

## CHARTER OF VACON PLC'S SHAREHOLDERS' NOMINATION BOARD

### 1. Purpose of the Nomination Board

Vacon Plc'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 of the Board of Directors and the remuneration of the members of the Nomination Board. The main purpose 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.

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

The Nomination Board consists of five members, four of which represent the Company's four largest shareholders who, on August 31 preceding the next Annual General Meeting, hold the largest number of votes calculated of all shares in the Company. The Chairman of the Board of Directors shall be the fifth member of the Nomination Board.

The largest shareholders of the Company on August 31 are determined on the basis of 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 four largest shareholders of the Company each to nominate one member to the Nomination Board. 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.

If a shareholder who has distributed his/her holdings e.g. 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 no later than on August 30, such shareholder's holdings in several funds or registers will be combined when calculating the share of votes which determines the nomination right.

Further, holdings by a group of shareholders, who have agreed to nominate a joint representative to the Nomination Board, will be summed up when calculating the share of all the voting rights, provided that the shareholders in question present a joint written request to that effect together with a copy of such an agreement to the Chairman of the Company's Board of Directors no later than on August 30 preceding the next Annual General Meeting.

Should a shareholder not wish 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 acts as a Chairman of the Nomination Board until the Nomination Board has elected a Chairman from among its members at the notice of which the Nomination Board convenes 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 appointed representative of a shareholder shall resign from the Nomination Board, if the shareholder concerned later transfers more than half of the shares he/she/it held on August 31 which entitled he/she/it to nominate a representative and as a result thereof 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 during the members' term of office. The Nomination Board shall offer the vacant seats that are to be filled to the shareholders of the Company who do not have a member appointed to the Nomination Board in the order of votes represented by their shares. The order of votes shall be determined on the basis of the ownership information in the Company's shareholders' register on the day of the request.

The Nomination Board has been established for an indefinite period. The term of office of the members of the Nomination Board expires annually when the new Nomination Board has been appointed.

### 3. Duties of the Nomination Board

The duties of the Nomination Board shall include:

- a) to prepare and present to the Annual General Meeting a proposal on the remuneration of the members of the Board of Directors for their work both at the Board of Directors and at the Board committees as well as a proposal on the remuneration of the members of the Nomination Board;
- 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 on the members of the Board of Directors; and
- d) to seek for prospective successors for the members of the Board of Directors.

#### 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 unanimous. If consensus cannot be reached, members of the Nomination Board may 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 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 shall:

- a) convene the meetings, prepare the agenda and material for the meetings and chair the meetings of the Nomination Board;
- b) supervise that the scheduled meetings of the Nomination Board are duly convened; and
- c) 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. Qualifications of the Members of the Board of Directors

The Board of Directors of the Company shall have sufficient expertise, knowledge of and competence in the Company's field of business, technology and industry. In particular, the Board of Directors as a whole shall have sufficient knowledge of and competence in:

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

8. Proposals to the Annual General Meeting

The Nomination Board shall 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 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. 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.

10. Amending the Charter, fixed dates and language of the Charter

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

In case any fixed date prescribed in this Charter does not fall on a business day, the Charter shall be construed to refer to the business day immediately preceding such fixed date.

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