



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 2016, including a motivation of the proposed Board of Directors

The Annual General Meeting in Nordax Group AB (publ) (the "**company**") has previously resolved on principles for the appointment of the Nomination Committee. In accordance with the resolution passed at the Annual General Meeting 2015, 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 2015. The shareholders have then appointed Members to the Nomination Committee.

The Nomination Committee has consisted of Andrew Rich (representing Vision Capital Partners VII LP and Vision Capital Partners VII A LP) (jointly "**Vision Capital Partners**"), Hans Hedström (representing Carnegie Fonder AB) and Ulrika Danielson (representing Andra AP-fonden). In addition, the Chairman of the Board, Arne Bernroth, has been co-opted the Nomination Committee. Andrew Rich, who is also a Board Member of the company, was appointed chairman of the Nomination Committee. This implies a deviation from the Swedish Code of Corporate Governance which is explained by Vision Capital Partners also after the company's listing on Nasdaq Stockholm being the company's largest shareholder. Andrew Rich has been a Board Member of the Nordax group since Vision Capital Partners acquired the group in 2010 and has a good knowledge and experience of the company's operations.

The three represented shareholders represented on 29 February 2016 about 45.6 percent 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 2016:

- 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 its principles 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, Hans Larsson, Andrew Rich and Synnöve Trygg and new election of Jenny



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Rosberg, all for the period until the conclusion of the next Annual General Meeting. Daryl Cohen and Richard Pym have declined re-election. 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.

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

The remuneration to the Board of Directors and for Committee work (to Members elected by the Annual General Meeting) is proposed to be unchanged and 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 50,000 to the Chairman and each of the other two Members of the Audit Committee (50,000)
- SEK 50,000 to the Chairman and each of the other two Members of the Risk Committee (50,000)
- SEK 50,000 to the Chairman and each of the other two Members of the Remuneration Committee (50,000)

It is proposed that no remuneration be paid to Andrew Rich or 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.

Election of, and remuneration to, auditors

The Nomination Committee proposes election of one (1) auditor without substitute. It is proposed to re-elect the audit firm Öhrlings PriceWaterhouseCoopers AB, with the authorised auditor Helena Kaiser de Carolis 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 motivated 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. 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 Directors and in addition, the Nomination Committee has been informed of the contents of the *Policy on diversity and assessment of suitability of directors 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



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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 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 company's operations, current situation and future development. The requirement for diversity and variety of the Board of Directors has been considered and the Nomination Committee has 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.

Daryl Cohen and Richard Pym have declined re-election while the other Board Members have declared that they remain available. The Nomination Committee believes that the size of the Board of Directors may be reduced and that a Board of Directors composed of eight members is well suited for the company's size and business. One new Member should therefore be nominated. The new Member should have knowledge and experience within financial markets, strategic planning, assessment of a credit institution's efficiency, and of creating effective internal governance, risk management and control, interpretation of financial information and identification of important matters on the basis of that information and experience of digital change of business models.

An external recruitment agency has been engaged and parts of the Nomination Committee have interviewed the most relevant candidates. After evaluating the candidates, the Nomination Committee has concluded that Jenny Rosberg is the one that best meets the requirements.

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, Hans Larsson, Andrew Rich and Synnöve Trygg, new election of Jenny Rosberg as Board Members and re-election of Arne Bernroth as Chairman of the Board of Directors.

The Nomination Committee notes that three of the eight nominated candidates, corresponding to 37.5 percent, are women. The balance between men and women on the Board of Directors has by that improved. The Nomination Committee believes that the efforts to achieve gender balance should be continued in the future.

The proposed composition of the Board of Directors meets the requirements in the Swedish Corporate Governance Code in relation to independency. All Board Members except Andrew Rich 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.



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

Stockholm in March 2016

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.
