

## **CHARTER OF THE SHAREHOLDERS' NOMINATION BOARD OF CAPMAN PLC**

### **1. The purpose of the Nomination Board**

The shareholders' nomination board (the "Nomination Board") of CapMan Plc (the "Company") is a corporate body of the Company's shareholders and responsible for preparing proposals and submitting them to the Annual General Meeting and, if needed, to an Extraordinary General Meeting concerning the nomination and remuneration of the members of the Board of Directors and remuneration of the members of the Committees of the Board of Directors. The primary task of the Nomination Board is to ensure that the Board of Directors and its members have sufficient expertise, competence and experience to meet the needs of the Company.

The Nomination Board shall adhere to the applicable legislation and other regulations, such as stock exchange regulations and the Corporate Governance Code for listed companies in Finland.

### **2. Nomination and composition of the Nomination Board**

The Nomination Board shall include the representatives nominated by the four largest shareholders as well as the Chairman of the Board of Directors, who shall serve as an expert member. The Chairman of the Board of Directors shall not take part in the decision-making of the Nomination Board.

The four shareholders who, according to the Shareholder Register maintained by Euroclear Finland Ltd, have the largest share of the votes conferred by all Company shares on the first workday of the September preceding the Annual General Meeting, are entitled to nominate the members who represent shareholders. The Chairman of the Board of Directors accordingly requests that the four largest shareholders, determined as specified above, each designate one member of the Nomination Board. In case two of the largest shareholders have an equal number of shares and votes and the representatives of both such shareholders cannot be nominated to the Nomination Board, the decision between them shall be made by drawing lots.

If a shareholder who has distributed his/her holdings e.g. into several funds and has an obligation under the Finnish Securities Markets Act (746/2012, as amended) to take these holdings into account when disclosing changes in share of ownership, makes a written request to such effect to the Chairman of the Board of Directors no later than on 31 August preceding the Annual General Meeting, such shareholder's holdings in several funds or registers will be combined when calculating the share of votes which determines the nomination right.

If a holder of nominee registered shares wishes to use his/her right to nominate, he/she shall present a reliable account of the number of shares in their ownership on the first workday of September preceding the Annual General Meeting. The account shall be submitted to the Chairman of the Board of Directors on the fourth workday of September, at the latest.

If a shareholder does not wish to use his/her nomination right, the right shall be transferred to the next largest shareholder who would otherwise not be entitled to nominate a member.

The Chairman of the Board of Directors shall convene the first meeting of each term of office of the Nomination Board and the representative of the largest shareholder shall be nominated as the Chairman of the Nomination Board, unless otherwise decided by the Nomination Board. The Chairman of the Board of Directors cannot be the Chairman of the Nomination Board. The Nomination Board convenes thereafter at the notice of the Chairman of the Nomination Board.

When the Nomination Board has been nominated, the Company shall publish its composition by a stock exchange release.

Shareholder shall be entitled to replace the member that he/she has nominated during the term of office, should they so wish, by informing the Chairman of the Nomination Board. A member designated by a shareholder must resign from the Nomination Board if the shareholder in question is no longer one of the ten largest shareholders in the Company, unless the other nominated members of the Nomination Board unanimously decide otherwise. The Nomination Board may nominate a new member to replace the member who resigned early, and, if the number of nominated members in the Nomination Board is reduced to fewer than three during a term of office, the Nomination Board must decide on nominating new members. The Nomination Board must offer any vacancies to those Company's shareholders who have not nominated a member to the Nomination Board, in an order which corresponds to the preference order based on the votes conferred by shareholdings. The preference order based on the votes conferred by shareholdings shall be determined in accordance with the shareholders' ownership data in the Shareholder Register on the date the request to nominate a member was presented.

The Nomination Board shall serve until further notice until the General Meeting decides otherwise. The term of office of the Nomination Board's members expires annually after the new Nomination Board has been nominated.

### **3. The duties of the Nomination Board**

The Nomination Board is responsible in accordance with the diversity principles of the Board of Directors for:

1. preparing and presenting to the General Meeting a proposal on the remuneration of the members of the Board of Directors;
2. preparing and presenting to the General Meeting a proposal on the number of members of the Board of Directors;
3. preparing and presenting to the General Meeting a proposal on the members of the Board of Directors;
4. preparing and presenting to the General Meeting a proposal on the Chairman of the Board of Directors;
5. preparing and presenting to the General Meeting a proposal on the remuneration of the members of the Committees of the Board of Directors; and
6. seeking prospective successor candidates for the members of the Board of Directors.

The members of the Nomination Board do not receive separate remuneration for their membership in the Nomination Board. The members' travel expenses shall be reimbursed in accordance with the Company's travel policy.

### **4. Decision-making**

The Nomination Board has a quorum if over half of its nominated members are in attendance. The Nomination Board is not entitled to make decisions unless all members have been offered the chance to participate in handling the matter and to attend the meeting.

The decisions of the Nomination Board must be unanimous. If the members cannot reach a unanimous decision, the chairman of the Nomination Board shall decide on the Nomination Board's proposal for the General Meeting.

Minutes shall be kept of all the meetings of the Nomination Board. The minutes must be dated, numbered and stored in a reliable way. The Chairman and at least one other member of the Nomination Board must sign the minutes.

## **5. The duties of the Chairman of the Nomination Board**

The Chairman of the Nomination Board must steer the work of the Nomination Board so that the Board reaches its objectives and observes the expectations of the shareholders as well as the benefit of the Company.

The Chairman of the Nomination Board:

1. shall convene the meetings of the Nomination Board, prepare the meeting agendas and materials and serve as the Chairman of the meetings;
2. shall supervise that the intended meetings of the Nomination Board are held in accordance with the agreed schedule; and
3. shall convene special meetings to order as necessary and shall invariably convene a meeting to order within 14 days of a request submitted by a member of the Nomination Board.

## **6. Preparation of a proposal concerning the composition of the Board of Directors**

The Nomination Board shall prepare a proposal concerning the composition of the Board of Directors for the Company's Annual General Meeting and to the Extraordinary General Meeting, if needed. Regardless of this, each shareholder in the Company may submit a direct proposal to the Annual General Meeting in accordance with the Limited Liability Companies Act (624/2006, as amended).

In preparing the proposal concerning the composition of the Board of Directors, the Nomination Board must observe the requirements imposed on the Company in the corporate governance code as well as the results of the annual assessment of the operations of the Board of Directors, which is to be completed in accordance with the corporate governance code. At a cost approved by the Company, the Nomination Board may also consult an external expert in order to find and assess suitable candidates.

## **7. Competence of the members of the Board of Directors**

The Company's Board of Directors must have sufficient expertise, competence and experience related to the Company's line of business. The Board of Directors must specifically have sufficient collective competence:

1. in matters pertaining to the Company's line of business and its business operations;
2. in managing a company of a corresponding size;
3. in group and financial management;
4. in strategic solutions and corporate mergers and acquisitions;
5. in internal supervision and risk management; and
6. in the principles of good corporate governance.

## **8. Proposals to the General Meeting**

The Nomination Board must submit its proposals to the Board of Directors no later than on 31 January preceding the Annual General Meeting.

The proposals of the Nomination Board are published as a stock exchange release and are included in the invitation to the General Meeting. The Nomination Board shall also present and provide the grounds for its proposals and submit a report of its operations to the Annual General Meeting.

Should a matter that is to be prepared by the Nomination Board come up for decision-making in an Extraordinary General Meeting, the Nomination Board shall strive to submit its proposal to the Board

of Directors of the Company in sufficient time for it to be included in the notice to the General Meeting.

## **9. Confidentiality**

The members of the Nomination Board and the shareholders they represent must maintain the confidentiality of all information concerning the proposals presented to the General Meeting until the Nomination Board has submitted its final proposals and the Company has published them.

Provisions of the Finnish Securities Markets Act (746/2012, as amended) are applicable to the insider information potentially received by the members of the Nomination Board.

The Chairman of the Nomination Board may, when he/she considers it necessary, propose to the Board of Directors of the Company that the Company should enter into non-disclosure agreements with the representatives nominated by the shareholders.

## **10. Changes in the Charter**

The Nomination Board must annually review the content of this Charter and submit any change proposals concerning, for example, the number of members in the Nomination Board or the nomination procedure to the Annual General Meeting for approval. The Nomination Board is authorised to make any necessary technical updates and changes to this Charter.

## **11. Other provisions**

In case any fixed date prescribed in this Charter does not fall on working day, the Charter shall be construed to refer to the working day immediately preceding such fixed date. This Charter has been prepared in both Finnish and English language versions. In the event of any discrepancies, the Finnish language version shall prevail.