

**GLASTON CORPORATION  
CHARTER OF THE NOMINATION BOARD  
APPROVED AT THE ANNUAL GENERAL MEETING ON 5 APRIL 2016**

## **1. PURPOSE AND TASKS OF THE NOMINATION BOARD**

It is the task of the Nomination Board to prepare and present annually for the Annual General Meeting and, if necessary, for an Extraordinary General Meeting, a proposal concerning the number of Members of the Board of Directors, a proposal on the identities of the Members of the Board of Directors, and a proposal on the remuneration of the Members of the Board of Directors. An additional task of the Nomination Board is to seek candidates as potential Members of the Board of Directors.

In its activities, the Nomination Board complies with current legislation, stock exchange rules applicable to the Company, and the Finnish Corporate Governance Code.

## **2. COMPOSITION OF THE NOMINATION BOARD**

The Nomination Board shall consist of four members, all of whom shall be appointed by the Company's four largest shareholders, who shall appoint one member each. The Chairman of the Company's Board of Directors shall serve as an advisory member of the Nomination Board.

The Company's largest shareholders entitled to appoint members to the Nomination Board shall be determined annually on the basis of the registered holdings in the company's shareholder register held by Euroclear Finland Ltd on the first working day in September. The Chairman of the Board of Directors shall request each of the four largest shareholders to appoint one member to the Nomination Board. In the event that a shareholder presents a written request to the Chairman of the Board of Directors by 30 August of the year preceding the Annual General Meeting, the holdings of the shareholder shall be calculated to also include the holdings of a person equivalent to the shareholder that need to be taken into account when evaluating the requirement to flag changes in holdings under the Securities Markets Act. A nominee-registered shareholder should likewise present a written request to the Chairman of the Board of Directors by 30 August of the year preceding the Annual General Meeting with clarifications of the holdings of the Company's shares, in order that the holdings of the nominee-registered shareholder can be taken into account in connection with determining the right to appoint a representative. In the event that a shareholder does not wish to exercise their right to appoint a representative, the right shall pass to the next-largest shareholder which would not otherwise be entitled to appoint a member to the Nomination Board.

The Nomination Board shall elect a Chairman from among its members. The Chairman of the Board of Directors shall convene the first meeting of the Nomination Board and the Nomination Board's Chairman shall be responsible for convening subsequent meetings. A Nomination Board shall be established to serve until a General Meeting decides otherwise. The members of the Nomination Board shall be appointed annually and the term of office of the members shall expire when new members are appointed to the Board.

Shareholders shall be entitled to replace their appointed member during his or her term of office by informing the Chairman of the Nomination Board of this. A member appointed by a shareholder must resign from the Nomination Board if the shareholder concerned is no longer one of the Company's ten largest shareholders, unless the other members of the Nomination Board unanimously decide otherwise. A right to appoint a member to replace the resigned member shall be offered to the shareholder which, at the time in question, is the largest

shareholder that has not yet appointed a member to the Nomination Board. The members of the Nomination Board shall be independent of the company, and no person belonging to the Company's executive management shall be a member of the Nomination Board.

A report on the activities of the Nomination Board shall be presented at the Annual General Meeting and published on the Company's website.

The members of the Nomination Board shall not be entitled to receive a fee for membership of the Board. The travel expenses of members of the Nomination Board shall be reimbursed in accordance with the Company's travel rules. The Nomination Board may, within the scope of its duties, use external experts at the Company's approved expense to identify and assess candidates as potential Members of the Board of Directors.

### **3. PROPOSALS TO THE ANNUAL GENERAL MEETING**

The Nomination Board shall submit its proposals to the Company's Board of Directors annually by the end of the January preceding the Annual General Meeting. Proposals for an Extraordinary General Meeting shall be submitted to the Company's Board of Directors so that they can be included in the notice to the General Meeting. Individuals proposed as Members of the Board of Directors shall possess the competence required for the task and the possibility to devote a sufficient amount of time to handling the task.

A decision of the Nomination Board shall be the opinion of a majority of the members of Nomination Board. If the votes are tied, then the Chairman's vote shall be decisive. If the votes are tied in the election of the Chairman, the member candidate for Chairman nominated by the shareholder who had the largest number of shares when the Nomination Board was established shall be elected as Chairman.

### **4. CONFIDENTIALITY**

The Nomination Board shall keep the proposals to be made for the General Meeting confidential until they have been published by the Company. The members of the Nomination Board shall be responsible for ensuring the confidentiality of information concerning the Company. The provisions of the Securities Markets Act shall be applied to any insider information that the Nomination Board may receive.