

# CHARTER OF THE BOARD OF DIRECTORS' REMUNERATION & NOMINATION COMMITTEE OF BOREO

This Charter of the Board of Directors' Remuneration & Nomination Committee (the "**Charter**") was approved by the Board of Directors of Boreo Oyj ("**Boreo**" or the "**Company**") on 28 April 2021.

## 1 Purpose

The Board of Directors has established the Remuneration & Nomination Committee (the "**Committee**") to support the Board of Directors in matters related to nomination and remuneration in order to secure attraction and retention of key talent for management executive positions and nonexecutive director positions of the group.

The primary purpose of the Committee is to:

- Assist the Board of Directors in its oversight and preparation of matters pertaining to corporate governance and reporting related to remuneration in Boreo
- Assist the Board of Directors with monitoring and assessing the effectiveness of group remuneration schemes and preparation of annual reviews, target setting and scheme changes as relevant
- Assist the Board of Directors with succession planning and appointments

## 2 Composition

The Committee shall comprise three to four members appointed by the Board of Directors, including the Chairman of the Committee (the "**Chairman**"). The Chairman will be appointed by the Board of Directors.

The members of the Committee shall meet the independence and expertise as well as other criteria applicable to Remuneration & Nomination Committee members of public listed companies in Finland. The majority of the members shall be independent of the Company as defined in the Corporate Governance Code 2020. In addition, at least one of the members comprising this majority shall be independent of significant shareholders of the Company.

The Committee shall consist of nonexecutive members only. The Committee members shall have adequate expertise and experience taking into account the Committee's responsibility area gained through education, research or experience.

The members of the Committee may be removed or replaced, and any vacancies of the Committee will be filled by the Board of Directors.

## 3 Meetings

A majority of the members of the Committee shall constitute a quorum. The decision shall be made with a simple majority, the Chair having the casting vote.

The Chairman, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings, and shall set meeting agendas in consultation with the group executive management and other relevant parties. The Committee shall meet at least three times per year based upon a schedule established at the first meeting following the appointment of the Committee.

The Committee members shall reserve meeting time also for discussions without members of the group executive management present. The Committee meetings may also be held by web conference, telephone or electronically.

#### **4 Duties and Responsibilities**

The responsibilities of the Committee include:

- monitor compliance and prepare necessary revisions of the Remuneration Policy
- review the annual Remuneration Report
- review remuneration benchmarking data for the President and CEO and other members of management, as well as for the Board of Directors
- review nomination and remuneration of key personnel such as President and CEO and other members of management
- prepare a proposal for the appointment of directors and their remuneration to be presented to the general meeting
- prepare the annual board evaluation process
- review group level salary adjustment budget and incentive scheme target setting
- monitoring and assessing the effectiveness of group remuneration schemes
- evaluate the People & Culture agenda in terms of status and development important for the corporate culture, strategy and succession planning
- prepare and review other tasks given by the Board of Directors to the Committee

The Chairman shall report regularly to the Board of Directors.

#### **5 Authority**

The Committee has the authority to take appropriate actions necessary to perform its duties. Such actions may include:

- Information requests from employees or external parties
- Meetings with group executive management; or
- Meetings without group executive management; or
- Meetings with external advisors

The Chairman of the Board of Directors shall approve the engagement of external advisors.

#### **6 Committee Charter Revision**

The Committee shall review and reassess the adequacy of this Charter periodically and propose any changes it considers necessary to the Board of Directors for approval. The Committee shall conduct an annual evaluation of its performance and working methods and report to the Board of Directors on the results of such evaluation.