

Rules of Procedure for Honkarakenne Oyj's shareholders' nomination committee

1 Purpose of the Nomination Committee

The Shareholders' Nomination Committee (hereinafter 'Nomination Committee') of Honkarakenne Oyj (hereinafter 'the Company') is an organ formed by the shareholders of the Company that is responsible for preparing annual proposals for the election of the members of the Board of Directors and their remuneration to the Annual General Meeting, and, if necessary, to the Extraordinary General Meeting.

The main purpose of the Nomination Committee is to ensure that the Board of Directors and its members maintain and represent sufficient expertise, knowledge and competence to meet the needs of the Company.

In its activities, the Nomination Committee complies with applicable legislation and regulation, such as the rules of the stock exchange and the Finnish Corporate Governance Code ('Corporate Governance Code').

These Rules of Procedure govern the principles of the appointment and composition of the Nomination Committee and define the duties and responsibilities of the Nomination Committee.

2 Appointment and composition of the Nomination Committee

Based on the voting rights of the shares, the four largest shareholders of the company each have the right to appoint one Member to the Nomination Committee. In addition, the Chairman of the Board of Directors acts as an expert member of the Nomination Committee. The Chairman of the Board does not have the right to vote in the Nomination Committee nor are they included when calculating the quorum of the Nomination Committee. The company's own shares are not taken into account when determining the right to appoint members.

The company's biggest shareholders are determined based on the shareholder information registered on the last day of August in the year preceding the Annual General Meeting in the company's shareholder list maintained by Euroclear Finland Oy or elsewhere. Based on the share

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ownership thus determined, the Chairman of the Board of Directors invites the four largest shareholders of the Company to appoint one Member to the Nomination Committee each. If a shareholder does not wish to exercise their right of appointment, the right shall be transferred to the next largest shareholder who would otherwise not have the right to appoint. If more than one shareholder has the same number of votes generated by the shares and all of these shareholders are not entitled to appoint one Member, the issue will be decided between the concerned shareholders by lot performed by the Chairman of the Board of Directors.

Nominee-registered shareholders should be taken into account in the nomination process to the extent possible. If a shareholder who has diversified their holding into several funds, for example, and has an obligation under the Securities Markets Act (746/2012, as amended) to report changes in their holding, requires aggregation of their holdings by notifying the Chairman of the Board of Directors in writing by 15 August of that year at the latest, such shareholder's holdings in several funds or registers are aggregated in the calculation of the voting rights determining the right of appointment.

If the holder of nominee-registered shares wishes to exercise the right of appointment, they shall provide a reliable explanation of the voting rights of the shares they own by 15 August of the year preceding the Annual General Meeting at the latest.

If a group of shareholders has agreed to appoint a joint representative to the Nomination Committee, the votes generated by their holding shall be aggregated in the calculation of the voting rights entitling to appoint a member to the Nomination Committee. However, this is subject to the condition that the shareholders in question submit a joint written request and a copy of the agreement between the shareholders to the Chairman of the Board of Directors by 15 August of the year preceding the Annual General Meeting at the latest.

The Chairman of the Board convenes the first meeting of the Nomination Committee and chairs the Nomination Committee until the Nomination Committee has convened and elected a Chairman from among its members. As a general rule, the representative of the largest shareholder shall be appointed as Chairman, unless they refuse the task. Neither the Chairman of the Board nor the CEO of the Company can be elected as Chairman of the Nomination Committee. The Chairman of the Nomination Committee convenes the meetings after their election.

The Company ensures that the composition of the Nomination Committee is published in a release after the Nomination Committee members have been appointed and the Chairman has been elected. The company also informs about changes in the composition of the Nomination Committee.

The Nomination Committee is set up for the time being until the Annual General Meeting decides otherwise. The members of the Nomination Committee shall be appointed annually and their term ends upon the appointment of new members.

If a shareholder who has appointed a Member to the Nomination Committee no longer belongs to the ten largest shareholders of the Company based on the number of votes produced by the

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shares, the Member appointed by the shareholder shall resign from the Nomination Committee. In such cases, the right to appoint a Member to replace the resigned Member shall be offered to a shareholder who, based on the information in the Company's shareholder list immediately after the transfer of the shares in question and on the settlement date, is the largest shareholder who has not yet appointed a Member to the Nomination Committee. If the shareholder in question does not wish to exercise their right of appointment, the right shall be transferred to the next largest shareholder who would otherwise not have the right to appoint.

If a Member of the Nomination Committee resigns for reasons other than those mentioned above, the shareholder who appointed the Member shall be entitled to nominate a replacement Member independently and at their discretion. Shareholders shall also have the right, on their own initiative, to replace the representative appointed by them during the term of office by informing the Chairman of the Nomination Committee. If the Chairman of the Board resigns from the Board, his successor shall also replace the Chairman of the Board in the Nomination Committee.

3 Duties and remuneration of the Nomination Committee

The duties of the Nomination Committee shall be:

- (a) prepare and present a proposal on the number of Board members to the Annual General Meeting;
- (b) prepare and present a proposal for the remuneration of the members of the Board of Directors and members of the Board's committees and reimbursement of expenses in accordance with the remuneration policy to the Annual General Meeting;
- (c) prepare and present a proposal for the Members of the Board of Directors and the election of the Chairman of the Board and, if applicable, the deputy chairman of the Board to the Annual General Meeting;
- (d) seek candidates for the succession of the Members of the Board of Directors of the Company;

and

- (e) present the rules of procedure of the Nomination Committee to the Annual General Meeting for approval if amendments to the Nomination Committee's Rules of Procedure have been proposed.

Members of the Nomination Committee shall not be remunerated for their membership in the Nomination Committee, but reasonable costs arising from the Nomination Committee's work shall be reimbursed.

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4 Decision-making

The Chairman of the Nomination Committee, after consulting the other members of the Nomination Committee, shall decide on the schedule and frequency of meetings of the Nomination Committee. The Nomination Committee convenes as often as necessary, but at least once (1) every calendar year before the Annual General Meeting, to enable the Nomination Committee to carry out its duties properly. The Nomination Committee may hold additional meetings if necessary.

The Nomination Committee constitutes a quorum when more than half of its members are present. The Nomination Committee shall not take a decision unless all its members have been given the opportunity to consider the matter under consideration and to attend the meeting.

The Nomination Committee shall endeavour to reach consensus in its decision-making. All decisions by the Nomination Committee must be passed by a simple majority of votes and the vote of the Chairman of the Nomination Committee shall be decisive in the event of a tie.

Any decision taken by the Nomination Committee shall be recorded in the minutes. The minutes shall be dated, numbered and kept in a reliable manner. The minutes shall be signed by the Chairman of the Nomination Committee together with at least one Member of the Nomination Committee.

5 The duties of the Chairman of the Nomination Committee

The Chairman of the Nomination Committee shall direct the activities of the Nomination Committee so that the Nomination Committee effectively achieves its objectives and takes due account of shareholders' expectations and the interests of the Company.

The Chairman of the Nomination Committee:

- (a) Convenes the meetings of the Nomination Committee, prepares agendas and materials for the meetings and chairs the meetings of the Nomination Committee;
- (b) Monitors the proper implementation of the planned meetings of the Nomination Committee in line with the planned schedule;
- (c) If necessary, convenes additional meetings of the Nomination Committee and in any event within 14 days of a request by a Member of the Nomination Committee.

6 Preparation of the composition proposal for the Board of Directors

The Nomination Committee shall prepare a proposal for the composition of the Board of Directors to be presented to the Annual General Meeting. However, in accordance with the Limited Liability Companies Act (624/2006, as amended), each shareholder of the company may also submit their proposal directly to the Annual General Meeting.

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When the Nomination Committee prepares a proposal for the composition of the Board of Directors, the Nomination Committee shall also consider the independence requirements of the members of the Board under the Finnish Corporate Governance Code and the results of the annual evaluation of the performance of the Board under the Finnish Corporate Governance Code, as well as other applicable provisions and regulations. The Nomination Committee may also use the services of an external expert to identify and assess suitable candidates if the Company gives prior approval to the costs arising from this.

Members of the Board of Directors must collectively represent diversity and a broad range of qualifications, experience and background. The Board of Directors must have the necessary qualifications and skills as a collective, in particular in:

- (a) Matters relating to the company's industry and business activities;
- (b) The management of a limited liability company of a similar size;
- (c) Group and financial administration;
- (d) Strategy and M&A transactions;
- (e) Internal control and risk management; and
- (f) Corporate governance

The Nomination Committee shall have the right to receive from the Company and the member candidates for the Board of Directors the results of the annual review of the Board's activities, essential information to assess the independence of the prospective Board members and other information reasonably needed for the preparation of the proposal.

7 Proposals to the Annual General Meeting

The Nomination Committee shall submit its proposal to the Board of Directors in good time before the Board of Directors decides to convene the Annual General Meeting, but not later than on 31 January preceding the Annual General Meeting. If a matter to be prepared by the Nomination Committee is to be decided at an Extraordinary General Meeting, the Nomination Committee shall submit its proposal to the Board of Directors in good time for the proposal to be included in the notice of the General Meeting. The proposals of the Nomination Committee shall be published and included in the notice of the General Meeting. The Nomination Committee also presents and justifies its proposals and reports on its activities to the Annual General Meeting.

8 Confidentiality

The members of the Nomination Committee and the shareholders they represent shall keep confidential the information concerning the proposals submitted to the Annual General Meeting

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until the Nomination Committee has made final proposals and the Company has published those proposals.

The obligation of confidentiality of the members of the Nomination Committee and the shareholders they represent also covers other confidential information obtained in connection with the work of the Nomination Committee and the obligation to keep the information confidential shall remain in force for each information until such time as the Company has published that information.

The Chairman of the Nomination Committee or the Chairman of the Board of Directors may, if deemed necessary, propose to the Board that the Company conclude separate confidentiality agreements with the shareholders or their representatives in the Nomination Committee.

9 Amendment of the rules of procedure and termination of the Nomination Committee

The Nomination Committee shall review the content of these Rules of Procedure annually and, if necessary, propose any amendments to the next Annual General Meeting. Changes in the number of members of the Nomination Committee or in the selection process and criteria should always be decided at the General Meeting. The Nomination Committee shall be authorized to make technical updates and corrections to the Rules of Procedure, if necessary.

The Nomination Committee has been set up for the time being. Both the Board of Directors and the Nomination Committee may submit a proposal to the General Meeting to terminate the Nomination Committee. The Annual General Meeting shall decide, if necessary, on the termination of the Nomination Committee.

10 Language of the Rules of Procedure

These Rules of Procedure have been drawn up in Finnish and English. If there are differences between the two versions, the Finnish version shall prevail.

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