



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

### **1. Background and purpose**

Aspo Plc's Shareholders' Nomination Board (the "Nomination Board") is a body of shareholders responsible for preparing proposals to the Annual Shareholders' Meeting for the election and remuneration of the members of the Board of Directors.

The main duty of the Nomination Board is to ensure that the Board of Directors and its members maintain and represent a sufficient level of expertise, knowledge and competence for the needs of the company and to prepare proposals relating to this for the Annual Shareholders' Meeting for the election and remuneration of the members of the Board of Directors.

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

The Nomination Board consists of four (4) members. The four members are nominated by those four shareholders whose share of all the voting rights in the company is the largest on August 31 of the calendar year preceding the Annual Shareholders' Meeting and who wish to participate to the nomination. The Chairman of the Board of Directors acts as an expert member of the Nomination Board. The Nomination Board elects a Chairman from among its members.

The Chairman of the Board of Directors shall request the four largest shareholders of the company, determined on the basis of the holdings on August 31 each year, each to nominate one member to the Nomination Board. The right to nominate the representatives lies with those four shareholders whose share of all the voting rights in the company is the largest on August 31 of the calendar year preceding the Annual Shareholders' Meeting. Should a shareholder not wish to use its nomination right, the right transfers to the next largest shareholder. The largest shareholders are determined on the basis of the holdings registered to the Finnish book-entry system. In case two of these shareholders own an equal number of shares and votes and the representatives of both such shareholders cannot be appointed to the Nomination Board, the decision shall be made by drawing lots.

However, holdings by a shareholder, who under the Finnish Securities Market Act has the obligation to disclose its shareholdings (flagging obligation) that are divided into several funds or registers, will be summed up when calculating the share of all the voting rights, provided that the shareholder presents a written request to that effect to the Chairman of the company's Board of Directors no later than on August 30 preceding the next Annual Shareholders' Meeting.

The term of office of the members of the Nomination Board expires after the next Nomination Board is nominated.

The appointed representative of a shareholder shall resign from the Nomination Board, if such shareholder transfers more than half of its shareholding and as a result thereof no longer is amongst the company's ten largest shareholders. The member shall disqualify himself or resign in the case of conflict of interests. The Nomination Board may appoint a new member to the Nomination Board to replace the prematurely vacated seat. It is at the discretion of the Nomination Board to decide whether to offer the vacant seats that are to be filled to the shareholders of Aspo Plc. The Nomination Board shall decide on appointing new members in case the number of Nomination Board members decrease to less than three during the Nomination Board' term of office.

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

The Nomination Board shall constitute a quorum when more than half of its members are present. No decision shall be made unless all members have been reserved the possibility to consider the matter and to participate in the meeting.

Decisions of the Nomination Board shall be unanimous. If consensus cannot be reached, members of the Nomination Board shall present their own proposals to the Annual Shareholders' Meeting individually or jointly with other members of the Nomination Board.

All decisions of the Nomination Board shall be recorded in minutes. The minutes shall be signed by the Chairman of the Nomination Board together with at least one Nomination Board member.

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

The duties of the Nomination Board shall include:

- to prepare to the Annual Shareholders' Meeting a proposal on the remuneration of the members of the Board of Directors
- to prepare to the Annual Shareholders' Meeting a proposal on the number of the members of the Board of Directors
- to prepare to the Annual Shareholders' Meeting a proposal on the members of the Board of Directors
- to seek for prospective successors for the members of the Board of Directors.
- to present to the Annual Shareholders' Meeting a proposal on the remuneration of the members of the Board of Directors
- to present to the Annual Shareholders' Meeting a proposal on the number of the members of the Board of Directors
- to present to the Annual Shareholders' Meeting a proposal on the members of the Board of Directors
- to answer the questions of the shareholders.

#### *4.1. General about the preparation of the proposal on the Board of Directors*

The Nomination Board shall prepare a proposal to be presented to the Annual Shareholders' Meeting on the composition of the Board of Directors. However, any shareholder of the company may also make a proposal directly to the Annual Shareholders' Meeting.

The performance of the Board of Directors is evaluated annually and the results are presented to the Nomination Board when it prepares the proposal on the composition of the new Board of Directors. The results of the annual performance evaluation shall be taken into account properly in the work of the Nomination Board. The Nomination Board may also hear other shareholders in preparation and employ the services of an outside consultant in the quest for suitable candidates.

#### *4.2. Sufficient competence of the members of the Board of Directors*

The Board of Directors of the company shall have sufficient expertise and collectively sufficient competence and experience relating to the business and industry of the company.

To ensure the qualification, the Nomination Board shall take into consideration the regulation and the Finnish Corporate Governance Code.

The Board of Directors shall collectively have sufficient knowledge and competence especially in:

- relation to the business and industry of the company
- managing a similar-sized listed company
- accounting
- risk management
- company acquisitions and divestments
- corporate governance

In addition to the aforementioned, the Nomination Board shall take into consideration the independence requirements under Finnish Corporate Governance Code and the rules of Nasdaq Helsinki Ltd applicable to the company.

## **5. Duties of the Chairman of the Nomination Board**

The Chairman of the Nomination Board shall direct the activities of the Nomination Board in order for the Nomination Board to achieve its objectives efficiently and take duly into account the expectations of the shareholders and the interests of the company.

In accordance with the aforementioned, the Chairman shall:

- convene and chair the meetings of the Nomination Board;
- supervise that the scheduled meetings of the Nomination Board are duly convened and convene unscheduled meetings in case necessary and within 14 days from a request by a member of the Nomination Board to that effect.

## **6. Proposals to the Annual Shareholders' Meeting**

The Nomination Board shall present and explain its proposals to the Annual Shareholders' Meeting. The proposals are included in the invitation to the Annual Shareholders' Meeting and Nomination Board shall submit its proposals to the Board of Directors at the latest on January 1 preceding the Annual Shareholders' Meeting.

The Nomination Board shall provide a report to the Annual Shareholders' Meeting on how it conducted its work. The aforementioned information shall be published in the website of the company.

## **7. Confidentiality**

The Nomination Board members and the shareholders they represent shall keep the information regarding the proposals to the Annual Shareholders' Meeting confidential until it has made the final decision and the proposals have been published. The Chairman of the Nomination Board shall have the right at his/her discretion to decide whether the company should enter into non-disclosure agreements with the shareholders or their representatives in the Nomination Board.

## **8. Amending the Charter and Authorization**

The Nomination Board shall review this Charter annually and propose possible changes to the next Annual Shareholders' Meeting for adoption. Essential amendments to the number of the members of the Nomination Board and to the nomination requirements shall be decided on in the Annual Shareholders' Meeting. The Nomination Board is authorized to execute necessary technical updates and amendments to this Charter.