

AGM notice, appendix 2

## **Charter of HKScan Corporation's Shareholders' Nomination Board**

### **1 PURPOSE OF THE NOMINATION BOARD**

HKScan Corporation's (hereinafter "the Company") Shareholders' Nomination Board (hereinafter "the Nomination Board") is a body of the Company's shareholders, responsible for preparing annually proposals to the Annual General Meeting for the election and remuneration of the members and deputy members of the Board of Directors. The main purpose of the Nomination Board is to ensure that the Board of Directors and its members and deputy members maintain and represent a sufficient level of expertise, knowledge and competence for the needs of the Company.

In its work, the Nomination Board shall comply with applicable laws and regulations, such as stock exchange rules and the Finnish Corporate Governance Code.

This charter regulates the nomination and composition of the Nomination Board as well as defines the tasks and duties of the Nomination Board.

### **2 NOMINATION AND COMPOSITION OF THE NOMINATION BOARD**

According to the proposal, the Nomination Board consists of at most four members, of which three represent the Company's largest shareholders who, on the last business day of May preceding the next Annual General Meeting, hold the largest number of votes calculated of all shares in the Company. In addition, the Chairman or the Deputy Chairman of the Board is a member of the Nomination Board.

The largest shareholders of the Company on the last business day of May are determined based on the shareholders' register of the Company held by Euroclear Finland Ltd. Pursuant to this shareholding, the Chairman of the Board of Directors shall request the three largest shareholders of the Company each to nominate one member to the Nomination Board. Holders of nominee registered shares shall be taken into account in the appointment process to the extent possible. If a shareholder who has distributed his/her holdings, for example, into several funds and has an obligation under the Finnish Securities Markets Act 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, such shareholder's holdings in several funds or registers will be combined when calculating the share of votes, which determines the nomination right.

Should a shareholder not wish to use its nomination right, the right may be transferred by the Chairman of the Board of Directors to the next largest shareholder who would otherwise not have a nomination right.

The Chairman of the Board of Directors convenes the first meeting of the Nomination Board and acts as a Chairman of the Nomination Board until the Nomination Board has convened and elected a Chairman amongst its members. 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 Nomination Board convenes the meetings thereafter.

The composition of the Nomination Board shall be published by the Company through a stock exchange release once the members of the Nomination Board have been appointed and the Chairman has been elected.

The term of office of the members of the Nomination Board expires annually when the new Nomination Board has been appointed. The members of the Nomination Board are not remunerated for their membership in the Nomination Board, but reasonable expenses incurred in connection with the board work are reimbursed.

### **3 DUTIES OF THE NOMINATION BOARD**

The duties of the Nomination Board shall include:

- to prepare and present to the Annual General Meeting a proposal on the number of the members and deputy members of the Board of Directors;
- to prepare and present to the Annual General Meeting a proposal on the remuneration of the members and deputy members of the Board of Directors for their work both at the Board of Directors and at the Board committees. When preparing the proposals, the Nomination Board shall always make sure the proposals are in line with the currently valid Remuneration Policy of the Company;
- to prepare and present to the Annual General Meeting a proposal on the members and deputy members of the Board of Directors;

and

- to present the charter of the Nomination Board to the Annual General Meeting annually for approval, if changes to the charter of the Nomination Board are proposed.

### **4 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 made by a majority vote and the Chairman of the Nomination Board shall have the casting vote in case the votes are divided equally.

All decisions of the Nomination Board shall be recorded in minutes. The minutes shall be dated, numbered and retained in a safe manner. The minutes shall be signed by the Chairman of the Nomination Board together with at least one member of the Nomination Board.

### **5 TASKS 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.

The Chairman of the Nomination Board shall:

- convene the meetings, prepare the agenda and material for the meetings 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 in any event, within 14 days from a request by a Nomination Board member to that effect.

### **6 PREPARATION OF THE PROPOSAL ON THE BOARD COMPOSITION**

The Nomination Board shall prepare a proposal to be presented to the Annual General Meeting on the composition of the Board of Directors. However, any shareholder of the Company may also make a proposal directly to the Annual General Meeting in accordance with the Finnish Companies' Act.

When preparing its proposal on the composition of the Board of Directors, the Nomination Board shall take into consideration also the independence requirements under applicable Corporate Governance Code as well as the results of the annual performance assessment of the Board of Directors conducted according to the Corporate Governance Code. The Nomination Board may, at cost approved by the Company, also employ the services of an external expert in order to identify and evaluate suitable candidates.

## **7 MEETINGS**

The Chairman of the Nomination Board, in consultation with the Nomination Board members, determines the schedule and frequency of the Nomination Board meetings. The Nomination Board convenes as often as necessary, but at least once (1) a calendar year before the AGM, to duly discharge its duties. If necessary, the Nomination Board may hold additional meetings.

The Nomination Board's meetings shall be recorded in the minutes by a secretary appointed by the meeting. The Nomination Board's minutes shall be sent to the secretary of the Board of Directors for advance inspection before signing to ascertain that they have been prepared in a uniform minute method. The minutes shall be signed by the Chairman of the meeting and a Nomination Board member appointed to sign the minutes.

## **8 PROPOSALS TO THE ANNUAL GENERAL MEETING**

The Nomination Board shall submit its proposals to the Board of Directors well in advance before the Board of Directors resolves to convene the Annual General Meeting. The proposals of the Nomination Board will be published through a stock exchange release and included in the notice to the Annual General Meeting. The Nomination Board shall also present and explain its proposals and report on its activities to the Annual General Meeting.

## **9 COMMITTEE COSTS**

To be able to duly discharge its duties, the Nomination Board may have some operating expenses, such as travelling costs, costs related to external advisory services or other costs.

Travel expenses will be compensated according to the Company's Travel Guidelines as approved yearly by the AGM.

The Chairman of the Nomination Board shall keep the Chairman of the Board of Directors pre-informed about all material expenses.

## **10 REPORTING TO THE BOARD OF DIRECTORS**

The Chairman of the Nomination Board has the responsibility to lead the Nomination Board's work and to ensure that the Nomination Board attends to the duties that fall within its authority.

The Nomination Board reports on its work to the Board of Directors at the next Board meeting following the Nomination Board meeting. Reports shall consist at least of the minutes of the Nomination Board meeting, including appendices, detailing the matters discussed and measures taken by the Nomination Board. Insofar as a report is discussed by the Board of Directors in accordance with the agenda of the Board of Directors meeting, the Chairman of the Nomination Board presents it to the extent deemed necessary.

## **11 CONFIDENTIALITY**

The members of the Nomination Board and the shareholders they represent shall keep the information regarding the proposals to the Annual General Meeting confidential until it has made the final proposals and said proposals have been published by the Company.

The obligation of confidentiality of the Nomination Board members and of the shareholders represented by them covers also other confidential information received in connection with the work of the Nomination Board and remains in force with respect to each piece of information until the Company has published it.

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 separate non-disclosure agreements with the shareholders or their representatives in the Nomination Board.

## **12 AMENDING THE CHARTER AND ABOLISHMENT OF THE NOMINATION BOARD**

The Nomination Board shall review this charter annually and propose possible changes for example in the number of the Nomination Board members or in their election process to the next Annual General Meeting for adoption. The Charter of the Nomination Board shall only be presented to the Annual General Meeting for approval if the Nomination Board proposes changes to the Charter. The Nomination Board is authorized to make technical updates and amendments to the Charter.

The Nomination Board has been established for an indefinite period. Both the Board of Directors and the Nomination Board may make a proposal to the General Meeting for the abolishment of the Nomination Board. The General Meeting shall decide on the abolishment of the Nomination Board.

## **13 LANGUAGE OF THE CHARTER**

This charter has been prepared in Finnish and English. In the event of any discrepancies, the Finnish version shall be decisive.