



Articles of association

Company name and domicile

Section 1

The business name of the Company is Keskinäinen työeläkevakuutusyhtiö Varma, in Swedish: Ömsesidiga arbetspensionsförsäkringsbolaget Varma, and in English: Varma Mutual Pension Insurance Company. The Company domicile is Helsinki.

Types of insurances included in the Company's operations

Section 2

The Company operates in insurance business pursuant to legislation concerning employees' and self-employed persons' pensions, as well as reinsurance business related thereto.

Owners

Section 3

The Company's owners are as follows:

1. policyholders with a valid insurance contract in the Company pursuant to the legislation concerning employees' pensions
2. self-employed persons with a valid insurance contract in the Company pursuant to the legislation concerning self-employed persons' pensions
3. those persons jointly insured under one insurance who are covered by basic insurance valid in the Company pursuant to the legislation concerning employees' pensions.

Section 4

The owners are not personally liable for the Company's obligations.

Basic capital assets

Section 5

Varma's capital and reserves include basic capital assets amounting to EUR 11,941,342.78.

Varma has no guarantee capital.

Annual General Meeting

Section 6

The Annual General Meeting shall be held before the end of May on a date determined by the Board of Directors. An Extraordinary General Meeting shall be held when the Board of Directors or the Supervisory Board considers it necessary, or when it has to be held pursuant to the Insurance Companies Act.

A notice to convene the General Meeting shall be published on the Company's website. The notice of the meeting shall be published no earlier than two months and no later than one week before the final participation registration date defined in the Articles of Association.

An owner and the representative of the insured as referred to in section 7 shall inform the Company that they will participate in the General Meeting, no later than on the date given in the notice of the meeting, which may be no earlier than five days before the meeting.

Section 7

Policyholders and self-employed persons, who are owners in the Company pursuant to section 3, subsections 1 and 2, and a representative of the insured parties referred to in section 3, subsection 3, have the right to vote at a General Meeting. A person entitled to vote may exercise his/her right by using an authorised representative.

A representative may only represent the insured parties of one policyholder or the group mentioned below, and the representative shall be covered, as an insured party, by one of the basic insurances that he/she represents.

With respect to multiple basic insurances of the policyholder and the basic insurances of companies belonging to a group pursuant to the Limited Liability Companies Act, one or more representatives can be elected to represent the insured parties. However, only one representative per basic insurance can be elected.

The decisions concerning the election of the representative and whether one or more representatives are elected in accordance with subsection 2, and what insurances are represented by these representatives, shall be made by representatives of the personnel referred to in the Act on Co-operation within Undertakings, and, with respect to the above-mentioned group of companies, the representatives of the personnel elected for group co-operation referred to in the said Act.

If the policyholder has no such representatives of the personnel, the abovementioned election shall be carried out by the insured parties under each basic insurance in their joint meeting or, if the policyholder has more than one basic insurance in the Company, by the insured parties under the basic insurances in their joint meeting.

The election of the representative shall be entered in a document to be signed by the chairman of the election meeting. The document shall show the insurance or those insurances that cover the insured parties represented by the representative concerned.

The number of votes per each insurance is one vote per each contribution amounting to EUR 2,000 paid during the previous calendar year. The minimum number of votes per insurance is two.

The number of votes per basic insurance pursuant to employees' pensions legislation or, if the policyholder has more than one basic insurance in force in the Company, the number of votes from these insurances, shall be divided in proportion to the average contribution percentage of the employer and employee pursuant to the employees' pensions legislation between the policyholder and the representative of the insured parties. The numbers of votes thus obtained are rounded up to the next integer. If the number of votes per insurance is two, one vote belongs to the policyholder and the other to the representative of the insured parties.

When dividing the numbers of votes per insurances between the policyholder and the representative of the insured parties, the contribution percentages used are the contribution percentages for the year, on the contribution of which the number of votes is based.

Section 8

In the Annual General Meeting, the following:

1. shall be presented: the Financial Statements, the Report of the Board of Directors, the Consolidated Financial Statements and the Auditors' Report
2. shall be decided: adoption of the Financial Statements and the Consolidated Financial Statements
3. shall be decided: any actions to be taken related to the profit or loss shown on the adopted Balance Sheet or Consolidated Balance Sheet
4. shall be decided: discharging the members of the Board of Directors and the Supervisory Board as well as the President and CEO from liability
5. shall be decided: remuneration payable to the members of the Supervisory Board
6. shall be decided: remuneration payable to the Auditors and Deputy Auditors
7. shall be elected: members of the Supervisory Board
8. shall be elected: the Auditor and the Deputy Auditor (if any)
9. shall be dealt with: other matters given in the notice of the meeting.

Section 9

The General Meeting shall be opened by the Chairman of the Supervisory Board, or, if he/she is prevented from attending to his/her duties, by the Deputy Chairman, or, if the Deputy

Chairman is also prevented from attending to his/her duties, by one of the Supervisory Board members present.

Members of the Board of Directors and the Supervisory Board have the right to be present and to be heard in the General Meeting. The Chairman of the Board of Directors, the President and CEO and the Actuary or their deputies must be present and prepared to give the necessary specifications.

The minutes of the General Meeting shall be drawn up and signed by a person appointed by the Chairman of the Meeting. The minutes shall be scrutinised and signed by the Chairman of the Meeting and two other persons elected for this task in the meeting.

Supervisory Board

Section 10

The Company has a Supervisory Board comprising 32 members.

The members of the Supervisory Board are elected for a period of three years, such that every year the term of a maximum of 11 members expires.

The Annual General Meeting elects to the Supervisory Board:

1. seven members from among the persons put forward by the key central organisations representing employers
2. 11 members from among the persons put forward by the key central organisations representing employees
3. 14 other members.

The term of a member of the Supervisory Board begins at the closing of the General Meeting in which he/she was elected.

If a member of the Supervisory Board resigns in mid-term, a new member shall be elected to replace him/her for the rest of the term. If the remaining members of the Supervisory Board constitute a quorum, the election may be delayed until the next General Meeting when the election would otherwise take place.

Section 11

At their first meeting following the Annual General Meeting, the Supervisory Board shall annually elect from among their number a Chairman and one or more Deputy Chairmen, one of whom has to be chosen from among candidates put forward by the representatives of the insured.

The Supervisory Board is convened by the Chairman, or, when he/she is prevented from attending to his/her duties, by the Deputy Chairman, and the members constitute a quorum when more than half of them are present.

At the Supervisory Board Meetings, decisions are made by a simple majority of votes. If the votes are evenly divided, the Chairman's vote shall decide. In the election of Chairman, the matter will be decided by drawing lots, if the votes are evenly divided.

If possible, the members of the Board of Directors should be present at the Supervisory Board Meetings.

Section 12

The Supervisory Board shall supervise the administration of the Company entrusted to the Board of Directors and the President and CEO. In addition, the task of the Supervisory Board is to:

1. confirm the remuneration to be paid to the Chairman, Deputy Chairmen and other members and deputy members of the Board of Directors
2. elect the members and deputy members of the Board of Directors
3. appoint the Election Committee referred to in section 13 from among its members or members of the Board of Directors.

Election Committee

Section 13

The Election Committee's task is to prepare a proposal for the Annual General Meeting concerning the appointment of and remuneration to the members of the Supervisory Board, and also prepare a proposal for the Supervisory Board concerning the appointment of and remuneration to the members of the Board of Directors.

The Chairman of the Supervisory Board shall act as the Chairman of the Election Committee. The Election Committee shall also have a Deputy Chairman. Either the Chairman or the Deputy Chairman shall be elected from candidates put forward by those members of the Supervisory Board who represent the insured.

In addition to the Chairman and Deputy Chairman, the Election Committee comprises four further members, of whom:

1. two are elected from among candidates put forward by the Supervisory Board members who represent the Policyholders
2. two are elected from among candidates put forward by the Supervisory Board members who represent the insured.

The Election Committee is convened by the Chairman, or, when he/she is prevented from attending to his/her duties, by the Deputy Chairman, and the members constitute a quorum when more than half of them are present.

Decisions at the Election Committee Meetings are made by a simple majority of votes. If the votes are evenly divided, the Chairman's vote shall decide.

Board of Directors

Section 14

The Board of Directors, comprising 12 ordinary members and three deputy members, is responsible for the Company's administration and operational organisation in an appropriate manner. The members and deputy members of the Board of Directors are elected for a period of three calendar years so that the terms expire for four ordinary members each year.

The Supervisory Board elects to the Board of Directors:

1. two members and one deputy member from among the persons put forward by the key central organisations representing employers



2. four members and one deputy member from among the persons put forward by the key central organisations representing employees and
3. six other members and one deputy member for them.

If a member or deputy member of the Board of Directors resigns in mid-term, a new member shall be elected to replace him/her for the rest of the term.

Section 15

The Board of Directors shall annually elect from among their number a Chairman and one or more Deputy Chairmen, one of whom has to be chosen from among candidates put forward by the representatives of the insured. The Board of Directors is convened by the Chairman. The members of the Board constitute a quorum when more than half of them are present.

Decisions at the Board Meetings are made by a simple majority of votes. If the votes are evenly divided, the Chairman's vote shall decide. Nevertheless, when making decisions about or presenting to the Annual General Meeting a proposal concerning a merger, transfer or receipt of the insurance portfolio, guarantee capital, distribution of profits, or the Company's investment plan, the decision shall be the opinion voted for by a minimum of two thirds of the Board members present.

The Company Actuary has the right to be present at the Board Meetings when matters included in his/her special field are being discussed.

Board of Directors' Committees

Section 16

The Board of Directors shall elect from among their number an Appointment and Compensation Committee as well as an Audit Committee.

President and CEO and other executives appointed by the Board of Directors

Section 17

The Company has a President and CEO appointed by the Board of Directors. The Company may have a Deputy to the President and CEO appointed by the Board of Directors.

The Board of Directors may appoint other executives. The Board of Directors appoints the Actuary and Senior Physician for the Company.

Representation

Section 18

The Company is represented by:

1. the President and CEO alone
2. two members of the Board of Directors together and those authorised by the Board of Directors to sign for the Company, either two such people together, or one together with a member of the Board of Directors.

Financial Statements and auditing

Section 19

One Auditor is elected by the Annual General Meeting to audit the Company's financial statements, accounts and administration. If the Auditor is not an auditing company, one Deputy Auditor must be elected for the Company. The Auditor and the Deputy Auditor must be an auditor approved by the Auditing Board of the Central Chamber of Commerce (KHT) or an auditing company. The term of the Auditor ends at the closing of the first Annual General Meeting after the Annual General Meeting in which he/she was elected.

The Financial Statements, the Report of the Board of Directors and the Consolidated Financial Statements shall be submitted to the Auditors no later than one month before the Annual General Meeting.

Miscellaneous orders and regulations

Section 20

Notices to the owners shall be sent in the same way as the notice to convene the General Meeting.

Section 21

A decision concerning the amendment of the Articles of Association must be made by an absolute majority of votes so that the amendment proposal is supported at the General Meeting by owners with a minimum of two thirds of the votes given at the General Meeting.

Section 22

In relation to the Company's liquidation, transfer of insurance portfolio or other arrangements concerning the distribution of assets, the remainder of assets exceeding liabilities, including the revaluation reserve, shall belong to the policyholders as part of the insurance portfolio. The assets shall be used to secure the pension of the insured.

Amendments to the Articles of Association were last certified by the Financial Supervisory Authority on 27 March 2020.