right. Approximately 50 per cent of the total remuneration paid under the Employee Matching Share Plan were paid in cash to cover

¹ The United Bankers group procured consultancy services from Häggblom & Partners Ltd Oy and Vision Hunter Oy, the controlled corporation of a member of the Board of Directors, Rainer Häggblom, in the total amount of EUR 165 115.98 in 2023. Rainer Häggblom was paid Board remuneration and meeting fees by other United Bankers' group companies in the total amount of EUR 4 000.00 in 2023. 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 2023, a total of EUR 77 872.00 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.

taxes and tax-related costs arising from the remuneration. According to the terms of the Employee Share Issue, the management of the group, including the CEOs and the members of the Board

of Directors were able to subscribe the Company's shares in the Employee Share Issue and in the Matching Share Issue along with the employees of the United Bankers group.

The below table indicates the remuneration paid for the member of the Board of Directors in 2023 who participated in the Matching Share Plan of the Employee Share Issue.

Board Member	Accrued amount of matching shares/pcs	Amount of shares/pcs	Remuneration paid in cash/EUR	Value of remuneration paid in shares/EUR	Total value of the benefit/EUR
Johan Linder (Chairman of the Board)	3 058	1 529	20 565.05	20 565.05	41 130.10
Rainer Häggblom	2 125	1 062	14 297.35	14 283.90	28 581.25
Tarja Pääkkönen	3 051	1 525	20 524.70	20 511.25	41 035.95
Rasmus Finnilä	3 558	1 779	23 927.55	23 927.55	47 855.10

CEO's remuneration

The remuneration paid to United Bankers' CEO Patrick Anderson in 2023 and 2022:

Remuneration	2023 EUR	Fee structure %*	2022 EUR	Fee structure %*
Fixed annual fee (including holiday pay and benefits in kind)	177 097.60	34.7	177 774.72	46.6
Total of fees based on the share incentive plan's earning period, paid in cash **	215 540.97	42.3	150 289.97	39.4
Total of fees based on the share incentive plan's earning period, paid in shares **	76 271.94	15.0	53 404.41	14.0
Matching Share Issue in 2023 of the 2019 Employee Share Issue	41 130.10	8.1	-	-
Total	510 040.61	100.0	381 469.47	100.0

* The remuneration structure reflects the relation of the fixed annual remuneration and the cash and equity performance-based bonuses under the share incentive plan in relation to total remuneration.

** Includes remuneration paid under the share incentive plan for the earning period ending in the previous year and remuneration paid under the Share Incentive Plan from prior performance periods that were deferred in accordance with applicable financial industry regulations in force at time.

Remuneration of United Bankers' CEO Patrick Anderson between 1 January and 31 December 2023 and the key terms of his CEO agreement:

Remuneration element	Summary of the Remuneration Policy	Application in 2023
Fixed remuneration	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 organizational responsibility and the general compensation level in corresponding positions.	CEO's fixed annual remuneration in 2023 was EUR 177 097.60 in total (including holiday pay and benefits in kind).
Long-term incentive plan	<p>The purpose of the long-term incentive plan 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>The long-term incentive plan 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>Based on the earnings period 2020-2022 of the Share Incentive Plan, the CEO received a total of 2 709 shares in the Company in 2023, at the price of EUR 14.73 per share, which was the volume weighted average price of United Bankers' share on 14 March 2023. The total value of the shares at the above-mentioned average price amounted to EUR 51 392.97. Additionally, based on the earnings period 2020-2022 of the Share Incentive Plan, the CEO was paid a total of EUR 154 164.18 in cash.</p> <p>Proportion of remuneration deferred from prior earnings periods pursuant to financial industry regulation paid out in 2023 totaled to EUR 86 255.76. A total of EUR 96 573.30 of deferred remuneration from previous earnings periods remains to be paid out, which shall be paid in total in 2024.</p>
Ratio of the variable and fixed remuneration	<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.</p>	In 2023, the ratio of the long-term incentive and fixed remuneration paid was 164.8%, including deferred remuneration from other earnings periods of the Share Incentive Plan.
Earning criteria of the long-term incentive plan	Long-term incentive plan 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.	Remuneration paid out in 2023 based on the earnings period 2020-2022 of the Share Incentive Plan, was based 100 % on the performance targets based on the operational EBITDA 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's financial targets was 100%.
Matching Share Issue in 2023 of the 2019 Employee Share Issue	The Company's Board of Directors may resolve upon other terms and conditions of the CEO's service agreement. Under the terms of the Employee Share Issue and its Matching Share Issue, the CEO was also able to participate in the share issue.	The CEO's additional share remuneration amounted to 3 058 shares of United Bankers Plc in the 2023 Matching Share Issue. A total of 1 529 shares were issued, and the remuneration paid in cash was EUR 20 565.05. The value of the shares was EUR 20 565.05, and the total value of the benefit was EUR 41 130.10.

Remuneration element	Summary of the Remuneration Policy	Application in 2023
Pension	The CEO is covered by the statutory pension benefits system.	The CEO is not covered by any additional pension scheme.
Other benefits	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.	The Company offers the CEO a phone benefit.
Termination of the CEO's service term	The CEO agreement contains written stipulations concerning notice period of termination, non-competition obligation, and severance payment.	<p>The CEO's notice period of termination is four 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> <p>Should the CEO's service relationship end prior to the payment of the remuneration under the Share Incentive Plan, as a rule, the remuneration would not be paid out.</p>

Long-term incentive plan

United Bankers' Share Incentive Plan is a long-term incentive plan, with a purpose 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 Share Incentive Plan consists of three-year earnings periods, and the remuneration from each period fall due the following year of the expiry of such earnings period. The Company's Board of Directors resolves upon the earning criteria and the set targets in the beginning of each earnings period.

The remuneration paid out in 2023 was based on the attainment of the financial targets of the group as well as the individual targets set out to the CEO during 2020-2022. In the earnings period 2020-2022 the earning criteria were met so that the CEO's remuneration according to the long-term incentive plan was realised by 100% of the maximum remuneration. In 2023, CEO Patrick Anderson received EUR 205 557.15 as an incentive regarding the earnings period 2020-2022.

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.

Right to performance bonuses not fallen due

In 2023 the CEO was a part of three three-year earnings periods of the Share Incentive Plan regarding the periods 2021-2023, 2022-2024 as well as 2023-2025. Remuneration of the Share Incentive Plan become due and payable after each earnings period.

The CEO of United Bankers is entitled to remuneration under the Share Incentive Plan, which earnings period has terminated between 1 January and 31 December 2023, and which falls due after the financial year 2023. In the earnings period 2021-2023 of the Share Incentive Plan, according to which the remuneration falls due in 2024 the targets set out by the Board of Directors are emphasized according to the below table.

Earnings period 2021-2023

The framework for the CEO's earnings period 2021-2023 was based on the annual financial, sustainability, and qualitative targets set out by the Board of Directors. The target weights for the earnings period and the average attainment during the earnings period are illustrated below:

Target	Weight	Indicator	Estimated average attainment during 2021-2023
Financial targets of the United Bankers group	70%	Positive development of the company's operating EBITDA towards the target level cumulatively in each year under review.	100%
Sustainability targets of the United Bankers group	20%	Sustainability targets consisted of the following criteria: Meeting the target levels of Principles for Responsible Investment (50 %), Scandinavian Financial Research (15 %), employee satisfaction (15 %) and the attainment of other ESG targets (20 %).	73%
The adherence to the internal guidelines and principles of the United Bankers group as well as generating high value services and products	10%	The targets were related, inter alia, to the fund management operations, investment funds, internationalization, simplification of the group structure and its operations as well as human resources.	92%

The Board of Directors confirms the final amount of the remuneration payable according to the information indicated in the table above separately after this Remuneration Report has been published, and it will therefore be included in its entirety in the subsequent Remuneration Report regarding the financial year 2024.

Earnings periods 2022-2024 and 2023-2025

In the ongoing years of the Share Incentive Plans of 2022-2024 and 2023-2025, 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.

The framework of the CEO's earnings period 2022-2024 is indicated in the table below:

Target	Emphasis	Additional information
Financial targets of the United Bankers group	70%	The financial targets set by the Board of Directors of United Bankers, the achievement of which is measured by the group's adjusted EBITDA over a period of three years.
Sustainability targets of the United Bankers	20%	Sustainability targets have been set out, among others, to the following criteria for the period of three 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.
Essential qualitative criteria of the United Bankers group	10%	Adherence to the internal guidelines and principles of the United Bankers group as well as generating high-value services and products.

The framework of the CEO's earnings period 2023-2025 is indicated in the table below:

Target	Emphasis	Additional information
Financial targets of the United Bankers group	70%	The financial targets set by the Board of Directors of United Bankers, the achievement of which is measured by the group's adjusted EBITDA over a period of three years.
Sustainability targets of the United Bankers group	20%	Sustainability targets have been set out, among others, to the following criteria for the period of three 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.
Qualitative objectives set out in the annual business plans	10%	Adherence to the internal guidelines and principles of the United Bankers group as well as generating high-value services and products.