

## **RULES OF PROCEDURE FOR THE SHAREHOLDERS' NOMINATION BOARD**

### **1. Purpose of the Nomination Board**

The Nomination Board is responsible for preparing and presenting to the Annual General Meeting and, where appropriate, to the Extraordinary General Meeting, proposals regarding the number and remuneration of the members of the Board of Directors as well as a proposal regarding its composition.

Through the performance of any of its activities, the Nomination Board shall comply with effective legislation, the company's Articles of Association, and other regulations such as stock exchange rules and regulations and the Finnish Corporate Governance Code for listed companies.

The Rules of Procedure for the Nomination Board regulate the appointment and composition of the Board as well as define the duties and responsibilities addressed to the Board.

### **2. Composition of the Nomination Board**

The Nomination Board comprises three (3) members of whom each of the company's three (3) largest shareholders is entitled to appoint one (1) member. In addition, the chairman of the company's Board of Directors shall serve as an expert member of the Nomination Board unless he or she is appointed as an ordinary member of the Board.

The company's largest shareholders holding the appointment right are determined annually based on the ownership information registered with the company's shareholders' register maintained by Euroclear Finland Ltd. on the first business day of September. However, if a shareholder presents to the company's Board of Directors a written request concerning the respective matter no later than on the last business day of August, then the holdings of such shareholder through several funds or registers are to be counted in when determining the voting ratio. In the case of shareholders who are natural persons, the determination takes into account both direct and controlled entities', spouse's and children's holdings. In case two or more shareholders are having the same number of shares and votes and it is not possible to appoint to the Nomination Board a member designated by each of such shareholders, then the matter shall be resolved by drawing lots. In case the representative of the largest shareholder is simultaneously acting as the chairman of the company's Board of Directors, he or she may not be elected as the chairman of the Nomination Board but, however, he or she may act as the representative of that shareholder as a member of the Nomination Board.

In accordance with the shareholdings thus determined, the chairman of the Board of Directors shall request each of the three (3) largest shareholders to appoint one member to the Nomination Board. In case a shareholder does not wish to exercise their appointment right, then the right passes to the following largest shareholder who would otherwise have no appointment right.

The first meeting of the Nomination Board shall be convened by the chairman of the Board of Directors. The Board shall elect a chairman from among its members, and thereafter the Board will be convened by him or her. Once the Board has been elected, the company shall announce the composition of the Nomination Board by issuing a release.

The Nomination Board is established to serve until further notice until the General Meeting decides otherwise. The members of the Nomination Board shall be appointed

annually and their term shall expire at the time new members of the Board have been appointed.

Shareholder has the right to change the member appointed by them during the term by notifying the matter to the chairman of the Nomination Board. A member needs to resign from the Nomination Board if the shareholder who appointed him or her is no longer one of the ten largest shareholders in the company, unless the other members of the Nomination Board unanimously decide otherwise. The right to appoint a member replacing a resigned member is to be granted to the shareholder who, at that time, is the largest shareholder of such shareholders which have not yet appointed a member to the Board.

### **3. Decision-making**

The Nomination Board shall constitute a quorum when at least two (2) members carrying a vote are present. No decision shall be made by the Nomination Board unless all its members have been reserved the possibility participate in considering the matter and the respective meeting.

Decisions of the Nomination Board shall be made unanimously. If no unanimity is reached, then the members need to present their own proposals to the General Meeting either alone or together with other members of the Nomination Board.

If the chairman of the company's Board of Directors acts as an expert member of the Nomination Board, then he or she shall not have any voting rights in the Nomination Board or be counted in when determining the quorum of the Nomination Board, in each case based on his or her said role as an expert member.

All decisions of the Nomination Board shall be recorded in meeting minutes. The minutes shall be dated, numbered, and kept in a reliable manner. The minutes shall be signed by the chairman of the Nomination Board together with at least one other member of the Nomination Board.

### **4. Responsibilities of the Nomination Board**

Responsibilities of the Nomination Board include the following:

- preparing and presenting to the General Meeting a proposal regarding remuneration matters of the members of the Board of Directors;
- preparing and presenting to the General Meeting a proposal regarding the number of the members of the Board of Directors in accordance with the Articles of Association;
- preparing and presenting to the General Meeting a proposal regarding election of the members of the Board of Directors;
- preparing and presenting to the inaugural meeting of the Board of Directors a proposal regarding election of the chairman of the Board of Director;
- preparing and presenting to the Board of Director principles regarding diversity of the members of the Board of Directors; and
- seeking for prospective successors for the members of the Board of Directors.

The company's Board of Directors need to have sufficient expertise, skills and experience regarding matters relating to the company's field of activity and its business as well as possibility to devote sufficient time for carrying out responsibilities associated with the position. Performance of the Board of Directors shall be evaluated on a yearly basis and the outcome is to be notified to the Nomination Board. Outcomes of the evaluation are to be taken into account in the work of the Nomination Board in an appropriate manner. Based on its own discretion, the Nomination Board may also utilise services of any external consultants in its work in conformity with costs approved by the company.

**5. Proposals of the Nomination Board to the General Meeting**

The Nomination Board shall present and explain its proposals to the next Annual General Meeting. The proposals need to be included in the notice to the next Annual General Meeting and the Nomination Board need to share its proposals to the Board of Directors at the latest on 31 January preceding the respective Annual General Meeting. Proposals to an Extraordinary General Meeting need to be shared to the company's Board of Directors so that they can be included in the notice to the General Meeting.

**6. Confidentiality**

The Nomination Board need to keep its proposals to the General Meeting confidential until they have been published by the company. Members of the Nomination Board need to look after confidentiality of any information concerning the company. Provisions of the Finnish Securities Markets Act (746/2012, as amended) and the Market Abuse Regulation (EU/596/2014) as well as the company's insider guidelines shall be applied to any insider information the Nomination Board will receive, if any.

**7. Amendments to the Rules of Procedure**

The Nomination Board shall review contents of these Rules of Procedure annually and propose possible amendments to the General Meeting. Any amendments concerning number of the members of the Nomination Board or criteria of their election always needs to be decided by the General Meeting.

The Nomination Board is authorized to implement technical updates and amendments to these Rules of Procedure if necessary.

**8. Remuneration of the members of the Nomination Board**

The shareholders' representatives participating in the activities of the Nomination Board will not be entitled to remuneration.