

# KOSKISEN CORPORATION

## CHARTER OF THE SHAREHOLDERS' NOMINATION BOARD

### 1. PURPOSE OF THE SHAREHOLDERS' NOMINATION BOARD

Shareholders' Nomination Board of the Koskisen Corporation (the "**Company**") (the "**Nomination Board**") is shareholders' body of the Company, the duty of which is to prepare proposals for the Annual General Meeting regarding the election and remuneration of the members of the Board of Directors and the Chairman, as well as the remuneration of the Board of Directors committees.

The Nomination Board shall comply with applicable legislation and other regulations, including the rules of Nasdaq Helsinki Ltd and the Corporate Governance Code for listed companies maintained by the Finnish Securities Market Association (" **Corporate Governance Code** ").

### 2. COMPOSITION OF THE NOMINATION BOARD AND APPOINTMENT OF MEMBERS

Unless otherwise provided in this charter, the Nomination Board shall consist of five (5) members, four (4) of whom shall represent the four largest shareholders of the Company who, at the close of the last trading day on Nasdaq Helsinki in August preceding the next Annual General Meeting, hold the largest proportion of the votes attached to all shares of the Company. These four (4) members shall be the ordinary members of the Nomination Board.

The Chairman of the Board of Directors of the Company acts in an expert role as the fifth member of the Nomination Board, i.e. as an expert member. The expert member does not have voting rights in the decisions of the Nomination Board. The Chairman of the Board of Directors cannot be appointed as an ordinary member of the Nomination Board unless he himself, directly or through a company under his control, is entitled to appoint a member to the Nomination Board based on his ownership and exercises this right.

If the Chairman of the Board of Directors of the Company is entitled, based on his ownership, either directly or through a company under his control, to appoint a member to the Nomination Board and exercises this right, another Board member appointed by the Board of Directors shall serve as an expert member of the Nomination Board.

#### 2.1 Right to appoint a member to the Nomination Board

The right to appoint members representing shareholders shall be vested in the four shareholders who are registered in the Company's shareholder register maintained by Euroclear Finland Oy at the end of the last trading day of August on Nasdaq Helsinki in the year preceding the Annual General Meeting and who, according to this shareholder register, hold the largest share of the votes by all the Company's shares. If two or more shareholders have the same number of shares and votes, and not all of these shareholders have the right to appoint one member, the matter shall be decided by drawing lots among the shareholders in question by the Chairman of the Board of Directors.

If a shareholder who is obliged to report his/her holdings (flagging obligation) under the Securities Markets Act (746/2012, as amended) that are divided into several funds or registers, or who owns nominee-registered shares, submits a written request to the Chairman of the Board of Directors of the Company no later than the last trading day of August in the year preceding the next Annual General Meeting on Nasdaq Helsinki, such holdings of the shareholder will be taken into account in determining the right to appoint. The request must be accompanied by sufficient and reliable evidence of the ownership of the nominee-registered shares or of the obligation to take into account the holdings under the Securities Markets Act.

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If a group of shareholders has agreed to appoint a joint representative to the Nomination Board, their holdings will be added together when calculating the voting rights entitling them to appoint a member of the Nomination Board. However, the prerequisite for this is that the shareholders in question submit a joint written request to the Chairman of the Board of Directors of the Company, together with a copy of the agreement between the respective shareholders, no later than the last trading day of August in the year preceding the Annual General Meeting on Nasdaq Helsinki.

If one of the four largest shareholders waives its right to appoint a member of the Nomination Board, the opportunity to appoint a member shall be given to the next largest shareholder (who would otherwise not have the right to appoint), who shall indicate within three (3) business days of the request whether or not he/she wishes to appoint the member. If several shareholders waive their right to appoint a member of the Nomination Board, it shall not be necessary to request more than ten (10) largest shareholders, except where necessary to ensure that the Nomination Board consists of at least four members (including the expert member).

The Chairman of the Company's Board of Directors is responsible for requesting that the four largest shareholders, based on their shareholding as of the close of trading on Nasdaq Helsinki in August, each nominate one member to the Nomination Board.

Each shareholder who has the right to appoint a member to the Nomination Board must strive to elect a person who has the qualifications and experience corresponding to the duties and responsibilities of the Nomination Board.

**2.2 Members of the Nomination Board**

The Chairman of the Board of Directors shall convene the first meeting of the Nomination Board and the Nomination Board shall elect a Chairman from among its members, at whose invitation the Nomination Board shall thereafter convene. An expert member may not act as Chairman of the Nomination Board. The Chairman of the Company's Board of Directors may act as Chairman of the Nomination Board if he is an ordinary member of the Nomination Board.

The Company will publish the composition of the Nomination Board in a stock exchange release once the members of the Nomination Board have been appointed and the Chairman has been elected.

If a shareholder who has appointed a member to the Nomination Board ceases to be among the ten largest shareholders of the Company during the term of office of the Nomination Board, the member appointed by that shareholder to the Nomination Board shall resign, unless the Nomination Board unanimously decides otherwise. If a shareholder who has appointed a member to the Nomination Board ceases to hold any shares in the Company during the term of office of the Nomination Board, the member appointed by that shareholder to the Nomination Board shall resign without the possibility for the Nomination Board to decide otherwise.

The Nomination Board may decide to elect a new member to fill a prematurely vacant position, and if the number of members of the Nomination Board falls below four (4) (including the expert member), the Nomination Board shall decide to elect new members. The Nomination Board may, by unanimous decision, decide to temporarily expand the composition of the Nomination Board with an additional member in a situation where a member of the Nomination Board who is required to resign continues in his or her position until the end of the term of office by unanimous decision of the Nomination Board.

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The right to appoint a member during the term of office of the Nomination Board shall be offered to the shareholder who is the largest shareholder in the Company by voting rights at the end of the trading day on Nasdaq Helsinki preceding the decision to elect a new member of the Nomination Board and who has not yet appointed a member to the Nomination Board. The provisions of section 2.1 shall otherwise apply to the right of appointment and the election of a member of the Nomination Board, as applicable.

An ordinary member of the Nomination Board may resign by notifying the Chairman of the Nomination Board or an expert member. A shareholder who has appointed a member to the Nomination Board has the right to appoint a new member in his/her place. A shareholder may also, for other justified reasons, change his representative on the Nomination Board by notifying the Chairman of the Nomination Board or an expert member.

The Nomination Board has been established for an indefinite period until the Annual General Meeting decides otherwise. The term of office of the members of the Nomination Board ends annually when a new Nomination Board has been elected. No fees are paid to the members of the Nomination Board. The members' expenses are reimbursed in accordance with the Company's travel policy.

**3. DUTIES OF THE NOMINATION BOARD AND CHAIRMAN**

The duties of the Nomination Board include:

- preparation and presentation of a proposal to the General Meeting regarding the number of members of the Board of Directors;
- preparation and presentation of a proposal to the General Meeting regarding the Chairman and members of the Board of Directors;
- reviewing the remuneration policy of the Company with regard to the remuneration of Board Members;
- preparation of a proposal to the General Meeting regarding the remuneration of the members of the Board of Directors and the Board committees in accordance with the Company's remuneration policy and presenting it to the General Meeting; and
- assessing the continuity plan of Board of Directors and searching for successor candidates for board members.

The Chairman of the Nomination Board shall direct the activities of the Nomination Board in such a way that the Nomination Board achieves the objectives set for it effectively and takes into account the expectations of the shareholders and the interests of the Company. The Chairman of the Nomination Board shall, among other things:

- convene and chair meetings of the Nomination Board;
- ensure that the meetings scheduled by the Nomination Board are duly convened; and
- convene unscheduled meetings as necessary and in any case within 14 days of a request made by a member of the Nomination Board.

**4. PREPARATION OF THE PROPOSAL REGARDING COMPOSITION OF THE BOARD OF DIRECTORS**

The Nomination Board prepares a proposal regarding the composition of the Board of Directors to be presented to the Company's Annual General Meeting or, if necessary, to an Extraordinary General Meeting.

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When preparing the proposal, the Nomination Board shall take into account the independence requirements and other requirements under applicable laws and regulations, as well as the results of the annual Board evaluation conducted in accordance with the Corporate Governance Code.

The results of the annual evaluation of the Board of Directors and an assessment of each Board member's independence from the Company and its significant shareholders are reported to the Nomination Board. The Nomination Board may also use an external expert, at a cost approved in advance by the Company, to identify and evaluate suitable candidates.

When preparing a proposal regarding the composition of the Board of Directors, the Nomination Board shall always act in the best interest of the Company and may take into account, among other things, that the Board of Directors, when assessed as a whole, has sufficient expertise, knowledge and competence in matters related to the Company's business and industry, management of a public company of a similar size, corporate and financial administration, internal control and risk management and corporate governance, and that they have the opportunity to devote sufficient time to fulfilling the duties of a Board member. The Nomination Board shall take into account the achievement of a good and balanced gender balance and diversity balance on the Board of Directors, when assessing the Board of Directors as a whole, in accordance with the principles regarding board diversity.

#### **5. PROPOSALS FOR THE GENERAL MEETING**

The Nomination Board must submit its proposals to the Board of Directors annually by the end of February. If a matter that the Nomination Board needs to prepare is resolved at an extraordinary general meeting, the Nomination Board shall submit its proposal to the Board of Directors in sufficient time to be included in the notice of the general meeting. The Nomination Board's proposals shall be published separately in a stock exchange release and included in the notice of the general meeting.

#### **6. DECISION MAKING**

The Nomination Board has a quorum when more than half of its ordinary members are present. A decision may not be made unless all members have been given the opportunity to participate in the decision making and meeting.

The Nomination Board shall make its decisions unanimously. If unanimous decision is not reached, the Nomination Board shall immediately notify the Company's Board of Directors and the Company shall announce in a stock exchange release that the Nomination Board will not make proposals to the General Meeting. In such a situation, the members of the Nomination Board (if they are shareholders of the Company) or shareholders who have nominated them, may submit their own proposals to the General Meeting individually or together with other members of the Nomination Board or shareholders.

Minutes shall be kept of all decisions of the Nomination Board. The minutes shall be dated, numbered and stored by the Company in a reliable manner. The minutes shall be signed by the Chairman of the Nomination Board and at least one member of the Nomination Board.

#### **7. CONFIDENTIALITY**

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The members of the Nomination Board and the shareholders they represent must keep information regarding the proposals confidential until the Nomination Board has made its final decision, and the Company has made it public.

The confidentiality obligation of the members of the Nomination Board and the shareholders they represent also covers other confidential information obtained in the activities of the Nomination Board.

#### **8. REVIEW OF THE CHARTER**

The Nomination Board shall annually review the content of this charter and propose any changes to the Annual General Meeting. Any changes to the number of members of the Nomination Board and the selection criteria shall be decided upon at the Annual General Meeting. The Nomination Board may make technical updates and changes to the charter.

This charter has been drawn up in Finnish and English. In the event of any conflict, the Finnish version shall prevail.