

## **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 preparing proposals to the General Meeting for the election and remuneration of the members of the Board of Directors and 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 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 maintained by Euroclear Finland Oy, according to the ownership situation on the first business day of August each year. 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 July 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 nomination right among these shareholders shall be resolved by drawing lots.

The Chairman of the Board of Directors shall request the four largest shareholders of the Company, determined as described above, 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 renunciation of the nomination right cannot be revoked during the term of office of the Nomination Board.

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 Company shall publish the current composition of the Nomination Board in a release in accordance with market practice and the Nasdaq Helsinki Rules.

The term of office of the members of the Nomination Board expires when a new Nomination Board has been appointed in accordance with this Charter. 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 General Meeting a proposal on the remuneration of the members of the Board of Directors;
- (b) to prepare and present to the General Meeting a proposal on the number of the members of the Board of Directors;
- (c) to prepare and present to the 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 General Meeting. However, any shareholder of the Company may also make such a proposal directly to the General Meeting in accordance with the Finnish Companies Act.

The Nomination Board shall receive the results of the annual evaluation of the Board of Directors as well as the assessment of the independence of each member of the Board of Directors from the Company and from the Company's major shareholders. The Nomination Board shall take into account the results of the Board of Directors' evaluation and the requirements for the independence of the members 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 General Meeting**

The Nomination Board shall present and justify its proposals to the 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. If the proposals of the Nomination Board are to be made to an Extraordinary General Meeting, the Nomination Board shall submit its proposals to the Board of Directors in sufficient time to be included in the notice to the Extraordinary General Meeting. The proposals of the Nomination Board will be published in a release of the Company and included in the notice to the General Meeting.

## **6 Confidentiality**

The Nomination Board members and the shareholders they represent shall keep the information regarding the proposals to the 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 or the Chairman of the Company's Board of Directors shall have the right at his/her discretion to decide whether the Company should enter into non-disclosure agreements with the members of the Nomination Board with respect to their duty 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: Juhani Ristaniemi, Senior Vice President - General Counsel

### **DOCUMENT HISTORY**

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