

proposal May 6, 2008

**FINNISH CORPORATE GOVERNANCE CODE**

(Preliminary translation)

Securities Market Association

dd.mm.yyyy

## CONTENTS

1 INTRODUCTION .....	5
1.1 Goals of the Code.....	5
1.2 Rights of shareholders .....	5
1.3 Governance model .....	7
1.4 Structure of the Code.....	7
1.5 Application of the Code .....	7
1.6 "Comply or explain" principle.....	7
2 GENERAL MEETING.....	8
2.1 Introduction .....	8
2.2 Advance information to shareholders .....	8
2.3 Organisation of the general meeting.....	9
2.4 Attendance of directors and the managing director at the general meeting .....	10
2.5 Attendance of a prospective director at a general meeting .....	10
3 BOARD .....	10
3.1 Introduction .....	10
3.2 Charter of the board.....	11
3.3 Meetings of the board .....	11
3.4 Performance evaluation of the board .....	11
3.5 Election of the directors .....	11
3.6 Number, composition and competence of the directors.....	12
3.7 Term of the directors .....	12
3.8 Notification of director candidates to the shareholders .....	12
3.9 Special order of appointment of the directors .....	13
3.10 Right of directors to receive information .....	13
3.11 Independence of directors .....	13
3.11.1 Number of independent directors.....	13
3.11.2 Evaluation of independence.....	14
3.12 Information disclosed on directors.....	16
3.13 Obligation of directors to provide information .....	16
4 BOARD COMMITTEES .....	16
4.1 Introduction .....	16
4.2 Establishment of a committee .....	17
4.3 Reporting by the committees to the board.....	17
4.4 Charter of a committee .....	17
4.5 Committee meetings .....	17
4.6 Appointment of members to the committees.....	18
4.7 Disclosing the composition of a committee.....	18
4.8 Audit committee .....	18
4.8.1 Establishment of the audit committee.....	18
4.8.2 Appointment of the members of the audit committee .....	18
4.8.3 Independence of the members of the audit committee .....	19
4.8.4 Duties of the audit committee .....	19
4.9 Nomination committee.....	20
4.9.1 Establishment of the nomination committee .....	20
4.9.2 Members of the nomination committee and appointment of members .....	20

proposal May 6, 2008

4.9.3 Duties of the nomination committee.....	21
4.10 Compensation committee .....	21
4.10.1 Establishment of the compensation committee.....	21
4.10.2 Members of the compensation committee .....	21
4.10.3 Duties of the compensation committee .....	21
5 MANAGING DIRECTOR.....	22
5.1 Introduction .....	22
5.2 Managing director's service contract .....	22
5.3 Information on the managing director.....	23
5.4 Managing director and chairman of the board.....	23
6 OTHER MANAGEMENT .....	23
6.1 Introduction .....	23
6.2 Management organisation.....	24
6.3 Information on the management team.....	24
7 COMPENSATION.....	24
7.1 Introduction .....	24
7.2 Compensation of the directors.....	25
7.2.1 Remuneration and other benefits of the directors.....	25
7.2.2 Payment of the remuneration of the directors in shares.....	25
7.2.3 Participation of the directors in a share-related compensation system.....	25
7.2.4 Information on shares and share-related rights granted to the directors .....	26
7.3 Compensation of the managing director and other executives .....	26
7.3.1 Compensation system and the principles and decision-making procedure regarding compensation .....	26
7.3.2 Information on service contracts.....	27
8 INTERNAL CONTROL, RISK MANAGEMENT AND INTERNAL AUDIT.....	27
8.1 Introduction .....	27
8.2 Operating principles of internal control.....	27
8.3 Organisation of risk management .....	28
8.4 Internal audit .....	28
9 INSIDER ADMINISTRATION .....	28
9.1 Introduction .....	28
9.2 The company's insider administration.....	28
10 AUDIT .....	29
10.1 Introduction .....	29
10.2 Notification of prospective auditors.....	29
10.3 Auditor's fees and fees for non-audit services .....	29
11 COMMUNICATIONS.....	30
11.1 Introduction.....	30
11.2 Corporate governance statement .....	30
11.1 Investor information on the Internet website.....	31
11.2 Publication of releases on the company website .....	34
12 EFFECTIVE DATE.....	34

proposal May 6, 2008

## CORPORATE GOVERNANCE WORKING GROUP OF THE SECURITIES MARKET ASSOCIATION

The Securities Market Association is a cooperation body established in December 2006 by the Confederation of Finnish Industries EK, the Central Chamber of Commerce of Finland and OMX Nordic Exchange Helsinki Oy (hereinafter Helsinki Stock Exchange). The goal of the association is to ensure, through more efficient self-regulation, that companies operating in the securities market observe uniform and transparent operating principles and rules. The mission of the association is to promote good corporate governance. Among its other duties, the association administers and interprets the Finnish Corporate Governance Code for Listed Companies (hereinafter the "Code").

The task of the corporate governance working group appointed by the Board of the Securities Market Association has been to review the need to update the Corporate Governance Recommendation for Listed Companies issued on 2 December 2003 and to develop it.

Anne Leppälä-Nilsson, General Counsel, Legal Affairs, was appointed Chairman of the working group. The other members of the working group were

Ilona Ervasti-Vaintola, Chief Counsel, Executive Vice President,

Jyrki Kurkinen, Senior Vice President, Legal Affairs,

Leena Linnainmaa, Director,

Timo Löyttyniemi, Managing Director,

Jaakko Raulo, Assistant General Counsel, and

Kaarina Ståhlberg, Assistant General Counsel.

Tytti Peltonen, Chief Policy Advisor, has acted as permanent advisor of the working group.

The secretariat of the working group has consisted of Anne Horttanainen, Legal Counsel, Sanna Suni, Legal Counsel, Ari Syrjäläinen, Legal Counsel, and Piia Vuoti, Advisor.

[The working group convened xx times.] The working group has extensively heard different interest groups: board members of listed companies, executives, domestic and international investors, investment firms, auditors, authorities, and other market parties. The working group has been in contact with other actors that maintain the Scandinavian codes and the Combined Code in London in order to review the practices and developments in different countries.

The Corporate Governance Recommendation for Listed Companies issued in 2003 has been regarded as well-functioning and of an internationally high standard. All listed companies and many unlisted companies apply it to their operations. The recommendation has essentially improved the corporate governance systems of Finnish companies. New regulations and international development have, however, given rise to the need to update the recommendation. In addition, it has become necessary to improve international investors' access to information about the Finnish corporate governance system as a whole and, above all, the rights of shareholders.

proposal May 6, 2008

[The Board of the Securities Market Association has on xx xxxx xxxx approved this Finnish Corporate Governance Code for Listed Companies, which will replace the Corporate Governance Recommendation for Listed Companies issued in 2003.] Corporate Governance practices develop constantly. Therefore, domestic and international development must be monitored and the Code must be updated, when necessary.

## 1 INTRODUCTION

### 1.1 Goals of the Code

The goal of the Code is to harmonise the practices of listed companies, to improve the transparency of operations and to harmonise the information given to shareholders and other investors. The Code also aims to provide an overall picture of the central principles of the corporate governance system of Finnish listed companies.

The corporate governance system of Finnish listed companies is based on legislation, and this Code complements the statutory procedures.

### 1.2 Rights of shareholders

The Finnish Limited Liability Companies Act contains provisions on share-related rights, e.g. exercising voting rights, the shareholder's right to request information and to take initiative, as well as on participation in a general meeting and convocation of a general meeting.

The Act also contains the requirement on the equal treatment of shareholders. All shares carry equal rights in a company, unless otherwise provided in the articles of association. The general meeting, board of directors or managing director is not entitled to make a decision that might give undue benefit to a shareholder or another person at the expense of the company or another shareholder.

The main purpose of the principle of equal treatment is to protect minority shareholders. Compliance with the principle does not prevent the use of majority rule, but it prevents favouring majority shareholders at the expense of other shareholders.

The ownership structure of Finnish listed companies varies; in some companies the ownership structure is decentralised, while other companies have shareholders with considerable voting rights. In matters within the competence of the general meeting, it may be in the interest of the company and all its shareholders that the board is

proposal May 6, 2008

aware of the opinion of shareholders with considerable voting rights on a matter under preparation.

### **Convocation of a general meeting**

The board shall convene the general meeting. An extraordinary general meeting must be convened if shareholders with a total of at least 10 % of the shares so demand in writing in order to deal with a given matter.

### **Right to have a matter dealt with by the general meeting**

A shareholder shall have the right to have a matter falling within the competence of the general meeting by virtue of the Limited Liability Companies Act dealt with by the general meeting, if the shareholder so demands in writing of the board of directors well in advance of the meeting, so that the matter can be mentioned in the convocation.

### **Proxy document and proxy representative**

A shareholder may exercise the rights of a shareholder at a general meeting by way of proxy representation. If the shares are nominee-registered, the representative may be, e.g. the custodian bank. The representative shall produce a proxy document or otherwise provide reliable evidence of the right to represent the shareholder.

### **About voting rights and forms of decision-making**

At a general meeting, a shareholder may exercise all the votes carried by the shares that he or she held on the record date. The articles of association of some listed companies have, however, stipulations that restrict voting rights.

One share shall carry one vote in all matters that the general meeting deals with. However, it may be provided in the articles of association that different shares of the company carry different voting rights.

The decisions of a general meeting shall be made by majority or by qualified majority, in accordance with the law or the articles of association.

### **Shareholder's right to request information and right to table resolutions**

At a general meeting, every shareholder has the right to request information about a matter that is included in the agenda of the meeting. The question may be sent to the company in advance or presented at the meeting. A shareholder also has the right to table resolutions at the meeting in matters that fall within the competence of the general meeting and that are presented on the agenda.

proposal May 6, 2008

### **Election of the board and auditor**

The right to elect the directors and auditors at the general meeting is one of the most important rights of the shareholders.

#### 1.3 Governance model

Finnish listed companies usually have a one-tier governance model. According to the Limited Liability Companies Act, the company may, however, also have a supervisory board. Very few listed companies have supervisory boards.

#### 1.4 Structure of the Code

Section 1 presents the goals, structure and scope of application of the Code and a description of the rights of shareholders based on law. The individual recommendations are presented in sections 2 to 11, and the specifics concerning entry into force in section 12.

General principles concerning the subject matter of each section are presented in the respective introduction. The recommendations are presented in bold text and marked with running numbers. An explanatory section including the justifications of the recommendation and some specifying aspects follows each recommendation. The explanations also include examples of situations where it may be reasonable to depart from the relevant recommendation.

#### 1.5 Application of the Code

The Code is aimed at companies listed on Helsinki Stock Exchange, provided that it is not in conflict with the compelling regulations applicable in the domicile of the company. The term company is used in the recommendations for listed companies.

#### 1.6 "Comply or explain" principle

In its corporate governance statement, a company must state that it complies with this Code. If a company departs from an individual recommendation of the Code, it shall account for such departure and provide an explanation for doing so.

The Code has been prepared in accordance with the so-called "comply or explain" principle. According to it, the company shall comply with the Code, but if it departs from an individual recommendation, it must account for such departure and provide an explanation for doing so. The company complies with the Code even if it departs from an individual recommendation, provided that the company accounts for and explains the departure.

proposal May 6, 2008

The “comply or explain” principle gives the company more flexibility in arranging its governance. The company may depart from an individual recommendation of the Code due to, e.g. the ownership or company structure or the special characteristics of its area of business. A company may not depart from its statutory obligations. A clear and comprehensive explanation will consolidate the trust in the decision made by the company and make it easier for the shareholders to assess the departure.

Listed companies vary from each other in their ownership structure, area of business and extent of operations. There are also significant differences in the governance structures of listed companies. Most of the Finnish listed companies are medium or small-sized companies in international terms. It is, however, important that the Code reflects the international developments of good corporate governance, as the share of foreign shareholders in Finnish listed companies is one of the highest in Europe.

The Code uses the terms “describe” or “disclose” to describe the dissemination of information to shareholders. Unless otherwise provided, the company shall disclose the information on the company website in all such cases.

## 2 GENERAL MEETING

### 2.1 Introduction

The general meeting is the highest decision-making body of a limited company where the shareholders participate in the supervision and control of the company. The company shall convene one annual general meeting during each financial period. An extraordinary general meeting shall be convened when necessary. The shareholders exercise their rights to speak and vote at the general meeting.

### 2.2 Advance information to shareholders

**Recommendation 1: Before a general meeting, sufficient information on the matters to be dealt with at the general meeting shall be made available to the shareholders.**

**The convocation of the general meeting and the following information must be available on the company website before the general meeting:**

- the total number of shares and voting rights according to classes of shares at the date of the convocation
- the documents to be submitted to the general meeting
- a draft resolution from the board or another competent body or, where no resolution is proposed to be adopted, a comment on such an item on the agenda of the meeting
- the draft resolutions tabled by shareholders that the company has received, as soon as practicable



proposal May 6, 2008

**In addition, the minutes of the meeting including the voting results and the appendices of the minutes that are part of a decision made by the meeting shall be placed on the company website.**

The advance information permits the shareholders to evaluate whether they need to attend the general meeting, decide how they intend to vote and whether they wish to present questions at the meeting. Shareholders unable to attend the meeting can thus also obtain information about the company and make decisions concerning their shareholdings. On advance information, also see recommendation 11 on the notification of director candidates to the shareholders.

According to the directive on the exercise of certain rights of shareholders (2007/36/EC), a company shall issue the convocation of the general meeting to shareholders no later than 21 days prior to the meeting. According to the directive, the convocation of the meeting and the information listed in the recommendation must be made available on the company website at least 21 days before the general meeting. The minutes of the general meeting, including the voting results and the appendices mentioned in the recommendation shall, according to the directive, be available on the company website within 15 days of the general meeting.

According to the directive, the convocation of the general meeting shall contain the following information:

- the time and place of the general meeting
- the proposed agenda for the general meeting
- a description of the procedures that shareholders must comply with in order to be able to participate and to cast their vote at the general meeting
- the date on which a shareholder entered in the shareholder register has the right to participate in the general meeting and to cast his or her vote (so-called record date)
- where the documents and draft resolutions of the general meeting are available
- the address of the company website

### 2.3

#### Organisation of the general meeting

**Recommendation 2: The general meeting shall be organised in a manner that permits shareholders to effectively exercise their ownership rights.**

When organising a general meeting, the company should strive to offer the shareholders a possibility to participate in the decision-making of the general meeting as extensively as possible. Especially in companies with an international ownership structure, the possibilities of shareholders to participate in general meetings vary. The company should use all reasonable means to promote the possibilities of shareholders to participate.

proposal May 6, 2008

## 2.4

Attendance of directors and the managing director at the general meeting

**Recommendation 3: The managing director, the chairman of the board and a sufficient number of directors shall attend the general meeting.**

The presence of the directors and the managing director at the general meeting is necessary to guarantee interaction between the shareholders and the management bodies of the company as well as the shareholders' right to present questions.

By exercising their right to present questions, the shareholders can obtain more detailed information about matters that may impact the evaluation of the financial statements, the financial position of the company or other matters to be dealt with by the general meeting. Participation of the managing director and the directors in the annual general meeting is particularly important. In case of an extraordinary general meeting, it may be sufficient, taking into account the nature of the issue to be dealt with, that the managing director, the chairman of the board and only part of the directors attend the meeting.

## 2.5

Attendance of a prospective director at a general meeting

**Recommendation 4: A person proposed for the first time as director shall participate in the general meeting that decides on his or her election unless there are well-founded reasons for the absence.**

As a rule, a person proposed for the first time as director shall participate in the general meeting that decides on his or her election, in order to be introduced to the shareholders.

## 3

## BOARD

## 3.1

## Introduction

The board is responsible for the administration and the proper organisation of the operations of the company. The board steers and controls the operative management of the company, appoints and dismisses the managing director, approves the strategic goals and the principles of risk management for the company and ensures the proper operation of the management system. According to good corporate governance, the board also ensures that the company has duly endorsed the corporate values applied to its operations.

The duty of the board is to promote the best interest of the company and all its shareholders. A director does not represent the interests of the parties who have proposed his/her election as director.

proposal May 6, 2008

The boards of Finnish listed companies mainly consist of non-executive directors. A non-executive director is a person with no employment relationship or service contract with the company. In some companies the managing director is a member of the board. The board committees are basically appointed to make the preparation of matters more effective.

The recommendations regarding the board are also applied to any deputy members.

### 3.2

#### Charter of the board

**Recommendation 5: The company shall draw up a written charter for its work and describe its essential contents.**

Efficient board operations require that the main duties and working principles of the board are defined in a written charter. The information that can be obtained from the charter permits the shareholders to evaluate the operations of the board.

### 3.3

#### Meetings of the board

**Recommendation 6: The company shall disclose the number of board meetings held during the financial period as well as the attendance of the directors at the board meetings.**

The information on the number of board meetings and attendance of the directors permits the shareholders to evaluate the efficiency of board work. The attendance of the directors at the board meetings can be presented as attendance of individual directors or the average attendance of the directors.

### 3.4

#### Performance evaluation of the board

**Recommendation 7: The board shall conduct an annual evaluation of its operations and working methods.**

To ensure the efficiency of board work, the operations and working methods of the board shall be evaluated regularly. This can be done as internal self-evaluation or by using an external evaluator.

### 3.5

#### Election of the directors

**Recommendation 8: The general meeting shall elect the directors.**

By electing the directors, the shareholders contribute to the administration of the company, and thereby to the operations of the entire company, directly and efficiently. The recommendation is also applicable in situations where the company has a supervisory board.

proposal May 6, 2008

## 3.6

Number, composition and competence of the directors

**Recommendation 9: The number of the directors and the composition of the board must make it possible for the board to take care of its duties in an efficient manner. A person to be elected to the board must have the qualifications required by the duties and the possibility to devote a sufficient amount of time to the work. The composition must take into account the needs of the company operations, the development stage of the company and the gender mix of the board.**

With regard to the duties of the board and efficient operations, it is important that the board has a sufficient number of members and that the members have sufficient and versatile expertise as well as mutually complementing experience. The successful management of board duties requires knowledge of business operations or their different sections. Having both genders represented on the board is part of the board's versatile composition.

A director must have the possibility to engage in the company matters in a sufficiently extensive manner. The work amount required of a director, and above all the chairman, is often considerable, outside the board meetings as well. When assessing the sufficiency of the time an individual director is able to devote, e.g. the director's main occupation, secondary occupations and simultaneous board memberships must be taken into account.

## 3.7

Term of the directors

**Recommendation 10: The directors shall be elected for a term of one year.**

The shareholders shall have the possibility to regularly evaluate the operations of the directors. The effective implementation of ownership control requires that the directors are evaluated and elected at the annual general meeting. Since the shareholders decide on the election and re-election of directors, it is not necessary to restrict the number of their successive terms of office.

## 3.8

Notification of director candidates to the shareholders

**Recommendation 11: The director candidates notified to the board shall be mentioned in the convocation of the general meeting, provided that the proposal has been made by the nomination committee of the board or that the candidate is supported by shareholders with at least 10% of the total votes carried by the company shares, and the candidate has given his/her consent to the election and the company receives the information sufficiently in advance so that it may be included in the convocation of the general meeting. The candidates proposed after this shall be disclosed separately.**

proposal May 6, 2008

Since the election of directors is one of the most important decisions of the general meeting, the shareholders must be informed of the director candidates in a timely manner before the meeting. Before disclosing the candidates the company must, however, make sure that the candidates have given their consent to the election. The presentation of biographical details about the candidates on the company website promotes the possibility of the shareholders to take a stand on the election, especially with regard to new director candidates. In this connection, the company may also present information on the independence of the candidates, if such information can be disclosed in an appropriate manner.

### 3.9

#### Special order of appointment of the directors

**Recommendation 12: If directors are to be appointed according to a specific order, in accordance with the articles of association, the company shall explain such appointment order in the convocation of the general meeting.**

The articles of association may provide that less than half of the directors are appointed following another procedure than election by the general meeting. The special appointment procedure may concern the employees' right to appoint directors to the board, for instance. The provision of the articles of association concerning the appointment procedure shall be described in the convocation of the general meeting so that shareholders are aware of the procedure of appointing directors.

### 3.10

#### Right of directors to receive information

**Recommendation 13: The company shall provide the directors with sufficient information on the company operations.**

In order to discharge their duties, the directors need information about the structure, business operations and market of the company. A new director must be introduced to the operations of the company, and the directors must be provided with necessary information on the operations of the company on a regular basis.

### 3.11

#### Independence of directors

#### 3.11.1

##### Number of independent directors

**Recommendation 14: The majority of the directors shall be independent of the company. In addition, at least two of the directors representing this majority shall be independent of significant shareholders of the company.**

It is the duty of the board to steer and control the operative management of the company. In order to avoid conflicts of interest the majority of the directors should not have interdependent relationship with the company. Although it is recommended that

proposal May 6, 2008

directors hold shares in the company, the majority consisting of independent directors shall include at least two directors who are also independent of significant shareholders of the company. Such composition of the board supports the objective that the board shall act in the interests of the company and all of its shareholders.

## 3.11.2

## Evaluation of independence

**Recommendation 15: The board shall evaluate the independence of the directors and disclose which directors it determines to be independent.**

**A director is not independent of the company if**

- a) the director has an employment relationship with, or holds a position in the company;
- b) the director has had an employment relationship with, or held a position in the company during the last three years prior to the inception of the board membership;
- c) the director receives from the company or from members of its operative management not insignificant compensation for services or other advice not connected with the duties of the board, e.g. consulting assignments with the company;
- d) the director belongs to the operative management of another company, and the two companies have, or have had during the past year, a customer, supplier or cooperation relationship significant to the other company;
- e) the director belongs to the operative management of a company whose director is a member of the operative management of the first-mentioned company (interlocking control relationship); or
- f) the director is, or has been during the past three years, a partner or an employee of the company's present auditor, or the director is a partner or an employee in an audit firm that has been the company's auditor during the past three years.

**A director is not independent of a significant shareholder, if**

- g) the director exercises control in the company or has a relationship such as referred to in sub-sections a) to b) above to a party who exercises control in the company; or
- h) the director is a significant shareholder of, or has a relationship such as referred to in sub-sections a) to b)

proposal May 6, 2008

**above to a significant shareholder of the company. Significant shareholder means a shareholder who holds at least 10% of all the shares or of the aggregate votes in the company.**

**In addition, the board may on the basis of its overall evaluation determine that a director is not independent of the company or a significant shareholder. E.g. the following circumstances shall be taken into account when making the overall evaluation of independence:**

- i) the director participates in the same performance-based or share-related compensation scheme as the management of the company, and the participation may be of financial significance to the director;**
- j) the director has been an non-executive board member for more than 12 consecutive years;**
- k) private or legal persons who are related parties of the director have such circumstances as described in this recommendation;**
- l) the company is aware of other factors that may compromise the independence of the director and the director's ability to represent all shareholders.**

The above-mentioned criteria are divided into three categories. In the first category, the existence of even one of the circumstances cited in sub-sections a) to f) above means that the director cannot be regarded as being independent of the company. Sub-sections g) to h) present the criteria on the basis of which directors are determined not to be independent of significant shareholders of the company. Sub-sections i) to l) deal with issues on the basis of which the board may, after an overall evaluation, determine that the director is not independent of the company or a significant shareholder.

A shareholder who does not have the right to exercise at least 10% of the aggregate votes on the company is not regarded as significant shareholder, even though said shareholder was obliged to make a flagging announcement.

Companies belonging to the same group as the company are considered equal with the company. A company and another person are deemed to be related parties, if the person is able to exercise significant influence in the company's decision-making regarding its finances and business operations.

proposal May 6, 2008

## 3.12

Information disclosed on directors

**Recommendation 16: The company shall disclosed the following biographical details and information on the holdings of directors:**

- name
- year of birth
- education
- main occupation
- primary working experience
- date of inception of board membership
- other simultaneous key positions of trust
- shareholdings of the director and corporations over which he/she exercises control in the company and in group companies
- holdings and rights based on share-related compensation schemes of the company

On the basis of the information obtained about the board members, the shareholders can evaluate the operating preconditions of the directors and their relationship with the company.

## 3.13

Obligation of directors to provide information

**Recommendation 17: Each director shall provide the board with sufficient information that will allow the board to evaluate his/her qualifications and independence and notify the board of any changes in such information.**

The independence evaluation referred to in recommendation 15 requires that the company receive the necessary information from the directors. Each director must also supply the biographical details and information on holdings referred to in recommendation 16. Directors must also inform the company of any essential changes in the information supplied by them.

## 4

## BOARD COMMITTEES

## 4.1

## Introduction

The proper function of the corporate governance of a limited company requires that board operations are organised as efficiently as possible. The establishment of board committees may enhance the efficient preparation of matters within the competence of the board. The directors on the committees can concentrate on the matters delegated to the committee more extensively than the entire board.



proposal May 6, 2008

## 4.2

## Establishment of a committee

**Recommendation 18: Effective management of the duties of the board may require establishment of board committees. The committees shall, ordinarily, have at least three members.**

It may be necessary to establish board committees, in particular for the supervision of the company's reporting and control systems, the nomination of the management and the development of the company's compensation systems. Especially in companies with extensive business operations, board committees improve the efficiency of board work.

The committees assist the board by preparing matters falling within the competence of the board. The entire board remains responsible for the duties assigned to the committees. The committees have no autonomous decision-making power, and thus the board makes the decisions within its competence collectively.

In companies with a board that only has a few members a committee may exceptionally consist of two members.

If necessary, the board may also establish other committees in addition to those mentioned below, combine tasks assigned to various committees or decide that the entire board shall prepare a specific issue.

## 4.3

## Reporting by the committees to the board

**Recommendation 19: Each committee shall regularly report on their work to the board.**

The company may internally determine the reporting details and schedule. The report shall include at least a summary of the matters addressed and the measures taken by the committee.

## 4.4

## Charter of a committee

**Recommendation 20: The board shall confirm the central duties and operating principles of the committee in a written charter, the main items of which must be disclosed.**

A written charter helps to clarify the role of the committee in the company. Its duties and operating principles must be defined in such a manner that that the committee can operate efficiently.

## 4.5

## Committee meetings

**Recommendation 21: The company shall disclose the number of committee meetings held during the reporting period and the attendance of committee members at the meetings.**

proposal May 6, 2008

The information regarding the number of meetings and the attendance of the members permits the shareholders to evaluate how active the committee has been and subsequently also the efficiency of board work. The attendance of the members at committee meetings may be disclosed as attendance of individual members or as the average attendance of the members.

## 4.6

Appointment of members to the committees

**Recommendation 22: The board shall appoint from among the directors the members and the chairman of the committee.**

In view of the fact that the committees work to render assistance to the board and prepare matters falling within the competence of the board, the board shall appoint the members of the committees from among its members.

## 4.7

Disclosing the composition of a committee

**Recommendation 23: The company shall describe the composition of each committee.**

The information on committee members permits the shareholders to evaluate the effectiveness of committee work and the relationship of the committee members with the company.

## 4.8

Audit committee

## 4.8.1 Establishment of the audit committee

**Recommendation 24: The audit committee shall be established, if the extent of the company's business requires that the preparation of matters pertaining to financial reporting and control is dealt with by a group with more compact composition than the entire board. If a company does not establish an audit committee, the board shall take care of the duties of the audit committee.**

The extent of the operations of the company may require that some directors concentrate particularly on matters pertaining to financial reporting and control. The audit committee has better possibilities than the entire board to review questions related to the finances and control of the company and take care of the contacts with the auditors and the internal audit function. If a company does not establish an audit committee and the board takes care of the duties of the audit committee, the company must disclose this in its corporate governance statement (see recommendation 51).

## 4.8.2

Appointment of the members of the audit committee

**Recommendation 25: The audit committee shall comprise at least three members. The members shall have the qualifications necessary to perform the responsibilities of the**

proposal May 6, 2008

**audit committee and at least one member must have expertise in accounting or auditing.**

To ensure the efficient implementation of the duties of the audit committee, the committee shall have at least three members. The committee shall have sufficient expertise in, e.g. accounting, auditing or practices related to financial statements, as the committee deals with matters pertaining to the financial reporting and control of the company.

## 4.8.3

Independence of the members of the audit committee

**Recommendation 26: The members of the audit committee shall be independent of the company and at least one of the members shall be independent of significant shareholders.**

Due to the nature of the matters that the audit committee deals with, its members must be independent of the company as specified in recommendation 15 above, and at least one member must be independent of significant shareholders of the company.

## 4.8.4

Duties of the audit committee

**Recommendation 27: The board shall define the duties of the audit committee in the charter confirmed for the committee, based on the circumstances of the company.**

The audit committee shall have at least the following duties:

- to monitor the reporting process of financial statements;
- to monitor the efficiency of the company's internal control, internal audit, if applicable, and risk management systems;
- to handle the description of the main features of the internal control and risk management systems pertaining to the financial reporting process, which is included in the company's corporate governance statement;
- to monitor the statutory audit of the financial statements and consolidated financial statements; and
- to evaluate the independence of the statutory auditor or audit firm and, particularly, the provision of related services to the company to be audited.

In addition, the duties of the audit committee may comprise, e.g.

- monitoring the financial position of the company and its group
- supervision of financial reporting (e.g. interim reports)
- revision of the plans and reports of the internal audit function
- evaluation of compliance with laws and regulations
- preparation of the decision on the election of the auditor
- contacts with the auditor and revision of the auditor's reports

proposal May 6, 2008

The duties of the audit committee shall be described in accordance with recommendation 20.

#### 4.9

##### Nomination committee

###### 4.9.1 Establishment of the nomination committee

**Recommendation 28: The board may establish a nomination committee to improve the efficient preparation of matters pertaining to the nomination and compensation of directors.**

Identification of individuals suitable as directors and analysing the experience, knowledge and skills of candidates prior to a draft resolution to be presented to the general meeting is important with regard to ensuring and balancing the competence of the board. The preparation of the composition of the board and the identification of director candidates is an ongoing and long-term process. The evaluation of the independence of director candidates is part of this process. The board may improve the efficiency of the preparation of the election of directors by establishing a nomination committee. The nomination committee promotes the transparency and systematic function of the election process.

It may be in the interest of the company and all its shareholders that the nomination committee is aware of the opinion of shareholders holding significant voting rights on the proposal for directors under preparation.

If the nomination committee is not appointed from among the directors, the company must explain this and describe the appointment process.

Proposals for directors shall be disclosed in accordance with recommendation 11.

###### 4.9.2

##### Members of the nomination committee and appointment of members

**Recommendation 29: The nomination committee shall consist of at least three members. The majority of the committee members must be independent of the company. The managing director or other executive of the company may not be appointed to the nomination committee.**

As the board controls and steers the operative management of the company, the majority of the members of the nomination committee, which prepares the election of directors, must be independent of the company. Due to the nature of the matters that the nomination committee deals with, neither the managing director nor executive directors may be members of the nomination committee.

proposal May 6, 2008

## 4.9.3

## Duties of the nomination committee

**Recommendation 30: The board shall define the duties of the nomination committee.**

The duties of the nomination committee shall be defined in the charter confirmed for the committee and they shall reflect the requirements of the company. The duties of the nomination committee may include, e.g.:

- to prepare the proposal for the election of directors to be presented to the general meeting
- to prepare matters pertaining to the compensation of directors for the proposal to be presented to the general meeting
- to take care of the succession planning of directors
- to present the proposal for directors to the general meeting

The duties of the nomination committee shall be disclosed in accordance with recommendation 20.

## 4.10

## Compensation committee

## 4.10.1

## Establishment of the compensation committee

**Recommendation 31: The board may establish a compensation committee to improve the efficient preparation of matters pertaining to the appointment and compensation of the managing director and other executives of the company as well as the compensation systems of the personnel.**

The compensation committee can focus on the development of the compensation systems of the managing director and other executives more efficiently than the entire board. The compensation committee promotes the transparency and systematic function of the company's compensation systems.

## 4.10.2

## Members of the compensation committee

**Recommendation 32: The managing director or other executives of the company may not be appointed to the compensation committee. The majority of the committee members must be independent of the company.**

Due to the nature of the matters that the compensation committee deals with, neither the managing director nor executive directors may be members of the committee.

## 4.10.3 Duties of the compensation committee

**Recommendation 33: The board shall define the duties of the compensation committee in the charter of the committee.**

proposal May 6, 2008

The duties of the compensation committee shall be defined in the charter confirmed for the committee, and they shall reflect the requirements of the company. The duties of the compensation committee may include, e.g.:

- preparation of matters pertaining to the compensation and other benefits of the managing director and deputy managing director
- preparation of matters pertaining to the compensation of the persons belonging to the group management team and other company executives
- preparation of matters pertaining to the appointment of the managing director, deputy managing director and other executives of the company as well as the identification of their possible successors
- preparation of matters pertaining to the compensation systems of the company

The duties of the compensation committee shall be described in accordance with recommendation 20.

## 5 MANAGING DIRECTOR

### 5.1 Introduction

According to the Companies Act, the board shall appoint the managing director. The managing director is in charge of the day-to-day management of the company in accordance with the instructions and orders given by the board. The managing director may undertake acts which, considering the scope and nature of the operations of the company, are unusual or extensive, only with the authorisation of the board. The managing director ensures that the accounting practices of the company comply with the law and that the financial matters are handled in a reliable manner.

### 5.2 Managing director's service contract

**Recommendation 34: The managing director's service terms and conditions shall be specified in writing in the managing director's service contract approved by the board.**

The position of the managing director in the company requires that the service terms and conditions are specified in writing in the form of an agreement approved by the board. The main items of the managing director's service contract are disclosed in accordance with recommendation 44.

proposal May 6, 2008

## 5.3

Information on the managing director

**Recommendation 35: The company shall disclose the biographical details and information on the holdings of the managing director.**

The company shall disclose the same biographical details and information on the holdings of the managing director as for the directors (see recommendation 16). In connection with the appointment, the board shall disclose the biographical details of the managing director. The other information on the managing director shall be disclosed upon commencement of the post.

## 5.4

Managing director and chairman of the board

**Recommendation 36: The managing director shall not be elected chairman of the board.**

The appointment of the managing director as chairman of the board has been restricted, as it is the duty of the board to supervise the managing director.

The company should clearly divide the areas of responsibility of the managing director and the chairman of the board to ensure that all the decision-making powers of the company are, in practice, not vested in a single individual. Generally this means that the managing director cannot be elected board chairman. However, some special circumstances, such as the business area of the company, the extent or development phase of the operations or the ownership structure may justify the combination of these two roles.

If the company determines to appoint the same person as managing director and board chairman, it must explain its decision.

## 6

## OTHER MANAGEMENT

## 6.1

## Introduction

The operative management of the company is based on the management organisation adopted for the company. The management organisation is an important element of the corporate governance of the company. The organisation often comprises a management team, which assists the managing director in the performance of his/her duties. The management team has no official statutory position but, in practice, it has a significant role in the organisation of the company management.

The term other management refers to the members of the management team or, if the company has no management team, to the executives specified by the company.

proposal May 6, 2008

## 6.2 Management organisation

**Recommendation 37: The company shall describe the management organisation. If the company has a management team, the company shall describe the composition and duties of the management team as well as the areas of responsibility of its members.**

The description of the management organisation must underline the operative nature of the management activities to make a distinction from the statutory management bodies of the company.

The management team refers to the group's management team or a similar body that convenes regularly. The management team usually consists of executives of the company's operative business. The main duty of the management team is to assist the managing director.

## 6.3 Information on the management team

**Recommendation 38: The company shall disclose the biographical details and information on the holdings of the members of the management team. If the company has no management team, the company shall define the other executives whose details are subject to the disclosure obligation.**

The company shall disclose the same biographical details and information on the holdings of the members of the management team and other executives as for the directors (see recommendation 16).

## 7 COMPENSATION

### 7.1 Introduction

A well-functioning compensation system is an essential tool for the implementation of ownership control. The purpose of the compensation system is to increase the commitment of the board, the managing director and other executives to promote the interests of the company and its shareholders. In addition to basic salary, the compensation system covers, e.g. performance-based incentive schemes, pension schemes, and different share-related compensation systems. In the compensation systems based on shares, the compensation is based on the development of the share value, or the compensation system leads to shareholding. Such systems are, e.g. option programs and different long-term share compensation systems.

The general meeting shall decide on the compensation paid for board and committee work.

A salary and compensation report shall be issued on compensation in accordance with recommendations included in this section 7.



proposal May 6, 2008

## 7.2 Compensation of the directors

### 7.2.1 Remuneration and other benefits of the directors

**Recommendation 39: The company shall disclose the remuneration and other benefits of the directors for the financial period.**

The company shall disclose the remuneration for board and committee work and other duties, if any, for the financial period. If a director has an employment relationship with, or holds a position in the company or acts as advisor of the company, the company shall disclose the fees and compensation paid for this duty during the financial period. The companies belonging to the same group as the company are considered equal with the company.

The information on the remuneration and benefits granted to the directors permits the shareholders to evaluate the amount of compensation in relation to the contribution of the board to the achievement of the company goals. Open communication will also facilitate comparison with the remuneration and other benefits paid by other companies.

### 7.2.2 Payment of the remuneration of the directors in shares

**Recommendation 40: The remuneration for board and committee work or part of the remuneration may be paid in the form of company shares.**

Shareholdings of the directors promote the implementation of ownership control. A good way of increasing the directors' shareholdings is to pay the remuneration or part of the remuneration for their board and committee work in the form of shares. However, the company must ensure compliance with insider regulations.

### 7.2.3 Participation of the directors in a share-related compensation system

**Recommendation 41: It is not recommended that a non-executive director participate in a share-related compensation system.**

The use of share-related compensation systems to remunerate non-executive directors is, as a rule, not justified from the perspective of the interests of shareholders. This is due to the fact that the participation of the board in the same share-related compensation system as the other management or personnel may deteriorate the implementation of the board's supervision duty and lead to conflicts of interest.

proposal May 6, 2008

## 7.2.4

Information on shares and share-related rights granted to the directors

**Recommendation 42: The company shall disclose the number of shares and share-related rights granted to the directors in compensation during the financial period.**

The company shall disclose the number of shares granted to each of the directors in compensation for board and committee work in the same manner as the other remuneration and benefits. If directors participate in share-related compensation systems, the share-related compensation granted on the basis of such systems shall also be disclosed.

Information on the shareholdings of the directors is available in the company's insider register.

## 7.3

Compensation of the managing director and other executives

## 7.3.1

Compensation system and the principles and decision-making procedure regarding compensation

**Recommendation 43: The company shall describe the principles and decision-making procedure concerning the compensation system covering the managing director and other executives, e.g. the division of the salaries and fees into a fixed and variable part, as well as central information on how the variable parts of the salary and fees are defined, on the share and share-related systems and additional pension schemes.**

The information on the compensation system and the principles governing it permits the shareholders to evaluate the incentive effect of the system from the perspective of enhancing the performance and shareholder value of the company. The publicity of the compensation systems promotes the creation of systems that are more competitive and motivate to the achievement of targets.

The board shall decide on the compensation payable to the managing director. The company shall specify the body that determines the compensation of the other executives. It is generally appropriate that the body that appointed the person also decides on the compensation. The preparation of compensation matters can be delegated to the compensation committee of the board.

Pursuant to the Companies Act, the general meeting shall decide on the issue of shares or option rights or authorise the board to do so.

proposal May 6, 2008

### 7.3.2

#### Information on service contracts

**Recommendation 44: The company shall disclose the following financial benefits based on the service contracts of the managing director and a possible executive chairman:**

- **salaries and other benefits during the financial period**
- **shares and share-related rights granted by way of compensation during the financial period**
- **retirement age and criteria for determination of pension, and**
- **period of notice, salary for the period of notice and the terms and conditions of other possible compensation payable on the basis of termination.**

Due to the significant position of the managing director and a possible executive chairman of the board, it is important to give the shareholders detailed information on their financial benefits. The information permits the shareholders to evaluate the amount and substance of the compensation of the managing director and the executive chairman of the board in relation to the achievement of the goals set for them. Open communication also facilitates comparison of the financial benefits granted to the management of different companies. An executive chairman has, in addition to board membership, a service relationship with the company, for which he/she receives a separate compensation.

## 8

### INTERNAL CONTROL, RISK MANAGEMENT AND INTERNAL AUDIT

#### 8.1

##### Introduction

The purpose of internal control and risk management is to ensure the effective and profitable operations of the company and its group, reliable information and compliance with the relevant regulations and operating principles. Internal control helps to improve the efficient fulfilment of the board's supervision obligation. Recommendation 51 deals with the description of the main features of the internal control and risk management systems pertaining to the financial reporting process, which is included in the company's corporate governance statement.

#### 8.2

##### Operating principles of internal control

**Recommendation 45: The company shall define the operating principles of internal control.**

To ensure its profitable operations the company must regularly control its activities. The board ensures that the company has defined the operating principles of internal control and monitors the function of such control. The companies belonging to the same group as the company are considered equal with the company.

proposal May 6, 2008

## 8.3

## Organisation of risk management

**Recommendation 46: The company shall describe any major risks that the board is aware of and the principles according to which risk management is organised.**

Risk management is part of the control system of the company. The purpose of risk management is to ensure that the risks related to the business operations of the company are identified and monitored. Well-functioning risk management requires definition of the risk management principles. For the evaluation of the operations of the company, it is important to provide shareholders with sufficient information on risk management. Legislation requires that the annual report contains an assessment of the major risks and uncertainties. In addition, the interim reports and financial statements reports shall describe major short-term risks and uncertainties related to the business operations. The companies belonging to the same group as the company are considered equal with the company.

## 8.4

## Internal audit

**Recommendation 47: The company shall describe the manner in which the internal audit function of the company is organised.**

The description must include the organisation of the internal audit function and the central principles applied to internal audits, such as the reporting principles. The organisation and working methods of the internal audit function depend on, e.g. the nature and scope of the company's operations, the number of personnel and other corresponding factors. The companies belonging to the same group as the company are considered equal with the company.

## 9

## INSIDER ADMINISTRATION

## 9.1

## Introduction

The publicity of the holdings and trading of insiders promotes the trust in the securities market. The efficient administration of insider matters in a listed company requires that the insider administration is systematically and reliably organised.

## 9.2

## The company's insider administration

**Recommendation 48: The company shall comply with the Guidelines for Insiders issued by Helsinki Stock Exchange and describe its essential insider administration procedures.**

Compliance with the Guidelines for Insiders issued for listed companies by Helsinki Stock Exchange harmonises and improves the administration of insider matters in different companies. The

proposal May 6, 2008

information on the insider administration procedures permits the shareholders to evaluate the insider administration of the company.

## 10 AUDIT

### 10.1 Introduction

The auditor has an important role as a controlling body appointed by the shareholders. The audits give shareholders an independent opinion on how the financial statements and annual report of the company have been drawn up and the accounting and administration of the company have been managed. Placing the audit under competition may increase the efficiency and independence of the audit.

### 10.2 Notification of prospective auditors

**Recommendation 49: A proposal for the election of the auditor prepared by the board or the audit committee shall be disclosed in the convocation of the general meeting. If the board is not aware of the prospective auditor when the convocation is delivered, the candidacy shall be disclosed separately.**

Since the election of the auditor is one of the most important decisions of the general meeting, the shareholders must be notified of the auditor candidate in a timely manner before the meeting. The preparation of the election of the auditor may be delegated to the audit committee.

When electing the auditor, it must be taken into account that the aggregate duration of the consecutive terms of an auditor may not exceed seven years. The seven-year rule is only applied to the auditor with main responsibility, not to an audit firm.

### 10.3 Auditor's fees and fees for non-audit services

**Recommendation 50: The company shall disclose the fees of the auditor for the financial period. If the auditor has been paid fees for non-audit services, such fees shall be disclosed separately.**

The information on the fees of the auditor permits the shareholders to evaluate the operations of the auditor. Since the auditor controls the company on behalf of the shareholders, the shareholders must also be given information on fees paid to the auditor for non-audit services.

Companies belonging to the same group or chain as the audit firm as well as companies controlled by the auditor are considered equal with the auditor.

proposal May 6, 2008

Companies belonging to the same group as the company are considered equal with the company.

## 11 COMMUNICATIONS

### 11.1 Introduction

The good corporate governance of a listed company requires a reliable, up-to-date disclosure practise. This supports the well-founded price development of securities and promotes trust in the securities markets. The information published by the company makes it possible to evaluate how the corporate governance of the company functions and make decisions concerning holdings.

In addition to the contents of the information distributed, the clarity of presentation and electronic distribution of information promote transparency and improve the possibilities to obtain information.

### 11.2 Corporate governance statement

**Recommendation 51: In connection with the financial statements and annual report, the company shall issue a separate corporate governance statement.**

**The company must present at least the following entities in the statement:**

- **information on compliance with this Code**
- **if the company has departed from an individual recommendation, information on this as well as the justifications for the departure**
- **address of the website on which this Code is available to the public**
- **description of the main features of the internal control and risk management systems pertaining to the financial reporting process**
- **description of the composition and operations of the board and board committees**
- **information on the fact that the board takes care of the duties of the audit committee, if the company does not have an audit committee**
- **information on the managing director and his duties**
- **description of the composition and operations of the supervisory board, where applicable**

Legislation requires the company to publish its corporate governance statement as a separate report or as a part of its annual report. If the statement is given as a separate report, it shall be published together with the annual report or placed simultaneously on the company website. The contents of the report are also based on legislation.

proposal May 6, 2008

By presenting the corporate governance statement as a separate report the company can emphasise the information given to shareholders and other investors. The information can also easily be found in a separate report.

The statement shall be issued as a separate report. The auditor checks that the statement has been issued and that the description of internal control and risk management is consistent with the financial statements.

The audit committee or some other competent body shall review the corporate governance statement. If the company has no audit committee or other competent committee, the board shall review the statement. The signatures of the board or some other body are not necessary.

The description of the main features of the internal control and risk management systems pertaining to the financial reporting process outlines the manner in which the company's internal control and risk management function is organised in order to ensure that the financial reports published by the company give essentially correct information about the company finances. The description is given at group level.

The description of the composition and operations of the board and the board committees shall contain the following information:

- composition of the board and biographical details
- number of board meetings during the previous financial period and the attendance of the members at the meetings
- special order of appointment of directors, if applicable
- independent board members
- committees appointed by the board, if any
  - composition of the committees
  - number of committee meetings during the previous financial period and the attendance of the committee members at the meetings

The description of the composition and operations of a supervisory board, if any, shall contain corresponding information for applicable parts.

In addition to the biographical details of the managing director, the description shall contain information on his/her duties.

#### 11.1

##### Investor information on the Internet website

The investor information on the company website provides information about the company to shareholders and other investors. This recommendation presents a summary of the information that shall be published in accordance with the different recommendations of this Code, information required by law as well as other information that improves the investors' ability to obtain information about the company.

proposal May 6, 2008

**Recommendation 52: the company shall publish the information mentioned below on its website:**

**Corporate governance statement (for more details, see recommendation 51)**

**General meeting**

- **convocation of the general meeting and the following information prior to the meeting:**
  - **total number of shares and voting rights according to classes of shares at the date of the convocation**
  - **documents to be submitted to the general meeting**
  - **a draft resolution or, where no resolution is proposed to be adopted, a comment from the board or another competent body on an item on the agenda of the meeting**
  - **draft resolutions tabled by shareholders that the company has received, as soon as practicable**
- **minutes of the meeting including the voting results and the appendices of the minutes that are part of a decision by the meeting**

**The board and its committees, if any**

- **the information mentioned in recommendation 51, and**
- **biographical details and information on the holdings of the directors**
- **main items of the charter of the board**
- **main items of the charters of the committees**

**Managing director and other executives**

- **biographical details and information on the holdings of the managing director in the company**
- **main items of the managing director's service contract**
- **management organisation as well as the composition, duties and areas of responsibility of the members of the management team**
- **biographical details and information on the holdings of the members of the management team or other executives in the company**

**Compensation**

- **remuneration and other benefits of the directors**
- **shares and share-related rights issued to the directors as remuneration**
- **compensation system of the managing director and other executives**
  - **principles**
    - **division of salaries and fees into a fixed and variable part**



proposal May 6, 2008

- central information on the manners of defining the variable parts of the salary and fees
  - central information on share and share-related compensation systems
  - central information on additional pension schemes
- decision-making order
- financial benefits pertaining to the service relationship of the managing director and executive chairman, if applicable, e.g.
  - salaries and other benefits
  - shares and share-related rights granted by way of compensation
  - retirement age and criteria for determination of the pension
  - period of notice, salary for the period of notice and the terms of other possible compensation payable on the basis of termination
- for the members of the supervisory board, if any
  - principles of remuneration
  - remuneration and other benefits
  - shares and share-related rights issued as remuneration

#### **Risk management and control**

- description of the main features of the internal control and risk management systems pertaining to the financial reporting process mentioned in recommendation 51
- risk management principles
- major risks that the board is aware of
- organisation of the internal audit function
- main operating methods of the insider administration

#### **Audit**

- auditor
- auditor's fee
- fees paid to the auditor for non-audit services

#### **Other matters to be presented**

- articles of association
- redemption clauses included in the articles of association, if any
- shares, share capital and major shareholders as well as the flagging announcements for the past 12 months
- shareholder agreements that the company is aware of
- financial statements and annual report as well as the annual report for the previous financial period, if any
- the information mentioned in item 51 on the supervisory board, if any

proposal May 6, 2008

The open and clear presentation of investor information makes it easier to get an overall picture of the operations of the company and its group. It is of essential importance that the entities are clearly defined and can easily be found on the company website.

As the minutes and voting results are published on the Internet, the shareholders who were not present at the general meeting also obtain information on the meeting and the voting results. The minutes and voting results published on the Internet shall not, however, contain any lists of shareholders or voting instructions for shareholders.

The information may be presented on the company website by using technical solutions of various kinds, but it is essential that all the information that the company is required to present is easily available to the investors in a user-friendly manner.

The company shall update the information that it publishes on its website at certain intervals, in accordance with its own practices, so that the information on the website is up to date. It is practicable to publish most of the information required as of the end of the previous financial period.

## 11.2

Publication of releases on the company website

**Recommendation 53: The company shall disclose on its website all the information that it has published pursuant to the obligation of listed companies to provide information.**

Publication of releases on the company website facilitates the access to information and gives an overall picture of the operations and financial position of the company.

## 12

EFFECTIVE DATE

The Code shall replace the Corporate Governance Recommendation for Listed Companies issued in December 2003. The Code will enter into force on 1 January 2009. The Code may, however, be applied immediately after publication.

The decisions by a general meeting possibly required by the application of the Code can be made at the first annual general meeting after the effective date of the Code. A company does not have to explain a practice that departs from this Code regarding, e.g. the independence of board committees or the directors before said annual general meeting. [The corporate governance statement in accordance with recommendation 51 shall be issued for financial periods commencing on dd.mm.2009 or later. The effective date of government proposal 27/2008 (on the amendment of the Securities Markets Act due to the financial statements directive) shall influence the effective date.]