

## **Proposal for the Charter of the Shareholders' Nomination Board**

### **1 Background and purpose**

The Shareholders' Nomination Board (the “**SNB**”) of Elisa Corporation is a body of shareholders responsible for preparing the proposals to the Annual General Meeting and any Extraordinary General Meeting (the “**General Meeting**”) for the composition, appointment and remuneration of the members of the Board of Directors, the Chair and the Deputy Chair of the Board of Directors.

The main purpose of the SNB is to ensure that the Board of Directors and its members maintain and represent a sufficient level of knowledge and competence for the needs of the company and for this purpose to prepare well-founded proposals for the election and remuneration of the members of the Board of Directors to the General Meeting.

### **2 Election and composition of the SNB**

The SNB consists of five (5) members. Four members shall represent the four shareholders who on 31 May preceding the Annual General Meeting represent the largest number of the votes of all shares in the company and who wish to participate in the nomination process. The Chair of the Board of Directors shall be the fifth member of the SNB. The SNB shall elect the Chair from amongst its members.

The Chair of the Board of Directors shall each year request that each of the four largest shareholders of the company based on the shareholdings as at 31 May nominate a member to the SNB. The right to nominate shareholder representatives shall be vested with the four shareholders of the company having the largest share of votes in the company on 31 May preceding the Annual General Meeting. Should a shareholder not wish to exercise its right to appoint a member, the right shall be transferred to the next largest shareholder. The largest shareholders shall be determined on the basis of the shareholdings registered in the Finnish book-entry system.

The largest shareholders are determined on the basis of the shareholdings registered in the book-entry system. In case two shareholders own an equal number of shares and votes and representatives of both shareholders cannot be appointed to the SNB, the decision shall be made by drawing lots.

Shareholder, who has divided its ownership e.g. into a number of funds and has an obligation to disclose changes in its shareholding under the Finnish Securities Markets Act (“**Flagging Obligation**”), has a right to demand that its shareholding be counted as one by notifying the Chair of the Board of Directors in writing by 31 May preceding the Annual General Meeting. However, such shareholders whose ownership is, or should be, combined for the purposes of the Flagging Obligation may not appoint more than one member to the SNB, regardless of how their ownership is structured, regardless whether a demand to count the shareholding as one is made and regardless whether the shareholding counted together actually triggers the Flagging Obligation or remains below such threshold. To avoid such multiple appointments, the Chair of the Board of Directors has the discretion to determine whether such shareholders’ holdings should be counted together, even when they are technically separated.

Term of the office of the SNB expires after the new SNB has been appointed.

Should a shareholder divest more than half of its shareholding, and as result of the divestment no longer be amongst the ten largest shareholders of Elisa Corporation, the appointed representative of such shareholder shall resign. The appointed representative shall exclude themselves from the work of the SNB or resign in case of conflict of interest. The SNB may appoint a new member to replace a prematurely vacated seat. It is in the discretion of the SNB to offer a vacant seat to a shareholder of Elisa Corporation. The SNB must decide on replacements if the number of the SNB members decreases to less than three during its term of office.

### 3

## **Decision-making**

The SNB shall have a quorum when at least four (4) of its members are present. No decision shall be made, unless all members have been reserved the possibility to consider the matter and participate in the meeting. If the number of members of the SNB has decreased during its term of office due to circumstances described above, the SNB shall have a quorum when all members save for one are present.

The SNB shall strive to reach decisions by unanimity. If consensus cannot be reached, a proposal supported by at least four (4) members of the SNB shall become the decision of the SNB. If the number of members of the SNB has decreased during its term of office due to circumstances described above, the requisite majority shall be all members save for one.

If the SNB is unable to obtain a sufficient majority of its members to support its decision, the SNB shall inform the Board of Directors that it is unable to make a proposal, in which case the Board shall make the proposal to the General Meeting. All decisions of the SNB must be recorded in the SNB's minutes. The minutes shall be dated and numbered and preserved in a safe manner. The minutes shall be signed by the Chair together with at least one SNB member.

The SNB may also convene over a technical platform.

### 4

## **Duties of the SNB**

The duties of the SNB shall include:

- prepare the proposal to the General Meeting on matters pertaining to the remuneration of the members of the Board of Directors
- prepare the proposal to the General Meeting on the number of the members of the Board of Directors
- prepare the proposal to the General Meeting on the appointment of the members of the Board of Directors
- prepare the proposal to the General Meeting on the appointment of the Chair and the Deputy Chair of the Board of Directors
- take care of the succession planning of the members of the Board of Directors
- present the proposal to the General Meeting on matters pertaining to the remuneration of the members of the Board of Directors
- present the proposal to the General Meeting on the number of the members of the Board of Directors
- present the proposal to the General Meeting on the appointment of members of the Board of Directors
- present the proposal to the General Meeting on the appointment of the Chair and the Deputy Chair of the Board of Directors
- answer shareholders' questions in the General Meeting.

#### **4.1**

### **General rules on preparing the proposal**

The proposal to be presented to the General Meeting on the composition, appointment and remuneration of the Board of Directors is prepared by the SNB or, if the SNB is not able to make a decision, by the Board of Directors. However, any shareholder of the company may also make such a proposal directly to the General Meeting.

The performance of the current Board of Directors is assessed annually and the results are notified to the SNB when it prepares the proposal for the composition of the new Board of Directors. The SNB shall take the results of the assessment duly into account in the SNB work. The SNB may hear other shareholders and also employ the services of an outside consultant for candidate search.

#### **4.2 Qualifications for the members of the Board of Directors**

The Board of Directors of the company shall be professionally competent and as a group have sufficient knowledge of, competences and qualifications in the company's field of business and markets.

In order to ensure the required competence and composition of the Board, the SNB shall take into due consideration the relevant legislation and requirements set out in the recommendations of the Finnish Corporate Governance Code.

In particular, the Board of Directors as a group shall have sufficient knowledge of and competence in:

- The company's field of business and markets
- The management of a publicly traded company of corresponding size
- Financial management
- Risk management
- Strategy and corporate transactions
- Corporate governance

In addition to the aforementioned, the SNB shall consider the independence requirements of the Finnish Corporate Governance Code and the relevant Stock Exchange rules.

#### **5 Tasks of the Chair**

The task of the Chair of the SNB is to direct the activities of the SNB in such way that the SNB achieves its objectives efficiently and observes the expectations of the shareholders and interests of the company.

In this context the Chair:

convenes and chairs the meetings of the SNB, and supervises that the SNB meetings set out in the timetable are convened, and convenes unscheduled meetings, if judging these to be necessary, or if requested by a SNB member, to be held within 14 days of the date of request.

#### **6 Proposals to the General Meeting**

The SNB shall present and explain its proposals to the General Meeting. The proposals shall be included in the notice of the General Meeting and, with respect to the Annual General Meeting, the SNB must submit its proposals to the Board of Directors at the latest on 1 February preceding the meeting.

The SNB shall also provide a report to the General Meeting on how its work was conducted. The above-mentioned information shall be published on the website of the company.

#### **7 Confidentiality**

The SNB members and shareholders they represent shall keep the information regarding the proposals confidential until the final decision has been made by the SNB and published by the company. The Chair of

the SNB shall have the right at their discretion to decide whether the company enters into non-disclosure agreements with the shareholder or its representative in the SNB.

## **8 Amendments to this charter and authorization**

The SNB shall review this charter annually and propose possible changes to the Annual General Meeting. Material changes, such as changes to the number of members in the SNB and their election process will be decided by the General Meeting. The SNB is authorized to execute necessary technical updates and amendments to this charter. In addition to the SNB, the Board of Directors may propose changes to the charter.