

Date of release: 29.06.2021.

Approval date: 21.07.2021.

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Approved by the decision of AS DelfinGroup

Supervisory Board as of 21 July 2021

Minutes No 08/2021

**CHARTER OF AS DELFINGROUP
SUPERVISORY BOARD'S REMUNERATION AND NOMINATION COMMITTEE No 3PL5-0**

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1. GENERAL PROVISIONS

- 1.1. The Charter of the Supervisory Board's Remuneration and Nomination Committee defines the authority, purpose, composition, work organization and rights and responsibilities of the Committee members.
- 1.2. The Charter of the Committee and all amendments thereto are approved by the Supervisory Board, and they are effective as of the date of the approval.
- 1.3. The Charter is binding to the Supervisory Board members and the members of the Committee as far as it does not conflict with internal regulations and applicable laws.
- 1.4. AS DelfinGroup provides all resources necessary for the operation of the Remuneration and Nomination Committee.

2. TERMS USED

- 2.1. *DG*- AS DelfinGroup
- 2.2. *Supervisory Board* – Supervisory Board of AS DelfinGroup
- 2.3. *Board*– Management Board of AS DelfinGroup
- 2.4. *Committee* – Remuneration and Nomination Committee
- 2.5. *Charter* –*this Charter of Remuneration and Nomination Committee*

3. POWERS OF THE COMMITTEE

- 3.1. Committee is an advisory governing body established by the Supervisory Board.
- 3.2. Committee operates pursuant the Charter, Supervisory Board decisions and other rules and regulations of DG.
- 3.3. Committee may invite subject experts as far as it is necessary for the performance of Committee responsibilities or Supervisory Board decisions.
- 3.4. Committee may request the Board members, subject experts and, with prior confirmation from the respective Board member, heads of branches, departments or units to prepare, verify and submit information necessary for the Committee to take decisions or provide recommendations.
- 3.5. Board members, heads of branches, departments and units or subject experts prepare, verify and submit to the Committee all information necessary for taking decisions or making recommendations.

4. PUROPSE AND RESPONSIBILITIES OF THE COMMITTEE

- 4.1. The purpose of the Committee is to support the Supervisory Board in exercising its supervisory functions in relation to selection and appraisal of the Board members and the Head of Internal Audit, ensure the diversity of the Board and provide oversight of DG Human Resources and Remuneration policies.
- 4.2. Responsibilities of the Committee:
 - 4.2.1. Selection of Board members and Head of Internal Audit in line with considerations of collective knowledge, professional experience, gender equality and diversity, prepare job descriptions specifying the requirements for education, professional experience and skills, and provide recommendations to Supervisory Board and shareholders on candidates thereto.
 - 4.2.2. Provide recommendations to the Board and Supervisory Board on how to follow the principles of equality, diversity and inclusion in DG.
 - 4.2.3. Regularly (at least once per year) assess the effectiveness of DG corporate governance structure.
 - 4.2.4. Regularly evaluate collective and individual knowledge, skills and professional experience of the Board and Supervisory Board members, perform the appraisal of the Head of IA and report to Supervisory Board on the results thereof.
 - 4.2.5. Review all matters concerning the remuneration of the Board and provide recommendations to the Supervisory Board, review the remuneration principles in relation to DG executive positions.
 - 4.2.6. Review all matters within the competence of the Committee before the Supervisory Board meetings and provide recommendations for decision taking.
 - 4.2.7. Review all topics regarding DG Human Resources policy and provide recommendations thereto.

5. COMPOSITION OF THE COMMITTEE

- 5.1. The Committee shall consist of 3(three) members which are appointed and revoked by the Supervisory Board. The Chair of the Committee is appointed concurrently with the appointment of the Committee.
- 5.2. The Committee is headed by a Supervisory Board member who, based on Supervisory Board's evaluation, has the knowledge, professional experience and skills to be the Chair of the Committee.
- 5.3. It is a duty of each Committee member to obtain and improve one's knowledge on matters within the competence of the Committee.
- 5.4. During his/ her absence, the Chair of the Committee may temporarily delegate his/ her duties to another member of the Committee.

6. WORK ORGANIZATION OF THE COMMITTEE

- 6.1. The meetings of the Committee are run by the Chair of the Committee.
- 6.2. Committee meetings are convened at least 4(four) times a year. Any of the Committee members may ask the Chair of the Committee to convene a meeting or amend the agenda of the Committee meeting.
- 6.3. The meeting calendar of the Committee is approved for one year and it specifies the date, time, venue and draft agenda of meetings.
- 6.4. The Chair of the Committee decides on the agenda of the Committee meetings based on the Committee's previously approved list of priorities, Supervisory Board decisions and proposals of the Committee members. The Chair of the Committee plans the list of agenda items and current issues at least 6 months in advance, and it is being regularly updated.
- 6.5. The Committee meetings are convened in person and / or online subject to possibility for all Committee members discuss and take decisions simultaneously.
- 6.6. Corporate secretary informs the Committee members and invitees on the date, time and venue of the Committee meeting 7 (seven) days in advance. The supporting materials for the Committee meeting are submitted to the corporate secretary no later than 3 (three) days before the meeting.
- 6.7. In extraordinary circumstances the Chair if the Committee is entitled to convene the meeting by informing the Committee members 2 (two) hours or less in advance subject to the agreement of all Committee members.
- 6.8. Committee meetings are minuted pursuant the Charter of the Supervisory Board. All supporting materials for the meeting and approved minutes are kept with the corporate secretary and published on MS Teams.

6.9. Committee is competent to take decisions if more than half of the Committee members (including the Chair/ or deputy Chair of the Committee) are present at the meeting.

6.10. Committee takes its decisions by a simple majority vote.

6.11. In case when “for” and “against” votes are tied, the Chair has a casting vote.

Approved by: Supervisory Board

Information of versions and revisions

Date	Version No	Revisions
21.07.2021	3PL5-0	New document