



Nordax Bank

This is an unofficial translation of the corresponding Swedish document. In the event of any discrepancies between this document and the Swedish version, the latter shall prevail.

The Nomination Committee's proposals for the Annual General Meeting 2017, including a justification of the proposed Board of Directors and auditor

The Annual General Meeting 2015 in Nordax Group AB (publ) (the "company") has resolved on principles for the appointment of the Nomination Committee. In accordance with the principles, to which no changes were made by the Annual General Meeting 2016, the Chairman of the Board of Directors has convened the largest shareholders of the company based on the number of votes as per 31 August 2016. The shareholders have then appointed Members to the Nomination Committee.

The Nomination Committee has consisted of Hans Hedström (representing Carnegie Fonder AB), Hans Ek (representing SEB Investment Management AB) and Malin Björkmo (representing Handelsbanken Fonder AB). In addition, the Chairman of the Board, Arne Bernroth, has been co-opted to the Nomination Committee. Hans Hedström was appointed chairman of the Nomination Committee.

The three represented shareholders represented on 31 January 2017 about 23 per cent of the shares and votes in the company.

In accordance with the principles adopted by the Annual General Meeting, the Nomination Committee has prepared proposals on the following matters to be presented at the Annual General Meeting 2017:

- the election of the Chairman of the Annual General Meeting;
- the election of the Chairman and other members of the Company's Board of Directors;
- remuneration to the Board of Directors, divided between the Chairman and the other members, and any remuneration for Committee work; and
- the election of, and remuneration to, auditors and deputy auditors (where applicable).

In addition, the Nomination Committee has to annually consider the possible amendment of the principles for the appointment of the Nomination Committee and, where appropriate, present proposals for amendment to the Annual General Meeting.

The Nomination Committee's proposal

Election of the Chairman of the Annual General Meeting

Arne Bernroth is proposed to be appointed Chairman of the Meeting.

Election of the Chairman and other members of the Company's Board of Directors

The Board of Directors is proposed to consist of eight (8) Board Members with no deputy Board Member. It is proposed to re-elect Arne Bernroth, Christian Beck, Katarina Bonde, Morten Falch, Andrew Rich, Jenny Rosberg and Synnöve Trygg and new election of Susanne Hannestad, all for the period until the conclusion of the next Annual General Meeting. The Nomination Committee further proposes to re-elect Arne Bernroth as Chairman of the Board of Directors for the period until the conclusion of the next Annual General Meeting.



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Remuneration to the Board of Directors, divided between the Chairman and the other Members, and any remuneration for Committee work

The Nomination Committee proposes a Board Member's fee of SEK 4,080,000 to be distributed as follows:

- SEK 1,100,000 to the Chairman of the Board of Directors (1,100,000)
- SEK 400,000 to each of the other Board Members (400,000)
- SEK 120,000 to the Chairman of the Audit Committee and the Risk Committee respectively (50,000)
- SEK 60,000 to each of the other Members of the Audit Committee and each of the other two Members of the Risk Committee (SEK 50,000)
- SEK 50,000 to each of the Members of the Remuneration Committee (50,000)

It is proposed that no remuneration be paid to Board Members who receive a salary from the company.

It is proposed that no remuneration be paid to the Chairman of the Board of Directors for Committee work. The Chairman of the Board of Directors is the Chairman of the Remuneration Committee.

The proposed increased remunerations for work in the Audit Committee and Risk Committee are motivated by the increased responsibility that new regulations entail and the resulting increased workload. The proposals on remuneration are further based on a comparative study of remuneration in similar companies.

Election of, and remuneration to, auditor

The Nomination Committee proposes election of one (1) auditor without substitute. In accordance with the Audit Committee's recommendation, it is proposed at first hand to elect the audit firm Deloitte AB, with the authorised auditor Malin Lüning as the auditor in charge, for the period until the conclusion of the next Annual General Meeting. As second alternative, it is proposed to elect the audit firm Ernst & Young Aktiebolag, with the authorised auditor Mona Alfredsson as the auditor in charge, for the period until the conclusion of the next Annual General Meeting.

Fee to the auditor is proposed to be paid in accordance with approved invoice.

Principles for the appointment of the Nomination Committee

It is proposed to make no amendments to the principles for the appointment of the Nomination Committee adopted at the Annual General Meeting 2015. The principles are set out in [Appendix 1](#).

The Nomination Committee's justified opinion regarding the proposed Board of Directors

As basis for the Nomination Committee's proposal, the Chairman of the Board of Directors has presented a summary of the company's operations, financial position, targets and strategies and the work of the Board of Directors during the previous year. The Nomination Committee has also received a copy of the outcome of the Board of Director's annual evaluation of itself and its work conducted during the autumn 2016. Individual meetings have been held with Board Members. The Nomination Committee has been informed by the company of the rules and guidelines in the governance area, among others having implications to the task of nominating directors to the company's Board of



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Directors and in addition, the Nomination Committee has been informed of the contents of the *Policy on diversity and assessment of suitability of directors and key function holders of Nordax Bank AB (publ)*, adopted by the Board of Directors of Nordax Bank AB (publ). The Nomination Committee has also had access to information on the Members other assignments as provided by each of the proposed Members and compiled by the company. At one of the Committee's meetings, the company's and the group's CEO has participated and presented the group's business.

On the basis of the provided information, the Nomination Committee has evaluated and discussed to what extent the current Board of Directors meets the demands on the Board of Directors that follows the company's and the group's business and organisation, current situation and future development, as well as the demands and criterion emanating from rules and guidelines applicable to the operations, *inter alia* in terms of relevant experience and expertise in relation to the group's operations, current situation and future development. In accordance with the company's above mentioned diversity policy, the Nomination Committee has in particular considered the requirement on diversity and variety of the Board of Directors with regards to gender, age, geographical provenance and educational and professional background in order to ensure that the composition of the Board of Directors is diversified. The Nomination Committee has in particular strived for gender parity. An assessment has also been made in respect of each Member's ability to devote the Board of Directors engagement, sufficient time and commitment to protect the company's and its shareholders' interest.

Hans Larsson has as previously announced resigned from the board of directors. The other Board Members have declared that they remain available for re-election. The Nomination Committee believes that a Board of Directors composed of eight members is well suited for the company's size and business. One new Board Member should therefore be nominated. The new Board Member should have broad knowledge and experience from the financial sector, strategic planning, assessment of a credit institution's efficiency, and of creating effective internal governance, risk management and control as well as experience of digital change of business models.

An external recruitment agency has been engaged and the Nomination Committee has interviewed the relevant candidate. After evaluation, the Nomination Committee has concluded that Susanne Hannestad is a suitable candidate that meets the requirements. In addition, Susanne Hannestad has broad experience of the Norwegian financial market.

The Nomination Committee considers the proposed Board of Directors to meet the requirements of the company's operations and organization and current situation and future development, as well as the requirements and criteria imposed by and set out in rules and guidelines, among others in relation to other assignments and that the proposed Board of Directors possess the diversity, combined expertise and experience required with respect to the company's operations, stage of development and other relevant circumstances. The Nomination Committee considers the proposed persons are well suited to the task, both individually and as a group and that they can devote the necessary time and devote the company's Board of Directors the engagement and commitment required.

The Nomination Committee therefore proposes re-election of Arne Bernroth, Christian Beck, Katarina Bonde, Morten Falch, Andrew Rich, Jenny Rosberg and Synnöve Trygg and new election of Susanne Hannestad as Board Members. It is further proposed to re-elect Arne Bernroth as Chairman of the Board of Directors.

The Nomination Committee notes that the proposed members represent a diversification in relation to gender, age and geographical origin as well as versatility and breadth with regards to educational and professional background that complies with the company's diversity policy. The Nomination Committee further notes that four of the eight nominated



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candidates, corresponding to 50 per cent, are women and that gender parity thereby is achieved.

The proposed composition of the Board of Directors meets the requirements in the Swedish Corporate Governance Code in relation to independency. All Board Members are considered to be independent of major shareholders. All Board Members except Morten Falch are considered to be independent of the company and its management.

More information regarding the proposed Board Members is available on www.nordaxgroup.com.

The Nomination Committee's justified opinion regarding the proposed auditors

According to the new regulations that entered into force in June 2016, listed companies and some financial companies must change accounting firm after a certain time (so-called auditor rotation) and the election of new auditor shall be preceded by a tender process. The company's Audit Committee initiated a tender process during the autumn 2016 and invited a number of accounting firms to offer statutory audit and other audit-related services to the group as from the financial year 2017. In advance of the request for proposal, the company's Audit Committee set up a number of evaluation criteria for the selection of auditing firm. The tender process has not excluded other accounting firms than those invited to participate in the tender process.

After evaluation a report on the conclusions of the selection process and the evaluation was established and thereafter validated by the Audit Committee. During the evaluation, inspections reports from the Supervisory Board of Public Accountants were also taken into account.

The Audit Committee thereafter made a recommendation regarding the election of auditor to the Board of Directors and the Nomination Committee. The recommendation was justified and entailed at least two alternative options.

According to the evaluation, Deloitte AB presented the strongest and most competitive offer in the tender process. Deloitte is a global accounting firm with more than 244,000 employees in over 150 countries. The Swedish organization consists of more than 1,300 employees and is one of the leading firms in Sweden. Deloitte has a specialized unit working against the financial sector, which is a prerequisite for being able to deliver expertise to the Company. The offered audit team, with Malin Lüning as auditor in charge, was also considered in terms of competence and expertise, to have the width and depth needed to support the company in its future development.

The Nomination Committee's proposal is consistent with the Audit Committee's recommendation. The Audit Committee has confirmed that its recommendation is free from influence of third parties and that no conditions existed that limited the selection to certain categories of accounting firms.

More information regarding the proposed auditors is available on www.nordaxgroup.com.

Stockholm in February 2017

The Nomination Committee of Nordax Group AB (publ)



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Appendix 1

Principles for the appointment of the Nomination Committee in Nordax Group AB (publ) (the "Company")

1. The Chairman of the Board of Directors shall annually, not later than in the end of the third quarter, convene the Company's three largest, based on voting rights, directly registered owner-grouped shareholders according to Euroclear Sweden AB on 31 August, each of whom shall have the right to appoint one member of the Nomination Committee. This person should not be a member of the Board of Directors. If any of the three largest shareholders refrain from their right to appoint a member of the Nomination Committee, the next largest shareholder(s) in order shall be given the opportunity to appoint a member until the Nomination Committee comprises at least three members. In addition to the members of the Nomination Committee who represents larger shareholders, the Chairman of the Board of Directors may be appointed as a member of the Nomination Committee. The CEO and other members of the Company's management may not be appointed members of the Nomination Committee.

2. The Chairman of the Board of Directors shall convene the first meeting of the Nomination Committee. The member representing the largest shareholder shall be appointed Chairman of the Nomination Committee.

3. The composition of the Nomination Committee shall be announced not later than six months prior to the Annual General Meeting.

4. The Nomination Committee shall adopt rules of procedure for its work.

5. If earlier than two months prior to the Annual General Meeting, one or more of the shareholders having appointed members to the Nomination Committee no longer are among the three largest shareholders, members appointed by these shareholders shall resign and the shareholders who at that time are among the three largest shareholders may appoint new members. Should a member resign from the Nomination Committee before its mandate period is completed and the Nomination Committee considers it necessary to replace the member, such substitute member is to represent the same shareholder or, if the shareholder is no longer one of the three largest shareholders, the largest shareholder in turn. Changes to the Nomination Committee shall be announced immediately.

6. The Nomination Committee shall prepare and present the following proposals to the Annual General Meeting:

- (i) the election of the Chairman of the Annual General Meeting;
- (ii) the election of the Chairman and other members of the Company's Board of Directors;
- (iii) remuneration to the Board of Directors, divided between the Chairman and the other members, and any remuneration for Committee work; and
- (iv) the election of, and remuneration to, auditors and deputy auditors (where applicable).

In addition, the Nominating Committee shall annually consider whether the Committee finds it necessary to propose any changes to these principles and, where applicable, present a proposal to the Annual General Meeting for any changes.

The Nomination Committee shall evaluate proposed members of the Board of Directors in accordance with applicable rules, regulations and guidelines issued by the Swedish Financial Supervisory Authority and the European Banking Authority as set forth in the rules of procedure adopted by the Nomination Committee.



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The Nomination Committee shall furthermore perform any duties that are to be performed by the Nomination Committee pursuant to the Swedish Corporate Governance Code.

7. No remuneration is payable to the members of the Nomination Committee. The Nomination Committee has the right to charge the Company with costs associated with, for example, recruitment consultants or other expenses necessary for the Nomination Committee to complete its assignment.

8. These principles for the appointment of the Nomination Committee shall apply until the Annual General Meeting resolves on any changes hereof. The mandate period of the Nomination Committee shall extend until such time as a new Nomination Committee is appointed.
