

# Nordea

## Decision proposals

Annual General Meeting 28 May 2020



## **Matters on the agenda of the Annual General Meeting**

1. Opening of the meeting
2. Calling the meeting to order
3. Election of person to scrutinise the minutes and to supervise the counting of votes
4. Recording the legality of the meeting
5. Recording the attendance at the meeting and adoption of the list of votes
6. Presentation of the annual accounts, the report of the Board of Directors and the Auditor's report for the year 2019
  - Review by the President and Group CEO
7. Adoption of the annual accounts
8. Resolution on the use of the profit shown on the balance sheet and the payment of dividend
9. Resolution to discharge the members of the Board of Directors and the CEO from liability
10. Advisory resolution on the adoption of the Company's remuneration policy for governing bodies
11. Resolution on the remuneration for the members of the Board of Directors
12. Resolution on the number of members of the Board of Directors
13. Election of members of the Board of Directors and the Chair of the Board of Directors
14. Resolution on the remuneration of the auditor
15. Election of auditor
16. Resolution on the approval of the revised Charter of the Shareholders' Nomination Board
17. Resolution on authorisation for the Board of Directors to decide on the issuance of special rights entitling to shares (convertibles) in the Company
18. Resolution on
  - a) repurchase of the Company's own shares in the securities trading business
  - b) transfer of the Company's own shares in the securities trading business
19. Resolution on authorisation for the Board of Directors to decide on
  - a) the repurchase of the Company's own shares
  - b) share issuances or transfer of the Company's own shares
20. Closing of the meeting

## **8. Resolution on the use of the profit shown on the balance sheet and the payment of dividend**

In light of the COVID-19 pandemic and the related recommendation adopted by the European Central Bank ("ECB") on 27 March 2020, the Board of Directors proposes postponement of the decision on dividend payment for the financial year 2019 as announced on 31 March 2020.

The Board of Directors proposes that the Annual General Meeting authorises the Board of Directors to decide on a dividend payment of a maximum of EUR 0.40 per share for the financial year 2019 to be distributed in one or several instalments.

The authorisation shall remain in force and effect until the beginning of the next Annual General Meeting of the Company. The Board of Directors intends to follow the recommendation adopted by the ECB and refrain from deciding on a dividend payment based on the authorisation before 1 October 2020. Nordea will publish any possible decisions on dividend payment by the Board of Directors separately, and simultaneously confirm the dividend record and payment dates.

Possible dividend will be paid to shareholders who on the applicable record date for the dividend payment will be recorded in the Company's shareholders' register maintained by Euroclear Finland Oy in Finland, Euroclear Sweden AB in Sweden or VP Securities A/S in Denmark.

Pursuant to the Finnish Act on Credit Institutions, Chapter 10, Section 2a, the provisions relating to minority dividend of the Finnish Companies Act, Chapter 13, Section 7, are not applicable to Nordea Bank Abp.

## **9. Resolution to discharge the members of the Board of Directors and the CEO from liability**

## **10. Advisory resolution on the adoption of the Company's remuneration policy for governing bodies**

The Board of Directors proposes, after consulting the Shareholders' Nomination Board in respect of the remuneration of the members of the Board of Directors, to the Annual General Meeting to adopt, through an advisory resolution, the Company's remuneration policy for governing bodies to be applied until the Annual General Meeting in 2024.

The remuneration policy for governing bodies provides a framework of the remuneration for the members of the Board of Directors, the President and Group CEO and the Deputy Managing Director.

The remuneration policy for governing bodies has been published by a stock exchange release and is available on the Company's website at [www.nordea.com/en/annual-general-meeting](http://www.nordea.com/en/annual-general-meeting), and is thus deemed presented at the meeting.

## 11. Resolution on the remuneration for the members of the Board of Directors

The Shareholders' Nomination Board proposes to the Annual General Meeting that the following annual remuneration is paid to the members of the Board of Directors that are elected by the Annual General Meeting:

Role	2020 Proposed (EUR)	2019 (EUR)	Increase (%)
Chair	300,000	300,000	0
Vice-Chair	145,000	145,000	0
Other members of the Board of Directors	95,000	95,000	0

The Shareholders' Nomination Board also proposes the following additional annual remuneration for Committee Chairs and Committee members:

Role	2020 Proposed (EUR)	2019 (EUR)	Increase (%)
Board Remuneration Committee Chair	42,000	42,000	0
Board Remuneration Committee members	26,000	26,000	0
All other Committee Chairs	60,000	60,000	0
All other Committee members	30,000	30,000	0

No remuneration is paid to members of the Board of Directors employed by the Nordea Group.

In addition, it is proposed that the Company will cover or reimburse the members of the Board of Directors all costs and expenses related to or arising from the Board membership.

## 12. Resolution on the number of members of the Board of Directors

The Shareholders' Nomination Board proposes to the Annual General Meeting, for a period until the end of the next Annual General Meeting, that the number of members of the Board of Directors to be elected by the Annual General Meeting is set at ten.

Furthermore, the Board of Directors has three ordinary members and one deputy member appointed by the employees of the Nordea Group.

## 13. Election of members of the Board of Directors and the Chair of the Board of Directors

The Shareholders' Nomination Board proposes, for a period until the end of the next Annual General Meeting

- the re-election of Torbjörn Magnusson, Nigel Hinshelwood, Birger Steen, Sarah Russell, Robin Lawther, Pernille Erenbjerg, Kari Jordan, Petra van Hoeken and John Maltby as members of the Board of Directors;

- the election of Jonas Synnergren as new member of the Board of Directors; and

- the re-election of Torbjörn Magnusson as Chair of the Board of Directors.

Maria Varsellona is not available for re-election.

## **Jonas Synnergren proposed as new member of the Board of Directors**

Jonas Synnergren, M. Sc. (Econ.), born 1977, Swedish citizen, is a partner at Cevian Capital AB and Head of Cevian Capital's Swedish office since 2012 and has approximately 19 years of previous working experience from e.g. financial services consultancy and asset management. Jonas Synnergren is a member of the Board of Directors of Veoneer Inc and has previously been a member of the Board of Directors of Tieto Corporation (2012-2019). He is independent of Nordea Bank Abp and of its significant shareholders, in accordance with the Finnish Corporate Governance Code. Jonas Synnergren does not currently own any shares in Nordea Bank Abp.

All proposed candidates have given their consent to be elected as members of the Board of Directors of Nordea Bank Abp and Torbjörn Magnusson has given his consent to be elected as Chair of the Board of Directors.

Relevant authority approval has been received for the new candidate.

In addition to the above proposed candidates, the Nordea Bank Abp Board of Directors has three ordinary members and one deputy member appointed by the employees of the Nordea Group. As of the end of Nordea Bank Abp's Annual General Meeting in 2020 and until the end of the next Annual General Meeting, Gerhard Olsson, Kari Ahola and Dorrit Groth Brandt are appointed as ordinary members of the Board of Directors and Hans Christian Riise as a deputy member of the Board of Directors by the employees.

It is the collective opinion of the Shareholders' Nomination Board and Nordea Bank Abp that the proposed Board of Directors and its members are suitable for the assignment both collectively and individually and that Torbjörn Magnusson is suitable for the position as Chair of the Board of Directors.

The biographical details of the current Board members are available at [www.nordea.com/en/about-nordea/corporate-governance/board-of-directors/members-of-the-board](http://www.nordea.com/en/about-nordea/corporate-governance/board-of-directors/members-of-the-board).

The CV of the proposed new member of the Board of Directors is available at [www.nordea.com/en/annual-general-meeting](http://www.nordea.com/en/annual-general-meeting).

## **Independence pursuant to the Finnish Corporate Governance Code**

All proposed Board members are, in accordance with the Finnish Corporate Governance Code, independent from the Company's significant shareholders, except for Torbjörn Magnusson, Managing Director of Sampo plc and Group CEO and President of Sampo Group, as Sampo plc is a significant shareholder of Nordea Bank Abp. In addition, all proposed Board members to be elected by the Annual General Meeting are considered independent from the Company, including Sarah Russell who has been, if re-elected by the Annual General Meeting, a member of the Board of Directors of the Company and its legal predecessors for 10 consecutive years. Based on an overall evaluation, her independence is not compromised due to her long service history, and no other factors or circumstances have been identified that could impair her independence.

The ordinary members and the deputy member of the Board of Directors appointed by the employees are employed by the Nordea Group and therefore, they are not independent of the Company.

## CV of the proposed new member of the Board of Directors



### Jonas Synnergren

**MSc (Economics and Business)**

*Born:* 1977

*Nationality:* Swedish

*Other assignments:* Member of the Board of Directors, Veoneer Inc.

**Member of the Nomination Committee, LM Ericsson AB**

**Partner at Cevian Capital AB**

**Head of Cevian Capital's Swedish office**

*Previous positions:*

**2012-2019 Member of the Board of Directors and Member of the Audit and Risk Committee, Tieto Corporation**

**2014-2016 Chairman of the Nomination Board (2014-2015), Member of the Nomination Board (2015-2016), Metso Corporation**

**2010-2011 Member of the Nomination Board, Tieto Corporation**

**2006-2007 Interim CEO and Head of Investor Relations & Business Development, Svalan Konsortier AB**

**2000-2006 Several positions, ultimately Project Leader, The Boston Consulting Group AB**

*Shareholding in Nordea:* 0

## CV's of the Board members proposed to be re-elected



### Torbjörn Magnusson

#### Chair

**MSc and Lis Eng.**

**Board member since 2018<sup>1</sup> and Chair since 2019**

*Born:* 1963

*Nationality:* Swedish

*Other assignments:* **Group CEO and President of Sampo Group since 1 January 2020**  
**Managing Director and Member of Group Executive Committee, Sampo Plc**  
**Board Chairman of If P&C Insurance Holding Ltd (publ)**

*Previous positions:*

**2002–2019 President and CEO, If P&C Insurance Holding Ltd (publ)**  
**2001–2002 Head of Commercial Business Division, If P&C Holding Ltd (publ)**  
**1999–2001 Head of Commercial Products, If P&C Holding Ltd (publ)**  
**1998–1999 Head of P&C Support and Chief Actuary, Försäkringsaktiebolaget Skandia**  
**1996–1997 Chief Controller, Försäkringsaktiebolaget Skandia**  
**1995–1996 Chief Actuary, Non-Life, Mercantile & General Insurance**  
**1994–1995 Deputy Actuary, Non-Life, Mercantile & General Insurance**  
**1990–1993 Actuary, Non-Life, Skandia International**  
**1988–1989 Information Systems Consultant, Arthur Andersen & Company**

*Shareholding in Nordea:* 13,984.<sup>2</sup>



### Kari Jordan

**MSc (Economics)**

**Board member and Vice Chair since 2019<sup>1</sup>**

*Born:* 1956

*Nationality:* Finnish

*Other assignments:* **Board Chairman of Outokumpu Oyj**

**Board member of Nokian Tyres Plc**

**Board member of several non-profit organisations, including the Finnish Business and Policy Forum EVA/ETLA**

*Previous positions:*

**2006–2018 President and CEO, Metsä Group (former Metsäliitto Group)**

**2004–2017 President and CEO Metsäliitto Cooperative**

**1998–2004 Various executive management positions within Nordea Group**

**1995–2000 Various executive management positions within Merita Bank Plc**

**1994–1995 Executive Vice President, Kansallis-Osake-Pankki**

**1987–1994 Member of the Board of Management, OKOBANK**

**1986–1987 Vice President, Citicorp Investment Bank Limited**

**1981–1985 Various positions within Citibank Plc**

*Shareholding in Nordea:* 100,000.<sup>2</sup>

## CV's of the Board members proposed to be re-elected



### Birger Steen

**MBA and MSc (Industrial Engineering, Computer Science)  
Board member since 2015<sup>1</sup>**

*Born: 1966*

*Nationality: Norwegian*

*Other assignments: Principal of Summa Equity AB  
Board Chair of Nordic Semiconductor ASA and Pagero AB  
Board member of Schibsted ASA and Cognite AS  
Member of the Board of Trustees,  
The National Nordic Museum in Seattle, USA*

*Previous positions:*

**2010–2016 CEO, Parallels, Inc**  
**2009–2010 Vice President, Worldwide SMB & Distribution,  
Microsoft Corporation**  
**2004–2009 General Manager, Microsoft Russia**  
**2002–2004 General Manager, Microsoft Norge**  
**2000–2002 CEO, Scandinavia Online AS**  
**1996–1999 Vice President, Business Development, Schibsted ASA**  
**1993–1996 Consultant, McKinsey & Company**  
**1992–1993 Oil Trader and Managing Director,  
Norwegian Oil Trading AS**

*Shareholding in Nordea: 10,000.<sup>2</sup>*



### Sarah Russell

**Master of Applied Finance  
Board member since 2010<sup>1</sup>**

*Born: 1962*

*Nationality: Australian*

*Other assignments: Member of the Supervisory Board of  
The Currency Exchange Fund NV*

*Previous positions:*

**2015–2019 Member, Supervisory Board,  
Nederlandse Investeringsintelling NV**  
**2015–2019 Vice Chairman, Supervisory Board; member,  
Appointment and Compensation Committee,  
La Banque Postale Asset Management SA**  
**2010–2019 Chief Executive Officer, Aegon Asset Management  
Holdings BV**  
**2006–2008 Senior Executive Vice President and CEO,  
ABN AMRO Asset Management Holdings NV**  
**2004–2005 Managing Director and CFO, Wholesale Clients  
Business Unit, ABN AMRO**  
**2002–2004 Global Head of Financial Markets Research and Financial  
Markets Infrastructure Support, member of Financial  
Markets Executive Committee, ABN AMRO**  
**2000–2002 Business Manager to Senior Executive Vice President  
of Global Financial Markets, ABN AMRO**  
**1998–2000 Director, Head of Corporate Sales Australia  
and New Zealand, ABN AMRO**  
**1997–1998 Director, Head of Commodities in Sydney, ABN AMRO**  
**1994–1997 Associate Director and Director,  
Treasury Sales in Sydney, ABN AMRO**  
**1981–1994 Various positions within Toronto Dominion Australia  
Limited in several trading, sales and management roles  
in Financial Markets**

*Shareholding in Nordea: 0.<sup>2</sup>*

## CV's of the Board members proposed to be re-elected



### Petra van Hoeken

**Master in Civil Law**  
**Board member since 2019<sup>1</sup>**

*Born: 1961*

*Nationality: Dutch*

*Other assignments: Chief Risk Officer of Intertrust Group*

**Board member of Oranje Fonds**

**Board member of Nederlandse Waterschapsbank NV**

*Previous positions:*

**2018–2019 Board member, De Lage Landen, DLL**

**2016–2019 Board member, Utrecht-America Holdings, Inc**

**2016–2019 Chief Risk Officer, Coöperatieve Rabobank U.A.**

**2012–2016 Chief Risk Officer, NIBC Bank NV**

**2008–2012 Chief Risk Officer EMEA, The Royal Bank of Scotland Plc**

**1986–2008 Various management and other positions,**

**ABN Amro Bank NV**

*Shareholding in Nordea: 0.<sup>2</sup>*



### Pernille Erenbjerg

**MSc (Business Economics and Auditing)**  
**Board member since 2017<sup>1</sup>**

*Born: 1967*

*Nationality: Danish*

*Other assignments: Deputy Chair of Millicom International Cellular SA*

**Board member of Genmab A/S**

**Board member of GlobalConnect A/S**

*Previous positions:*

**2015–2018 Group CEO and President, TDC A/S**

**2011–2015 Group Chief Financial Officer, TDC A/S**

**2003–2010 Various management positions, TDC A/S**

**2002–2003 Partner, Deloitte Touche Tohmatsu**

**1987–2002 Auditor, Arthur Andersen**

*Shareholding in Nordea: 0.<sup>2</sup>*



### Robin Lawther

**BA Honours (Economics) and MSc (Accounting & Finance)**  
**Board member since 2014<sup>1</sup>**

*Born: 1961*

*Nationality: American and British*

*Other assignments: Board member of Oras Invest Ltd, Ashurst LLP, and M&G Plc, Board member of UK Government Investments*

*Previous positions:*

**2007–2011 Head, Nordics Investment Bank, UK, J.P. Morgan**

**2005–2007 Head, Mergers & Acquisitions Execution,**

**European Financial Institutions, UK, J.P. Morgan**

**2003–2005 Head, Commercial Banking Group, UK, J.P. Morgan**

**1994–2005 Managing Director, Financial Institutions Investment**

**Banking, UK, J.P. Morgan**

**1990–1993 Vice President, Mergers & Acquisitions, UK, J.P. Morgan**

**1985–1990 International Capital Markets, USA, J.P. Morgan**

*Shareholding in Nordea: 50,000.<sup>2</sup>*

## CV's of the Board members proposed to be re-elected



### Nigel Hinshelwood

**HCIMA (Management)**  
**Board member since 2018<sup>1</sup>**

*Born:* 1966

*Nationality:* British

*Other assignments:* Franchise Board member of Lloyd's of London

**Board member of Lloyds Bank plc**

**Board member of Bank of Scotland plc**

*Previous positions:*

**2016–2017 Head of UK Bank and Deputy CEO, HSBC Bank plc**

**2015–2016 Group General Manager & Global Head of Operations, HSBC Group Holdings**

**2011–2015 Group General Manager & Chief Operating Officer Europe, Middle East and Africa, HSBC Group Holdings**

**2010–2011 Global Head, HSBC Insurance Holdings**

**2008–2010 Global Chief Operating Officer, HSBC Group Holdings**

**2005–2007 Group Head of Programme Management and Business Transformation, HSBC Group**

**2003–2005 Vice President & General Manager, Head of Global Banking and Insurance Services, Asia Pacific, Unisys Corporation**

**2000–2003 Chief Executive Officer, South East Asia & Board Member for Asia Pacific, Capgemini**

**1997–2000 Partner, Ernst & Young**

**1996–1997 National Sales Director Australia, Sequent Computer Systems**

**1990–1996 Chief Operating Officer Asia Pacific and Head of Sales and Marketing, Policy Management Systems Corporation**

*Shareholding in Nordea:* 0.<sup>2</sup>



### John Maltby

**BSc Honours (Engineering Science)**  
**Board member since 2019<sup>1</sup>**

*Born:* 1962

*Nationality:* British

*Other assignments:* Chairman of Allica, and Pepper Money (designate)

**Board member of Simplyhealth Group**

**Board member of National Citizens Service (NCS) Trust**

*Previous positions:*

**2015–2019 Board member, Bank of Ireland UK**

**2012–2019 Chairman, Good Energy Group Plc**

**2015–2018 Board member, Tandem Bank**

**2015–2017 Chairman, BlueStep Bank AS**

**2014–2014 Chief Executive Officer, Williams & Glyn**

**2012–2013 Senior Advisor, Corsair Capital**

**2007–2012 Group Director, Commercial, Lloyds Banking Group**

**2000–2007 Chief Executive Officer, Kensington Group Plc**

**1998–2000 Executive Director, First National Group, Abbey National Plc**

**1994–1998 CEO, Lombard Tricity, Natwest Group Plc**

**1992–1994 Deputy Director, Barclays Bank Plc**

**1989–1992 Management Consultant, Price Waterhouse Consultancy**

**1983–1989 Manager, Andersen Consulting**

*Shareholding in Nordea:* 0.<sup>2</sup>

<sup>1</sup> Refers to when a person became Board member in the Nordea Group's parent company, irrespective of whether it is Nordea Bank Abp, Nordea Bank AB (publ), or another company.

<sup>2</sup> Shareholdings as of 31 December 2019, also includes shares held by family members and closely affiliated legal entities.

#### **14. Resolution on the remuneration of the auditor**

The Board of Directors proposes, on the recommendation of the Board Audit Committee, to the Annual General Meeting that the remuneration of the auditor is to be paid according to the invoice approved by the Company.

#### **15. Election of auditor**

The Board of Directors proposes, on the recommendation of the Board Audit Committee, to the Annual General Meeting that authorised public accountants PricewaterhouseCoopers Oy be re-elected as the Company's auditor until the end of the following Annual General Meeting.

PricewaterhouseCoopers Oy has notified the Company that the authorised public accountant Jukka Paunonen would act as the responsible auditor.

#### **16. Resolution on the approval of the revised Charter of the Shareholders' Nomination Board**

The Shareholders' Nomination Board proposes to the Annual General Meeting to resolve on the approval of the revised Charter of the Shareholders' Nomination Board. The changes are proposed in order to clarify and incorporate statutory requirements in the Charter of the Shareholders' Nomination Board, for example, evaluation of the succession plan for the Board of Directors as well as the selection criteria and selection process for senior management, review of the remuneration policy for governing bodies in respect of the remuneration of the members of the Board of Directors and taking into account Nordea's Diversity Policy and the objective thereunder. Further, certain technical revisions have been made and the process for determining the appointment right of the largest shareholders has been clarified.

The revised Charter is included in the proposals of the Shareholders' Nomination Board, and it is available at [www.nordea.com/en/annual-general-meeting](http://www.nordea.com/en/annual-general-meeting).

#### **17. Resolution on authorisation for the Board of Directors to decide on the issuance of special rights entitling to shares (convertibles) in the Company**

Nordea Bank Abp is required to satisfy certain capital requirements pursuant to EU and Finnish legislation. Within this legislative framework, capital instruments that absorb losses by converting into shares can be used to meet parts of the capital requirements. The Board of Directors proposes that the Annual General Meeting authorises the Board of Directors to decide on the issuance of such capital instruments.

The purpose of the authorisation is to facilitate a flexible and efficient adjustment of the Company's capital structure to the capital requirements. The authorisation enables the Board of Directors to swiftly carry out issuances without first holding an Extraordinary General Meeting which the Board of Directors considers appropriate given these capital instruments are principally intended to be issued

in the international capital markets. The Board of Directors intends to use the authorisation if the Board of Directors determines that the capital trigger level at which conversion shall take place is at such a level that gives the shareholders and the Board of Directors the possibility to act in good time and propose alternatives to conversion.

In light of the above, the Board of Directors of the Company proposes to the Annual General Meeting to resolve to authorise the Board of Directors to decide, on one or several occasions, on the issuance of special rights entitling to either new shares in the Company or treasury shares, against payment (convertibles) in accordance with or in deviation from the shareholder's pre-emptive subscription rights. The maximum number of shares that may be issued based on this authorisation shall be 404,995,191 shares, which corresponds to approximately 10% of all the shares in the Company.

The Board of Directors shall be authorised to decide on all other matters relating to the issuance of the special rights entitling to shares in the Company. The issuance of the special rights entitling to shares by virtue of this authorisation shall be made on market terms and principally be issued in the international capital markets.

The authorisation shall remain in force and effect until the earlier of (i) the end of the next Annual General Meeting of the Company or (ii) 18 months from the resolution of the Annual General Meeting of the Company.

If this authorisation is granted, it will revoke the authorisation to decide on the issuance of special rights entitling to shares (convertibles) in the Company granted to the Board of Directors by the Annual General Meeting on 28 March 2019.

## **18. Resolution on**

### **a) repurchase of the Company's own shares in the securities trading business**

In its securities trading business, Nordea Bank Abp, among other things, acts as a market maker in its own shares on the relevant stock exchanges and in indices in which the Company's shares form a significant part, as well as offers share-related products. Should the Company not be able to trade in its own shares, the Company would not be able to provide a full range of products in the same manner as its competitors, which would lead to the Company losing market shares, and it would not be able to fulfil its current market maker undertakings towards relevant stock exchanges and the financial markets at large.

The Company's holdings of its own shares in the trading book shall not at any time exceed the applicable limits decided by the European Central Bank.

In light of the above, the Board of Directors of the Company proposes to the Annual General Meeting to resolve that the Company, for the purpose of its ordinary course securities trading business as a credit institution, may repurchase its own shares as follows.

The Company's own shares are repurchased otherwise than in proportion to the existing shareholdings of the Company's shareholders (directed repurchases). The facilitation of the Company's securities trading business, in which the ability to also trade in the Company's own shares is required, forms a weighty financial reason for directed repurchases.

The maximum number of the Company's own shares to be repurchased shall not exceed 175,000,000 shares, which corresponds to approximately 4.32% of all the shares in the Company. The Company's own shares shall be repurchased on Nasdaq Helsinki, Nasdaq Stockholm, or Nasdaq Copenhagen, as the case may be, or from counterparties of the securities trading business outside of the market or through the use of derivative instruments, in each case, at a total price that does not exceed the market price prevailing on the relevant stock exchange at the time of the repurchase or the time of entry into the relevant derivative instrument, as the case may be. The Company's own shares to be repurchased shall be offered to the Company no later than at the time of the repurchase and shall be paid for no later than upon delivery of such shares. The Company's own shares are repurchased using the unrestricted equity of the Company.

The Company's own shares under this resolution shall be repurchased before the end of the next Annual General Meeting of the Company.

#### **b) transfer of the Company's own shares in the securities trading business**

In its securities trading business, Nordea Bank Abp, among other things, acts as a market maker in its own shares on the relevant stock exchanges and in indices in which the Company's shares form a significant part, as well as offers share-related products. Should the Company not be able to trade in its own shares, the Company would not be able to provide a full range of products in the same manner as its competitors, which would lead to the Company losing market shares, and it would not be able to fulfil its current market maker undertakings towards relevant stock exchanges and the financial markets at large.

In light of the above, the Board of Directors of the Company proposes to the Annual General Meeting to resolve that the Company, for the purpose of its ordinary course securities trading business as a credit institution, may transfer its existing own shares for consideration as follows.

The Company may transfer its own shares in its ordinary course securities trading business in deviation from the shareholders' pre-emptive subscription rights by way of a directed share issuance. The facilitation of the Company's securities trading business, in which the ability to also trade in the Company's own shares is required, forms a weighty financial reason for a directed issuance.

The maximum number of the Company's own shares to be transferred shall not exceed 175,000,000 shares, which corresponds to approximately 4.32% of the all the shares in the Company. The Company's own shares shall be transferred through Nasdaq Helsinki, Nasdaq Stockholm, or Nasdaq Copenhagen, as the case may be, or directly to counterparties of the securities trading business at a price that is no less than the market price prevailing on the relevant stock exchange at the time of the transfer or at the time of the entry into the relevant derivative instrument, as the case may be. The Company's own shares that may be transferred shall be subscribed for no later than at the time of the transfer and shall be paid for no later than upon delivery of such shares. The subscription price shall be recorded in the invested unrestricted equity of the Company.

The Company's own shares shall be transferred before the subscription period expires, that is, at the end of the next Annual General Meeting of the Company.

It is proposed that the Annual General Meeting resolves to approve all subscriptions that will be made in accordance with the terms and conditions of the directed issuance.

## **19. Resolution on authorisation for the Board of Directors to decide on**

### **a) the repurchase of the Company's own shares**

The Board of Directors of the Company proposes to the Annual General Meeting to resolve to authorise the Board of Directors, on one or several occasions, to decide on the repurchase of not more than 225,000,000 shares in the Company, which corresponds to approximately 5.56% of all the shares in the Company, subject to the condition that the number of own shares held by the Company at any given time may not exceed 10% of all the shares in the Company.

The shares may be repurchased either through an offer to all shareholders on equal terms or through other means and otherwise than in proportion to the existing shareholdings of the Company's shareholders (directed repurchases). The Company's own shares may be repurchased using the unrestricted equity of the Company.

The repurchase of the Company's own shares shall be made at a price that does not exceed the market price prevailing on the relevant stock exchange at the time of the repurchase or otherwise at a price formed on the market.

The Company's own shares may be repurchased (a) to be used in the Company's variable pay plans in accordance with regulatory requirements and/or as required for new variable pay plans for executive officers, senior management, other material risk takers, and other employees, as appropriate, (b) in order to optimise the capital structure of the Company, or (c) to be used as payment in connection with corporate acquisitions, and, hence, in each case, the repurchased shares may be further transferred or cancelled. However, the number of the Company's own shares to be repurchased for remuneration purposes may not exceed 25,000,000 shares and the number of the Company's own shares to be repurchased to optimise the capital structure may not exceed 200,000,000 shares.

The Board of Directors shall be authorised to decide on all other terms relating to the repurchase of the Company's own shares, including how shares are to be repurchased and whether the repurchased shares shall be transferred or cancelled. The authorisation shall remain in force and effect until the earlier of (i) the end of the next Annual General Meeting of the Company or (ii) 18 months from the resolution of the Annual General Meeting of the Company.

If this authorisation is granted, it will revoke the authorisation to decide on the repurchase of the Company's own shares granted to the Board of Directors by the Annual General Meeting on 28 March 2019.

In addition to the above terms, it is noted that any resolution by the Board of Directors to repurchase shares based on the proposed authorisation will also be subject to the condition that the Company has obtained the necessary regulatory permissions from the European Central Bank.

### **b) share issuances or transfer of the Company's own shares**

The Board of Directors of the Company proposes to the Annual General Meeting to resolve to authorise the Board of Directors, on one or several occasions, to decide on the issuance of new shares or transfer of the Company's own shares of not more than 30,000,000 shares in the Company, which

corresponds to approximately 0.74% of all the shares in the Company.

The shares may be issued or transferred in proportion to the Company's shareholders' existing shareholdings in the Company or in deviation from the shareholders' pre-emptive subscription right by way of a directed issuance. The shares to be issued or transferred in this way may be used (a) to implement the Company's variable pay plans in accordance with regulatory requirements and/or as required for new variable pay plans for executive officers, senior management, other material risk takers, and other employees, as appropriate, or (b) as payment in connection with corporate acquisitions.

The Board of Directors shall be authorised to decide on all other terms relating to the issuance of new shares in the Company or transfers of the Company's own shares. The authorisation shall remain in force and effect until the earlier of (i) the end of the next Annual General Meeting of the Company or (ii) 18 months from the resolution of the Annual General Meeting of the Company.

If this authorisation is granted, it will revoke the authorisation to decide on share issuances or transfer of the Company's own shares granted to the Board of Directors by the Annual General Meeting on 28 March 2019.