

Diversity policy

COMPONENTA

Diversity Policy of Componenta Corporation's Board of Directors

Board Members

Each year, the Annual General Meeting elects Componenta's Board of Directors which, according to the company's Articles of Association, has three to seven members. The term of office of the Board continues until the close of the following Annual General Meeting. The Board elects its Chairman and Vice Chairman from among its members.

Evaluation of Independence

The Board shall evaluate the independence of Board members. The majority of the Board members must be independent of the Company. At least two members who are independent of the Company must also be independent of the Company's major shareholders. Independence is evaluated in accordance with Recommendation 10 of the Finnish Corporate Governance Code.

Each member of the Board shall provide the Board with sufficient information for evaluating their independence, shall inform the Board of any changes in information that may affect the evaluation of their independence, and shall supply their own evaluation of their independence. All candidates being proposed for Board membership shall, in accordance with Componenta's regulations, provide the Nomination Board of Componenta with sufficient information for evaluating their independence and with their own evaluation of their independence. It is ultimately the task of the Board to evaluate the independence of its members and declare which members are independent of Componenta and which are independent of its major shareholders. The Board shall perform this evaluation annually and it is included in Componenta's Corporate Governance Statement. The evaluation may if necessary be updated during the year if there are changes in the independence status of a Board member.

Composition and Diversity of Board

The Shareholders' Nomination Board of Componenta Corporation prepares a proposal on the composition of the Board and the remuneration of Board members for the Annual General Meeting.

When preparing its proposal for future members of the Board, the Nomination Board shall take into account the principle of diversity in the Board of Directors, as stated in Recommendation 9 of the Finnish Corporate Governance Code. The diversity of its Board of Directors is important for Componenta to achieve its goals and profitable business.

Candidates for Board membership must possess wide-ranging knowhow of companies with international operations and of their development. It is helpful for the Board to have members that have experience in Componenta's business sector or in the company's major customer segments. When choosing Board members, Componenta aims to ensure that members of the Board represent both genders and possess complementary knowledge and expertise in various areas of business (including sales, production, finance and business administration) that cover the key operations of a listed industrial company. Another goal is to ensure continuity so that at least some of the people elected to the Board have longer-term experience of the company's business operations.

Componenta aims to increase the proportion of women on its Board. To make progress in achieving this goal the Company specifically looks for members of both genders when evaluating potential candidates for the Board of Directors.

Componenta has filed for corporate restructuring on 1 September 2016 in accordance with the Restructuring of Enterprises Act (47/1993). During the restructuring process, when deciding on the composition of the Board of Directors particular attention is paid to the requirements arising from the restructuring process.