

Attachment 3. Shareholders' Nomination Board's proposal to the annual general meeting of Aktia Bank Plc 16 April 2020

## **21. Resolution of an updated charter of the shareholders' nomination board of Aktia Bank Plc**

### **Charter of the shareholders' nomination board of Aktia Bank Plc**

#### **1. Purpose of the Shareholders' Nomination Board**

Aktia Bank Plc's (hereinafter "Aktia" or the "Company") Shareholders' Nomination Board (hereinafter the "Nomination Board") is a body of the Company's shareholders established under the Company's Articles of Association. The Nomination Board has been established to act until further notice until the Annual General Meeting possibly decides otherwise.

The Nomination Board is responsible for preparing proposals to the Annual General Meeting, and, if necessary, to an Extraordinary General Meeting, and for identifying potential successors to the members of the Board of Directors.

The Nomination Board shall ensure that the Board of Directors and its members individually represent a sufficient level of expertise, knowledge, competence as well as diversity for the needs of the Company taking into account the Company's operations as well as the risks connected to its operations.

In its duties the Nomination Board shall comply with applicable laws and regulations including the Act on Credit Institutions, stock exchange rules, the Finnish Corporate Governance Code (hereinafter the "Code") and the Company's diversity principles.

This Charter regulates the nomination and composition of the Nomination Board and defines the duties and responsibilities of the Nomination Board.

#### **2. Appointment and composition of the Nomination Board**

Pursuant to the Articles of Association of the Company, the Nomination Board comprises representatives of the five largest shareholders of the Company according to number of shares held. The Chairman of the Board of Directors shall request the five largest shareholders of the Company each to appoint one member to the Nomination Board. The Chairman of the Company's Board of Directors convenes the Nomination Board and participates in the meetings of the Nomination Board as an expert.

The right to appoint a member to the Nomination Board lies with the five shareholders whose ownership of shares in Aktia Bank Plc in accordance with the shareholders'

register of the Company is the largest on 1 June preceding the Annual General Meeting. Should a shareholder not wish to use his/her appointment right, the right transfers to the next largest shareholder who would otherwise not have an appointment right.

If a shareholder, who has diversified his/her holding e.g. between several funds and who according to the Finnish Securities Markets Act is responsible for reporting on certain changes in ownership or whose holding has been noted in the nominee register, before 1 June sends a request in writing to the Company's Board of Directors, the shareholder's holding in several funds or the holding in the nominee register is added to the same shareholder's potential directly registered holding when calculating the share of votes with regards to the nomination right. An adequate assessment of the right of ownership of the nominee registered shares shall be attached to the request, or the responsibility to take into account the holding according to the Finnish Securities Markets Act.

In case two shareholders hold an equal number of shares and the representatives of both such shareholders cannot be appointed to the Nomination Board, the decision shall be made by drawing lots.

The Nomination Board and its members shall have adequate expertise, knowledge and competence taking into account the Company's operations in order to be able to assess a suitable composition of the Board, including recommending Board member candidates. The members of the Nomination Board shall not be employed by the Aktia Group.

The members of the Nomination Board shall before accepting their duties carefully consider possible conflicts of interest related to the task.

The composition of the Nomination Board is published by the Company in a stock exchange release.

A member appointed by a shareholder shall resign from the Nomination Board, if the shareholder concerned later transfers more than half of the shares he/she held on 1 June that entitled him/her to appoint a member and as a result thereof is no longer amongst the Company's five largest holders of shares.

If a representative appointed by a shareholder resigns from the Nomination Board the Nomination Board can decide to request that a new representative be appointed. If the number of members in the Nomination Board decreases to less than three (not including the Chairman of the Board of Directors), the right to appoint a member shall be offered to the shareholder who, at the time in question, is the largest holder of shares who has not yet appointed a member to the Nomination Board. If such

shareholder does not wish to use his/her appointment right, the right transfers to the next largest holder of shares who would otherwise not have an appointment right.

The members of the Nomination Board are appointed annually, at the latest on 31 August, and their term of office shall end when new members are appointed to replace them.

The members of the Nomination Board shall not be entitled to any remuneration from the Company on the basis of their membership. The travel expenses of the members will be compensated against receipt.

### **3. Duties of the Chairman of the Nomination Board**

The Nomination Board elects a Chairman from among its members. The Chairman of the Board of Directors cannot be elected Chairman of the Nomination Board.

The Chairman of the Nomination Board shall direct the activities of the Nomination Board in order for the Nomination Board to achieve its objectives efficiently and take duly into account the expectations of the shareholders and the interests of the Company.

The Chairman of the Nomination Board shall convene meetings of the Nomination Board when the duties of the Nomination Board so require and within such a period that the members are reserved the possibility to participate in the meeting. In addition, the Chairman shall convene a meeting within 14 days after a member of the Nomination Board has requested an extraordinary meeting.

The Secretary of the Board of Directors shall act as secretary for the Nomination Board and, together with the Chairman, prepare the meetings of the Nomination Board.

### **4. Duties of the Nomination Board**

The duties of the Nomination Board encompass the preparation and presentation of propositions to the General Meeting with regard to

- the remuneration to the members of the Board of Directors;
- the number of members of the Board of Directors;
- the election of members of the Board of Directors.

In addition, the duties of the Nomination Board include identifying possible successors for the members of the Board of Directors.

The Nomination Board's work shall be based on an assessment of the existing and necessary competence, expertise, diversity and experience of the Board of Directors individually and collectively in relation to the Company's needs. This assessment forms the foundation of finding new Board members.

In order to perform its duties, the Nomination Board has the right to receive information from the Company and the members of the Board of Directors, on the regular assessment of the Board of Directors and to have all relevant information available for the assessment of the Board members' independence, suitability and reliability, as well as the opportunity to engage in the Company's relevant internal functions, if necessary.

## **5. Decision-making and incapacity**

The Nomination Board constitutes a quorum when more than half of its members are present. No decision may be made unless all members have been reserved the possibility to consider the matter and to participate in the meeting.

Decisions of the Nomination Board shall be unanimous. If a unanimous decision cannot be reached, the shareholder who has appointed a member of the Nomination Board with a dissenting opinion may make his/her own proposal to the General Meeting.

A member of the Nomination Board is not permitted to participate in the handling of an issue concerning him/her or a close relative to him/her.

Minutes shall be held of all meetings and decisions of the Nomination Board in accordance with good practices for corporate governance. The minutes shall be dated, numbered and retained by the Company. The minutes shall be signed by the Chairman of the Nomination Board together with another member of the Nomination Board.

## **6. Preparation of proposal for remuneration to members of the Board of Directors**

The proposal for remuneration to the Chairman of the Board and other Board members shall be prepared in accordance with the principles for remuneration to the Company's governing bodies adopted by the General Meeting.

## **7. Proposal to the Annual General Meeting**

Pursuant to the Articles of Association of the Company, ahead of the Annual General Meeting the Nomination Board submits its proposals for Board members and their remuneration to Aktia's Board of Directors before the end of January. Concerning Extraordinary General Meetings, the Nomination Board shall in a similar manner present the proposal in question in sufficient time before the General Meeting to comply with applicable rules and regulations.

The proposals of the Nomination Board shall be published through a stock exchange release and included in the notice of the Annual General Meeting. The Nomination Board shall also present its proposals and the reasoning for the proposals to the General Meeting.

## **8. Confidentiality**

The members of the Nomination Board and the shareholders they represent shall keep the information regarding the proposals to the Annual General Meeting confidential until the Nomination Board has made the final proposals and said proposals have been published by the Company. The duty of confidentiality encompasses also other confidential information received in connection with the work of the Nomination Board. The duty of confidentiality remains in force with respect to each piece of information until the Company has published it.

## **9. Amending the Charter**

The Nomination Board shall review this Charter annually and, when necessary, the Board of Directors shall propose possible amendments to the next General Meeting for adoption. The Nomination Board is authorised to execute necessary technical updates to this Charter.

In case any fixed date prescribed in this Charter does not fall on a business day, the Charter shall be construed to refer to the business day immediately preceding such fixed date.

This Charter has been prepared in Swedish, Finnish and English. In the event of any discrepancies, the Swedish version shall prevail.