

Fellow Bank Plc

Board Diversity Policy

BOARD DIVERSITY POLICY

Objectives

Fellow Bank defines its own diversity policy regarding the scope of the business and the needs of the development phase. When defining diversity policy, factors such as age, gender, occupation, education and international background could be considered. The company chooses the principles and goals based on its essential operations.

The goal of Fellow Bank's Board Diversity Policy is to ensure that the Board has comprehensive knowledge, expertise and experience in the company's business. Important factors to be considered in terms of diversity are, for example, age and gender distribution, nationality, educational and professional background as well as competence.

The composition of the Board must reflect the requirements of the company's operations, development phase and legislation. The key elements of diversity are that a board member's background, professional skills and experience support company's business goals enabling an effective board work.

Board size

According to the articles of association, the Board of Directors of Fellow Bank consists of 4-8 members. The General Meeting decides on the number of members and elects the members from among representatives of major shareholders and external independent experts who have varied experience in the business. The members of the Board are elected for one year at a time.

Nomination Board of Shareholders

The Shareholders' Nomination Board of Fellow Bank prepares proposals for the Annual General Meeting concerning the election and remuneration of the members of the Board of Directors.

According to the procedure of the Nomination Board of Shareholders, each of the four largest shareholders of Fellow Bank appoint a member to the Nomination Board of Shareholder. Being entitled to appoint a member is based on Fellow Bank Shareholder Register maintained by Euroclear Finland Ltd. on the last working day of August each year.

The Nomination Board of Shareholders assists the Board, for example, by assessing the required knowledge and skills, experience, execution of required diversity and needed time necessary for the board work.

Board composition

The decision on the election of board members is made at the General Meeting. The aim is to form a diversified Board where both genders and all areas of expertise needed in the company's decision-making are represented. In addition, when forming the Board composition, it should be considered that at least one member of the Audit Committee must have the expertise required by law.

Board composition of a credit institution must have sufficient competence and experience to understand common business operations and operational risks on the industry.

Board composition must support bank's strategy, business and development goals. Board members are appointed based on their competence and experience. Diversified Board can better support and challenge the company's executive management and to promote open discussion.

The board member must also have enough time for the board work.

Reporting

The achievement of the goals is monitored annually and reported in the Corporate Governance Statement.

The goal of equal representation of gender on the Board and the operating principles how the goal is achieved and maintained

In accordance with the diversity goal, both genders must be represented on the Board. The aim is to have at least one third of both gender on the Board, simultaneously considering the qualification requirements set for board members and the reasonable rotation time of the members.

In its preparatory work, the Nomination Board of Shareholders considers the goal of equal representation of gender and ensures in its presentations to the General Meeting that both genders are represented on the Board.

The achievement of the goal is monitored annually.