

Proposal to the Extraordinary General Meeting of Aktia Bank plc on 21 September 2017

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 is responsible for preparing proposals to the Annual General Meeting, and, if necessary, to an Extraordinary General Meeting, for the election and remuneration of the members of the Board of Directors and for identifying potential Board member candidates.

The Nomination Board shall ensure that the Board of Directors and its members maintain and represent a sufficient level of expertise, knowledge and competence as well as diversity for the needs of the Company taking into account the Board diversity policy of the Company. In its duties the Nomination Board shall comply with applicable laws and regulations including the stock exchange rules and the Finnish Corporate Governance Code (hereinafter the "**Code**").

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 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 is the largest on 1 June immediately preceding the 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. The shareholders entitled to appoint a member are determined on the basis of the shareholders' register of the Company on 1 June immediately preceding the General Meeting.

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. 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 Chairman of the Board of Directors convenes the first meeting of the Nomination Board and acts as a Chairman of the Nomination Board until the Nomination Board has elected a Chairman from among its members. Other meetings are convened by the elected Chairman of the Nomination Board.

The composition of the Nomination Board is published by the Company through 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. The right to appoint a member to replace the resigned 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 30 August, and their term of office shall end when new members are appointed to replace them.

3. Duties of the Nomination Board and remuneration

The duties of the Nomination Board are:

- (a) to prepare and present to the Annual General Meeting, and, if necessary, to an Extraordinary General Meeting, a proposal for the number of the members of the Board of Directors;
- (b) to prepare and present to the Annual General Meeting, and, if necessary, to an Extraordinary General Meeting, a proposal for the election of the members of the Board of Directors;
- (c) to prepare and present to the Annual General Meeting, and, if necessary, to an Extraordinary General Meeting, a proposal for the remuneration of the members of the Board of Directors; and
- (d) to seek prospective successors for the members of the Board of Directors.

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.

4. Duties of the 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.

5. Decision-making

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, a member of the Nomination Board may make his/her own proposal to the General Meeting.

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

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

6. Preparation of a proposal concerning the composition of the Board of Directors

The Nomination Board shall prepare a proposal to be presented to the Annual General Meeting concerning the composition of the Board of Directors and, if necessary, to an Extraordinary General Meeting. However, any shareholder of the Company may also make a proposal directly to the General Meeting in accordance with the Finnish Companies Act.

When preparing its proposal concerning the composition of the Board of Directors, the Nomination Board shall take into account also the independence requirements under the Code, the results of the annual performance assessment of the Board of Directors conducted in accordance with the Code, the Board diversity policy and any other applicable rules and regulations. The Nomination Board may, at the Company's approved expense, make use of outside experts to identify and evaluate potential new candidates to the Board of Directors.

7. Composition of the Board of Directors

In preparing an election of the Board of Directors, the Nomination Board shall observe the following:

- (a) The Board of Directors shall be composed in a way that takes the company's business operations, development stage and other circumstances into consideration; diversity and broad range are key in respect of the members' fields of expertise, experience and background in general.
- (b) The Board of Directors shall wield experience from banking and risk management related to it.
- (c) The competence and experience of the Board of Directors shall be assessed collectively. The preparation of the election of the Board shall be based on a comprehensive assessment of the Board's competence profile.

- (d) An even distribution of both men and women shall be pursued.
- (e) The size of the Board shall not hamper the application of simple and effective work methods.
- (f) Deputy members shall not be elected.
- (g) An employee or the CEO of the Aktia Group cannot serve as a member of the Board of Directors.
- (h) The Nomination Board shall take into account the equal interest of all shareholders.
- (i) The Nomination Board shall conduct a comprehensive assessment of the Board member candidates' suitability based on all relevant circumstances, inter alia
 - Competence, i.e. education, professional experience, personal attributes and ability to manage the duties of a Board member;
 - Age
 - Time, interest and motivation for the office;
 - Number of Board memberships held;
 - Independence of the Company and significant shareholders;
 - Possible conflicts of interest in relation to, for instance, primary and secondary occupations and positions of trust.
- (j) Candidates proposed to the General Meeting for election shall always be trustworthy and have full power to conduct business. The following factors prevent the election of a person as Board member:
 - The person having been subject to a preliminary investigation during the last five years, if the investigated suspected crime can be viewed to render him/her evidently unsuitable for the office (such as crimes against property or other financial crimes);
 - The inability resulting from insolvency to, even temporarily, satisfy his/hers debts or the debts of a company in which he/she has significant influence as the debts fall due;
 - Bankruptcy, restriction of his/her legal capacity (trustee, litigation friend) or a prohibition to conduct trade;
 - Disciplinary measures taken against him/her.

8. Principles for the proposal for Board remuneration

The remuneration of the members of the Board of Directors shall be reasonable in relation to the character and scope of their duties. The remuneration shall be competitive in order to recruit and retain necessary competence in the Board.

9. Proposals to the 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 the Board of Directors before the end of January. Concerning Extraordinary General Meetings, proposals shall be presented in a similar manner when needed and in sufficient time to enable the Company to comply with applicable rules and regulations.

The proposals of the Nomination Board shall, when possible, 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.

10. 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. The Chairman of the Nomination Board or the Chairman of the Board of Directors may, when he/she considers it necessary, propose to the Board of Directors of the Company that the Company should enter into separate non-disclosure agreements with the shareholders or their representatives in the Nomination Board.

11. 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.