



## **CHARTER OF OUTOKUMPU OYJ'S SHAREHOLDERS' NOMINATION BOARD**

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

Outokumpu Oyj's (the "Company") Shareholders' Nomination Board is a body of the Company's shareholders, responsible for annually preparing proposals to the Annual General Meeting for the election and remuneration of the members of the Board of Directors and for ensuring that the Board of Directors and its members embody a sufficient level of knowledge and experience for the needs of the Company.

In its work, the Nomination Board shall comply with the legislation and the Finnish Corporate Governance Code in force, as well as the applicable Stock Exchange rules and regulations.

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 Members**

The Nomination Board consists of five members. Four of the members represent the Company's four largest shareholders and the Chairman of the Company's Board of Directors, in his capacity as an expert member, acts as the fifth member of the Nomination Board.

The representatives of the four largest shareholders of the Company are annually appointed to the Nomination Board. The largest shareholders of the Company are determined on the basis of the shareholders' register of the Company and the ownership situation at the closing of Nasdaq Helsinki's last trading day in August. The Company's shareholders' register only consists of shareholders who are directly registered in the Finnish book-entry system. Accordingly, to be eligible for membership in the Nomination Board, a nominee-registered shareholder needs to register the respective shareholding directly in the Finnish book-entry system for at least the said date.

In case a shareholder, who under the Finnish Securities Markets Act has an obligation to announce changes in its shareholdings and to sum up its holdings together with the holdings of certain other parties when doing so (flagging obligation), presents no later than on August 31 a written request to that effect to the Chairman of the Company's Board of Directors, then the holdings of such shareholder and other parties shall be summed up for the purposes of determining the holdings of the largest shareholders.

In case two or more shareholders own an equal number of shares and, as a consequence, the four largest shareholders cannot be determined, the status of these shareholders among the four largest shareholders shall be resolved by drawing lots.

The Chairman of the Board of Directors shall request the four largest shareholders of the Company each to nominate one member to the Nomination Board. Should a shareholder wish not to use its nomination right, the right transfers 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 the Nomination Board shall elect a Chairman from among its members who convenes the Nomination Board meetings thereafter.

The term of office of the members of the Nomination Board expires annually when a new Nomination Board has been appointed. A shareholder may change its representative in the Nomination Board mid-term, should there be a weighty cause for such a change.

The appointed representative of a shareholder shall resign from the Nomination Board, if such shareholder transfers more than half of its shareholding, and as result no longer is amongst the Company's ten largest shareholders. The Nomination Board may appoint a new member to the Nomination Board to replace the prematurely vacated seat and shall decide on appointing new members in case the number of Nomination Board members decreases to less than three members. The Nomination Board shall offer the vacant seats in the order of size to those largest shareholders who do not have a member appointed to the Nomination Board.

### **3 Duties of the Nomination Board**

The duties of the Nomination Board include:

- a) to prepare and present to the Annual General Meeting a proposal on the remuneration of the members of the Board of Directors;
- b) to prepare and present to the Annual General Meeting a proposal on the number of the members of the Board of Directors;
- c) to prepare and present to the Annual General Meeting a proposal for the Chairman, Vice Chairman and other members of the Board of Directors.
- d) to seek for prospective successors for the members of the Board of Directors; and
- e) to annually assess its work and to review the contents of this Charter.

### **4 Tasks of the Chairman**

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 shall:

- a) convene and chair the meetings of the Nomination Board;
- b) supervise that the scheduled meetings of the Nomination Board are duly held; and
- c) convene unscheduled meetings when necessary and, in any event, within 14 days from a request by a Nomination Board member to that effect.



## **5 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 unanimity cannot be reached, members of the Nomination Board shall present their own proposals to the Annual General 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 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 Nomination Board member.

### **5.1 Preparation of the Proposal**

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

The Nomination Board shall assess the performance of the Board of Directors, taking the results of the assessment appropriately into account in its work. The Nomination Board may also employ the services of an outside consultant in the quest for suitable candidates.

### **5.2 The qualifications of the Board members and the diversity of the Board of Directors**

The Board of Directors of the Company shall have sufficient expertise, knowledge and competence, in particular with respect to:

- a) the Company's industry and business activities;
- b) the management of a public limited company of corresponding size;
- c) group and financial management;
- d) strategy and corporate mergers and acquisitions;
- e) internal control and risk management; and
- f) corporate governance.

In addition, the Nomination Board shall take into account the Company's Diversity Principles as well as the independence requirements of the Finnish Corporate Governance Code.

### **5.3 Proposals to the Annual General Meeting**

The Nomination Board shall present and justify its proposals to the Annual General Meeting. The Nomination Board shall annually submit its proposals to the Board of Directors at the



latest on January 31 preceding the next Annual General Meeting. The proposals of the Nomination Board will be included in the notice to the Annual General Meeting.

## **6 Confidentiality**

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

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 with respect to their representative in the Nomination Board.

## **7 Amending the Charter and Authorization**

The Nomination Board shall review this Charter annually and propose possible changes to the Annual General Meeting for adoption.

The Nomination Board is authorized to execute necessary technical updates and amendments to this Charter.

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

## **DOCUMENT IDENTIFICATION**

Document approver: Annual General Meeting

Document owner: Matti Louhija, Senior Vice President – Corporate General Counsel

## **DOCUMENT HISTORY**

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